鞍鋼股份有限公司
ANGANG STEEL COMPANY LIMITED*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 347)

2010 ANNUAL RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

- Turnover amounted to RMB92,212 million
- Profit before tax amounted to RMB2,378 million
- Profit for the year attributable to owners of the Company amounted to RMB2,054 million
- Basic earnings per share amounted to RMB0.284 (2009: RMB0.103 (restated))
- Proposed final dividend of RMB0.15 per share (2009: RMB0.06 per share)

In this announcement, the following expressions shall have the following meanings unless the context indicates otherwise:

"Board"	the board of directors of the Company
"Company"	Angang Steel Company Limited* (鞍鋼股份有限公司)
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"PRC"	the People's Republic of China (for the purpose of this announcement, excluding Hong Kong and Macau Special Administrative Region)

PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") BY THE GROUP

Unit: RMB million

	2010	2009		2008	
		Before adjustment	After adjustment	Before adjustment	After adjustment
Turnover	**92,212**	70,057	70,057	78,985	78,985
Profit before tax	**2,378**	877	872	3,847	3,842
Income tax expense	**413**	166	165	854	853
Profit for the year attributable to owners of the Company	**2,054**	752	748	2,993	2,989
Total assets	**107,119**	103,126	103,254	94,826	94,958
Total liabilities	**51,790**	49,469	49,469	41,855	41,855
Equity attributable to owners of the Company	**54,052**	52,291	52,419	52,971	53,103
Net assets per share *(RMB)*	**7.47**	7.23	7.24	7.32	7.34
Earnings per share (basic) *(RMB)*	**0.284**	0.104	0.103	0.414	0.413
Return on net assets *(%)*	**3.80**	1.44	1.43	5.65	5.63

PREPARED IN ACCORDANCE WITH THE ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES IN THE PRC ("PRC ACCOUNTING STANDARDS") BY THE GROUP

For the year ended 31 December 2010

Unit: RMB million

Items	**Amount**
Operating profit:	2,253
Total profit:	2,358
Net profit:	1,950
Net profit attributable to shareholders of the Company:	2,039
Net profit less extraordinary items attributable to shareholders of the Company:	1,960
Net cash flow generated from operating activities:	9,026
Investment income:	411
Net non-operating income and expenses:	105
Net increase/decrease in cash and cash equivalents:	1,409

Note: Extraordinary items and amounts of the Group during the reporting period:

No.	**Extraordinary items**	**Effect on profit** *(RMB million)*
1	Gains or losses from disposal of non-current assets	4
2	Government subsidies (except for government subsidies which are closely related to the corporate business and entitled in standard amount or quantities in conformity with the uniform standards of the State) attributable to gains or losses for the period	117
3	Other non-operating income and expenses apart from those stated above	–16
4	Sub-total	105
5	Effect of income tax	–26
6	Total	79

Note: for extraordinary items, "+" refer to gains or incomes, "-" refer to losses or expenditures.

DIFFERENCES BETWEEN THE FINANCIAL INFORMATION PREPARED UNDER THE PRC ACCOUNTING STANDARDS AND IFRSs:

Unit: RMB million

	The Group				Attributable to shareholders of the Company			
	Net profit Year ended 31 December		Net assets At 31 December		Net profit Year ended 31 December		Net assets At 31 December	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009
Under IFRSs	**1,965**	707	**55,329**	53,785	**2,054**	748	**54,052**	52,419
Under PRC Accounting Standards	**1,950**	686	**55,345**	53,798	**2,039**	727	**54,068**	52,432

Items and total amount as adjusted under the IFRSs:

Production safety expenses	**20**	29			**20**	29		
Deferred income tax assets	**–5**	–8	**–18**	–13	**–5**	–8	**–18**	–13
Interests in jointly controlled entities			**2**				**2**	
Total adjustments	**15**	21	**–16**	–13	**15**	21	**–16**	–13

OPERATING RESULTS FOR 2010

Based on the IFRSs, the Group recorded an annual profit attributable to owners of the Company of RMB2,054 million for the year ended 31 December 2010, representing an increase of 174.60% from the previous year, and its basic earnings per share was RMB0.284.

Based on the PRC Accounting Standards, the Group recorded a net profit attributable to the owners of the Company of RMB2,039 million for the year ended 31 December 2010, representing an increase of 180.47% from the previous year, and its basic earnings per share was RMB0.282.

PROFIT DISTRIBUTION

As audited and confirmed by RSM China Certified Public Accountants (special general partnership), the net profit attributable to the shareholders of the Company for year 2010 amounted to RMB2,039 million and as at the year end of 2010, the profit available for distribution to the shareholders of the Group was RMB11,672 million under the PRC Accounting Standards. In accordance with the laws and regulations of the PRC and the articles of association of the Company, the Board of the Company recommended a cash dividend of RMB0.15 per share (inclusive of tax) for 2010 based on the Company's total issued share capital of 7,234,807,847 shares as of the date of this announcement. The proposal for distribution is subject to the consideration by the shareholders at the annual general meeting for the year 2010. Subject to the approval by the shareholders at the annual general meeting for the year 2010, the Company will, according to such proposal, distribute the final dividend to the H shareholders of the Company whose names appear on the register of H shareholders of the Company at the close of business on Friday, 29 April 2011.

According to the Enterprise Income Tax Law of the People's Republic of China and the Detailed Rules for the Implementation of the Enterprise Income Tax Law of the People's Republic of China which came into effect on 1 January 2008, any Chinese domestic enterprise which pays dividend to a non-resident enterprise shareholder shall withhold and pay enterprise income tax at a rate of 10% for such shareholder. As a result, the Company will withhold enterprise income tax on the final dividend for 2010 to be paid to non-resident enterprise shareholders (including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations) at a rate of 10% at the time of distributing such dividend to the shareholders. The dividend after the deduction of such withholding tax will be RMB0.135 per H share of the Company (for reference only).

