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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  
2017 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: Yuan 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	67,698,491,842	66,245,531,030	2.19
Net assets attributable to equity holders	22,522,223,642	19,764,171,955	13.95
	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	2,682,348,804	2,279,947,465	17.65
Revenue	52,864,840,498	32,991,402,706	60.24
Net profit attributable to equity holders of the Company	2,739,863,801	759,428,563	260.78
Net profit excluding non-recurring gains or losses attributable to equity holders of the Company	2,636,058,869	710,186,910	271.18
Return on net assets (weighted average) (%)	12.96	4.03	Increased by 8.93 percentage points
Basic earnings per share (RMB/share)	0.3558	0.0986	260.85
Diluted earnings per share (RMB/share)	0.3558	0.0986	260.85

## Items and amount of non-recurring gains or losses

*Unit: Yuan Currency: RMB*

<b>Item</b>	<b>Amount for the reporting period (July – September)</b>	<b>Amount from the beginning of the year to the end of the reporting period (January – September)</b>
Profit/(losses) from disposal of non-current assets	-152,277	-43,059,389
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)	0	68,914,690
Government grants related to the Company's normal business	53,593,686	137,157,062
Employee termination benefits	0	-46,825,916
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	-61,192,369	-3,789,546
Investment income – Others	0	736,943
Reversal of provision for trade receivables assessed for impairment individually	0	1,207,196
Non-operating income and expenses other than the above items	1,376,019	-5,227,560
Impact of non-controlling interests (after tax)	337,845	-396,818
Impact of income tax	-2,435,338	-4,911,730
Total	-8,472,434	103,804,932

## 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 246,569

### 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 Status	Volume	Type of shareholders
Magang (Group) Holding Co., Limited	3,506,467,456	45.54	0	Pledged	800,000,000	State-owned shareholder
Hong Kong Securities Clearing Company Nominees Limited	1,713,713,900	22.25	0	Unknown	Unknown	Unknown
Central Huijin Investment Ltd.	142,155,000	1.85	0	Unknown	Unknown	State-owned shareholder
China Life Insurance Company Limited-Dividend-Personal Dividend-005L-FH002 SH	35,885,809	0.47	0	Unknown	Unknown	Unknown
Bank of Communications Co., Ltd. – Guotai Jinying Growth Flexible Allocation Hybrid Securities Investment Fund	33,000,000	0.43	0	Unknown	Unknown	Unknown
China Construction Bank Corporation – Guotai Value Classic Flexible Allocation Hybrid Securities Investment Fund (LOF)	32,000,090	0.42	0	Unknown	Unknown	Unknown
China Construction Bank Corporation – Rongtong Leading Growth Hybrid Securities Investment Fund	28,993,912	0.38	0	Unknown	Unknown	Unknown
Tianan Property Insurance Company Limited – Guarantee Profit No. 1	27,979,975	0.36	0	Unknown	Unknown	Unknown
Haitong Securities Co., Ltd.	25,000,000	0.32	0	Unknown	Unknown	Unknown
Li Xiaozhong	16,464,955	0.21	0	Unknown	Unknown	Unknown

## 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	1,713,713,900	Overseas-listed shares	1,713,713,900
Central Huijin Investment Ltd.	142,155,000	RMB-denominated ordinary shares	142,155,000
China Life Insurance Company Limited-Dividend-Personal Dividend-005L-FH002 SH	35,885,809	RMB-denominated ordinary shares	35,885,809
Bank of Communications Co., Ltd.– Guotai Jinying Growth Flexible Allocation Hybrid Securities	33,000,000	RMB-denominated ordinary shares	33,000,000
China Construction Bank Corporation – Guotai Value Classic Flexible Allocation Hybrid Securities Investment Fund (LOF)	32,000,090	RMB-denominated ordinary shares	32,000,090
China Construction Bank Corporation – Rongtong Leading Growth Hybrid Securities Investment Fund	28,993,912	RMB-denominated ordinary shares	28,993,912
Tianan Property Insurance Company Limited – Guarantee Profit No. 1	27,979,975	RMB-denominated ordinary shares	27,979,975
Haitong Securities Co., Ltd.	25,000,000	RMB-denominated ordinary shares	25,000,000
Li Xiaozhong	16,464,955	RMB-denominated ordinary shares	16,464,955

Notes on the above shareholders' affiliated relation or concerted action

Magang (Group) Holding Co., Limited has no affiliated relation with any of the other foregoing shareholders, nor is it a person acting in concerted 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 concerted action.

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

Applicable     Not Applicable

### **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, China's GDP increased by 6.8% year-on-year, representing a slight growth. Price of steel soared in July and August but fell in September. In late September, the domestic steel price index was 113.82, representing year-on-year growth of 50.64%. From July to September, the average value of the domestic steel price index was 111.74, representing year-on-year growth of 49.94%. The price trend of iron ore was close to price of steel and the price of coking coal increased.

