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鞍 鋼 股 份 有 限 公 司

ANGANG STEEL COMPANY LIMITED*

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

(Stock Code: 0347)

FIRST QUARTERLY REPORT 2023

The board of directors (the “**Board**”) of Angang Steel Company Limited* (鞍鋼股份有限公司) (the “**Company**”) is pleased to announce the unaudited results of the Company and its subsidiaries for the three months ended 31 March 2023 (the “**Reporting Period**”) prepared in accordance with the Accounting Standards for Business Enterprises of the People’s Republic of China. This announcement is made pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong).

The contents of this announcement are consistent with those contained in the announcement published on the Shenzhen Stock Exchange. This announcement is published simultaneously in Hong Kong and Shenzhen.

SECTION I IMPORTANT NOTICE

The Board, the supervisory committee, the directors, supervisors and senior management members of the Company warrant the truthfulness, accuracy, and completeness of the contents of this quarterly report, and that there is no false representation or misleading statement contained in, or material omission from this quarterly report and assume joint and several legal liability in respect thereof.

Wang Yidong, the person-in-charge of the Company, Wang Baojun, the chief accountant of the Company and You Yu, the person-in-charge of the accounting department of the Company, warrant the truthfulness, accuracy and completeness of the financial statements in this quarterly report.

The first quarter financial report of the Company is unaudited.

SECTION II

I. PRINCIPAL FINANCIAL DATA

(I) Principal accounting figures and financial indicators

Whether the Company has made any retrospective adjustment to, or restatement of, the accounting data of prior year(s)

Yes No

Unit: RMB million

	The Reporting Period	Corresponding period of the previous year	Increase/decrease compared with the corresponding period of the previous year (%)
Operating income	30,844	34,927	-11.69
Net profit attributable to the shareholders of the Company	-149	1,482	-110.05
Net profit attributable to the shareholders of the Company after extraordinary items	-150	1,519	-109.87
Net cash flows from operating activities	2,556	1,975	29.42

	The Reporting Period	Corresponding period of the previous year	Increase/decrease compared with the corresponding period of the previous year (%)
Basic earnings per share (RMB/share)	-0.016	0.158	-110.13
Diluted earnings per share (RMB/share)	-0.017	0.154	-111.04
Weighted average return on net assets (%)	-0.26	2.41	Decreased by 2.67 percentage points
			Increase/decrease at the end of the Reporting Period as compared with the end of the previous year (%)
Total assets	99,780	96,935	2.93
Owners' equity attributable to shareholders of the Company	58,020	58,140	-0.21

(II) Non-recurring items and amounts

Applicable Not applicable

Unit: RMB million

Item	The Reporting Period	Explanation
1. Profit or loss from disposal of non-current assets	8	—
2. Government grants included in profit or loss for the current period (except those closely related to the normal operation of the Company and granted continuously at a fixed amount or quantity in accordance with the national policy)	8	—
3. Changes in fair value of financial assets held for trading	6	—
4. Changes in fair value of other non-current liabilities (portion of derivative financial instruments)	-25	—
5. Reversal of the allowance for impairment of receivables and contract assets that is individually tested for impairment	3	—
6. Other non-operating income and expenses apart from those stated above	2	—
Subtotal	2	—
Less: Effect on income tax	1	—
Effect on minority interest (after tax)		—
Total	1	—

Details of other gains or losses that fall within the definition of non-recurring items

Applicable Not applicable

The Company does not have other gain or loss items that fall within the definition of non-recurring items.

Explanation on defining any extraordinary gain or loss items listed under the “Explanatory Announcement on Information Disclosure by Companies Offering Their Securities to the Public No. 1 – Extraordinary Gains or Losses” as recurring gain or loss items

Applicable Not applicable

None of the extraordinary gain or loss items listed under the “Explanatory Announcement on Information Disclosure by Companies Offering Their Securities to the Public No. 1 – Extraordinary Gains or Losses” was defined as a recurring gain or loss item by the Company.

(III) Changes in key accounting figures and financial indicators and the reasons thereof

Applicable Not applicable

1. The decrease of RMB78 million in research and development expenses during the Reporting Period as compared with the corresponding period of the previous year was mainly due to the decrease in fees for trial production of new products.
2. The increase of RMB29 million in investment income for the Reporting Period as compared with the corresponding period of the previous year was mainly due to the increase in income from investments in joint ventures and associates.
3. The decrease of RMB72 million in gains from fair value variation during the Reporting Period as compared with the corresponding period of the previous year was mainly due to the changes in fair value of derivative financial instruments and others.
4. The decrease of RMB314 million in impairment losses on assets during the Reporting Period as compared with the corresponding period of the previous year was mainly due to the decrease in release of depreciation of inventory as compared with the corresponding period of the previous year.