Distribution for the last three years

Year	Net profit attributable to shareholders of the Company *(RMB million)*	Distribution proposal	Amount of cash dividend *(RMB million)*	Proportion of the amount of cash dividend in realized net profit
2009	727	RMB0.06 per share	434	59.70%
2008	2,981	RMB0.21 per share	1,519	50.96%
2007	7,525	RMB0.55 per share	3,979	52.88%
Total	11,233	—	5,932	52.81%

Note: The realized net profit of the Group have been adjusted in accordance with the prevailing requirements under the PRC Accounting Standards.

BUSINESS REVIEW

1. New accomplishments in production and operation

During the reporting period, the Group produced 22,125,000 tonnes of iron, 21,657,300 tonnes of steel and 20,872,800 tonnes of steel products, representing an increase of 7.87%, 7.91% and 9.86%, respectively, as compared with the previous year. Sales of steel products amounted to 20,693,000 tonnes, representing an increase of 11.14% as compared with the previous year. The Group also realized a 99.14% production to sale ratio for steel products.

2. New achievements in energy saving and emission reduction

The Group implemented 18 environmental protection projects, including the gas desulphurization for Bayuquan series I sintering machine (鮁魚圈I系列燒結機), west zone series I sintering machine (西區I系列燒結機), no. 3 furnace sintering machine (三燒燒結機), no.2 furnace sintering machine (二燒燒結機) as well as the efflux wastewater treatment (外排廢水治理) of the heavy plate production line, with a planned investment of RMB319 million. The gas turbine combined circle power plant (CCPP) project of Bayuquan (鮁魚圈CCPP項目) and the coke dry quenching power generation (CDQ) project (幹熄焦發電CDQ項目) had successfully passed the on-site inspection.

A series of energy saving projects, including the renovation of the boilers of power plants (發電分廠鍋爐改造), the residual heat power generation project of No. 3 steel smelting plant (煉鐵三燒餘熱發電), the saturated steam power generation project of No. 2 steel smelting plant (northern line) (二煉鋼北綫飽和蒸汽發電), the sintering residual heat steam power generation project at the west zone (西區燒結餘熱蒸汽發電) and the wastewater treatment project of Xidagou (西大溝污水深度處理) gradually have commenced operation and played a role in energy conservation.

There was no environmental accident at or above grade III for the year. The collection, transportation and disposal mechanisms of hazardous waste were further improved with disposal of waste grease being standardized. The Group achieved the best record on the atmospheric pollutant emission rate, and the utilisation rate of recyclable solid wastes.

3. Breakthroughs in scientific research innovation and new product development

The Company have achieved a substantial breakthrough in its three major series of steel products for nuclear power generation facilities (核電用鋼). The Group attained a passing-at-first inspection rate over 98% for its steel products used on the containment vessels of nuclear reactors (核反應堆安全殼用鋼), achieving a leading position in the PRC. The series of steel products used for nuclear island (核島系列用鋼), namely 15MnNi, 20MND5 and SA-533, have been delivered and the Group is the first steel manufacturer in the PRC to produce the 18MND5 products for testing and evaluation. Moreover, the development of steel products for nuclear power conventional islands and ancillary facilities - SA-516, with a width specification of 4,800mm, was the first of its kind in the PRC market. The 100m 60kg/m-steel rails used for passenger dedicated railways with a speed of 350km have been used on Shanghai-Hangzhou High-speed

Railway, while high-speed heavy rails for vehicles with a speed of 380 km/h have been successfully developed and used on Beijing-Shanghai High-speed Railway. Having successfully developed and produced the steel rails with a weight of 60kg/m in compliance with the Australian standards, the Company succeeded in its first bulk export of such products to Australia. The Company has passed the assessment of localization (國產化評定) by CNOOC and completed a small-scale trial production of the steel products used on the first localized seafloor pipeline in the PRC, namely, the X70(31.8mm) and X65(30.2mm) series of steel products used on the seafloor pipeline steel (海底管綫鋼) in South China Sea (南海). The quality of the F690 series of ultra-high strength steel used on hulls and marine engineering facilities (船體海洋工程) developed by the Company complies with the national standards. The Company is the first in the country to pass the certification by shipping societies of such products and thus having a leading position in the relevant PRC market. The Q500qE series of steel products have passed the technical examination for 500MPa-grade high strength rail steel (高強度鐵路用鋼) by Ministry of Railway and the Company is the first steel manufacturing enterprise in the PRC which has passed such examination. The Group developed and produced new products of a total of 4.85 million tonnes and generated revenue of a total of RMB23.94 billion from such new products, representing an increase of 5.2% and 25.7%, respectively, as compared with to the previous year. The Group has also achieved the best-ever results in terms of both the quantity and quality of the patents and technical know-how that it developed during the year.

4. Improvement in marketing

The Group enhanced its management of marketing channels and targeted markets. The Group actively seized the opportunities offered by the development of Bohai economic rim which is encouraged by the PRC government and increased its market share in northern regions. Focusing on the strategic development of its principal products, namely, steel products used on vehicles and home appliances, the Company stepped up its development of direct-supply enterprise customers and products of importance for the Group's strategic expansion. The Company ranked (i) the first in the PRC market in terms of its sales volume of steel used on home appliances, ships and containers; and (ii) the second in terms of its sales volume of steel used on vehicles. The orders from direct-supply enterprise customers accounted for 53.01% of our total orders, representing an increase of 7.2% as compared with the previous year.

The Company actively participated in bid for key national projects and has succeeded in bid for various key national projects, such as Petrochina Jinzhou - Zhengzhou oil pipeline construction project (中石油錦州 — 鄭州輸油管線工程), oil storage base projects of Sinopec at Rizhao (日照), Caofeidian (曹妃甸) and Cezi Island (冊子島), Sinochem International Huizhuo project (中化國際惠州項目), CNOOC Dalian project and the energy storage station project in Hohhot.

The Company proactively expanded its overseas markets and enhanced its international operation, as the result, it has exported a total of 1,706,600 tonnes of steel products.