During the period from July to September, the Company and its subsidiaries (the "Group") produced an aggregate of 4.29 million tonnes of pig iron, representing year-on-year decrease of 3.38%; an aggregate of 4.72 million tonnes of crude steel, representing year-on-year growth of 1.07%; an aggregate of 4.38 million tonnes of steel products, representing year-on-year decrease of 1.79%. During the period from January to September, the Group produced an aggregate of 13.60 million tonnes of pig iron, 14.69 million tonnes of crude steel and 13.81 million tonnes of steel products, representing a year-on-year increase of 5.71%, 8.08% and 6.81%, respectively. According to the PRC Accounting Standards, the Group's operating revenue amounted to RMB52,865 million. Net profit attributable to shareholders of the Company was RMB2,740 million.

In the fourth quarter, the Company will carefully plan and strike dynamic balance, ensuring full load operation of key production line. On the basis of assuring stable and smooth production, further firmly establish and enhance market awareness, quality awareness and brand awareness of all staff, 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 increased by 153.81% as compared to the end of last year, mainly due to the increased holding of fund products by Magang Group Finance Co., Lt. ("Finance Company").
- (2) Notes receivable grew by 83.12% as compared to the end of last year, mainly due to the increase of steel price during the reporting period led to increase of bills received by sales products and the decrease of endorsement and transfer of bills receivable.

- (3) Interest receivable decreased by 31.90% as compared to the end of last year, mainly due to the decrease of interest receivable of deposit of commercial banks by Finance Company.
- (4) Other receivables increased by 166.31% as compared to the end of year, mainly due to the increase of futures margin of steel in this period.
- (5) Financial assets purchased under agreements to resell increased by 164.32% as compared to the end of year, mainly due to the launch of reverse repurchase business by the Finance Company in this period.
- (6) Held-to-maturity investments of RMB304,076,591 as compared to zero at the end of last year, mainly due to treasury bonds and local government debts intended to be held-to-maturity and purchased by the Finance Company in this period.
- (7) Loans from other institution amounted to RMB200,000,000 as compared to zero at the end of last year, mainly due to the increase in deposits received from banks.
- (8) Repurchase agreements decreased by 89.94% as compared to the end of last year, mainly due to the decrease in bills and bonds rediscount with other financial institutions by the Finance Company in this period.
- (9) Short-term loans decreased by 40.13% as compared to the end of last year, mainly due to the payment of short-term loans which were due.
- (10) Tax payable increased by 68.21% as compared to the end of last year, mainly due to the rise in outstanding tax payable by some subsidiaries at the end of this period as compared to the end of last year.
- (11) Interest payable decreased by 42.72% as compared to the end of last year, mainly due to the payment of interests of medium-term notes.
- (12) Non-current liabilities due within one year increased by 41% as compared to the end of last year, mainly because the three-year medium-term notes issued in July and August in 2015 will be due within one year.

- (13) Accrued liabilities increased by 37.74% as compared to the end of last year, mainly due to the increase in the expected loss of the contract to be performed by the subsidiary of the Group, MG-VALDUNES S.A.S.
- (14) Other current liabilities increased by 42.20% as compared to the end of last year, mainly due to the redemption of RMB2 billion one-year short-term financing notes issued in the previous year during the reporting period and the issuance of RMB3 billion one-year short-term financing bills in this period.
- (15) Long-term loans increased by 52.01% as compared to the end of last year, mainly due to the Company's new long-term loans in this period.
- (16) Bonds payable was zero as compared to RMB3,987,666,667 at the end of previous year, mainly because the three-year medium-term notes issued in July and August in 2015 by the Company will be due within one year and had been reclassified as non-current liabilities due within one year.
- (17) Long-term payable was RMB210,000,000 as compared to zero at the end of last year, mainly because Ma Steel (Hefei) Plates Co., Ltd. borrowed interest-free borrowings from Hefei Industrial Investment Holding Co., Ltd.
- (18) Special reserve increased by 34.43% as compared to the end of last year, mainly due to the withdrawal of safety production fee exceeded the actually used amount.
- (19) Retained profits amounted to RMB2,549,295,179, and increased by RMB2,739,863,801 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 as compared to the same period of last year in the consolidated financial statements and the reasons for such changes:

- (1) The year-on-year increase of revenue was 60.24%, mainly resulting from the higher selling price and sales volume of steel.
- (2) The year-on-year increase of cost of sales was 60.93%, mainly resulting from the higher purchasing price of raw materials and fuels and the higher sales volume of steel.