5. The increase of RMB9 million in asset disposal income during the Reporting Period as compared with the corresponding period of the previous year was mainly due to the increase in income from disposal of land use rights.
6. The decrease of RMB43 million in non-operating expenses during the Reporting Period as compared with the corresponding period of the previous year was mainly due to the decrease in loss on retirement of fixed assets.
7. The decrease of RMB540 million in income tax expenses during the Reporting Period as compared with the corresponding period of the previous year was mainly due to the year-on-year decrease in total profits, affecting the year-on-year decrease in current income tax expenses.
8. The decrease in operating profit, total profit, net profit and net profit attributable to owners of the parent company during the Reporting Period as compared with the corresponding period of the previous year was mainly due to that in the first quarter of 2023, the downstream demand in the steel industry in China recovered less than expected and the steel price was at a low level with fluctuation trend, while the cost still remained high, and the profit margin was curtailed, resulting in a significant year-on-year decrease in the Company's operating results.
9. The decrease of RMB37 million in derivative financial assets as compared with the end of the previous year was mainly due to changes in fair value of foreign exchange hedge and the decrease in gains from variation of future contracts.
10. The decrease of RMB128 million in notes receivable as compared with the end of the previous year was mainly due to the increase in bills discounting to increase capital reserves.
11. The increase of RMB1,021 million in accounts receivable as compared with the end of the previous year was mainly due to the increase in account receivables from export products.
12. The increase of RMB44 million in other receivables as compared with the end of the previous year was mainly due to the increase in receivables of disposals of land.

13. The increase of RMB74 million in employee benefits payable as compared with the end of the previous year was mainly due to the increase in provision made for salary.
14. The increase of RMB1,190 million in long-term loans as compared with the end of the previous year was mainly due to renewal of long-term loans that have fallen due.
15. The decrease of RMB71 million in lease liabilities as compared with the end of the previous year was mainly due to the decrease in lease liabilities as a result of lease payment.
16. The increase of RMB28 million in special reserve as compared with the end of the previous year was mainly due to the increase in appropriation of safety production expenses.
17. The increase of RMB351 million in net cash outflow from investing activities as compared with the corresponding period of the previous year was mainly due to the increase of RMB338 million in cash paid for acquisition of fixed assets, intangible assets and other long-term assets as compared with the corresponding period of the previous year.
18. The decrease of RMB114 million in net cash outflow from financing activities as compared with the corresponding period of the previous year was mainly due to (i) the increase of RMB2,350 million in cash receipt from borrowings obtained as compared with the corresponding period of previous year; (ii) the increase of RMB2,199 million in cash paid for the repayment of debts as compared with the corresponding period of the previous year.

II. INFORMATION ON SHAREHOLDERS

(I) *Statement of the total number of holders of ordinary shares and holders of preference shares with restored voting rights, and the particulars of shareholdings of the top 10 shareholders*

Unit: shares

Total number of holders of ordinary shares as at the end of the Reporting Period	114,517, amongst whom 453 are holders of H shares	Total number of holders of preference shares with restored voting rights as at the end of the Reporting Period (if any)	0
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Shareholding of the top 10 shareholders

Name of shareholder	Nature of shareholder	Percentage of Shareholding	Number of shares held	Number of shares held subject to trading moratorium	Pledged, tagged or frozen Status of shares	Number
Anshan Iron & Steel Group Co. Ltd (鞍山鋼鐵集團有限公司)	State-owned legal person	53.36%	5,016,111,529	0	–	–
HKSCC Nominees Limited	Overseas legal person	14.88%	1,398,620,551	0	–	–
China National Petroleum Corporation (中國石油天然氣集團有限公司)	State-owned legal person	8.99%	845,000,000	0	–	–
Hong Kong Securities Clearing Company Limited	Overseas legal person	1.26%	118,628,374	0	–	–
Central Huijin Asset Management Limited (中央匯金資產管理有限責任公司)	State-owned legal person	0.89%	83,650,620	0	–	–
Power Construction Corporation of China (中國電力建設集團有限公司)	State-owned legal person	0.60%	56,550,580	0	–	–

