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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
2022 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.

IMPORTANT NOTICE

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.

Mr. Ding Yi, the person-in-charge of the Company; Mr. Ren Tianbao, 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.

The financial statements contained in this third quarterly report have not been audited, but have been reviewed by the Audit Committee in the Board.

I. MAJOR FINANCIAL DATA

(I) Major accounting data and financial indicators

Unit: Yuan Currency: RMB

Items	The reporting period	Increase/ decrease of the reporting period as compared to the same period of previous year (%)	From the beginning of the year to the end of the reporting period	Increase/ decrease of the period from the beginning of the year to the end of the reporting period as compared to the same period of previous year (%)
Revenue	22,944,324,941	-20.75	79,311,207,500	-7.58
Net profit attributable to equity holders of the Company	-763,122,379	-140.53	664,448,496	-89.82
Net profit excluding non-recurring gains or losses attributable to equity holders of the Company	-588,226,096	-130.39	552,616,225	-91.74
Net cash flows from operating activities	Not applicable	Not applicable	6,006,346,274	-45.56
Basic earnings per share (RMB/share)	-0.099	-140.47	0.086	-89.82
Diluted earnings per share (RMB/share)	-0.099	-140.47	0.086	-89.82
Return on net assets (weighted average) (%)	-2.45	Decreased by 8.16 percentage points	3.97	Decreased by 16.98 percentage points
		As at the end of the reporting period	As at the end of previous year	Increase/ decrease as at the end of the reporting period as compared to the end of previous year (%)
Total assets	93,411,198,956		91,207,743,018	2.42
Equity attributable to the shareholders of the Company	30,699,639,456		32,752,858,934	-6.27

Note: "The reporting period" refers to the three-month period from the beginning of the quarter to the end of the quarter, the same below.

(II) Items and amounts of non-recurring gains or losses

Items	<i>Unit: Yuan Currency: RMB</i>	
	Amount for the period	Amount from the beginning of the year to the end of the reporting period
Gains/losses from disposal of non-current assets	-868,748	345,281,939
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	23,609,710	133,833,316
Employee dismissal compensation	-302,275,091	-369,986,803
Gains or losses arising from fair value changes of held-for trading financial assets, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities, and investment income on disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other equity investment other than the hedging business related to the normal business of the Company	53,332,292	209,233,360
Investment income – others	-4,791,153	-26,967,424
Non-operating income and expenses other than the above items	500,674	940,084
Less: Impact of income tax	-48,187,171	73,030,693
Impact of non-controlling interests (after tax)	-7,408,862	107,471,508
Total	<u>-174,896,283</u>	<u>111,832,271</u>

(III) Changes in major accounting information and financial indicators of the Company and the reasons thereof

Item	Percentage of change (%)	Main reason
Financial assets held for trading	-42.82	The wealth management products held by Magang Group Finance Company Limited (“ Finance Company ”) at the end of the period decreased as compared with the end of previous year
Notes receivable	303.67	The notes receivables that the Company intended to hold to maturity increased during the period
Financial assets purchased under agreements to resell	-49.01	The reverse repurchase business of Finance Company decreased during the period
Other current assets	50.95	The interbank deposits held by Finance Company during the period increased as compared to the end of previous year
Long-term receivables	-63.25	Part of the receivables was recovered in time in the period as the Finance Company carried out sale and leaseback business
Construction in progress	43.05	The investment in project construction including coke oven overhaul project in the coking plant, new special steel project increased during the period
Right-of-use assets	-49.07	The Company optimized the office space in the period, resulting in the decrease of both the leased office space and the rent
Lease liabilities	-44.46	Same as above
Financial assets sold under repurchase agreements	-31.52	The amount of funds financed through pledge made by Finance Company to other financial institutions decreased during the period

