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(A joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 00323)

INSIDE INFORMATION/ OVERSEAS REGULATORY ANNOUNCEMENT 2018 FIRST 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 first 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: 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	70,889,263,917	72,191,589,979	-1.80
Net assets attributable to equity holders	25,306,183,813	23,895,739,812	5.90
	From the beginning of the year to the end of the reporting period	From the beginning of previous year to the end of the reporting period of the previous year	Increase/(decrease) as compared with the same period of the previous year (%)
Net cash flows from operating activities	633,496,091	1,644,749,451	-61.48
	From the beginning of the year to the end of the reporting period	From the beginning of previous year to the end of the reporting period of the previous year	Increase/(decrease) as compared with the same period of the previous year (%)
Revenue	18,307,871,529	17,336,558,057	5.60
Net profit attributable to equity holders of the Company	1,417,961,086	901,746,797	57.25
Net profit excluding non-recurring gains or losses attributable to equity holders of the Company	1,401,712,280	894,603,238	56.69
Return on net assets (weighted average) (%)	5.76	4.46	Increased by 1.30 percentage points
Basic earnings per share (RMB/share)	0.18	0.12	50.00
Diluted earnings per share (RMB/share)	0.18	0.12	50.00

Items and amount of non-recurring gains or losses

Unit: RMB

Item	Amount for the reporting period
Gains/(losses) from disposal of non-current assets	47,548,990
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	-46,082,086
Non-operating income and expenses other than the above items	-562,574
Employee termination benefits	-1,002,797
Other income	18,045,327
Impact of non-controlling interests (after tax)	-648,900
Impact of income tax	-1,049,154
Total	16,248,806

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		240,466				
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	45.54	0	N/A	0	State-owned shareholder
Hong Kong Securities Clearing Company Nominees Limited	1,715,860,900	22.28	0	Unknown	Unknown	Unknown
Central Huijin Investment Ltd.	142,155,000	1.85	0	Unknown	Unknown	State-owned shareholder
Haitong Securities Co., Ltd.	40,027,700	0.52	0	Unknown	Unknown	Unknown
Beijing Haoqing Wealth Investment Management Co., Ltd. - Haoqing No. 8 Investment Fund	28,653,912	0.37	0	Unknown	Unknown	Unknown
China Galaxy Securities Co., Ltd.	25,906,600	0.34	0	Unknown	Unknown	Unknown
Hu zhongxiang	21,848,511	0.28	0	Unknown	Unknown	Unknown
Hong Kong Securities Clearing Company Nominees Limited	19,235,990	0.25	0	Unknown	Unknown	Unknown
Li Xiaozhong	16,464,955	0.21	0	Unknown	Unknown	Unknown

Agricultural Bank of China Co., Ltd. - China Securities 500 Open Index Securities Investment Fund	15,747,749	0.20	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	1,715,860,900	Overseas-listed shares	1,715,860,900			
Central Huijin Investment Ltd.	142,155,000	RMB-denominated ordinary shares	142,155,000			
Haitong Securities Co., Ltd.	40,027,700	RMB-denominated ordinary shares	40,027,700			
Beijing Haoqing Wealth Investment Management Co., Ltd. - Haoqing No. 8 Investment Fund	28,653,912	RMB-denominated ordinary shares	28,653,912			
China Galaxy Securities Co., Ltd.	25,906,600	RMB-denominated ordinary shares	25,906,600			
Hu Zhongxiang	21,848,511	RMB-denominated ordinary shares	21,848,511			
Hong Kong Securities Clearing Company Nominees Limited	19,235,990	RMB-denominated ordinary shares	19,235,990			
Li Xiaozhong	16,464,955	RMB-denominated ordinary shares	16,464,955			
Agricultural Bank of China Co., Ltd. - China Securities 500 Open Index Securities Investment Fund	15,747,749	RMB-denominated ordinary shares	15,747,749			
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, the economy of PRC maintained steady growth. The steel industry was stable in general, with small fluctuations in steel prices and moderate increase in average price year-on-year. At the end of March, domestic steel price index was 108.67, representing year-on-year growth of 6.74%. From January to March, the average value of the domestic steel price index was 113.53, representing year-on-year growth of 10.02%. The price trend of iron ore was close to that of steel and the price of coking coal remained stable. The Company planned according to situation and followed the trend, seizing market opportunities, with production basically stable and relatively good operating results.