- (3) The year-on-year increase of taxes and surcharges increased by 277.09%, mainly due to the increase of city construction tax and other surcharges due to the year-on-year increase of value-added taxes, as well as the inclusion of property taxes, land use tax, vehicle and vessel use tax and stamp duty arising from operating activities (which were accounted for as administrative expenses) in taxes and surcharges as a result of the Value-added Tax Accounting Treatment Rules (Accounting [2016] No. 22).
- (4) The year-on-year decrease of impairment loss on assets was 86.82%, mainly resulting from the year-on-year decrease in provision for impairment of inventory, which was due to the rising price of steel products amidst fluctuations.
- (5) The gains on the change of fair value amounted to RMB-949,791, representing a year-on-year decrease of RMB24,230,384, mainly resulting from the closing out of futures positions during the period and the transfer of gains or losses to investment income.
- (6) The year-on-year increase of investment income was 271.84%, mainly resulting from the year-on-year increase of net profit of associated companies and joint ventures, as well as the revenue generated from the financial products and wealth investment products of Masteel Financial.
- (7) Other income was RMB137,157,062 for the period as compared to nil as in the same period of last year, mainly attributable to the effect of “China Accounting Standard No. 16 – Government Grants” (Revised in 2017) (Accounting [017] No. 15), where government grants related to daily operations, which used to be included in non-operating income, are accounted for as other income.
- (8) The year-on-year decrease of non-operating income was 54.97%, mainly attributable to the effect of “China Accounting Standard No. 16 – Government Grants” (Revised in 2017) (Accounting [017] No. 15), pursuant to which government grants related to daily operations are not included in non-operating income.
- (9) The year-on-year increase of non-operating expenses was 2,065.46%, mainly resulting from the increase in loss of fixed assets disposed of and retired due to the demolition of equipment for environmental reasons during the period.
- (10) The year-on-year increase of income tax expenses was 532.41%, mainly resulting from the increase of profitability of certain subsidiaries during the period.

- (11) Net profit attributable to owners of the parent increased 260.78% as compared to the same period of last year, mainly due to an increase of gross profit of steel products in this period.
- (12) Profit or loss attributable to non-controlling interests increased 7,223.94% 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.
- (13) Differences in the conversion of foreign currencies in financial statements decreased by 82.76% as compared to the same period of last year, mainly due to the currencies used by foreign subsidiaries have strengthened against Renminbi.
- (14) The net cash inflows from operating activities amounted to RMB2,682,348,804, representing a year-on-year increase of 17.65%, mainly due to the increase in profit during the period, which led to higher cash inflow.
- (15) The net cash outflows from investing activities amounted to RMB1,812,313,527, representing a year-on-year increase of 72.23%, mainly due to the increase of cash paid by Finance Company for investment such as purchasing financial assets as compared with the same period last year.
- (16) The net cash outflows from financing activities amounted to RMB2,176,198,692, representing a year-on-year increase of 18.84%, mainly due to the increase of cash paid for repayment of borrowings as compared with the same period last year.

### **3.2 Analysis on progress, impacts and solutions of significant matters**

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>.

Magang (Group) Holding Co., Ltd. achieved better manufacturing operation since January to September 2017. However, due to the deepening of deleveraging in the industry, the overall capital side was relatively tight and the fund raised by far has not reached the planned amount. Magang (Group) Holding Co., Ltd. will actively strive to raise fund in the premise to ensure manufacturing operation as well as steady fund operation, implement its plan on increasing shareholding in compliance with the laws and regulations and strictly carry out its disclosure obligations.

### 3.3 Commitments not fulfilled within the reporting period

Applicable     Not Applicable

### 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.

In 2016, net profit of the Group attributable to the shareholders of the Company was RMB1,229 million. As of the end of the third quarter of 2017, net profit of the Group attributable to the shareholders of the Company was RMB2,740 million, and the Company is likely to stay in profit for the fourth quarter. Thus, the Company expects a significant year-on-year growth of accumulated net profit of the Group from the beginning of the year to the end of the next reporting period.

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

26 October 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*

## 4. APPENDIX

### 4.1 Financial Statement

**Maanshan Iron & Steel Company Limited**  
**Consolidated Statement of Financial Position**  
*30 September 2017*  
*Renminbi Yuan*

	<b>30 September 2017 Unaudited</b>	31 December 2016 Audited
<b>CURRENT ASSETS:</b>		
Cash and bank balances	4,025,893,859	5,312,101,041
Financial assets at fair value through profit or loss	1,409,462,319	555,322,261
Notes receivables	6,607,958,808	3,608,459,121
Trade receivables	949,807,958	859,929,107
Prepayments	671,394,463	925,051,274
Interest receivable	2,754,565	4,044,939
Other receivables	339,850,448	127,614,834
Financial assets purchased under agreements to resell	608,066,200	230,047,000
Inventories	10,473,757,426	10,548,061,832
Loans and advances to customers	1,293,255,590	1,555,212,556
Held-to-maturity investments	253,275,804	–
Other current assets	875,881,615	692,471,233
<b>Total current assets</b>	<b>27,511,359,055</b>	<b>24,418,315,198</b>
<b>NON-CURRENT ASSETS:</b>		
Available-for-sale financial investments	677,095,745	577,947,698
Held-to-maturity investments	50,800,787	–
Long term equity investments	1,435,454,669	1,239,776,313
Investment properties	57,522,110	58,833,998
Property, plant and equipment	33,387,340,540	35,522,601,715
Construction in progress	2,369,550,704	2,258,191,398
Intangible assets	1,885,155,973	1,821,768,927
Deferred tax assets	324,212,259	348,095,783
<b>Total of non-current assets</b>	<b>40,187,132,787</b>	<b>41,827,215,832</b>
<b>Total of assets</b>	<b>67,698,491,842</b>	<b>66,245,531,030</b>