5. New progress in technological improvement projects and external investment and cooperation

The Group has invested a total of RMB5.254 billion on fixed assets. The production line for high-grade and non-oriented silicon steel products (高牌號無取向矽鋼) in the western district of Anshan has fully ramped up to its designed production capacity and achieved its production targets. The Company has also had a capacity for sizeable production of the oriented silicon steel products which were developed solely by the Company's own research and development team. Heat-loading testing has commenced on the wire rod production lines which have been under overall renovation.

The Company established a wholly-owned subsidiary Angang Cold Rolled Steel Plate (Putian) Co., Ltd. ("Angang Putian"), pursuant to its development strategy to expand its geographic presence and extend its operation chain. The design of the main structures of the production facilities of Angang Putian has been completed and orders for major machine and equipment have placed. Currently, Angang Putian is undertaking civil engineering and infrastructure construction.

6. Continuous improvement in corporate management

The Company introduced a result-driven management systems to streamline, optimize and integrate all management procedures. In 2010, the Company passed the review by China Association for Quality and was granted the "The 10th Quality Award of China" (第十屆全國質量獎).

By taking full advantage of its budgetary control, keeping abreast of the market changes and actively reviewing its profit outlook, the Company further optimized its product mix and enhanced its resources allocation.

FINANCIAL INFORMATION REVIEW

Prepared under the IFRSs (the Group)

Unit: RMB million

Item	2010	2009	Change (%)	Reason for change
Total assets	**107,119**	103,254	3.74	A
Non-current liabilities	**13,308**	11,641	14.32	B
Equity attributable to owners of the Company	**54,052**	52,419	3.12	C
Turnover	**92,212**	70,057	31.62	D
Gross profit	**6,518**	4,153	56.95	D
Profit for the year attributable to owners of the Company	**2,054**	748	174.60	D
Net increase in deposits with banks, cash and cash equivalents	**1,409**	–732	292.49	E

Notes:

A. The increase of RMB3,865 million in total assets as compared with the end of the previous year was mainly attributable to (1) the increase of the net profit of the Company and (2) the issuance of short-term debentures by the Company.

B. The increase of RMB1,667 million in non-current liabilities as compared with the end of the previous year was mainly attributable to (1) the increase of the Company's long-term borrowings and (2) the increase in assets-related government subsidies for the year received by the Company.

C. The increase of RMB1,633 million in equity attributable to owners of the Company as compared with the end of the previous year was mainly attributable to (1) the increase of RMB1,387 million in retained profits (in which, the net profit attributable to owners of the Company has increased by RMB2,054 million in the year; the payment of the dividends for 2009 has reduced by RMB434 million; the withdrawal of surplus reserve for transfer of reserve has reduced by RMB213 million and the transfer of reserve for the provision of safety production expenses has reduced by RMB20 million); (2) the increase of RMB246 million in reserves (in which, the provision of surplus reserve accounted at 10% of the profit after tax has increased by RMB213 million; the special reserve for the provision of safety production expenses has increased by RMB20 million and the changes in fair value of available-for-sale financial assets has increased by RMB13 million).

D. The increase of turnover, gross profit and the profit for the year attributable to owners of the Company was mainly attributable to (1) the increase in the product price; (2) the Company's efforts in enhancing the adjustment over the product structure and improving the production and sales volume of highly-effective products given the improvement in the steel product market; and (3) the reinforced measures in reducing costs and improving efficiency to substantially cut down the costs of procedures in response to the adverse impact from the hike of price of raw materials and fuel.

E. The net increase of RMB2,141 million in deposits with banks, cash and cash equivalents as compared with the previous year was mainly attributable to (1) an increase of RMB4,479 million in net cash inflow from operating activities as compared with the previous year arising from the increase in net profit and operating payables; (2) a decrease of RMB445 million in net cash outflow from investing activities as compared with the previous year due to a reduction in the acquisition of fixed assets and expenditures of construction in progress; and (3) the increase of RMB2,783 million in net cash outflow from financing activities as compared with the previous year due to the larger amount of cash payments for borrowings as compared with the cash received from borrowings for the year.

INVESTMENT OF THE COMPANY

(1) External investment

The Company's external investment for 2010 aggregated to RMB825 million, representing an increase of 26.53% over RMB652 million last year.

In particular, the Company invested RMB800 million and RMB25 million, in Angang Putian and WISDRI Engineering & Research Incorporation Limited respectively.

(2) Investment projects not funded by proceeds and the progress thereof:

Unit: RMB million

Project name	Project budget amount	Project progress	Project proceeds
High performance cold rolling silicon steel production line	3,300	90.03%	-41
Seamless φ177 petroleum pipeline	817	90.23%	-7
Wire production line renovation	629	87.23%	0
Project of benzene hydrogenation	385	99%	12
Total	5,231	—	-36

NUMBER OF EMPLOYEES, EMPLOYEES' QUALIFICATIONS, SALARY POLICY AND TRAINING PROGRAMMES OF THE COMPANY

As of 31 December 2010, the Company had 29,875 employees, of which 20,359 were production staff, 283 were sales staff, 2,988 were technicians, 274 were accounting staff and 2,234 were administration personnel. Of the Company's employees, 6,290 held bachelor or higher degrees, representing 21.05% of the total number of the employees; 7,104 held diplomas, representing 23.78% of the total number of the employees and 12,394 held the certificate of secondary education, representing 41.49% of the total number of the employees.

In 2010, 19,247 employees attended and completed centralized training course and 20,952 employees attended on-the-job training. 471 member counts of senior management attended training for, among others, political theory knowledge, strategy management, and 7,175 counts of management technology staff attended training for management knowledge, computer, English, expertise and studying in institutes and colleges. 6,119 production staff counts attended training for technical grades, computer and equipment inspection. 5,482 employee counts attended training for specialized operation security qualifications. 20,952 employee counts attended training for operating skills, 2,147 employees attended training for team and group security management knowledge, 67 employees attended training for on-the-job studying for master's or doctor's degree and 4,015 employee counts attended other trainings. As a result of these trainings, the overall quality of employees had been improved, which equipped the Company with competent human resources for the achievement of production and operation targets.