Shareholding of the top 10 shareholders

Name of shareholder	Nature of shareholder	Percentage of Shareholding	Number of shares held	Number of shares held subject	Pledged, tagged or frozen	
				to trading moratorium	Status of shares	Number
China Merchants Securities Co., Ltd. – Tianhong China Securities 500 Index Enhanced Securities Investment Fund (招商證券股份有限公司–天弘中證500指數增強型證券投資基金)	Others	0.20%	18,664,900	0	–	–
Chen Zhiying	Domestic Natural person	0.19%	17,471,686	0	–	–
Agricultural Bank of China Limited – CSI 500 Trading Index Securities Investment Open-ended Fund (中國農業銀行股份有限公司–中證500交易型開放式指數證券投資基金)	Others	0.16%	15,022,748	0	–	–
Cong Zhonghong	Domestic Natural person	0.15%	14,500,000	0	–	–

Shareholding of the top 10 shareholders not subject to trading moratorium
Class of shares

Name of shareholder	Number of shares not subject to trading moratorium	Class of shares	Number
Anshan Iron & Steel Group Co. Ltd (鞍山鋼鐵集團有限公司)	5,016,111,529	Renminbi ordinary shares	5,016,111,529
HKSCC Nominees Limited	1,398,620,551	Overseas-listed foreign shares	1,398,620,551
China National Petroleum Corporation (中國石油天然氣集團有限公司)	845,000,000	Renminbi ordinary shares	845,000,000
Hong Kong Securities Clearing Company Limited	118,628,374	Renminbi ordinary shares	118,628,374
Central Huijin Asset Management Limited (中央匯金資產管理 有限責任公司)	83,650,620	Renminbi ordinary shares	83,650,620
Power Construction Corporation of China (中國電力建設集團 有限公司)	56,550,580	Renminbi ordinary shares	56,550,580
China Merchants Securities Co., Ltd. – Tianhong China Securities 500 Index			
Enhanced Securities Investment Fund (招商證券股份有限公司-天弘 中證500指數增強型證券投資 基金)	18,664,900	Renminbi ordinary shares	18,664,900
Chen Zhiying	17,471,686	Renminbi ordinary shares	17,471,686

Shareholding of the top 10 shareholders not subject to trading moratorium
Class of shares

Name of shareholder	Number of shares not subject to trading moratorium	Class of shares	Number
Agricultural Bank of China Limited – CSI 500 Trading Index Securities Investment Open-ended Fund (中國 農業銀行股份有限公司–中證 500交易型開放式指數證券 投資基金)	15,022,748	Renminbi ordinary shares	15,022,748
Cong Zhonghong	14,500,000	Renminbi ordinary shares	14,500,000

**Explanations on connected
relationship or concert party
relationship among the
shareholders mentioned above**

The Company is not aware of any connected relationship among the above shareholders or any such shareholders acting in concert within the meaning of the “Procedures on the Administration of Information Disclosure for Change in Shareholdings of the Shareholders of Listed Companies”.

**Description of top 10 shareholders
to participate in financing
business (if any)**

The 17,471,686 shares held by Chen Zhiying were all held through investor credit securities accounts.

The 14,500,000 shares held by Cong Zhonghong were all held through investor credit securities accounts.

(II) Total number of holders of preference shares and shareholdings of the top 10 holders of preference shares

Applicable Not applicable

III. OTHER SIGNIFICANT EVENTS

Applicable Not applicable

1. The Company held a general meeting of shareholders on 19 December 2022, and passed the “Proposal in relation to the Redemption and Cancellation of Restricted Shares which Have Been Granted to Certain Incentive Participants But Not Released from Restriction on Sales under the 2020 Restricted Share Incentive Scheme”, the “2020 Incentive Scheme” and the “Proposal in relation to the Change of Registered Capital of the Company and Corresponding Amendments to the Articles of Association” and other proposals. According to the 2020 Incentive Scheme and the requirements of relevant laws and regulations, 10 original incentive participants granted for the first time and 2 original incentive participants reserved for grant have failed to meet the incentive conditions, and the Company will repurchase and cancel 2,040,931 restricted shares that have been granted but have not been released from restricted sales. On 10 February 2023, the Company repurchased and cancelled the aforesaid restricted shares via the registration with China Securities Depository and Clearing Corporation Limited Shenzhen Branch. The Company’s share capital reduced from 9,403,020,451 shares to 9,400,979,520 shares, and the registered capital reduced from RMB9,403,020,451 to RMB9,400,979,520.
2. On 22 March 2023, the Company elected Mr. Zhang Hongjun as an executive Director of the ninth session of the Board of Directors and elected Mr. Cao Yuhui as a shareholder representative supervisor of the ninth session of the Supervisory Committee at the first extraordinary general meeting in 2023. On the same day, the Company elected Mr. Cao Yuhui as Chairman of the ninth session of the Supervisory Committee at the sixth meeting of the ninth session of the Supervisory Committee.