Item	Percentage of change (%)	Main reason
Financial liabilities held for trading	-100.00	The fair value of the forward foreign exchange contracts held by the Company changed during the period
Notes payable	78.20	The purchase invoicing ratio increased in accordance with the Company's operating strategy during the period
Trade payables	30.45	The fund payment policy was adjusted to reduce the percentage of cash payments during the period
Payroll and employee benefits payable	-60.11	The unpaid payroll and employee benefits accrued at the end of previous year was paid during the period
Taxes payable	-54.62	The unpaid value-added tax and value-added tax surcharge payable at the end of previous year were paid during the period
Long-term payable	Not applicable	The unlocked equity incentive bonus of the Company
Other comprehensive income	-114.33	The investment value of other equity instruments measured at fair value changed during the period
Special reserve	81.06	The safety fund in provision and the special reserves for joint venture increased
Taxes and surcharges	-30.13	Due to the decrease of steel price, selling income and value-added tax, the corresponding surcharge taxes also decreased in the period
Other income	70.93	The Company received incentive funds for enterprises with special contribution to intelligent manufacturing demonstration during the period

Item	Percentage of change (%)	Main reason
Credit impairment gains	138.49	The reversal of the provision for loan impairment measured by Finance Company in accordance with the model during the period
Asset impairment losses	3,198.97	Steel prices continuously decreased during the period, resulting in an increase in the provision for decline in value of inventories
Gains from disposal of assets	Not applicable	Ma Steel (Hefei) Iron & Steel Co., Ltd., the subsidiary of the Company, received compensation for land resumption and Anhui Changjiang Steel Co., Ltd. transferred ironmaking capacity during the period
Non-operating income	-95.80	The gains from disposal of certain scrapped old equipment for the new production line in the same period of the previous year
Non-operating expenses	65.85	The losses from disposal of certain scrapped property, plant and equipment during the period
Income tax expense	-79.58	The profit of the Company decreased and the taxable income decreased year on year during the period
Profit or loss attributable to non-controlling interests	-97.87	The profitability of certain non-wholly owned subsidiaries decreased year on year during the period
Total profit	-88.48	This year the price of steel fell sharply year on year, and the price of coal, coke and other raw materials rose sharply year on year, resulting in the decrease of the gross profit of steel products

Item	Percentage of change (%)	Main reason
Net profit	-90.47	Same as above
Net profit attributable to shareholders of the Parent	-89.82	Same as above
Net cash flows from operating activities	-45.56	The steel price continued to decline in the period, and the cash received from selling products decreased year on year; cash flow from customers' deposit of Finance Company decreased year on year
Net cash flows from investing activities	Not applicable	Cash paid by Finance Company for investment in the period decreased year on year
Net cash flows from financing activities	Not applicable	Cash paid for debt repayment in the period decreased year on year

II. SHAREHOLDER INFORMATION

(I) Total number of shareholders and table of shareholdings of the top ten shareholders

Unit: Share

Total number of shareholders as at the end of the reporting period	170,745	Number of shareholders of preferred shares with voting right restored as at the end of the reporting period (if any)	–			
Shareholding of the top ten shareholders						
Name of shareholder	Nature of Shareholders	Number of shares held	Percentage of shareholding (%)	Number of Restricted shares held	Number of pledged, marked or frozen shares Status	Volume
Magang (Group) Holding Company Limited	State-owned shareholder	3,506,467,456	45.095	–	Nil	–
Hong Kong Securities Clearing Company (Nominees) Limited	Unknown	1,716,716,520	22.078	–	Unknown	Unknown
Magang Group Investment Co., Ltd.	State-owned shareholder	158,282,159	2.036	–	Nil	–
Central Huijin Asset Management Limited	State-owned shareholder	139,172,300	1.790	–	Unknown	Unknown
Hong Kong Securities Clearing Company Limited	Unknown	79,297,935	1.020	–	Unknown	Unknown
China Merchants Bank Co., Ltd. – SSE dividend trading open-ended index securities investment fund	Unknown	75,671,927	0.973	–	Unknown	Unknown
China Life Pension Strategy No. 4 Equity Pension Product – Industrial and Commercial Bank of China Limited	Unknown	34,531,120	0.444	–	Unknown	Unknown
Beijing Guoxing Real Estate Management Co., Ltd.	Unknown	30,100,000	0.387	–	Unknown	Unknown
Zhang Wu	Unknown	25,000,000	0.322	–	Unknown	Unknown
Xu Xiudi	Unknown	7,102,003	0.091	–	Unknown	Unknown