**Maanshan Iron & Steel Company Limited**  
**Consolidated Statement of Financial Position** (Continued)  
*30 September 2017*  
*Renminbi Yuan*

	<b>30 September 2017 Unaudited</b>	31 December 2016 Audited
<b>CURRENT LIABILITY:</b>		
Short-term loans	4,157,009,694	6,942,952,420
Deposits and deposits by bank	3,097,180,299	3,708,225,021
Loans from other institution	200,000,000	–
Notes payables	4,056,819,865	3,584,228,362
Accounts payables	6,474,116,969	6,668,807,923
Advances from customers	4,305,397,902	3,682,322,418
Repurchase agreements	60,000,000	596,565,698
Payroll and employee benefits payable	434,764,648	550,444,683
Taxes payable	461,279,217	274,232,114
Interest payable	61,681,040	107,691,398
Dividends payable	9,050,620	8,713,584
Other payables	1,469,232,116	1,912,575,078
Non-current liabilities due within one year	4,527,514,250	3,211,056,320
Accrued liabilities	40,743,212	29,580,435
Other current liabilities	3,232,318,219	2,273,058,356
	<b>32,587,108,051</b>	33,550,453,810
<b>Total of current liabilities</b>		
 <b>NON-CURRENT LIABILITIES:</b>		
Long-term loans	7,848,581,178	5,163,168,960
Bonds payable	–	3,987,666,667
Long-term payables	210,000,000	–
Long-term employee benefits payable	162,910,945	159,173,203
Deferred income	1,303,617,268	1,269,496,538
Deferred tax liabilities	36,608,654	35,065,411
	<b>9,561,718,045</b>	10,614,570,779
<b>Total of non-current liabilities</b>		
	<b>42,148,826,096</b>	44,165,024,589
<b>Total liabilities</b>		

**Maanshan Iron & Steel Company Limited**  
**Consolidated Statement of Financial Position** (Continued)  
*30 September 2017*  
*Renminbi Yuan*

	<b>30 September 2017 Unaudited</b>	31 December 2016 Audited
<b>EQUITY</b>		
Share capital	7,700,681,186	7,700,681,186
Capital reserve	8,348,606,325	8,348,726,741
Other comprehensive income	-110,584,962	-119,263,454
Special reserve	37,599,381	27,969,571
Surplus reserve	3,843,231,617	3,843,231,617
General reserve	153,394,916	153,394,916
Retained profits	2,549,295,179	-190,568,622
Total equity attributable to owners of the parent	<b>22,522,223,642</b>	19,764,171,955
Non-controlling interests	<b>3,027,442,104</b>	2,316,334,486
<b>Total owners' equity</b>	<b>25,549,665,746</b>	22,080,506,441
<b>Total liabilities and owners' equity</b>	<b>67,698,491,842</b>	66,245,531,030

*Legal representative:*  
**Ding Yi**

*Person-in-charge of  
accounting operations:*  
**Qian Haifan**

*Person-in-charge of the  
Accounting Department:*  
**Xing Qunli**

**Maanshan Iron & Steel Company Limited**  
**Statement of Financial Position of Parent Company**  
*30 September 2017*  
*Renminbi Yuan*

	<b>30 September 2017 Unaudited</b>	31 December 2016 Audited
<b>CURRENT ASSETS:</b>		
Cash and bank balances	2,933,778,264	3,851,576,750
Financial assets at fair value through profit or loss	–	3,789,546
Notes receivables	6,002,176,826	3,518,320,171
Trade receivables	2,256,581,785	1,953,223,578
Prepayments	522,640,250	649,277,673
Dividends receivable	6,356,770	5,672,730
Other receivable	198,442,794	41,040,509
Inventories	6,839,657,944	7,370,937,053
Other current assets	294,632,327	294,632,327
	<b>19,054,266,960</b>	17,688,470,337
<b>Total current assets</b>		
<b>NON-CURRENT ASSETS:</b>		
Available-for-sale financial investments	126,722,160	126,722,160
Long-term equity investments	8,579,020,273	7,152,166,287
Investment properties	71,969,292	73,988,855
Property, plant and equipment	25,192,378,469	27,272,692,483
Construction in progress	1,896,823,642	1,629,607,224
Intangible assets	911,767,239	933,763,504
Deferred tax assets	256,426,674	261,808,739
	<b>37,035,107,749</b>	37,450,749,252
<b>Total non-current assets</b>		
	<b>56,089,374,709</b>	55,139,219,589
<b>Total assets</b>		