The Company has adopted a position and performance-based annual remuneration packages for senior management; position-based linked remuneration and new product development incentive packages for research personnel; sales/profit-linked remuneration package for sales personnel; and position-based remuneration packages for other personnel.

DEVELOPMENT PLANS FOR 2011

1. Iron and Steel Market Analysis and Opportunities and Challenges for the Company's Development

Looking into 2011, the Company will face both opportunities and challenges in its development, both internally and externally.

From the positive perspective, the global economy is expected to continue to resume growth and the domestic economy will sustain a moderate momentum. Strong and sustainable demand will provide room for the growth in the iron and steel industry. The promotion and implementation of policies and measures relating to joint restructuring, elimination of obsolete production capacity, energy saving and emission reduction as well as industry management standardization, will pave way for the steady growth of the steel industry and market. From the internal perspective, the Company has made a substantive improvement of technology and equipment upon the large-scale corporate modernization during period of the "Eleventh Five-Year Plan". The rapid improvement of the production and operation efficiency in the new district of Bayuquan (鮁魚圈新區) will facilitate the integration of the operations at both Anshan and Yingkou, thus highlighting the effect of an extensive business layout and complementary strengths.

From the negative perspective, the global economy is in a slow process of recovery with fierce market competitions. As growth in steel product consumption slows down due to economy changes in China while the prices for raw materials and fuel remain high, the iron and steel industry will encounter greater challenges.

2. Operation plans of the Company for 2011

With achieving outstanding and efficient performance in mind, in 2011, the Company aims at strengthening its business and will spare no effort in quality improvement, market expansion and cost reduction, so as to become the most internationally competitive steel manufacturer and to contribute to the prompt fulfillment of its new strategic targets.

(1) To strengthen overall management and control and achieve new breakthrough in production and operation.

(2) To strengthen scientific research in order to achieve breakthrough from enhancement of corporate innovation and core competitiveness.

(3) To enhance comprehensive marketing management so as to achieve record in marketing results and higher service standards.

(4) To strengthen energy saving and emission reduction to scale new heights in low-carbon technologies and green development.

(5) To speed up the progress of capital projects in order to achieve breakthrough in the level of equipment modernization.

(6) To embed its result-driven management mode so as to further enhance the overall quality of the enterprise.

(7) To expedite the development of the new district of Bayuquan and achieve new breakthrough in the construction of role model plants.

3. **Capital requirements, utilisation plan and funding sources of the Group for 2011**

In 2011, the Group intends to earmark RMB7,737 million for major construction projects such as the safety, scientific research, the phase 4 renovation of energy-saving and environmental protection and chemical industry (節能環保及化工四期改造), tar capacity expansion and construction of the new 3# slab casting machine.

In 2011, the Group's capital requirements will be mainly financed by proceeds raised from the short-term debentures, cash generated from operating activities and bank loans.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE OF THE GROUP (UNDER THE IFRSs)

As of 31 December 2010, the Group had long-term loans of RMB12,717 million (exclusive of loans due within one year) with interest rates ranging from 4.86% to 5.94% per annum. Under the terms of 3 to 25 years, the loans will expire in 2012 to 2030. The loans are mainly used for replenishing working capital and project capital. The Group's long-term loans due within one year amounted to RMB5,961 million. With good credibility and relatively high profitability of products, the Group will have sufficient cash to repay the existing liabilities falling due in the future.

As of 31 December 2010, the Group's cash and cash equivalents increased by RMB1,409 million to RMB3,651 million from RMB2,242 million in the previous year, which was mainly attributable to (1) net cash inflow from operating activities of RMB7,450 million; (2) net cash outflow from investing activities of RMB4,795 million; (3) net cash outflow from financing activities of RMB1,246 million.

As at the end of 2010, the Group's total assets less current liabilities amounted to RMB68,637 million, compared with RMB65,426 million at the end of 2009.

The shareholders' equity of the Group amounted to RMB55,329 million at the end of 2010, compared with RMB53,785 million at the end of 2009.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2010, the Group had capital commitments of RMB4,303 million, which was primarily attributable to construction and renovation contracts entered into but not performed or performed partially and external investment contracts entered into but not performed or performed partially.

As at 31 December 2010, the Group did not have any contingent liabilities.

FOREIGN EXCHANGE RISK

The Group did not have significant foreign currency risk exposure arising from its exported products and imported procurement of raw materials for production and equipments for projects as the Group adopts locked exchange rates to settle the amounts with export and import agents.

GEARING RATIO

Under the IFRSs, the ratio of the Group's shareholders' equity to liabilities in 2010 was 1.07 times (2009: 1.09 times).

MATERIAL LITIGATION AND ARBITRATION

The Group was not involved in any material litigation or arbitration in 2010.

PURCHASE, SALE AND REDEMPTION OF LISTED SHARES

During the reporting period, there was no purchase, sale or redemption by the Company or any of its subsidiaries of its listed securities.

CORPORATE GOVERNANCE PRACTICE

With shares listed on both the Hong Kong Stock Exchange and the Shenzhen Stock Exchange, the Company is committed to improving its corporate governance in accordance with international corporate governance standards. The Board and the management understand that they are responsible for establishing good corporate governance practices and procedures and the strict implementation of such practices and procedures, in order to protect the interests of the shareholders and to maximise the investment return for the shareholders in the long term.

During the reporting period, the Company has been in compliance with all code provisions and most of the recommended best practices set out in the Code on Corporate Governance Practices as contained in Appendix 14 to the Hong Kong Listing Rules.

AUDIT COMMITTEE

The audit committee of the Board and the management of the Company have jointly reviewed the Group's accounting policies and have discussed on the issues in relation to the auditing, internal control and financial statements of the Group and the audited consolidated financial statements for the year ended 31 December 2010.

MATERIAL GUARANTEE

There were no material guarantees provided by the Group as at 31 December 2010.

ANNUAL GENERAL MEETING

The annual general meeting of the Company for 2010 will be held on Monday, 30 May 2011. A notice convening the annual general meeting and the annual report for 2010 of the Company will be published and delivered to the H shareholders of Company in the manner as required by the Hong Kong Listing Rules in due course.