Shareholding of the top ten holders without restricted selling condition

Name of shareholder	Number of shares held not subject to trading moratorium	Class and number of shares	
		Class	Number
Magang (Group) Holding Co., Limited	3,506,467,456	Ordinary shares in RMB	3,506,467,456
Hong Kong Securities Clearing Company (Nominees) Limited	1,716,716,520	Overseas listed shares	1,716,716,520
Magang Group Investment Ltd.	158,282,159	Ordinary shares in RMB	158,282,159
Central Huijin Investment Ltd.	139,172,300	Ordinary shares in RMB	139,172,300
Hong Kong Securities Clearing Company Limited	79,297,935	Ordinary shares in RMB	79,297,935
China Merchants Bank Co., Ltd. – SSE dividend trading open-ended index securities investment fund	75,671,927	Ordinary shares in RMB	75,671,927
China Life Pension Strategy No. 4 Equity Pension Product – Industrial and Commercial Bank of China Limited	34,531,120	Ordinary shares in RMB	34,531,120
Beijing Guoxing Real Estate Management Co., Ltd	30,100,000	Ordinary shares in RMB	30,100,000
Zhang Wu	25,000,000	Ordinary shares in RMB	25,000,000
Xu Xiudi	7,102,003	Ordinary shares in RMB	7,102,003
Notes on the above shareholders' affiliated relation or concerted action	Magang Group Investment Ltd. is the wholly-owned subsidiary of Magang (Group) Holding Company Limited, hence they are persons acting in concerted action. In addition, Magang (Group) Holding Company Limited has no affiliated relation with any of the other foregoing shareholders, nor is 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.		

Note: Hong Kong Securities Clearing Company (Nominees) Limited held H Shares of the Company on behalf of its customers, among which, 377,400,000 shares are held on behalf of Baosteel Hong Kong Investment Ltd., which is the wholly-owned subsidiary of China Baowu Steel Group, the controlling shareholder of Magang (Group) Holding Co., Ltd..

III. OTHER REMINDERS

Affected by the complex and severe international situation, the spread of domestic epidemics, the domestic economic development was faced with the triple pressure of demand contraction, supply shock, and weakening expectations, and the downward pressure exceeded expectations. During the Reporting Period, the operating environment for steel industry was severe. The enterprises were facing great challenges in their production and operation such as weak demand, falling steel prices, increase in cost of raw material, resulting in severely squeezed profitability of steel enterprises. From January to September, the average value of the domestic steel price index was 127.64 points, representing a year-on-year decrease of 11.2%. The average value of the China iron ore price index decreased 27.8% year on year while the average value of the domestic coking coal price index increased 45.3% year on year. (Source: National Bureau of Statistics, China Iron and Steel Industry Association, China Coking Industry Association)

During the Reporting Period, the Company and the subsidiaries (the “**Group**”) implemented economic production organization under low load operation in accordance with the principle of “safety, stability, balance and efficiency”, and took “quality month” as an opportunity to raise the awareness of “quality first” of all staff, to promote the improvement of comprehensive management quality level and to continue to maintain the edge or make a breakthrough. In the meantime, through careful organization and tough implementation, the Company made steady progress in key work including the construction of new special steel project, B blast furnace overhaul project in the steel making plant and “building a comprehensive environmental performance A-class enterprise”. From January to September, the Group produced 13.76 million tonnes of pig iron, 15.42 million tonnes of crude steel, 15.25 million tonnes of steel, representing a decrease of 2.13%, 5.11% and 2.93% respectively (of which: the Company produced 11.25 million tonnes of pig iron, representing a year-on-year increase of 1.53%; 12.30 million tonnes of crude steel, representing a year-on-year decrease of 3.98%; and 12.18 million tonnes of steel, representing a year-on-year increase of 0.41%). As calculated based on the PRC GAAP, the Group’s revenue was approximately RMB79,311 million, representing a year-on-year decrease of 7.58%, which was mainly attributable to the significant year-on-year decrease in steel prices and the slight decrease in volume of steel sales; net profit attributable to shareholders of the listed company was approximately RMB664 million, representing a year-on-year decrease of 89.82%, which was mainly attributable to the significant year-on-year decrease in steel prices, the significant increase in the cost of raw material such as coal and coke and the decrease in gross profit of steel product.

