

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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: 323)

**PRICE-SENSITIVE INFORMATION/
OVERSEAS REGULATORY ANNOUNCEMENT
2010 FIRST QUARTERLY REPORT**

This announcement is made pursuant to rules 13.09(1) and (2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1 IMPORTANT NOTICE

- 1.1 The board of directors (the “Board of Directors”), the supervisory committee, the directors, the supervisors and senior management members of Maanshan Iron & Steel Company Limited (the “Company”) warrant that there are no false representations and 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 Mr. Gu Jianguo, the person-in-charge of the Company, Mr. Su Jianguang, the overseer of accounting operations, and Mr. Zhang Qianchun, person-in-charge of the Accounting Department, make representations in respect of the truthfulness and completeness of the financial reports contained in this quarterly report.
- 1.3 The financial statements contained in this quarterly report have been prepared in accordance with China Accounting Standards for Business Enterprises. They have not been audited but have been reviewed by the Audit Committee of the Board of Directors of the Company.

2 BASIC INFORMATION OF THE COMPANY

2.1 Major accounting data and financial indicators

	As at the end of the reporting period	As at the end of the previous year	<i>Unit: RMB</i> Increase/(decrease) of the end of the reporting period as compared to the end of the previous year (%)
Total assets	68,794,818,352	67,984,106,505	1.19
Shareholders' equity attributable to shareholders of the Company	26,988,673,628	26,464,653,635	1.98
Net assets per share attributable to shareholders of the Company	3.50	3.44	1.74

	Beginning of the year to the end of the reporting period	Increase/(decrease) as compared to the corresponding period of the previous year (%)
Net cash flows from operating activities	(1,234,869,022)	-297.14
Net cash flows per share from operating activities	(0.1604)	-297.29

	Reporting period	Beginning of the year to the end of the reporting period	Increase/(decrease) of the reporting period as compared to the corresponding period of the previous year (%)
Net profit attributable to the shareholders of the Company	520,577,776	520,577,776	157.93
Basic earnings per share	0.0676	0.0676	159.56
Basic earnings per share excluding non-recurring gains or losses	0.0646	0.0646	153.92
Diluted earnings per share	Not applicable	Not applicable	Not applicable
Return on net assets – Weighted average (%)	1.95	1.95	an increase of 5.47 percentage-points
Return on net assets excluding non-recurring gains or losses – Weighted average (%)	1.86	1.86	an increase of 5.47 percentage-points

Item of non-recurring gains or losses	Amount (from the beginning of the year to the end of the reporting period)
Net gains or losses on disposal of non-current assets	325,583
Subsidy income	10,679,800
Recognition of deferred income	19,658,793
Gains or losses on changes in fair value	(87,920)
Other non-operating income and expenses	(34,117)
Income tax effect	(5,945,455)
Non-recurring gains or losses attributable to minority shareholders after excluding the effect of tax expenses	<u>(1,771,591)</u>
Non-recurring gains or losses attributable to shareholders of the Company after excluding the effect of tax expenses	<u><u>22,825,093</u></u>

2.2 Total number of shareholders as at the end of the reporting period and table of shareholding of the top ten holders of circulating shares (or shareholders that are not subject to selling restrictions)

Unit: Share

Total number of shareholders as at the end of the reporting period 405,132

Shareholding of the top ten holders of circulating shares that are not subject to selling restrictions

Name of shareholder	Number of circulating shares held	Type of shares
Magang (Group) Holding Company Limited	3,886,423,927	RMB-denominated ordinary shares
HKSCC (Nominees) Limited	1,708,793,997	Overseas-listed foreign shares
中國建設銀行－鵬華價值優勢股票型證券投資基金	120,199,585	RMB-denominated ordinary shares
中國工商銀行－南方成份精選股票型證券投資基金	25,863,777	RMB-denominated ordinary shares
Wang Yong (王勇)	20,300,000	RMB-denominated ordinary shares
MORGAN STANLEY & CO. INTERNATIONAL PLC.	18,889,911	RMB-denominated ordinary shares
中國銀行－嘉實滬深300指數證券投資基金	15,303,951	RMB-denominated ordinary shares
中國工商銀行－諾安股票證券投資基金	14,719,287	RMB-denominated ordinary shares
DEUTSCHE BANK AKTIENGESELLSCHAFT	14,070,053	RMB-denominated ordinary shares
中國銀行－華寶興業先進成長股票型證券投資基金	13,999,781	RMB-denominated ordinary shares