During the reporting period, the Company and its subsidiaries (the “Group”) produced an aggregate of 4.70 million tonnes of pig iron and 5.06 million tonnes of crude steel, representing year-on-year decrease of 2.30% and 0.59% respectively; produced an aggregate of 4.78 million tonnes of steel products, representing year-on-year growth of 1.06% (of which the Company produced 3.70 million tonnes of pig iron, 3.99 million tonnes of crude steel and 3.67 million tonnes of steel products, representing year-on-year decrease of 2.89%, 1.72% and 2.13% respectively). According to the PRC Accounting Standards, the Group’s operating revenue amounted to approximately RMB18,300 million, representing year-on-year growth of 5.60%. Net profit attributable to shareholders of the Company was RMB1,400 million, representing year-on-year growth of 57.25%.

At present, affected by factors such as re-production of some blast furnaces in the industry and downstream restocking, steel prices rebound and those factors also served as support to prices of iron ore. The Company will hold fast to the fundamental requirement of high quality development and on the basis of assuring stable manufacturing operation, facilitate transformation of driving force by complete innovation, facilitate transformation of efficiency by complete cooperation and lead transformation of quality by complete optimization, accelerate the improvement of innovation competitiveness and strive to open up a new era of high quality development of Magang.

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) Interest receivable of RMB2,801,314, representing a decrease of 56.17% as compared to the end of last year, mainly due to a decrease in interest receivable of deposit of commercial banks by Magang Group Finance Co., Ltd. (“Finance Company”).
- (2) Prepayments of RMB456,780,545, representing a decrease of 39.16% as compared to the end of last year, mainly due to a decrease in prepayments for purchasing raw materials.
- (3) Financial assets purchased under agreement to resell amounted to RMB196,920,000, representing a decrease of 83.65% as compared to the end of last year, mainly due to a decrease in reverse repurchase business by the Finance Company.
- (4) Loans and advances to customers amounted to RMB1,695,460,711, representing an increase of 35.49% 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 its member units other than the Group.
- (5) Assets held for sale amounted to nil at the end of the reporting period and RMB 73,454,334 at the end of last year, mainly due to the transfer of industrial heritage assets to Hefei Municipal Land Reserve Centre by Ma Steel (Hefei) Iron & Steel Co., Ltd. (“Hefei Steel”).
- (6) Held-to-maturity investments amounted to nil at the end of the reporting period and RMB406,082,606 at the end of last year (among which, Current portion of held-to-maturity investments amounted to RMB305,228,376 and Non-current portion of held-to-maturity investments amounted to RMB100,854,230) , mainly due to the decrease in maturities of some held-to-maturity securities and the item no longer applicable as the implementation of new standards of financial instruments started this year.
- (7) Available-for-sale financial investments amounted to nil at the end of the reporting period and RMB 1,111,168,160 at the end of last year, mainly due to decrease in interbank deposits held by the Finance Company and the item no longer applicable according to the new financial instruments standards coming into force this year.