In the fourth quarter, facing the severe market situation and the huge operating pressure, the Company will make every effort to seize the opportunity, focus closely on the operation performance improvement plan, keep an close eye on the cost reduction target, grasp the extreme efficiency on one hand, and the structure and channels on the other hand, maintain firm confidence and determination, rely on the synergy of the Baowu ecosystem, and strive to maintain stable production and operation. The main measures include: First, grasp the market situation at both ends. The production unit will keep a close eye on the site and optimize production organization according to the actual marginal contribution; the sales unit will expand high-quality channels, improve the accuracy of market research and judgment, and strive to create more benefits while balancing production and sales; the procurement unit will work on the system cost reduction and strive to outperform the market. Second, strengthen the internal stabilization of production. The Company will clearly define the target, refine the measures, and work on “making up for the deficit with abundance”; solidly carry out the “three cost reduction and two efficiency improvement” while arranging equipment maintenance reasonably in short term in combination with the actual situation, to ensure that both production and maintenance are not missed. Third, work on the economic operation of the system. The Company will broaden the horizon, actively benchmark the processes and production lines with the leading enterprises in the industry, find the gaps and make up the “weakness”, focus on reducing process costs, plan carefully, organize production finely, and fully explore the potential of the Company in cost reduction and efficiency improvement, process parameter optimization, etc. Fourth, work on promoting and closing key projects. The Company will strengthen the safety control and epidemic prevention and control, increase the inspection of key areas, ensure that the construction of all projects are efficiently advanced in accordance with the time nodes and ensure high quality completion.

IV. QUARTERLY FINANCIAL STATEMENT

Consolidated Statement of Financial Position 30 September 2022

	<i>Unit: RMB</i>	
	30 September 2022	31 December 2021
ASSETS	Unaudited	Audited
CURRENT ASSETS:		
Cash and bank balances	5,937,933,643	6,667,853,614
Financial assets held for trading	3,277,753,505	5,732,467,255
Notes receivable	1,884,959,711	466,956,969
Trade receivables	1,334,516,928	1,107,071,353
Financing receivables	3,435,916,509	4,795,905,782
Prepayments	1,301,850,368	1,534,440,838
Other receivables	393,112,869	310,005,481
Inventories	11,934,598,470	12,463,004,529
Financial assets purchased under agreements to resell	400,069,727	784,602,397
Loans and advances to customers	3,628,736,925	4,726,693,965
Other current assets	7,049,035,624	4,669,834,825
Total current assets	<u>40,578,484,279</u>	<u>43,258,837,008</u>
NON-CURRENT ASSETS:		
Long-term receivables	4,095,224	11,142,621
Long-term equity investments	4,450,934,346	5,158,883,895
Other equity instruments investments	606,257,172	641,943,339
Investment properties	57,710,735	60,811,604
Property, plant and equipment	29,777,302,991	28,605,250,896
Construction in progress	15,734,819,251	10,999,333,300
Right-of-use assets	289,748,807	568,919,288
Intangible assets	1,761,444,882	1,727,329,824
Deferred tax assets	146,792,062	171,800,693
Other non-current assets	3,609,207	3,490,550
Total non-current assets	<u>52,832,714,677</u>	<u>47,948,906,010</u>
TOTAL ASSETS	<u>93,411,198,956</u>	<u>91,207,743,018</u>