3 SIGNIFICANT MATTERS

3.1 Details of and reasons for material changes in the major financial statement items and financial indicators of the Company

- In the first quarter of 2010, as the global economic scene continued to improve, demand in the global steel market increased and steel prices rose. With a steady and relatively fast pace of development in the national economy, investment in fixed assets and demand in the major steel-consuming industries increased. At the same time, domestic iron and steel production grew relatively rapidly and the supply in the steel market further increased. As a result, the domestic steel market remained stable in the first quarter and steel prices rose as well. Meanwhile, the prices of major fuel and raw

materials needed for iron and steel production such as iron ores remained at a high level, and as a result, the pressure on costs for steel and iron enterprises increased. To this end, the Company took “building competitive strengths; improving profitability” as its business theme. By focusing on core elements such as product variety, quality and cost, continuously optimising the product mix and further pushing forward cost reduction work, the Company achieved good results in production operation.

From January to March 2010, the Company and its subsidiaries (the “Group”) produced 3,570,000 tonnes of pig iron, 3,790,000 tonnes of crude steel and 3,570,000 tonnes of steel products (among which the Company produced 3,250,000 tonnes of pig iron, 3,420,000 tonnes of crude steel and 3,210,000 tonnes of steel products), representing year-on-year increases of approximately 9.51%, 10.17% and 10.19% respectively. During the reporting period, under China Accounting Standards for Business Enterprises, the Group’s operating revenue increased by 23.85% year-on-year and net profit attributable to shareholders of the Company increased by 157.93% year-on-year, primarily owing to increases in sales volume and prices of steel products of the Company.

At present, price increases of fuel and raw materials have created pressure and have affected iron and steel production significantly. The Company will carry out various measures to actively cope with the situation, including expanding supply channels, optimising logistics, continuing to carry out benchmarking management to reduce costs, and raising products’ value by improving variety and quality, so as to fulfill customers’ more demanding requirements and improve the Company’s competitiveness and profitability.

- Items with more than 30% changes as compared to the end of 2009 in the consolidated financial statements and the reasons for such changes:
 - Dividends receivable decreased by 100% as compared to the end of the previous year primarily due to the receipt of dividends allocated from associates (joint ventures).
 - Prepayments increased by 52.51% as compared to the end of the previous year primarily due to an increase in procurement prepayments.
 - Other receivables increased by 83.90% as compared to the end of the previous year primarily due to an increase in prepayments for customs taxes.
 - Short-term loans increased by 84.05% as compared to the end of the previous year primarily due to an increase in short-term bank loans.
 - Tax payable increased by 252.87% as compared to the end of the previous year primarily due to an increase in value-added tax payable and income tax.
 - Interests payable increased by 127.44% as compared to the end of the previous year primarily due to an increase in unpaid interests payable.

- Items with more than 30% changes as compared to the corresponding period of the previous year in the consolidated financial statements and the reasons for such changes:
 - Sales tax and surcharges increased by 228.79% over the same period of the previous year primarily due to an increase in sales income during the reporting period.
 - Financial expenses decreased by 33.10% over the same period of the previous year primarily due to a decrease in interests expenses in the reporting period attributable to the settlement by bills and decrease in long-term bank loans during the reporting period.
 - Gain from changes in fair value decreased by 252.16% over the same period of the previous year primarily due to a decrease in the prices of shares held by the Company during the reporting period.
 - Non-operating expenses decreased by 59.84% over the same period of the previous year primarily due to a decrease in amercement expenses during the reporting period.
 - Total profit increased by 187.89% over the same period of the previous year primarily due to an increase in sales volume and sales prices of steel products of the Company during the reporting period.
 - Income tax expense increased by 33.85 times over the same period of the previous year primarily due to an increase in total profit during the reporting period.
 - Profit/loss from minority interests increased by 312.25% over the same period of the previous year primarily due to increases in net profits of certain non-wholly owned subsidiaries during the reporting period.
 - Net cash flows from operating activities decreased by 297.14% over the same period of the previous year primarily due to an increase in cash paid for procurement during the reporting period.
 - Net cash flows from financing activities decreased by 70.66% over the same period of the previous year primarily due to a decrease in bank loans during the reporting period.

