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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 GROWTH IN PROFIT IN ANNUAL RESULTS OF 2017

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 2017 to 31 December 2017.
2. Estimated results:
 - 1) Based on a preliminary estimate by the finance department, the net profit attributable to the shareholders of the listed company for the year 2017 is estimated to reach RMB4.140 billion, representing a year-on-year increase of approximately RMB2.911 billion or 236.86%.
 - 2) The net profit excluding non-recurring gains or losses attributable to shareholders of the listed company is estimated to increase by approximately RMB2.531 billion or 179.50%, compared with the same period last year.
3. The estimated results have not been audited by certified public accountants.

II. Results for the corresponding period of the previous year

1. The net profit attributable to the shareholders of the listed company: RMB 1.229 billion. The net profit excluding non-recurring gains or losses attributable to shareholders of the listed company: RMB 1.410 billion.
2. Earnings per share: RMB 0.16.

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

1. Impact of principal business
 - 1) The year 2017 saw a stable and improved growth of China's economy with a better-than-expected growth of major steel-consuming industries. Meanwhile, China was promoting its supply-side structural reform steadily, curbing steel overproduction and banning ground steel strip. The business environment of steel industry had become better-off.
 - 2) Adhering to the strategy of unswervingly deepening reforms and strengthening

branding, the Company always aimed at excellence in business. Opportunities in the market were seized through our selective procurement and marketing tactics combining service and technologies. An exceptional manufacturing was achieved by optimizing the connection between production and sales and by refining the work distribution of our production line. Benchmarking has been applied to further reduce internal costs. The production was steady and efficient throughout the year, and the operation of system was economical. All of these have led to significant year-on-year growth of the business performance.

2. Impact of non-operating gains or losses

- 1) The non-operating profit or loss of the Company attributable to the shareholders of listed company for 2017 is approximately RMB 0.199 billion, mainly due to the government subsidies relating to normal operations received by the Company, the investment gain generated from the disposal of trading financial assets which shall be measured by fair value with its changes recognized in current gains or losses, and loss from disposing of non-current assets.

IV. Risk Disclosure

The Company considers that there is no material uncertainty affecting the accuracy of the estimated results.

V. Other matters

The forecasts above are only preliminary estimates. For the detailed and accurate financial information, please refer to the annual report of 2017 to be formally disclosed by the Company. Investors are advised to pay attention to the investment risks.

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

29 January 2018

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, Zhang Wenyang

Non-executive Directors: Ren Tianbao

Independent Non-executive Directors: Zhang Chunxia, Zhu Shaofang, Wang Xianzhu