FINANCIAL STATEMENTS

I. FINANCIAL STATEMENTS PREPARED UNDER IFRSs (EXTRACTED)

The following is a summary of the operating results for the year ended 31 December 2010 extracted from the audited consolidated financial statements of the Group prepared in accordance with the IFRSs, together with comparative figures for corresponding period in 2009.

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	**2010** *RMB million*	2009 *RMB million* (restated)
Turnover	4	**92,212**	70,057
Cost of sales		**(85,409)**	(65,721)
Sales related taxes		**(285)**	(183)
Gross profit		**6,518**	4,153
Other operating profit, net	5	**266**	103
Distribution and other operating expenses		**(1,622)**	(1,081)
Administrative expenses		**(1,844)**	(1,539)
Profit from operations		**3,318**	1,636
Finance costs	7(a)	**(1,333)**	(940)
Share of profits of jointly controlled entities		**297**	88
Share of profits of associates		**96**	88
Profit before tax		**2,378**	872
Income tax expense	6	**(413)**	(165)
Profit for the year	7(b)	**1,965**	707

Attributable to:			
Owners of the Company		**2,054**	748
Non-controlling interests		**(89)**	(41)
		1,965	707
Dividends to owners of the Company for the year	8		
Final dividend proposed after the end of the reporting period		**1,085**	434
Earnings per share	9		
— Basic		**RMB0.284**	RMB0.103

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
	RMB million	*RMB million*
		(restated)
Profit for the year	**1,965**	707
Other comprehensive income:		
Fair value change on other investments	**18**	116
Income tax relating to component of other comprehensive income	**(5)**	(29)
Other comprehensive income for the year, net of tax	**13**	87
Total comprehensive income for the year	**1,978**	794
Attributable to:		
Owners of the Company	**2,067**	835
Non-controlling interests	**(89)**	(41)
	1,978	794

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2010

	Note	**At 31 December** **2010** **RMB million**	At 31 December 2009 RMB million (restated)	At 1 January 2009 RMB million (restated)
Non-current assets				
Property, plant and equipment		**64,226**	60,853	49,995
Intangible assets		**8**	13	18
Construction in progress		**6,324**	12,922	18,789
Interests in jointly controlled entities		**1,245**	934	864
Interests in associates		**488**	465	1,388
Other investments		**434**	391	55
Deferred tax assets		**1,368**	1,038	1,049
		74,093	76,616	72,158
Current assets				
Inventories		**13,134**	10,658	10,372
Amount due from immediate parent/ former ultimate parent		**—**	2	97
Amounts due from fellow subsidiaries		**7,272**	5,547	2,576
Amount due from a jointly controlled entity		**69**	98	—
Amount due from an associate		**—**	1	—
Trade receivables	10	**4,872**	4,145	3,000
Prepayments, deposits and other receivables		**4,004**	3,742	2,796
Current tax assets		**24**	203	985
Cash and cash equivalents		**3,651**	2,242	2,974
		33,026	26,638	22,800

Current liabilities

Trade payables	11	**9,371**	6,744	7,805
Amount due to immediate parent/ former ultimate parent		**294**	202	11
Amounts due to fellow subsidiaries		**1,651**	2,104	2,087
Amounts due to jointly controlled entities		**402**	373	25
Amounts due to associates		**30**	11	42
Deferred income		**23**	42	—
Other payables		**7,355**	6,989	5,578
Current portion of bank loans		**16,356**	21,363	8,601
Short-term debentures		**3,000**	—	—
		38,482	37,828	24,149
Net current liabilities		**(5,456)**	(11,190)	(1,349)
Total assets less current liabilities carried forward		**68,637**	65,426	70,809

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2010

	Note	At 31 December 2010 RMB million	2009 RMB million (restated)	At 1 January 2009 RMB million (restated)
Total assets less current liabilities brought forward		**68,637**	65,426	70,809
Non-current liabilities				
Bank loans		**12,717**	11,502	17,565
Provisions		**37**	65	102
Deferred income		**554**	74	39
		13,308	11,641	17,706
NET ASSETS		**55,329**	53,785	53,103
CAPITAL AND RESERVES				
Share capital	12	**7,235**	7,235	7,235
Share premium		**31,414**	31,414	31,414
Reserves		**3,713**	3,467	3,274
Retained profits		**11,690**	10,303	11,180
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**54,052**	52,419	53,103
Non-controlling interests		**1,277**	1,366	—
TOTAL EQUITY		**55,329**	53,785	53,103

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2010

		Attributable to owners of the Company						
		Share capital *RMB million*	**Share premium** *RMB million*	**Reserves** *RMB million*	**Retained profits** *RMB million*	**Total** *RMB million*	**Non-controlling interests** *RMB million*	**Total equity** *RMB million*
At 1 January 2009, as previously reported		7,235	31,414	3,107	11,215	52,971	—	52,971
Effect of change in accounting policy *(note 2)*		—	—	167	(35)	132	—	132
At 1 January 2009, as restated		7,235	31,414	3,274	11,180	53,103	—	53,103
Total comprehensive income for the year		—	—	87	748	835	(41)	794
Acquisition of a subsidiary		—	—	—	—	—	1,407	1,407
Proposed transfer between reserves		—	—	106	(106)	—	—	—
Final dividend — 2008	8(b)	—	—	—	(1,519)	(1,519)	—	(1,519)
Changes in equity for the year		—	—	193	(877)	(684)	1,366	682
At 31 December 2009		7,235	31,414	3,467	10,303	52,419	1,366	53,785
At 1 January 2010, as previously reported		7,235	31,414	3,300	10,342	52,291	1,366	53,657
Effect of change in accounting policy *(note 2)*		—	—	167	(39)	128	—	128
At 1 January 2010, as restated		7,235	31,414	3,467	10,303	52,419	1,366	53,785
Total comprehensive income for the year		—	—	13	2,054	2,067	(89)	1,978
Proposed transfer between reserves		—	—	233	(233)	—	—	—
Final dividend — 2009	8(b)	—	—	—	(434)	(434)	—	(434)
Changes in equity for the year		—	—	246	1,387	1,633	(89)	1,544
At 31 December 2010		7,235	31,414	3,713	11,690	54,052	1,277	55,329

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), the applicable disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of other investments which are carried at their fair values.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised IFRSs that are relevant to its operations and effective for its accounting year beginning on 1 January 2010. IFRSs comprise International Financial Reporting Standards; International Accounting Standards ("IAS"); and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to the Group's accounting policies and amounts reported for the current year and prior years except as stated below.