	30 September 2022	31 December 2021
LIABILITIES AND SHAREHOLDERS' EQUITY	Unaudited	Audited
CURRENT LIABILITIES:		
Customer deposits	9,112,536,153	9,253,057,291
Repurchase agreements	633,771,909	925,465,952
Short-term loans	8,800,025,266	8,952,209,045
Financial liabilities held for trading	–	31,663,498
Notes payable	7,045,204,752	3,953,458,712
Trade payables	13,616,338,294	10,437,709,731
Contract liabilities	4,878,972,957	5,741,241,284
Payroll and employee benefits payable	139,415,761	349,524,741
Taxes payable	487,192,904	1,073,613,979
Other payables	4,676,191,474	3,954,899,554
Non-current liabilities due within one year	1,298,779,367	1,358,293,333
Accrued liabilities	32,907,620	37,618,128
Other current liabilities	643,191,949	746,361,366
Total current liabilities	<u>51,364,528,406</u>	<u>46,815,116,614</u>
NON-CURRENT LIABILITIES:		
Long-term loans	5,752,990,550	5,452,250,052
Lease liabilities	317,695,138	571,979,597
Long-term employee benefits payable	25,413,184	28,537,508
Deferred revenue	865,422,967	911,424,466
Deferred tax liabilities	16,783,428	17,251,303
Long-term payable	171,864,500	–
Total non-current liabilities	<u>7,150,169,767</u>	<u>6,981,442,926</u>
TOTAL LIABILITIES	<u>58,514,698,173</u>	<u>53,796,559,540</u>

LIABILITIES AND SHAREHOLDERS' EQUITY	30 September 2022 Unaudited	31 December 2021 Audited
SHAREHOLDERS' EQUITY:		
Share capital	7,775,731,186	7,700,681,186
Capital reserve	8,422,453,605	8,344,594,034
Less: Treasury shares	171,864,500	–
Other comprehensive income	(1,758,355)	12,271,369
Special reserve	82,250,228	45,427,634
Surplus reserve	4,688,014,995	4,688,014,995
General reserve	240,955,417	300,334,506
Retained earnings	9,663,856,880	11,661,535,210
Equity attributable to owners of the Parent Company	<u>30,699,639,456</u>	<u>32,752,858,934</u>
Non-controlling interests	<u>4,196,861,327</u>	<u>4,658,324,544</u>
Total shareholders' equity	<u>34,896,500,783</u>	<u>37,411,183,478</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>93,411,198,956</u>	<u>91,207,743,018</u>