**Maanshan Iron & Steel Company Limited**  
**Statement of Financial Position of Parent Company (Continued)**  
*30 September 2017*  
*Renminbi Yuan*

	<b>30 September 2017 Unaudited</b>	31 December 2016 Audited
<b>CURRENT LIABILITIES:</b>		
Short-term loans	3,101,757,905	4,617,240,417
Notes payables	2,913,450,000	2,766,056,791
Accounts payable	4,831,305,254	5,708,282,008
Advances from customers	2,766,844,319	2,396,866,345
Payroll and employee benefits payable	300,395,147	436,242,207
Taxes payable	200,945,937	165,339,271
Interest payable	37,807,406	104,959,511
Dividends payable	6,569,410	6,525,534
Other payables	1,004,466,229	1,502,658,072
Non-current liabilities due within one year	5,962,955,296	4,448,099,900
Other current liabilities	3,232,318,219	2,273,058,356
<b>Total current liabilities</b>	<b>24,358,815,122</b>	24,425,328,412
<b>NON-CURRENT LIABILITY:</b>		
Long-term loans	10,096,695,168	7,113,168,960
Bonds payable	–	3,987,666,667
Long-term salary payable	128,918,669	127,425,119
Deferred income	567,840,956	556,222,033
<b>Total non-current liabilities</b>	<b>10,793,454,793</b>	11,784,482,779
<b>Total liabilities</b>	<b>35,152,269,915</b>	36,209,811,191
<b>EQUITY:</b>		
Share capital	7,700,681,186	7,700,681,186
Capital reserve	8,357,897,061	8,358,017,477
Special reserve	12,130,178	3,827,107
Surplus reserves	2,993,175,001	2,993,175,001
Retained profits	1,873,221,368	–126,292,373
<b>Total equities</b>	<b>20,937,104,794</b>	18,929,408,398
<b>Total liabilities and owners' equity</b>	<b>56,089,374,709</b>	55,139,219,589

*Legal representative:*  
**Ding Yi**

*Person-in-charge of  
accounting operations:*  
**Qian Haifan**

*Person-in-charge of the  
Accounting Department:*  
**Xing Qunli**



**Maanshan Iron & Steel Company Limited**  
**Consolidated Statement of Profit or Loss**  
*For the nine months ended 30 September 2017*  
*Renminbi Yuan*

	July-September 2017 Unaudited	July-September 2016 Unaudited	January-September 2017 Unaudited	January-September 2016 Unaudited
<b>Total revenue</b>	<b>17,677,260,858</b>	11,990,240,146	<b>52,864,840,498</b>	32,991,402,706
Including: Revenue	<b>17,677,260,858</b>	11,990,240,146	<b>52,864,840,498</b>	32,991,402,706
Total operating cost	<b>16,314,126,305</b>	11,733,825,557	<b>49,663,396,710</b>	32,462,714,936
Including: Cost of sales	<b>15,246,534,242</b>	10,751,281,887	<b>46,555,154,382</b>	28,928,589,376
Taxes and surcharges	<b>232,271,637</b>	41,557,557	<b>554,872,156</b>	147,144,504
Selling expenses	<b>214,665,999</b>	166,295,120	<b>626,822,136</b>	484,234,072
General and administrative expenses	<b>367,924,065</b>	368,096,866	<b>1,037,943,035</b>	1,416,565,997
Financial expenses	<b>252,103,859</b>	256,998,845	<b>780,311,241</b>	664,253,289
Impairment losses	<b>626,503</b>	149,595,282	<b>108,293,760</b>	821,927,698
Add: Gains on changes in fair value	<b>-15,098,133</b>	19,819,002	<b>-949,791</b>	23,280,593
Investment income	<b>244,960,208</b>	64,264,276	<b>531,588,225</b>	142,961,901
Including: share of profits of associates and joint ventures	<b>137,676,834</b>	69,959,294	<b>378,773,427</b>	139,306,220
Other income	<b>53,593,686</b>	-	<b>137,157,062</b>	-
<b>Operating profit</b>	<b>1,646,590,314</b>	340,497,867	<b>3,869,239,284</b>	694,930,264
Add: Non-operating income	<b>3,509,393</b>	24,435,288	<b>74,216,513</b>	164,827,190
including: profit from disposal of non-current assets	<b>484,352</b>	-	<b>1,292,356</b>	154,474
Less: non-operating expenses	<b>2,285,650</b>	725,959	<b>53,588,771</b>	2,474,701
including: loss from disposal of non-current assets	<b>636,627</b>	86,892	<b>44,351,743</b>	1,063,851
<b>Profit before tax</b>	<b>1,647,814,057</b>	364,207,196	<b>3,889,867,026</b>	857,282,753
Less: Income tax expense	<b>230,717,994</b>	27,759,087	<b>568,637,165</b>	89,916,308
<b>Net profit</b>	<b>1,417,096,063</b>	336,448,109	<b>3,321,229,861</b>	767,366,445
Net profit attributable to owners of the parent	<b>1,096,467,287</b>	306,675,592	<b>2,739,863,801</b>	759,428,563
Non-controlling interests	<b>320,628,776</b>	29,772,517	<b>581,366,060</b>	7,937,882