3.2 Securities investments

Unit: RMB

Item no.	Securities Code	Abbreviation	Number of shares held at the end of the reporting period	Initial Investment amount	Book value at the end of the reporting period	Book value at the beginning of the reporting period	Item category in accounting
1	601857	PetroChina	35,000	584,500	449,400	483,700	Held-for-trading financial assets
2	601390	China Railway Group	33,000	158,400	191,400	207,900	Held-for-trading financial assets
3	601898	China Coal Energy	12,000	201,960	140,040	162,960	Held-for-trading financial assets
4	601186	China Railway Construction Corporation Limited	20,000	181,600	168,600	182,800	Held-for-trading financial assets
Total				<u>1,126,460</u>	<u>949,440</u>	<u>1,037,360</u>	

3.3 Implementation of the cash dividend distribution policy during the reporting period

The profit distribution plan of the Company for year 2009 was considered and approved in the thirteenth meeting of the sixth session of the Board of Directors of the Company held on 30 March 2010. The payment of a cash dividend of RMB0.04 (tax inclusive) per share was recommended. Such profit distribution plan will be submitted for consideration and approval to the annual general meeting of the Company which will be held on 8 June 2010.

By Order of the Board of Directors
Gu Jianguo
Chairman

20 April 2010
 Maanshan City, Anhui Province, the PRC

As at the date of this announcement, the directors of the Company include:

Executive Directors: Gu Jianguo, Su Jianguang, Gao Haijian, Hui Zhigang

Non-executive Director: Zhao Jianming

Independent Non-executive Directors: Wong Chun Wa, Su Yong, Hui Leung Wah, Han Yi

4 APPENDIX:

Maanshan Iron & Steel Company Limited
Consolidated Balance Sheet
(Prepared under China Accounting Standards for Business Enterprises)
31 March 2010
Unit: RMB

Assets	31 March 2010 (Unaudited)	31 December 2009 (Audited)
Current assets:		
Cash and balances with financial institutions	7,480,515,523	8,700,317,608
Financial assets held for trading	949,440	1,037,360
Bills receivable	4,978,559,482	4,421,189,686
Trade receivables	826,281,986	822,930,091
Dividends receivable	–	24,751,198
Prepayments	1,255,665,364	823,338,565
Other receivables	493,166,740	268,164,615
Inventories	10,903,055,423	8,988,794,051
Non-current assets due within one year	–	–
Total current assets	25,938,193,958	24,050,523,174
Non-current assets:		
Long-term equity investments	1,027,944,000	999,403,592
Investment properties	4,667,067	4,727,175
Fixed assets	37,170,792,555	38,272,898,821
Construction materials	218,235,428	223,238,270
Construction in progress	1,819,425,529	1,797,954,642
Intangible assets	1,847,394,080	1,855,779,750
Deferred tax assets	768,165,735	779,581,081
Total non-current assets	42,856,624,394	43,933,583,331
Total assets	68,794,818,352	67,984,106,505

Maanshan Iron & Steel Company Limited
Consolidated Balance Sheet (Cont'd)
(Prepared under China Accounting Standards for Business Enterprises)
31 March 2010
Unit: RMB

Liabilities and shareholders' equity	31 March 2010 (Unaudited)	31 December 2009 (Audited)
Current liabilities:		
Short-term loans	2,159,346,815	1,173,245,805
Bills payable	4,707,857,931	5,400,287,600
Accounts payable	5,583,723,776	6,315,104,235
Deposits received	6,382,139,443	6,092,362,835
Payroll and benefits payable	247,128,986	275,489,773
Taxes payable	131,175,799	(85,807,517)
Interests payable	18,510,895	8,138,718
Dividends payable	744,471,547	701,538,763
Other payables	822,323,154	753,587,311
Non-current liabilities due within one year	<u>1,027,286,111</u>	<u>816,000,000</u>
Total current liabilities	<u>21,823,964,457</u>	<u>21,449,947,523</u>
Non-current liabilities:		
Long-term loans	12,429,451,000	13,603,960,000
Bonds payable	6,275,345,831	5,165,409,845
Deferred income	580,853,245	579,926,538
Deferred tax liabilities	—	—
Other non-current liabilities	—	—
Total non-current liabilities	<u>19,285,650,076</u>	<u>19,349,296,383</u>
Total liabilities	<u>41,109,614,533</u>	<u>40,799,243,906</u>
Shareholders' equity:		
Share capital	7,700,681,186	7,700,681,186
Capital reserve	8,338,358,399	8,338,358,399
Surplus reserves	3,057,920,649	3,057,920,649
Retained profits	7,870,851,228	7,350,273,452
Exchange fluctuation reserve	<u>20,862,166</u>	<u>17,419,949</u>
Equity attributable to equity holders of the parent	<u>26,988,673,628</u>	<u>26,464,653,635</u>
Minority interests	<u>696,530,191</u>	<u>720,208,964</u>
Total shareholder's equity	<u>27,685,203,819</u>	<u>27,184,862,599</u>
Total liabilities and shareholders' equity	<u><u>68,794,818,352</u></u>	<u><u>67,984,106,505</u></u>