Classification of Land Leases

The adoption of the amendment to IAS 17 "Leases" has resulted in a change in accounting policy for the classification of leasehold land of the Group. Previously, leasehold land was classified as an operating lease and stated at cost less accumulated amortisation. In accordance with the amendment, leasehold land is classified as a finance lease and stated at cost less accumulated depreciation if substantially all risks and rewards of the leasehold land have been transferred to the Group. As the present value of the minimum lease payments (i.e. the transaction price) of the land held by the Group amounted to substantially all of the fair value of the land as if it were freehold, the leasehold land of the Group has been classified as a finance lease. The amendment has been applied retrospectively to unexpired leases at the date of adoption of the amendment on the basis of information existing at the inception of the leases.

The amendment to IAS 17 has been applied retrospectively and resulted in changes in the consolidated amounts reported in the financial statements as follows:

	For the year ended 31 December	
	2010	2009
	RMB million	*RMB million*
Increase in administrative expenses — depreciation	**5**	5
Decrease in income tax expense	**(1)**	(1)

	At 31 December		At 1 January
	2010	2009	2009
	RMB million	*RMB million*	*RMB million*
		(restated)	(restated)
Increase in property, plant and equipment	**6,943**	7,046	6,739
Decrease in lease prepayments	**(6,775)**	(6,875)	(6,563)
Decrease in deferred tax assets	**(44)**	(43)	(44)
Increase in reserves	**(167)**	(167)	(167)
Decrease in retained profits	**43**	39	35

The Group has not applied the new IFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new IFRSs but is not yet in a position to state whether these new IFRSs would have a material impact on its results of operations and financial position.

3. SEGMENT INFORMATION

The Group's revenue and trading result are generated from production and sales of steel products and therefore no other reportable segments analysis of the Group is presented.

Segment profits or losses do not include dividend income, and gains or losses from investments and derivative instruments. Segment assets do not include amounts due from related parties and investments. Segment liabilities do not include amounts due to related parties, corporate borrowings, convertible loans and derivative instruments. Segment non-current assets do not include deferred tax assets.

Information about reportable segment profit or loss, assets and liabilities:

	2010	2009
	RMB million	*RMB million* (restated)
For the year ended 31 December		
Revenue from external customers	**92,212**	70,057
Segment profit	**1,947**	697
Interest revenue	**26**	16
Interest expense	**1,303**	929
Depreciation and amortisation	**7,176**	6,417

Other material items of income and expense:		
Insurance compensation received	**52**	15
Share of profits of jointly controlled entities	**297**	88
Share of profits of associates	**96**	88
Income tax expense	**413**	165
Other material non-cash items:		
Impairment of assets	**4**	6
Allowance of inventories	**1,294**	677
Additions to segment non-current assets	**4,000**	7,471
As at 31 December		
Segment assets	**97,976**	96,177
Segment liabilities	**17,340**	13,914
Interests in jointly controlled entities	**1,245**	934
Interests in associates	**488**	465

Reconciliations of reportable segment revenue, profit or loss, assets and liabilities:

	2010	2009
	RMB million	*RMB million*
		(restated)
Revenue		
Total revenue of reportable segments and consolidated revenue	**92,212**	70,057
Profit or loss		
Total profit or loss of reportable segments	**1,947**	697
Dividend income from other investments	**18**	10
Consolidated profit for the year	**1,965**	707
Assets		
Total assets of reportable segments	**97,976**	96,177
Amount due from fellow subsidiaries	**7,272**	5,547
Deferred tax assets	**1,368**	1,038
Investments	**434**	391
Other assets	**69**	101
Consolidated total assets	**107,119**	103,254
Liabilities		
Total liabilities of reportable segments	**17,340**	13,914
Amount due to immediate parent/former ultimate parent	**294**	202
Amounts due to fellow subsidiaries	**1,651**	2,104
Amounts due to jointly controlled entities	**402**	373
Bank loans	**29,073**	32,865
Short-term debentures	**3,000**	-
Other liabilities	**30**	11
Consolidated total liabilities	**51,790**	49,469

Other material items		
Impairment of assets	**4**	6
Allowance of inventories	**1,294**	677
Depreciation and amortisation	**7,176**	6,417
Interest expenses	**1,303**	929
Insurance compensation received	**52**	15
Additions of construction in progress	**3,852**	7,232

Geographical information:

	2010	2009
	RMB million	*RMB million*
Revenue		
— The PRC	**84,382**	66,548
— Other countries	**7,830**	3,509
	92,212	70,057

In presenting the geographical information, revenue is based on the locations of the customers. All of the Group's non-current assets are located in the PRC.

Revenue from major customers:

	2010	2009
	RMB million	*RMB million*
Customer A	**8,604**	5,694
Customer B	**6,502**	4,895
Customer C	**3,187**	1,720

4. TURNOVER

Turnover represents the aggregate of the invoiced value of goods sold, after allowances for goods returned, trade discounts and value added tax of steel products.

5. OTHER OPERATING PROFIT, NET

	2010	2009
	RMB million	*RMB million*
Loss on disposals of property, plant and equipment	**(14)**	(3)
Impairment losses on property, plant and equipment	**(4)**	(6)
Gain/(loss) from sales of raw and scrap materials	**14**	(10)
Net exchange gain	**58**	5
Interest income	**26**	16
Government grant (note)	**117**	15
Written back of long outstanding accounts payables	**—**	6
Written back of long outstanding other payables	**—**	29
Insurance compensation	**52**	15
Dividend income from other investments	**18**	10
Others	**(1)**	26
	266	103

Note: Government grant mainly are subsidy for the scientific research and grant for the military industrial project.