- (8) Financial assets measured at amortized cost amounted to RMB900,591,091 at the end of the reporting period and nil at the end of last year, mainly due to the fact that treasury bonds, local government debts and interbank deposits held by the Finance Company were accounted in this account according to the new financial instruments standards coming into force this year.
- (9) Financial assets measured at fair value through other comprehensive income amounted to RMB127,752,660 and was nil at the end of last year, mainly due to the fact that available-for-sale financial assets which was accounted in cost before, has been accounted in this account according to the new financial instruments standards coming into force this year.
- (10) The borrowing capital amounted to RMB650,000,000 and increased by 225% compared with the end of last year, mainly due to the increase of loans from other banks by Finance Company during the reporting period.
- (11) Financial assets sold for repurchase amounted to RMB199,256,250 and decreased by 35.33% compared with the end of last year, mainly due to the decrease of capital of pledge equities to other financial institutions by Finance Company during the reporting period.
- (12) Financial liabilities measured at fair value through profit or loss amounted to RMB5,561,222 and decreased by 47.03% compared with the end of last year, mainly due to changes in fair value of forward foreign exchange contract held by the Company during the reporting period.
- (13) The taxes and charges payable amounted to RMB475,174,217 and decreased by 64.61% as compared to the end of last year, mainly due to the payment of all taxes and fees due at the end of last year during the reporting period.
- (14) Interest payable amounted to RMB176,175,899 and increased by 45.47% as compared to the end of last year, mainly due to the accrued interest of medium-term notes and the increase of short-term loans of some subsidiaries during the reporting period.
- (15) The undistributed profit amounted to RMB5,061,404,849 and increased by 38.92% as compared to the end of last year, mainly due to the Group's profit during the reporting 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) Impairment loss amounted to RMB3,544,003 and decreased by 95.99% as compared to the same period of last year, mainly due to the year-on-year decrease in provisions for price decreases in inventories owing to relatively stable prices of steel products during the reporting period as compared to the same period of last year .
- (2) Gains on changes of fair value amounted to RMB-46,082,086 and was RMB463,561 at the same period of last year, mainly due to changes in fair value because the Company's futures products have not been closed at the end of the period.
- (3) Investment income amounted to RMB340,031,022 and increased by 194.31% as compared to the same period of last year, mainly due to disposal of a subsidiary, Masteel (Shanghai) Industry & Trade Co., Ltd., during the reporting period and increase of net profit of associated companies and joint ventures.
- (4) Gains on disposal of assets amounted to RMB47,548,990 and was RMB-52,332 at the same period of last year, mainly due to the disposal of some lands by the Company and the increase of recognized income from part of the retired assets of Hefei Steel during the reporting period.
- (5) Other income amounted to RMB18,045,327 and increased by 35.95% as compared to the same period last year, mainly due to the increase of government grants received during the reporting period as compared to the same period of last year.

- (6) Non-operating income amounted to RMB167,746 and decreased by 79.56% as compared to the same period of last year, mainly due to decrease of the contract compensation received by subsidiaries during the reporting period as compared to the same period of last year.
- (7) Non-operating expenses amounted to RMB730,319 and increased by 130.94% as compared to the same period of last year, mainly due to increase of the contract compensation paid by subsidiaries during the reporting period as compared to the same period of last year.
- (8) Income taxes expense amounted to RMB150,265,870 and increased by 91.30% as compared to the same period of last year, mainly due to increased profitability of part of the subsidiaries during the reporting period as compared to the same period of last year.
- (9) Net profit attributable to owners of the parent amounted to RMB1,417,961,086 and increased by 57.25% as compared to the same period of last year, mainly due to increased gross profit of the steel products during the reporting period as compared to the same period of last year.
- (10) Net profit/(loss) attributable to non-controlling interests amounted to RMB212,033,743 and increased by 96.75% as compared to the same period of last year, mainly due to increased profits of the non-wholly-owned subsidiaries during the reporting period as compared to the same period of last year.
- (11) Exchange differences on translation of foreign operations amounted to RMB-10,353,324 and decreased by RMB 20,471,890 as compared to the same period of last year, mainly due to RMB's appreciation in foreign currencies during the reporting period.
- (12) The net cash inflows from operating activities amounted to RMB633,496,091 and decreased by 61.48% as compared to the same period of last year, mainly due to the increased taxes and expenses paid during the period.
- (13) The net cash inflows from investing activities amounted to RMB553,851,845, while it was net outflow of RMB2,062,608,102 at the same period of last year, mainly due to the net inflow from cash acceptance and payment in financial investment by Finance Company during the reporting period instead of the net outflow during the same period of last year.
- (14) The net cash outflows from financing activities amounted to RMB1,138,864,193, and increased by 430.65% as compared to the same period of last year, mainly due to the repayment of loans and the decrease in financing amount during the reporting period.

3.2 Analysis on progress, impacts and solutions of significant matters

By a letter sent to the Company dated 24 July 2015, Magang (Group) Holding Co., Ltd. (“Magang Group”), 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 Magang Group Investment Company Limited, 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. Details are set out in the “Announcement on Intended Increase in Shareholding of the Company’s A Shares by the Controlling Shareholder” published by the Company on 25 July 2015. The link is as follows: <http://www.sse.com.cn>; <http://www.hkexnews.hk>.

As a result of the influence coming from the industry, the production and operation of Magang Group were recovering. Both the industry and Magang Group stepped up de-leveraging in 2018, thus, Magang Group’s cash flow was relatively tight. Magang Group has not managed to raise enough money to implement the above-mentioned further acquisition plan. Magang Group will strive to raise fund in the premise to ensure manufacturing operation as well as steady fund operation, implement the further acquisition plan 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.