IV. QUARTERLY FINANCIAL STATEMENTS

(I) *Financial Statements*

1. *Consolidated Balance Sheet*

Consolidated Balance Sheet

As at 31 March 2023

Prepared by: Angang Steel

Company Limited

Monetary unit: RMB million

Item	31 March 2023	31 December 2022
Current assets:		
Cash and cash equivalents	6,523	5,093
Derivative financial assets		37
Notes receivable	45	173
Accounts receivable	3,859	2,838
Receivables financing	1,421	1,824
Prepayments	5,179	5,113
Other receivables	71	27
Including: Interests receivable		
Dividends receivable		
Inventory	14,411	13,575
Other current assets	589	552
Total current assets	32,098	29,232

Item	31 March 2023	31 December 2022
Non-current assets:		
Long-term equity investments	3,258	3,169
Other equity instrument investments	641	641
Other non-current financial assets	39	33
Fixed assets	47,001	46,985
Construction in progress	6,763	6,732
Right-of-use assets	720	761
Intangible assets	6,518	6,553
Deferred income tax assets	1,640	1,506
Other non-current assets	1,102	1,323
	<hr/>	<hr/>
Total non-current assets	67,682	67,703
	<hr/>	<hr/>
Total assets	99,780	96,935
	<hr/> <hr/>	<hr/> <hr/>
Current liabilities:		
Short-term loans	1,529	1,579
Derivative financial liabilities	42	41
Notes payable	14,433	11,743
Accounts payable	9,244	8,854
Contract liabilities	6,810	6,393
Staff remuneration payable	232	158
Tax payable	225	255
Other payables	2,496	2,871
Including: Interests payable	3	6
Dividends payable	3	3
Current portion of non-current liabilities	2,993	4,260
	<hr/>	<hr/>
Total current liabilities	38,004	36,154
	<hr/>	<hr/>

Item	31 March 2023	31 December 2022
Non-current liabilities:		
Long-term loans	1,790	600
Bonds payable	299	299
Lease liability	155	226
Long-term payables	119	119
Long-term employee benefits payable	60	60
Deferred income	522	523
Deferred income tax liabilities	149	157
Other non-current liabilities		
Total non-current liabilities	3,094	1,984
Total liabilities	41,098	38,138
Shareholders' equity:		
Share capital	9,401	9,403
Capital reserve	33,878	33,879
Less: Treasury shares	92	96
Other comprehensive income	152	152
Specialised reserve	121	93
Surplus reserve	4,457	4,457
Retained earnings	10,103	10,252
Subtotal of Shareholders' equity attributable to shareholders of parent company	58,020	58,140
Minority interests	662	657
Total shareholders' equity	58,682	58,797
Total liabilities and shareholders' equity	99,780	96,935

<i>Legal representative:</i> Wang Yidong	<i>Financial controller:</i> Wang Baojun	<i>Person in charge of accounting department:</i> You Yu
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2. Consolidated Income Statement

Consolidated Income Statement

For the three months ended 31 March 2023

Prepared by: Angang Steel

Company Limited

Monetary unit: RMB million

Item	January to March 2023	January to March 2022
I. Total operating revenue	30,844	34,927
Including: operating revenue	30,844	34,927
II. Total operating costs	31,180	33,387
Less: Operating costs	30,310	32,393
Tax and surcharges	216	257
Selling expenses	129	116
Administrative expenses	319	315
Research and development expenses	134	212
Financial expenses	72	94
Including: Interests expenses	100	74
Interests revenue	18	18
Add: Other income	8	5
Investment income (“-” for losses)	71	42
Including: Investment incomes in associates and joint ventures	71	42
Gain from fair-value changes (“-” for losses)	(10)	62
Impairment losses on assets (“-” for losses)	69	383
Credit impairment loss (“-” for losses)	3	
Gains on disposal of assets (“-” for losses)	25	16