6. INCOME TAX

Income tax expense in the income statement

	2010	2009
	RMB million	*RMB million*
		(restated)
Current tax expense		
— Provision for PRC enterprise income tax for the year	**748**	1
Deferred tax expense	**(335)**	164
	413	165

The provision for PRC enterprise income tax is based on a statutory rate of 25 % (2009: 25%) of the estimated assessable profits of the Group entities as determined in accordance with the relevant income tax rules and regulations of the PRC.

The reconciliation between the income tax expense and the product of profit before tax multiplied by the PRC enterprise income tax rate is as follows:

	2010	2009
	RMB million	*RMB million*
		(restated)
Profit before tax	**2,378**	872
Tax at a statutory tax rate of 25% (2009: 25%)	**594**	218
Tax effect of non-taxable income	**(95)**	(46)
Tax effect of non-deductible expenses	**20**	56
Additional deduction*	**(106)**	(63)
	413	165

* Pursuant to relevant PRC tax regulations, the Group is entitled to claim an additional deduction based on 50% of approved costs related to research and development.

7. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging/(crediting) the following:

(a) Finance costs

	2010	2009
	RMB million	*RMB million*
Interest and other borrowing costs	**1,758**	1,613
Less: Amount capitalised as construction in progress*	**(455)**	(684)
Net interest expenses	**1,303**	929
Bank charges	**21**	4
Others	**9**	7
	1,333	940

* The borrowing costs on funds borrowed generally have been capitalised at an average rate of 5.02 % (2009: 4.72%) per annum for construction in progress.

(b) Other items

	2010	2009
	RMB million	*RMB million*
		(restated)
Auditors' remuneration	**6**	6
Cost of inventories sold	**85,409**	65,721
Depreciation	**7,171**	6,412
Amortisation of intangible assets (included in administrative expenses)	**5**	5
Impairment losses on property, plant and equipment (included in other operating profit, net)	**4**	6
Allowance for inventories	**1,294**	677
Staff costs		
— Salaries and wages, welfare and other costs	**2,043**	1,840
— Contributions to defined contribution scheme	**768**	656
	2,811	2,496
Repairs and maintenance	**3,362**	2,885
Research and development costs	**29**	10

8. DIVIDENDS

(a) Dividend for the year

	2010	2009
	RMB million	*RMB million*
Final dividend proposed after the end of the reporting period of RMB0.15 per share (2009: RMB0.06 per share)	**1,085**	434

Pursuant to a resolution passed at the directors' meeting on 29 March 2011, a final dividend of RMB0.15 (2009: RMB0.06) per share totalling RMB1,085 million (2009: RMB434 million) was approved for shareholders' approval at the forthcoming annual general meeting.

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(b) Dividend for the previous financial year, approved and paid during the year

	2010	2009
	RMB million	*RMB million*
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB0.06 per share (2009: RMB0.21 per share)	**434**	1,519

Pursuant to the PRC enterprise income tax law, the Company is required to withhold 10% PRC enterprise income tax when it distributes dividends to its non-PRC resident enterprise shareholders.

9. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of RMB2,054 million (2009: RMB748 million) and the weighted average number of shares of 7,235 million in issue during the year (2009: 7,235 million).

(b) Diluted earnings per share

No diluted earnings per share are presented as the Company did not have any dilutive potential equity shares in existence during the two years ended 31 December 2010.

10. TRADE RECEIVABLES

	2010	2009
	RMB million	*RMB million*
Accounts receivables	**1,169**	749
Bills receivables	**3,703**	3,396
	4,872	4,145

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired is as follows:

	2010	2009
	RMB million	*RMB million*
Less than 3 months	**4,402**	3,465
More than 3 months but less than 12 months	**463**	674
More than 1 year	**7**	6
	4,872	4,145

As at 31 December 2010, trade receivables of RMB29 million (2009: RMB17 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2010	2009
	RMB million	*RMB million*
Less than 3 months	**16**	7
More than 3 months but less than 12 months	**6**	4
More than 1 year	**7**	6
	29	17

The Group requests customers to pay cash or settle by bills in full prior to delivery of goods. Subject to negotiation, credit term of one to four months is only available for certain major customers with well-established trading records.

11. TRADE PAYABLES

	2010	2009
	RMB million	*RMB million*
Accounts payables	**4,492**	3,235
Bills payables	**4,879**	3,509
	9,371	6,744

The ageing analysis of trade payables is as follows:

	2010	2009
	RMB million	*RMB million*
Due on demand	**88**	237
Due within 3 months	**6,724**	4,133
Due after 3 months but within 6 months	**2,559**	2,020
Due after 6 months but within 1 year	**—**	344
Due after 1 year but within 2 years	**—**	10
	9,371	6,744

12. SHARE CAPITAL

	2010		2009	
	Number of shares million	***RMB million***	*Number of shares million*	*RMB million*
Issued and fully paid:				
State-owned legal person shares of RMB1 each				
At 1 January and 31 December	**4,869**	**4,869**	4,869	4,869
A shares of RMB1 each				
At 1 January and 31 December	**1,280**	**1,280**	1,280	1,280
H shares of RMB1 each				
At 1 January and 31 December	**1,086**	**1,086**	1,086	1,086
	7,235	**7,235**	7,235	7,235

Note:

All the state-owned legal person shares, A and H shares rank pari passu in all material respects.

II. FINANCIAL STATEMENTS PREPARED UNDER THE PRC ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

1. Audit Opinion

The consolidated financial statements prepared under the PRC Accounting Standards for Business Enterprises of the Group had been audited by RSM China Certified Public Accountants who issued an auditor's report with an unqualified audit opinion on 29 March 2011.