Maanshan Iron & Steel Company Limited
Consolidated Income Statement
(Prepared under China Accounting Standards for Business Enterprises)
Three Months Ended 31 March 2010
Unit: RMB

	January – March 2010 (Unaudited)	January – March 2009 (Unaudited)
Operating revenue	14,281,186,177	11,531,083,575
Less: Cost of sales	12,989,698,045	11,901,631,985
Taxes and surcharges	87,290,424	26,548,999
Selling expenses	57,393,799	62,366,538
Administrative expenses	264,067,985	220,069,072
Financial expenses	180,675,380	270,073,807
Assets impairment losses	–	–
Add: Gain/(loss) on changes in fair value	(87,920)	57,780
Investment income	46,540,407	38,561,543
including: share of profits of associates and a jointly controlled entity	46,540,407	30,504,702
Operating profit/(loss)	748,513,031	(910,987,503)
Add: Non-operating income	30,703,176	24,659,973
Less: Non-operating expenses	73,117	182,065
including: net loss/(gain) on disposal of non-current assets	(325,583)	–
Profit/(loss) before tax	779,143,090	(886,509,595)
Less: Income tax	236,632,102	6,790,204
Net profit/(loss)	542,510,988	(893,299,799)
including: Net profit/(loss) attributable to equity holders of the parent	520,577,776	(898,620,183)
Profit from minority interests	21,933,212	5,320,384
Earnings per Share:		
Basic	6.76 cents	(11.35) cents
Diluted	N/A	N/A
Other comprehensive income/(loss)	3,442,217	(13,480,751)
Total comprehensive income/(loss)	545,953,205	(906,780,550)
Include: Total comprehensive income/(loss) attributable to the holding shareholders	524,019,993	(912,100,934)
Total comprehensive income attributable to the minority shareholders	21,933,212	5,320,384

Maanshan Iron & Steel Company Limited
Consolidated Cash Flow Statement
(Prepared under China Accounting Standards for Business Enterprises)
Three Months Ended 31 March 2010
Unit: RMB

	January – March 2010 (Unaudited)	January – March 2009 (Unaudited)
1. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	16,995,408,540	12,627,464,087
Cash received relating to other operating activities	58,443,210	41,225,023
	<hr/>	<hr/>
Sub-total of cash inflows	17,053,851,750	12,668,689,110
	<hr/>	<hr/>
Cash paid for goods and services	(16,131,485,704)	(10,179,992,073)
Cash paid to and on behalf of employees	(841,520,043)	(507,555,323)
Cash paid for all taxes	(1,225,940,603)	(1,068,452,351)
Cash paid relating to other operating activities	(89,774,422)	(286,308,719)
	<hr/>	<hr/>
Sub-total of cash outflows	(18,288,720,772)	(12,042,308,466)
	<hr/>	<hr/>
Net cash flows from operating activities	(1,234,869,022)	626,380,644
	<hr/>	<hr/>
2. Cash flows from investing activities:		
Cash received from retrieval of investments	20,560,653	8,056,841
Net cash received from disposal of fixed assets, intangible assets and other long term assets	1,142,000	93,095
	<hr/>	<hr/>
Sub-total of cash inflows	21,702,653	8,149,936
	<hr/>	<hr/>
Cash paid for acquisitions of fixed assets, intangible assets and other long term assets	(324,452,381)	(380,204,272)
Cash paid for acquisitions of investments	–	(41,391,512)
	<hr/>	<hr/>
Sub-total of cash outflows	(324,452,381)	(421,595,784)
	<hr/>	<hr/>
Net cash flows from investing activities	(302,749,728)	(413,445,848)
	<hr/>	<hr/>

Maanshan Iron & Steel Company Limited
Consolidated Cash Flow Statement (Cont'd)
(Prepared under China Accounting Standards for Business Enterprises)
Three Months Ended 31 March 2010
Unit: RMB