Applicable Not Applicable

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

19 April 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

4. Appendix

4.1 Financial Statement

Maanshan Iron & Steel Company Limited
Consolidated Statement of Financial Position

31 March 2018

Unit: RMB (unaudited)

Item	Closing balance	Opening balance
CURRENT ASSETS:		
Cash and bank balances	4,651,600,809	4,978,352,093
Financial assets measured at fair value through profit or loss	1,765,732,310	1,546,139,404
Notes receivable	7,803,007,477	8,375,166,683
Trade receivables	895,676,336	966,447,592
Prepayments	456,780,545	750,818,831
Interest receivable	2,801,314	6,390,787
Other receivables	338,441,699	278,837,287
Financial assets purchased under agreements to resell	196,920,000	1,204,603,000
Inventories	12,611,681,020	11,445,747,808
Assets held for sale		73,454,334
Loans and advances to customers	1,695,460,711	1,251,315,253
Held-to-maturity investments		305,228,376
Other current assets	1,003,856,517	916,037,331
Total current assets	31,421,958,738	32,098,538,779
NON-CURRENT ASSETS:		
Available-for-sale financial investments		1,111,168,160
Held-to-maturity investments		100,854,230
Financial assets measured at amortized cost	900,591,091	
Financial assets measured at fair value through other comprehensive income	127,752,660	
Long-term equity investments	1,579,628,316	1,525,225,202
Investment properties	57,017,472	57,508,684
Property, plant and equipment	32,180,110,832	33,130,499,862
Construction in progress	2,246,604,943	1,805,955,609
Intangible assets	1,873,216,018	1,883,604,173
Deferred tax assets	502,383,847	478,235,280
Total of non-current assets	39,467,305,179	40,093,051,200
Total of assets	70,889,263,917	72,191,589,979
CURRENT LIABILITY:		
Short-term loans	4,089,594,209	4,630,303,694
Customer deposits	2,396,370,815	2,947,639,610
Deposits and balances from banks and other	650,000,000	200,000,000

financial institutions		
Financial liabilities measured at fair value through profit or loss	5,561,222	10,498,810
Notes payable	3,770,402,531	4,809,848,470
Accounts payable	6,593,210,542	6,968,534,360
Advances from customers	3,912,188,669	3,842,903,332
Repurchase agreements	199,256,250	308,100,956
Payroll and employee benefits payable	506,608,819	654,822,505
Taxes payable	475,174,217	1,342,836,597
Interest payable	176,175,899	121,108,052
Dividends payable	6,612,733	9,050,620
Other payables	2,775,130,973	2,224,169,194
Non-current liabilities due within one year	5,848,947,082	4,928,758,378
Accrued liabilities	41,879,323	38,537,369
Other current liabilities	3,119,196,164	3,081,026,301
Total of current liabilities	34,566,309,448	36,118,138,248
NON-CURRENT LIABILITIES:		
Long-term loans	5,617,132,474	6,975,958,634
Long-term payables	210,000,000	210,000,000
Long-term employee benefits payable	160,654,680	160,896,586
Deferred income	1,439,864,782	1,462,490,533
Deferred tax liabilities	34,584,449	26,841,665
Total of non-current liabilities	7,462,236,385	8,836,187,418
Total liabilities	42,028,545,833	44,954,325,666
SHAREHOLDERS' EQUITY		
Share capital	7,700,681,186	7,700,681,186
Capital reserve	8,352,287,192	8,352,287,192
Other comprehensive income	-134,509,384	-124,156,060
Special reserve	34,765,961	31,929,722
Surplus reserve	4,100,007,341	4,100,007,341
General reserve	191,546,668	191,546,668
Retained profits	5,061,404,849	3,643,443,763
Total equity attributable to owners of the parent	25,306,183,813	23,895,739,812
Non-controlling interests	3,554,534,271	3,341,524,501
Total shareholders' equity	28,860,718,084	27,237,264,313
Total liabilities and shareholders' equity	70,889,263,917	72,191,589,979

Legal representative:	Person-in-charge of accounting operations:	Person-in-charge of the Accounting Department:
Ding Yi	Qian Haifan	Xing Qunli

Maanshan Iron & Steel Company Limited
Statement of Financial Position of Parent Company
31 March 2018

Unit: RMB (unaudited)