Consolidated Balance Sheet
As at 31 December 2010

Prepared by: Angang Steel Company Limited Monetary unit: RMB million

Assets	31 Dec. 2010	31 Dec. 2009
Current assets:		
Cash at banks and on hand	**3,651**	2,242
Trading financial assets		
Bills receivables	**3,703**	3,396
Accounts receivables	**2,061**	1,770
Prepayments	**8,380**	6,212
Interest receivable		
Dividend receivable		
Other receivables	**15**	19
Inventories	**13,134**	10,658
Non-current assets due within 1 year		
Other current assets		
Total current assets	**30,944**	24,297

Non-current assets:		
Available-for-sale financial assets	**179**	161
Long-term equity investments	**1,986**	1,629
Investment real estate		
Fixed assets	**57,267**	53,805
Construction in progress	**5,277**	10,588
Construction materials	**1,047**	2,334
Intangible assets	**6,967**	7,061
Deferred income tax assets	**1,447**	1,112
Other non-current assets		
Total non-current assets	**74,170**	76,690
Total assets	**105,114**	100,987

Liabilities and shareholders' equity	**31 Dec. 2010**	31 Dec. 2009
Current liabilities:		
Short-term loans	**10,395**	13,710
Bills payables	**4,879**	3,509
Accounts payables	**4,683**	3,318
Advances from customers	**6,157**	5,942
Employee benefits payable	**322**	326
Tax and surcharges payable	**(1,836)**	(2,296)
Interest payables	**79**	
Other payables	**2,737**	3,283
Non-current liabilities due within 1 year	**5,961**	7,653
Other current liabilities	**3,023**	42
Total current liabilities	**36,400**	35,487

Non-current liabilities:		
Long-term loans	**12,717**	11,502
Deferred income tax liabilities	**61**	61
Other non-current liabilities	**591**	139
Total non-current liabilities	**13,369**	11,702
Total liabilities	**49,769**	47,189
Shareholders' equity:		
Share capital	**7,235**	7,235
Capital reserve	**31,521**	31,510
Special reserve	**70**	50
Surplus reserve	**3,570**	3,357
Undistributed profit	**11,672**	10,280
Differences from translation of foreign currency		
Total of shareholders' equity attributable to parent company	**54,068**	52,432
Minority interests	**1,277**	1,366
Total shareholders' equity	**55,345**	53,798
Total liabilities and shareholders' equity	**105,114**	100,987

Consolidated Income Statement

For the year ended 31 December 2010

Items			2010	2009
1.	**Operating income**		**92,431**	70,126
	Including:	Operating income from main business	**92,431**	70,126
2.	**Operating costs**		**90,589**	69,523
	Including:	Operating costs for main business	**82,694**	63,712
		Business tax and surcharges	**285**	183
		Selling expenses	**1,622**	1,081
		Administrative expenses	**3,441**	2,962
		Financial expenses	**1,249**	902
		Impairment losses on assets	**1,298**	683
	Add:	Gains/losses from fair value changes		
	Investment income		**411**	186
	Including:	Income from investment in jointly controlled enterprises and associates	**393**	176
3.	**Operating profit**		**2,253**	789
	Add:	Non-operating income	**142**	93
	Less:	Non-operating expenses	**37**	39
	Including:	Loss on disposals of non-current assets	**35**	39
4.	**Total Profit**		**2,358**	843
	Less: Income tax expense		**408**	157

5.	**Net profit**	**1,950**	686
	Net profit attributable to shareholders of parent company	**2,039**	727
	Gains/losses attributable to minority interests	**(89)**	(41)
6.	**Earning per share**		
	(1) Basic earnings per share	**0.282**	0.100
	(2) Diluted earnings per share	**0.282**	0.100
7.	**Other comprehensive income**	**11**	87
8.	**Total comprehensive income**	**1,961**	773
	Share of total comprehensive income attributable to shareholders of parent company	**2,050**	814
	Share of total comprehensive income attributable to minority interests	**(89)**	(41)

III. DIFFERENCES BETWEEN FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") AND ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES IN THE PRC ("PRC ACCOUNTING STANDARDS")

Unit: RMB million

		The Group				Attributable to owners of the Company			
		Net profit		Net assets		Net profit		Net assets	
		Year ended				Year ended			
		31 December		At 31 December		31 December		At 31 December	
	Note	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009
Under PRC Accounting Standards		**1,950**	686	**55,345**	53,798	**2,039**	727	**54,068**	52,432
Adjustment:									
— Safety production expenses	①	**20**	29			**20**	29		
— Deferred income tax assets	②	**(5)**	(8)	**(18)**	(13)	**(5)**	(8)	**(18)**	(13)
— Interests in jointly controlled entities	③			**2**				**2**	
Under IFRSs		**1,965**	707	**55,329**	53,785	**2,054**	748	**54,052**	52,419

Note:

① Pursuant to the interpretation to the enterprise accounting standard (Cai Qi [2006] No.478), safe production provision should be accrued based on the production amount or operating income by the Group related to the industry of mining, construction, production of dangerous goods and road transport, but the provision could be recorded to profit and loss only when they are actual paid under IFRSs.

② Based on above-mentioned adjustment, deferred assets and income tax expense had not been recognised by liability method under IFRSs while the PRC Accounting Standards had recognised deferred income tax assets.

③ According to the Law of the PRC on Chinese-Foreign Equity Joint Ventures (the "Joint Ventures Law") and Regulations for the Implementation of the Joint Ventures Law, one of the Group's jointly controlled entities has transferred certain amount from the reserve to staff payable which led to the Group's share of net assets in the jointly controlled entities decreased. Under IFRSs, the reserve could not transfer to the liabilities.

By Order of the Board
ANGANG STEEL COMPANY LIMITED
Fu Jihui
Executive Director and Secretary to the Board

Anshan City, Liaoning Province, the PRC,
29 March 2011

As at the date of this announcement, the Board comprises the following directors:

Executive Directors:
Zhang Xiaogang
Yang Hua
Chen Ming
Yu Wanyuan
Fu Jihui

Independent Non-Executive Directors:
Li Shijun
Ma Guoqiang
Kwong Chi Kit, Victor

* *For identification purposes only*