	January – March 2010 (Unaudited)	January – March 2009 (Unaudited)
3. Cash flows from financing activities:		
Cash received from borrowings	<u>4,393,294,000</u>	<u>6,289,008,000</u>
Sub-total of cash inflows	<u>4,393,294,000</u>	<u>6,289,008,000</u>
Cash repayments of borrowings	<u>(3,966,632,000)</u>	<u>(5,021,292,600)</u>
Cash paid for distribution of dividend, profits or for interest expenses	<u>(118,942,253)</u>	<u>(218,772,733)</u>
Sub-total of cash outflows	<u>(4,085,574,253)</u>	<u>(5,240,065,333)</u>
Net cash flows from financing activities	<u>307,719,747</u>	<u>1,048,942,667</u>
4. Effect of foreign exchange rate changes on cash and cash equivalents	<u>10,096,917</u>	<u>20,143,505</u>
5. Net increase in cash and cash equivalents	<u>(1,219,802,086)</u>	<u>1,282,020,968</u>
Add: Balance of cash and cash equivalents at beginning of period	<u>8,700,317,608</u>	<u>5,951,087,213</u>
6. Balance of cash and cash equivalents at end of period	<u><u>7,480,515,522</u></u>	<u><u>7,233,108,181</u></u>

Maanshan Iron & Steel Company Limited
Balance Sheet
(Prepared under China Accounting Standards for Business Enterprises)
31 March 2010
Unit: RMB

Assets	31 March 2010 (Unaudited)	31 December 2009 (Audited)
Current assets:		
Cash and balances with financial institutions	4,145,355,901	5,809,069,109
Financial assets held for trading	949,440	1,037,360
Bills receivable	4,365,730,715	4,183,146,951
Trade receivables	1,304,031,241	1,071,371,524
Dividends receivable	105,111,299	24,751,198
Prepayments	728,983,198	571,602,521
Other receivables	27,165,379	29,344,892
Inventories	9,239,088,992	7,729,440,621
Non-current assets due within one year	—	—
Total current assets	19,916,416,165	19,419,764,176
Non-current assets:		
Long-term equity investments	2,210,845,129	2,181,564,626
Investment properties	18,369,631	18,404,084
Fixed assets	35,243,158,410	36,293,704,502
Construction materials	211,806,069	221,471,149
Construction in progress	1,493,362,612	1,505,126,557
Intangible assets	1,230,117,993	1,238,079,244
Deferred tax assets	767,989,564	767,989,564
Total non-current assets	41,175,649,408	42,226,339,726
Total assets	61,092,065,573	61,646,103,902

Maanshan Iron & Steel Company Limited
Balance Sheet (Cont'd)
(Prepared under China Accounting Standards for Business Enterprises)
31 March 2010
Unit: RMB

Liabilities and shareholders' equity	31 March 2010 (Unaudited)	31 December 2009 (Audited)
Current liabilities:		
Short-term loans	273,052,000	–
Bills payable	2,541,162,063	3,057,932,063
Accounts payable	5,022,475,663	5,743,462,652
Deposits received	5,023,306,364	5,584,922,592
Payroll and benefits payable	189,775,156	208,145,931
Taxes payable	167,109,021	(66,882,101)
Interests payable	18,399,694	8,039,421
Dividends payable	701,538,763	701,538,763
Other payables	731,821,746	710,762,838
Non-current liabilities due within one year	1,027,286,111	816,000,000
	<hr/>	<hr/>
Total current liabilities	15,695,926,581	16,763,922,159
	<hr/>	<hr/>
Non-current liabilities:		
Long-term loans	12,381,451,000	13,577,000,000
Bonds payable	6,275,345,831	5,165,409,845
Deferred income	564,020,745	562,619,538
Deferred tax liabilities	–	–
Other non-current liabilities	–	–
	<hr/>	<hr/>
Total non-current liabilities	19,220,817,576	19,305,029,383
	<hr/>	<hr/>
Total liabilities	34,916,744,157	36,068,951,542
	<hr/>	<hr/>
Shareholders' equity:		
Share capital	7,700,681,186	7,700,681,186
Capital reserve	8,338,358,399	8,338,358,399
Surplus reserves	2,873,596,445	2,873,596,445
Retained profits	7,262,685,386	6,664,516,330
	<hr/>	<hr/>
Total shareholders' equity	26,175,321,416	25,577,152,360
	<hr/>	<hr/>
Total liabilities and shareholders' equity	61,092,065,573	61,646,103,902
	<hr/> <hr/>	<hr/> <hr/>

Maanshan Iron & Steel Company Limited
Income Statement
(Prepared under China Accounting Standards for Business Enterprises)
Three Months Ended 31 March 2010
Unit: RMB