**Maanshan Iron & Steel Company Limited**  
**Consolidated Statement of Profit or Loss (Continued)**  
*For the nine months ended 30 September 2017*  
*Renminbi Yuan*

	July-September 2017 Unaudited	July-September 2016 Unaudited	January-September 2017 Unaudited	January-September 2016 Unaudited
<b>Other net comprehensive income, net of tax</b>	<b>-1,526,740</b>	9,350,658	<b>7,007,296</b>	48,971,077
Other comprehensive income attributable to owners of the parent, net of tax	-1,165,555	9,245,082	7,874,886	48,492,700
Other comprehensive income to be reclassified to profit or loss in subsequent periods	-1,165,555	9,245,082	7,874,886	48,492,700
Gains/losses from fair value changes of available-for-sale financial investments	294,849	-	-485,921	-
Exchange differences on translation of foreign operations	-1,460,404	9,245,082	8,360,807	48,492,700
Other net comprehensive income after tax attributable to non-controlling interests	-361,185	105,576	-867,590	478,377
<b>Total comprehensive income</b>	<b>1,415,569,323</b>	345,798,767	<b>3,328,237,157</b>	816,337,522
Total comprehensive income attributable to owners of the parent	1,095,301,732	315,920,674	2,747,738,687	807,921,263
Total comprehensive income attributable to Non-controlling interests	320,267,591	29,878,093	580,498,470	8,416,259
<b>Earnings per share :</b>				
Basic earnings per share	0.1424	0.0398	0.3558	0.0986
Diluted earnings per share	0.1424	0.0398	0.3558	0.0986

*Legal representative:*  
**Ding Yi**

*Person-in-charge of  
accounting operations:*  
**Qian Haifan**

*Person-in-charge of the  
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**Xing Qunli**

**Maanshan Iron & Steel Company Limited**  
**Statement of Profit or Loss of Parent Company**  
*For the nine months ended 30 September 2017*  
*Renminbi Yuan*

	July-September 2017 Unaudited	July-September 2016 Unaudited	January-September 2017 Unaudited	January-September 2016 Unaudited
<b>Revenue</b>	<b>14,006,102,853</b>	9,836,985,816	<b>43,192,734,305</b>	27,895,097,537
Less: Cost of sales	<b>12,722,814,466</b>	8,976,099,721	<b>39,585,735,682</b>	24,733,762,108
Taxes and surcharges	<b>140,335,523</b>	29,431,494	<b>377,938,841</b>	102,390,031
Selling expenses	<b>91,563,181</b>	78,072,968	<b>277,757,944</b>	229,086,693
General and administrative expenses	<b>261,559,649</b>	239,730,290	<b>688,362,356</b>	700,595,535
Financial expenses	<b>267,248,069</b>	215,780,704	<b>792,268,001</b>	631,181,038
Impairment losses	–	148,945,268	<b>94,777,557</b>	770,037,994
Add: Gain on changes in fair value	<b>–1,515,998</b>	19,246,955	<b>–3,789,546</b>	15,588,748
Investment income	<b>215,430,877</b>	54,986,945	<b>513,404,500</b>	122,080,737
Including: share of profits of associates and joint ventures	<b>137,676,834</b>	69,959,294	<b>378,773,427</b>	139,306,220
Other income	<b>25,163,410</b>	–	<b>101,177,965</b>	–
<b>Operating profit</b>	<b>761,660,254</b>	223,159,271	<b>1,986,686,843</b>	865,713,623
Add: Non-operating income	<b>489,826</b>	19,807,493	<b>69,887,188</b>	132,374,952
Including: profit from disposal of non-current assets	<b>373,577</b>	–	<b>665,575</b>	–
Less: Non-operating expenditure	<b>935,518</b>	306,502	<b>51,678,224</b>	1,308,568
Including: loss from disposal of non-current assets	<b>654,469</b>	86,892	<b>44,237,517</b>	702,103
<b>Profit before tax</b>	<b>761,214,562</b>	242,660,262	<b>2,004,895,807</b>	996,780,007
Less: income tax expense	–	–	<b>5,382,066</b>	78,585,194
<b>Net profit</b>	<b>761,214,562</b>	242,660,262	<b>1,999,513,741</b>	918,194,813
Other comprehensive income attributable to owners of the parent, net of tax	–	–	–	–
<b>Total comprehensive income</b>	<b>761,214,562</b>	242,660,262	<b>1,999,513,741</b>	918,194,813