Consolidated Profit or Loss Statement
January to September 2022

Unit: RMB

	July to September 2022 Unaudited	January to September 2022 Unaudited	July to September 2021 Unaudited	January to September 2021 Unaudited
Revenue	22,944,324,941	79,311,207,500	28,951,898,890	85,815,514,287
Less: Cost of sales	22,381,297,970	73,596,919,526	24,760,784,298	72,227,209,971
Taxes and surcharges	92,989,775	350,550,859	138,564,170	501,736,425
Selling expenses	93,192,951	221,671,678	77,899,292	204,859,362
General and administrative expenses	437,107,012	1,066,081,063	465,753,808	1,172,946,507
R&D expenses	924,767,721	2,989,331,540	1,283,764,426	3,329,851,985
Financial expenses	124,290,332	448,386,295	105,702,984	489,196,017
including: interest expense	113,047,644	374,350,541	155,584,296	507,644,661
interest income	6,663,257	35,029,458	13,368,144	22,563,309
Add: Other income	22,141,147	133,833,316	17,956,093	78,296,046
Investment income	159,123,635	577,037,179	251,618,906	639,893,731
including: share of profits of associates and joint ventures	85,868,021	400,960,344	188,553,242	575,737,955
Gain on the changes in fair value	33,585,324	89,964,296	20,591,492	86,470,757
Credit impairment losses (“-” for losses)	20,664,747	31,509,864	19,954,720	13,211,968
Asset impairment losses (“-” for losses)	3,024,205	(814,940,920)	1,600,572	(24,702,904)
Gain/(loss) on disposal of assets	(744,441)	419,839,882	(19,176,154)	(17,956,684)
Operating profit/(loss)	(871,526,203)	1,075,510,156	2,411,975,541	8,664,926,934
Add: Non-operating income	1,494,661	3,208,575	16,190,266	76,316,432
Less: Non-operating expenses	1,418,336	76,826,476	16,853,760	46,323,548
Profit/(loss) before tax	(871,449,878)	1,001,892,255	2,411,312,047	8,694,919,818
Less: Income tax expense	67,632,622	325,198,564	346,851,967	1,592,621,131
Net profit/(loss)	(939,082,500)	676,693,691	2,064,460,080	7,102,298,687
Categorized by operation continuity				
Net profit from continuing operations	(939,082,500)	676,693,691	2,064,460,080	7,102,298,687
Net profit from discontinued operations	-	-	-	-
Categorized by ownership				
Net profit attributable to owners of the parent	(763,122,379)	664,448,496	1,883,082,109	6,526,869,226
Profit or loss attributable to non-controlling interests	(175,960,121)	12,245,195	181,377,971	575,429,461

	July to September 2022 Unaudited	January to September 2022 Unaudited	July to September 2021 Unaudited	January to September 2021 Unaudited
Other comprehensive income, net of tax	12,583,019	(13,546,351)	3,429,105	1,180,848
Other comprehensive income attributable to owners of the parent, net of tax	12,583,019	(13,546,351)	3,429,105	1,180,848
Other comprehensive income that cannot be reclassified to profit or loss	11,156,055	(19,092,784)	–	23,174,957
Changes in fair value of other equity instrument investments	11,156,055	(19,092,784)	–	23,174,957
Other comprehensive income to be reclassified to profit or loss	1,426,964	5,546,433	3,429,105	(21,994,109)
Other comprehensive income that can be transferred to profit or loss under the equity method	–	71,103	–	520,764
Translation differences in foreign currency financial statements	(305,782)	1,799,817	3,429,105	(24,191,684)
Changes in fair value of other debt investments	793,698	2,736,465	–	–
Other debt investment credit impairment provisions	939,048	939,048	–	1,676,811
Other comprehensive income attributable to non-controlling interests, net of tax	–	–	–	–
Total comprehensive income	(926,499,481)	663,147,340	2,067,889,185	7,103,479,535
Attributable to:				
Owners of the parent	(750,539,360)	650,902,145	1,886,511,214	6,528,050,074
Non-controlling interests	(175,960,121)	12,245,195	181,377,971	575,429,461
Earnings per share :				
Basic earnings/(losses) per share	(9.90) cent	8.63 cent	24.46 cent	84.76 cent
Diluted earnings/(losses) per share	(9.90) cent	8.63 cent	24.46 cent	84.76 cent