Item	Closing balance	Opening balance
CURRENT ASSETS:		
Cash and bank balances	3,343,256,924	4,169,232,422
Financial assets measured at fair value through profit or loss	12,624,430	62,721,800
Notes receivable	6,502,839,956	8,065,941,428
Trade receivables	2,431,282,172	2,104,541,167
Prepayments	356,278,707	600,539,572
Other receivables	200,515,184	188,725,018
Inventories	8,279,502,268	7,740,789,448
Other current assets	294,632,327	294,632,327
Total current assets	21,420,931,968	23,227,123,182
NON-CURRENT ASSETS:		
Available-for-sale financial investments		126,722,160
Financial assets measured at fair value through other comprehensive income	127,752,660	
Long-term equity investments	8,885,193,227	8,830,290,112
Investment properties	71,105,560	71,554,652
Property, plant and equipment	24,344,502,455	25,089,628,791
Construction in progress	1,690,403,236	1,356,492,361
Intangible assets	890,825,015	904,435,151
Deferred tax assets	438,445,874	438,445,874
Total non-current assets	36,448,228,027	36,817,569,101
Total assets	57,869,159,995	60,044,692,283
CURRENT LIABILITIES:		
Short-term loans	1,985,832,153	3,226,709,122
Financial liabilities measured at fair value through profit or loss	5,561,222	10,498,810
Notes payable	2,339,750,000	4,077,260,000
Accounts payable	6,264,380,391	5,972,985,456
Advances from customers	2,420,445,628	2,626,167,696
Payroll and employee benefits payable	392,924,782	502,689,195
Taxes payable	152,126,518	795,312,565
Interest payable	148,727,843	96,579,964
Dividends payable	6,612,733	6,569,410
Other payables	2,364,494,028	1,768,808,088
Non-current liabilities due within one year	6,648,947,082	5,928,758,378
Other current liabilities	3,119,196,164	3,081,026,301

Total current liabilities	25,848,998,544	28,093,364,985
NON-CURRENT LIABILITY:		
Long-term loans	8,303,420,624	9,461,264,824
Long-term employee benefits payable	132,641,692	132,641,692
Deferred income	812,391,757	730,152,350
Total non-current liabilities	9,248,454,073	10,324,058,866
Total liabilities	35,097,452,617	38,417,423,851
SHAREHOLDERS' EQUITY:		
Share capital	7,700,681,186	7,700,681,186
Capital reserve	8,358,017,477	8,358,017,477
Special reserve	7,637,529	7,637,529
Surplus reserve	3,249,950,725	3,249,950,725
Retained profits	3,455,420,461	2,310,981,515
Total shareholders' equity	22,771,707,378	21,627,268,432
Total liabilities and shareholders' equity	57,869,159,995	60,044,692,283

Legal representative:	Person-in-charge of accounting operations:	Person-in-charge of the Accounting Department:
Ding Yi	Qian Haifan	Xing Qunli

Maanshan Iron & Steel Company Limited
Consolidated Statement of Profit or Loss
For the three months ended 31 March 2018

Unit: RMB (unaudited)

Item	Closing balance	Opening balance
Revenue	18,307,871,529	17,336,558,057
Including: Revenue	18,307,871,529	17,336,558,057
Total operating cost	16,886,591,510	16,378,218,947
Including: Cost of sales	15,860,725,885	15,353,050,486
Taxes and surcharges	180,075,213	185,013,247
Selling expenses	196,519,063	195,070,674
General and administrative expenses	394,397,721	320,245,748
Financial expenses	251,329,625	236,461,410
Impairment losses	3,544,003	88,377,382
Add: Gains on changes in fair value	-46,082,086	463,561
Investment income	340,031,022	115,536,895
Including: share of profits of associates and joint ventures	129,403,114	104,868,274
Gains on disposal of assets	47,548,990	-52,332
Other income	18,045,327	13,173,792
Operating profit	1,780,823,272	1,087,461,026