*Legal representative:*  
**Ding Yi**

*Person-in-charge of  
accounting operations:*  
**Qian Haifan**

*Person-in-charge of the  
Accounting Department:*  
**Xing Qunli**

**Maanshan Iron & Steel Company Limited**  
**Consolidated Statement of Cash Flow**  
*For the nine months ended 30 September 2017*  
*Renminbi Yuan*

	<b>For the nine months ended</b>	
	<b>30 September</b>	
	<b>2017</b>	<b>2016</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>I. Cash flow from operating activities:</b>		
Cash received from sale of goods and rendering service	<b>55,571,282,395</b>	35,922,882,724
Cash received for interest charges, fees and commissions	<b>78,227,565</b>	44,359,304
Net increase in customer deposits and deposits from banks	–	733,163,934
Net decrease in deposits in central bank	<b>8,270,668</b>	19,292,452
Net decrease in loans and advances to customers	<b>261,956,967</b>	–
Net increase in repurchase agreements of financial assets	–	24,000,000
Tax refunds received	–	116,998,205
Cash received relating to other operating activities	<b>97,341,231</b>	63,499,331
	<hr/> <b>56,017,078,826</b>	<hr/> 36,924,195,950
Sub-total of cash inflows		
Cash paid for purchase of goods and services	<b>45,616,961,784</b>	28,759,607,604
Net increase of client credit and advances	–	605,480,885
Net decrease in repurchase agreements of financial assets	<b>536,565,698</b>	–
Net decrease in customer deposits and deposits from banks	<b>411,044,723</b>	–
Net increase in the assets under resale agreements	<b>378,019,200</b>	471,000,000
Cash used in the payment of interests, fees and commission	<b>46,717,729</b>	23,813,866
Cash paid to and on behalf of employees	<b>3,056,955,748</b>	2,744,566,586
Taxes and surcharges paid	<b>2,855,124,096</b>	1,419,567,829
Cash paid relating to other operating activities	<b>433,341,044</b>	620,211,715
	<hr/> <b>53,334,730,022</b>	<hr/> 34,644,248,485
Sub-total of cash outflows		
Net cash flows from operating activities	<hr/> <b>2,682,348,804</b>	<hr/> 2,279,947,465

**Maanshan Iron & Steel Company Limited**  
**Consolidated Statement of Cash Flow (Continued)**  
*For the nine months ended 30 September 2017*  
*Renminbi Yuan*

	<b>For the nine months ended</b>	
	<b>30 September</b>	
	<b>2017</b>	<b>2016</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>II. Cash flows from investing activities</b>		
Cash received by investors	–	658,682,328
Cash received from disposal of investments	<b>254,490,825</b>	117,329,152
Net cash from acquisition of subsidiaries and other operating units	<b>115,777,566</b>	–
Proceeds from disposal of items of property, plant and equipment, intangible assets and other non-current assets	<b>3,016,413</b>	2,196,287
Net cash from decrease in restricted use of monetary funds	–	211,889,773
Net cash from disposal of subsidiaries and other operating units	<b>4,854,451</b>	–
Cash received relating to other investing activities	<b>60,309,006</b>	206,612,740
Sub-total of cash inflows	<b>438,448,261</b>	1,196,710,280
Purchase of property, plant and equipment, intangible assets and other non-current assets	<b>966,260,470</b>	1,655,555,895
Cash paid for investment	<b>954,237,896</b>	593,445,541
Net cash from the increase of restricted use of monetary funds	<b>26,186,831</b>	–
Net increase in held-to-maturity investments	<b>304,076,591</b>	–
Sub-total of cash outflows	<b>2,250,761,788</b>	2,249,001,436
Net cash flows used in investing activities	<b>-1,812,313,527</b>	-1,052,291,156

**Maanshan Iron & Steel Company Limited**  
**Consolidated Statement of Cash Flow (Continued)**  
*For the nine months ended 30 September 2017*  
*Renminbi Yuan*

	<b>For the nine months ended</b>	
	<b>30 September</b>	
	<b>2017</b>	<b>2016</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>III. Cash flows from financing activities</b>		
Cash received from investors	91,470,000	–
Including: capital injection from a subsidiary’s non-controlling interests	91,470,000	–
Cash received from borrowings	20,596,886,707	13,928,112,753
Cash received relating to other financing activities	<u>210,000,000</u>	–
 Sub-total of cash inflows	 <u>20,898,356,707</u>	 <u>13,928,112,753</u>
 Repayment of borrowings	 22,466,128,031	 14,895,678,333
Cash paid for the distribution of dividend or profits and for interest expenses	608,427,368	863,626,052
Including: dividends paid to non-controlling interests by subsidiaries	<u>28,271,220</u>	–
 Sub-total of cash outflows	 <u>23,074,555,399</u>	 <u>15,759,304,385</u>
 Net cash flows from financing activities	 <u>–2,176,198,692</u>	 <u>–1,831,191,632</u>
 <b>IV. Effect of foreign exchange rate changes on cash and       cash equivalents</b>	 <u>2,040,068</u>	 <u>112,040,753</u>
 <b>V. Net decrease in cash and cash equivalents</b>	 <u>–1,304,123,347</u>	 <u>–491,494,570</u>
 Add: Cash and cash equivalents at the beginning of the period	 <u>3,834,247,326</u>	 <u>3,546,384,318</u>
 <b>VI. Cash and cash equivalents at the end of the period</b>	 <b><u>2,530,123,979</u></b>	 <b><u>3,054,889,748</u></b>