Consolidated Statement of Cash Flow
January to September 2022

Unit: RMB

	For the nine months ended	
	30 September	
	2022	2021
	Unaudited	Unaudited
I. Cash flow from operating activities:		
Cash received from sale of goods and rendering of services	74,038,844,579	97,938,615,377
Tax refunds received	916,361,596	17,218,238
Net increase in financial assets sold under repurchase agreements	–	440,877,741
Net increase in deposits and placements from customers	–	2,016,331,376
Net decrease in financial assets purchased under agreements to resell	384,616,505	1,346,725,440
Decrease in deposits in central bank	136,526,680	–
Net decrease in loans and advances to customers	1,100,153,854	–
Received interests, handling fees and commission charges	244,235,064	403,040,638
Cash received relating to other operating activities	413,851,297	460,806,748
Sub-total of cash inflows	<u>77,234,589,575</u>	<u>102,623,615,558</u>
Cash paid for purchase of goods and services	(64,861,060,005)	(83,441,980,029)
Cash paid to and on behalf of employees	(3,602,323,463)	(3,871,142,040)
Taxes and surcharges paid	(1,657,712,624)	(3,372,784,488)
Net increase in deposits in the central bank	–	(5,210,587)
Net decrease in repurchase agreements	(292,067,855)	–
Net decrease in deposit absorption and withdrawals	(178,862,269)	–
Net increase in loans and advances to customers	–	(257,746,005)
Cash paid for interest charges, fees and commissions	(173,938,934)	(184,945,208)
Cash paid relating to other operating activities	(462,278,151)	(456,932,392)
Sub-total of cash outflows	<u>(71,228,243,301)</u>	<u>(91,590,740,749)</u>
Net cash flows from operating activities	<u>6,006,346,274</u>	<u>11,032,874,809</u>

	For the nine months ended	
	30 September	
	2022	2021
	Unaudited	Unaudited
II. Cash flows from investing activities:		
Cash received from disposal of investments	14,982,491,560	27,581,111,266
Cash received from investment income	155,334,416	502,538,976
Proceeds from disposal of items of property, plant and equipment, intangible assets and other non-current assets	530,438,578	90,025,625
Cash received relating to other investing activities	75,610,421	52,074,482
	<u>15,743,874,975</u>	<u>28,225,750,349</u>
Sub-total of cash inflows	<u>15,743,874,975</u>	<u>28,225,750,349</u>
Purchases of property, plant and equipment, intangible assets and other non-current assets	(6,166,099,697)	(4,029,768,582)
Cash paid for investments	(14,026,052,071)	(30,829,907,116)
Cash paid relating to other investing activities	–	(24,708,401)
	<u>(20,192,151,768)</u>	<u>(34,884,384,099)</u>
Sub-total of cash outflows	<u>(20,192,151,768)</u>	<u>(34,884,384,099)</u>
Net cash flows used in investing activities	<u>(4,448,276,793)</u>	<u>(6,658,633,750)</u>
III. Cash flows from financing activities:		
Cash received from borrowings	12,608,454,458	13,020,340,127
Cash received relating to other financing activities	497,245,796	–
Cash received from absorbing investments	171,864,500	–
	<u>13,277,564,754</u>	<u>13,020,340,127</u>
Sub-total of cash inflows	<u>13,277,564,754</u>	<u>13,020,340,127</u>

	For the nine months ended	
	30 September	
	2022	2021
	Unaudited	Unaudited
Repayment of borrowings	(12,078,576,279)	(15,360,967,251)
Cash paid for the distribution of dividend or profits and for interest expenses including: dividends and profits paid by subsidiaries to minority shareholders	(3,477,550,292)	(1,935,309,637)
Cash paid relating to other financing activities	(476,851,528)	(236,624,809)
	(39,672,415)	–
Sub-total of cash outflows	<u>(15,595,798,986)</u>	<u>(17,296,276,888)</u>
Net cash flows used in financing activities	<u>(2,318,234,232)</u>	<u>(4,275,936,761)</u>
IV. Effect of foreign exchange rate changes on cash and cash equivalents	17,563,660	79,750,014
V. Net increase (decrease) in cash and cash equivalents	(742,601,091)	178,054,312
Add: cash and cash equivalents at the beginning of the period	4,223,061,890	3,123,596,841
VI. Cash and cash equivalents at the end of the period	<u>3,480,460,799</u>	<u>3,301,651,153</u>
<i>Legal representative:</i> Ding Yi	<i>Chief Accountant:</i> Ren Tianbao	<i>Head of Accounting:</i> Xing Qunli

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

28 October 2022
Maanshan City, Anhui Province, the PRC

As at the date of this announcement, the directors of the Company include executive directors Ding Yi and Ren Tianbao; and independent non-executive directors Zhang Chunxia, Zhu Shaofang and Wang Xianzhu.