Add: Non-operating income	167,746	920,650
Less: Non-operating expenses	730,319	316,233
Profit before tax	1,780,260,699	1,088,065,443
Less: Income tax expense	150,265,870	78,550,774
Net profit	1,629,994,829	1,009,514,669
(1) Classified by continuity of operations		
1. Net profit from continuing operations (“-“ for net loss)	1,629,994,829	1,009,514,669
2. Net profit from discontinued operations (“-“ for net loss)		
(2) Classified by ownership of equity		
Non-controlling interests	212,033,743	107,767,872
Net profit attributable to owners of the parent	1,417,961,086	901,746,797
Other net comprehensive income, net of tax	-10,353,324	9,190,567
Other comprehensive income attributable to owners of the parent, net of tax	-10,353,324	9,314,959
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		
Other comprehensive income to be reclassified to profit or loss in subsequent periods	-10,353,324	9,314,959
Gains/losses from fair value changes of available-for-sale financial investments		-803,607
Exchange differences on translation of foreign operations	-10,353,324	10,118,566
Other comprehensive income attributable to non-controlling interests, net of tax		-124,392
Total comprehensive income	1,619,641,505	1,018,705,236
Total comprehensive income attributable to owners of the parent	1,407,607,762	911,061,756
Total comprehensive income attributable to non-controlling interests	212,033,743	107,643,480
Earnings per share :		
Basic earnings per share	0.18	0.12
Diluted earnings per share	0.18	0.12

Legal representative:	Person-in-charge of accounting operations:	Person-in-charge of the Accounting Department:
Ding Yi	Qian Haifan	Xing Qunli

Maanshan Iron & Steel Company Limited
Statement of Profit or Loss of Parent Company
For the three months ended 31 March 2018

Unit: RMB (unaudited)

Item	Closing balance	Opening balance
Revenue	16,116,157,900	15,113,920,322
Less: Cost of sales	14,364,060,514	13,627,756,862
Taxes and surcharges	128,714,520	126,451,247
Selling expenses	79,393,666	89,297,513
General and administrative expenses	305,837,861	226,851,620
Financial expenses	198,317,686	248,794,472
Impairment losses		88,486,400
Add: Gain on changes in fair value	-45,760,762	-2,818,905
Investment income	120,417,275	116,010,062
Including: share of profits of associates and joint ventures	129,403,114	104,868,274
Gains on disposal of assets	16,818,144	-15,074
Other income	13,142,301	11,623,278
Operating profit	1,144,450,611	831,081,569
Add: Non-operating income	26,400	
Less: Non-operating expenses	38,065	94,494
Profit before tax	1,144,438,946	830,987,075
Less: Income tax expense		
Net profit	1,144,438,946	830,987,075
(1) Net profit from continuing operations (“-“ for net loss)	1,144,438,946	830,987,075
(2) Net profit from discontinued operations (“-“ for net loss)		
Other comprehensive income, net of tax		
Total comprehensive income	1,144,438,946	830,987,075

Legal representative:	Person-in-charge of accounting operations:	Person-in-charge of the Accounting Department:
Ding Yi	Qian Haifan	Xing Qunli

Maanshan Iron & Steel Company Limited
Consolidated Statement of Cash Flow
For the three months ended 31 March 2018

Unit: RMB (unaudited)

Item	Closing balance	Opening balance
I. Cash flow from operating activities:		
Cash received from sale of goods and rendering service	17,764,251,349	15,983,995,933
Net decrease in deposits in central bank	186,286,192	
Net increase in customer deposits		465,848,133
Net decrease in financial assets purchased under agreements to resell	1,007,683,000	230,047,000
Cash received for interest charges, fees and commissions	43,009,281	23,623,263
Cash received relating to other operating activities	13,392,120	106,584,133
Sub-total of cash inflows	19,014,621,942	16,810,098,462
Cash paid for purchase of goods and services	14,362,683,362	12,871,672,206
Net decrease in repurchase agreements of financial assets	108,844,706	396,922,660
Net decrease in deposits and deposits from banks and other financial institutions	101,268,795	
Net increase in loans and advances to customers	444,145,457	-99,850,984
Net increase in deposits in central bank and other financial institutions		-21,878,372
Cash paid in the payment of interests, fees and commissions	19,644,193	14,082,201
Cash paid to and on behalf of employees	1,336,004,621	1,218,304,990
Taxes and surcharges paid	1,895,348,650	676,229,528
Cash paid relating to other operating activities	113,186,067	109,866,782
Sub-total of cash outflows	18,381,125,851	15,165,349,011
Net cash flows from operating activities	633,496,091	1,644,749,451
II. Cash flows from investing activities		
Cash received from return of investment	499,507,130	
Cash received from investments	289,217,380	20,216,873
Proceeds from disposal of items of property, plant and equipment, intangible assets and other non-current assets	47,581,849	24,513
Net cash from decrease in restricted use of monetary funds	154,672,431	
Cash received relating to other investing activities	93,102,943	1,550,514
Sub-total of cash inflows	1,084,081,733	21,791,900