*Legal representative:*  
**Ding Yi**

*Person-in-charge of  
accounting operations:*  
**Qian Haifan**

*Person-in-charge of the  
Accounting Department:*  
**Xing Qunli**

**Maanshan Iron & Steel Company Limited**  
**Statement of Cash Flow of Parent Company**  
*For the nine months ended 30 September 2017*  
*Renminbi Yuan*

	<b>For the nine months ended</b>	
	<b>30 September</b>	
	<b>2017</b>	<b>2016</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>I. Cash flows from operating activities :</b>		
Cash received from sale of goods and rendering service	<b>44,454,941,556</b>	28,496,166,969
Tax refunds received	–	116,998,205
Cash received relating to other operating activities	<b>112,891,324</b>	1,040,588
	<hr/>	<hr/>
Sub-total of cash inflows	<b>44,567,832,880</b>	28,614,205,762
	<hr/>	<hr/>
Cash paid for purchase of goods and services	<b>38,518,411,956</b>	26,085,517,691
Cash paid to or on behalf of employees	<b>2,528,402,030</b>	2,197,075,867
Taxes and surcharges paid	<b>1,575,727,197</b>	937,193,931
Cash paid relating to other operating activities	<b>431,430,497</b>	619,045,582
	<hr/>	<hr/>
Sub-total of cash outflows	<b>43,053,971,680</b>	29,838,833,071
	<hr/>	<hr/>
Net cash flows from/(used in) operating activities	<b>1,513,861,200</b>	–1,224,627,309

**Maanshan Iron & Steel Company Limited**  
**Statement of Cash Flow of Parent Company (Continued)**  
*For the nine months ended 30 September 2017*  
*Renminbi Yuan*

	<b>For the nine months ended</b>	
	<b>30 September</b>	
	<b>2017</b>	<b>2016</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>II. Cash flows from investing activities :</b>		
Cash received from investors	–	107,367,128
Cash received from investment income	<b>267,098,587</b>	105,908,559
Proceeds from disposal of items of property, plant and equipment, intangible assets and other non-current assets	<b>2,852,683</b>	2,196,287
Net cash from disposal of subsidiaries and other operating units	<b>8,696,084</b>	–
Net cash from decrease in restricted use of monetary funds	<b>86,602,762</b>	–
Cash received relating to other investing activities	<b>24,329,909</b>	204,055,346
Sub-total of cash inflows	<b>389,580,025</b>	419,527,320
Purchase of property, plant and equipment, intangible assets and other non-current assets	<b>716,755,858</b>	1,165,066,232
Cash paid for investments	<b>1,182,238,998</b>	176,587,622
Acquisition of a subsidiary and other operating units	–	63,298,375
Net cash from increase in restricted use of monetary funds	–	17,750,802
Sub-total of cash outflows	<b>1,898,994,856</b>	1,422,703,031
Net cash flows used in investing activities	<b>-1,509,414,831</b>	-1,003,175,711



**Maanshan Iron & Steel Company Limited**  
**Statement of Cash Flow of Parent Company (Continued)**  
*For the nine months ended 30 September 2017*  
*Renminbi Yuan*

	<b>For the nine months ended</b>	
	<b>30 September</b>	
	<b>2017</b>	<b>2016</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>III. Cash flows from financing activities</b>		
Cash received from borrowings	<u>15,803,822,917</u>	<u>11,495,462,166</u>
Sub-total of cash inflows	<u>15,803,822,917</u>	<u>11,495,462,166</u>
Repayment of borrowings	<b>15,768,184,214</b>	8,845,722,048
Cash paid for the distribution of dividend or profits and for interest expenses	<u>735,001,886</u>	<u>820,569,791</u>
Sub-total of cash outflows	<u>16,503,186,100</u>	<u>9,666,291,839</u>
Net cash flows from financing activities	<u>-699,363,183</u>	<u>1,829,170,327</u>
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>	<u>-136,278,910</u>	<u>59,763,578</u>
<b>V. Net decrease in cash and cash equivalents</b>	<u>-831,195,724</u>	<u>-338,869,115</u>
Add: Cash and cash equivalents at the beginning of the period	<u>3,366,317,512</u>	<u>4,025,187,000</u>
<b>VI. Cash and cash equivalents at the end of the period</b>	<u><b>2,535,121,788</b></u>	<u><b>3,686,317,885</b></u>

*Legal representative:*  
**Ding Yi**

*Person-in-charge of accounting operations:*  
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*Person-in-charge of the Accounting Department:*  
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