	January – March 2010 (Unaudited)	January – March 2009 (Unaudited)
Operating revenue	15,001,959,986	12,154,417,540
Less: Cost of sales	13,889,248,521	12,620,818,078
Taxes and surcharges	80,652,747	21,362,095
Selling expenses	49,112,499	58,855,544
Administrative expenses	211,780,772	174,939,984
Financial expenses	151,555,423	257,935,189
Assets impairment losses	–	–
Add: Gain/(loss) on changes in fair value	(87,920)	57,780
Investment income	156,582,347	38,752,804
including: share of profits of associates and a jointly controlled entity	47,280,503	30,695,963
Operating profit/(loss)	776,104,451	(940,682,766)
Add: Non-operating income	21,496,836	23,108,183
Less: Non-operating expenses	42,546	171,882
including: net loss/(gain) on disposal of non-current assets	(326,043)	–
Profit/(loss) before tax	797,558,741	(917,746,465)
Less: Income tax	199,389,685	–
Net profit/(loss)	598,169,056	(917,746,465)
Other comprehensive income	–	–
Total comprehensive income/(loss)	598,169,056	(917,746,465)

Maanshan Iron & Steel Company Limited
Cash Flow Statement
(Prepared under China Accounting Standards for Business Enterprises)
Three Months Ended 31 March 2010
Unit: RMB

	January – March 2010 (Unaudited)	January – March 2009 (Unaudited)
1. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	16,758,017,239	13,356,764,826
Cash received relating to other operating activities	<u>62,670,460</u>	<u>39,814,765</u>
Sub-total of cash inflows	<u>16,820,687,699</u>	<u>13,396,579,591</u>
Cash paid for goods and services	(16,746,821,472)	(11,839,995,759)
Cash paid to and on behalf of employees	(746,354,200)	(485,268,104)
Cash paid for all taxes	(869,050,599)	(1,051,099,268)
Cash paid relating to other operating activities	<u>(104,482,570)</u>	<u>(358,197,260)</u>
Sub-total of cash outflows	<u>(18,466,708,841)</u>	<u>(13,734,560,391)</u>
Net cash flows from operating activities	<u>(1,646,021,142)</u>	<u>(337,980,800)</u>
2. Cash flows from investing activities:		
Cash received from retrieval of investments	24,751,198	8,056,841
Net cash received from disposal of fixed assets, intangible assets and other long term assets	<u>1,142,000</u>	<u>93,095</u>
Sub-total of cash inflows	<u>25,893,198</u>	<u>8,149,936</u>
Cash paid for acquisitions of fixed assets, intangible assets and other long term assets	(264,749,718)	(379,711,068)
Cash paid for acquisitions of investments	<u>–</u>	<u>(32,391,512)</u>
Sub-total of cash outflows	<u>(264,749,718)</u>	<u>(412,102,580)</u>
Net cash flows from investing activities	<u>(238,856,520)</u>	<u>(403,952,644)</u>

Maanshan Iron & Steel Company Limited
Cash Flow Statement (Cont'd)
(Prepared under China Accounting Standards for Business Enterprises)
Three Months Ended 31 March 2010
Unit: RMB

	January – March 2010 (Unaudited)	January – March 2009 (Unaudited)
3. Cash flows from financing activities:		
Cash received from borrowings	<u>4,293,294,000</u>	<u>6,289,008,000</u>
Sub-total of cash inflows	<u>4,293,294,000</u>	<u>6,289,008,000</u>
Cash repayments of borrowings	<u>(3,966,632,000)</u>	<u>(5,021,292,600)</u>
Cash paid for distribution of dividend, profits or for interest expenses	<u>(107,191,396)</u>	<u>(217,646,159)</u>
Sub-total of cash outflows	<u>(4,073,823,396)</u>	<u>(5,238,938,759)</u>
Net cash flows from financing activities	<u>219,470,604</u>	<u>1,050,069,241</u>
4. Effect of foreign exchange rate changes on cash and cash equivalents	<u>1,693,849</u>	<u>23,026,785</u>
5. Net increase in cash and cash equivalents	<u>(1,663,713,209)</u>	<u>331,162,582</u>
Add: Balance of cash and cash equivalents at beginning of period	<u>5,809,069,109</u>	<u>4,368,314,406</u>
6. Balance of cash and cash equivalents at end of period	<u><u>4,145,355,900</u></u>	<u><u>4,699,476,988</u></u>