Purchase of property, plant and equipment, intangible assets and other non-current assets	249,017,194	326,753,803
Cash paid for investment	281,212,694	1,553,893,199
Net cash from the increase of restricted use of monetary funds		203,753,000
Sub-total of cash outflows	530,229,888	2,084,400,002
Net cash flows used in investing activities	553,851,845	-2,062,608,102
III. Cash flows from financing activities		
Cash received from investors		90,000,000
Cash received from borrowings	3,355,930,342	5,697,846,340
Sub-total of cash inflows	3,355,930,342	5,787,846,340
Repayment of borrowings	4,323,611,812	5,900,885,449
Cash paid for distribution of dividends or profits and for interest expenses	171,182,723	101,576,237
Including: dividends paid to non-controlling interests by subsidiaries	3,029,857	548,647
Sub-total of cash outflows	4,494,794,535	6,002,461,686
Net cash flows from financing activities	-1,138,864,193	-214,615,346
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-34,276,403	-18,432,628
V. Net increase in cash and cash equivalents	14,207,340	-650,906,625
Add: Cash and cash equivalents at the beginning of the period	3,323,932,010	3,834,247,326
VI. Cash and cash equivalents at the end of the period	3,338,139,350	3,183,340,701

Legal representative:	Person-in-charge of accounting operations:	Person-in-charge of the Accounting Department:
Ding Yi	Qian Haifan	Xing Qunli

Maanshan Iron & Steel Company Limited
Statement of Cash Flow of Parent Company
For the three months ended 31 March 2018

Unit: RMB (unaudited)

Item	Closing balance	Opening balance
I. Cash flows from operating activities :		
Cash received from sale of goods and rendering service	15,606,575,480	12,722,041,590
Cash received relating to other operating activities	16,345,399	67,942,900
Sub-total of cash inflows	15,622,920,879	12,789,984,490
Cash paid for purchase of goods and services	11,865,980,916	10,926,293,304
Cash paid to or on behalf of employees	1,146,394,394	1,037,980,353
Taxes and surcharges paid	1,230,824,491	441,073,667
Cash paid relating to other operating activities	14,810,445	109,607,785
Sub-total of cash outflows	14,258,010,246	12,514,955,109
Net cash flows from/(used in) operating activities	1,364,910,633	275,029,381
II. Cash flows from investing activities :		
Cash received from return of investment	10,600,114	
Cash received from investments	105,748,128	28,698,149
Proceeds from disposal of items of property, plant and equipment, intangible assets and other non-current assets	16,851,003	3,813
Net cash from decrease in restricted use of monetary funds	230,568,583	
Cash received relating to other investing activities	93,102,943	
Sub-total of cash inflows	456,870,771	28,701,962
Purchase of property, plant and equipment, intangible assets and other non-current assets	525,620,678	229,447,243
Cash paid for investments	12,731,594	919,834,019
Net cash from increase in restricted use of monetary funds		194,124,412
Sub-total of cash outflows	538,352,272	1,343,405,674
Net cash flows used in investing activities	-81,481,501	-1,314,703,712
III. Cash flows from financing activities		
Cash received from borrowings	1,714,795,530	4,190,000,000
Sub-total of cash inflows	1,714,795,530	4,190,000,000
Repayment of borrowings	3,381,662,524	3,800,328,501
Cash paid for the distribution of dividend or profits and for interest expenses	158,610,723	137,966,689
Sub-total of cash outflows	3,540,273,247	3,938,295,190
Net cash flows from financing activities	-1,825,477,717	251,704,810

IV. Effect of foreign exchange rate changes on cash and cash equivalents	-53,358,330	-28,042,186
V. Net increase in cash and cash equivalents	-595,406,915	-816,011,707
Add: Cash and cash equivalents at the beginning of the period	3,797,103,115	3,366,317,512
VI. Cash and cash equivalents at the end of the period	3,201,696,200	2,550,305,805

Legal representative:	Person-in-charge of accounting operations:	Person-in-charge of the Accounting Department:
Ding Yi	Qian Haifan	Xing Qunli

4.2 Audit Report

Applicable Not Applicable