Item	January to March 2023	January to March 2022
III. Operating profit (“-” for losses)	(170)	2,048
Add: Non-operating income	4	2
Less: Non-operating expenses	19	62
IV. Profit before income tax (“-” for losses)	(185)	1,988
Less: Income tax expenses	(40)	500
V. Net profit for the period (“-” for losses)	(145)	1,488
(I) Classification according to the continuity of operation		
1. Continuous operating net profit (“-” for losses)	(145)	1,488
2. Termination of net profit (“-” for losses)		
(II) Classification according to ownership		
1. The net profit belongs to the owners of the company	(149)	1,482
2. Minority interest income	4	6
VI. The net amount after tax of other comprehensive income		
Net after-tax net of other comprehensive income attributable to the parent company owner		
(I) The other comprehensive income which can not be reclassified into profit or loss		
1. Changes in fair value of other investments in equity instruments investment		

Item	January to March 2023	January to March 2022
(II) The other comprehensive income which can be classified into profit or loss		
1. The shares of the other comprehensive income which can be reclassified in profit or loss of the invested company in equity method		
Net after-tax net of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	(145)	1,488
The comprehensive income attributed to the owners of the company	(149)	1,482
The comprehensive income attributed to the minority	4	6
VIII. Earning per share:		
Basic earning per share (<i>RMB/share</i>)	-0.016	0.158
Diluted earning per share (<i>RMB/share</i>)	-0.017	0.154
<i>Legal representative:</i>	<i>Financial controller:</i>	<i>Person in charge of accounting department:</i>
Wang Yidong	Wang Baojun	You Yu

3. Consolidated Statement of Cash Flows

Consolidated Statement of Cash Flows *For the three months ended 31 March 2023*

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

Item	January to March 2023	January to March 2022
I. Cash flows from operating activities:		
Cash received from selling of goods or rendering of services	31,330	32,839
Refund of taxes and fares	10	
Other cash received from operating activities	220	183
Sub-total of cash inflows from operating activities	31,560	33,022
Cash payments for goods purchased and services received	26,447	28,489
Cash payments to and on behalf of employees	1,208	1,305
Payments of taxes	428	591
Other cash payments relating to operating activities	921	662
Sub-total of cash outflows from operating activities	29,004	31,047
Net cash flow from operating activities	2,556	1,975

Item	January to March 2023	January to March 2022
II. Cash flows from investing activities:		
Cash received from return of investments		
Cash received from investment income		
Net cash received from disposal of fixed assets, intangible assets and other non-current assets		26
Other cash received from investment activities	34	49
Sub-total of cash inflows from investing activities	34	75
Cash paid for acquisition of fixed assets, intangible assets and other non-current assets	907	569
Cash paid for acquisition of investments		
Other cash paid for investment activities	3	31
Sub-total of cash outflows from investing activities	910	600
Net cash flow from investing activities	(876)	(525)
III. Cash flows from financing activities:		
Cash received from absorbing investments		
Including: received of subsidiary from minority shareholders		
Cash received from borrowings	2,390	40
Other cash received from financing activities		
Sub-total of cash inflows from financing activities	2,390	40
Cash repayments of amounts borrowed	2,500	301
Cash paid for distribution of dividends or profit and repayment of interests	43	69

Item	January to March 2023	January to March 2022
Including: dividends or profit paid to minority shareholders		
Other cash paid for financing activities	97	34
Sub-total of cash outflows from financing activities	2,640	404
Net cash flow from financing activities	(250)	(364)
IV. Effect of changes in foreign exchange rate on cash and cash equivalents		
V. Net increase in cash and cash equivalents	1,430	1,086
Add: Opening balance of Cash and Cash Equivalents	5,093	5,398
VI. Cash and cash equivalents at the end of this period	6,523	6,484
<i>Legal representative:</i> Wang Yidong	<i>Financial controller:</i> Wang Baojun	<i>Person in charge of accounting department:</i> You Yu

4. *Parent Company Balance sheet*

Parent Company Balance sheet

As at 31 March 2023

Prepared by: Angang Steel

Company Limited

Monetary unit: RMB million

Item	31 March 2023	31 December 2022
Current assets:		
Cash and cash equivalents	4,308	2,089
Derivative financial assets		37
Notes receivable	23	34
Accounts receivable	3,828	2,693
Receivables financing	1,129	1,499
Prepayments	4,363	4,585
Other receivables	106	64
Including: Interests		
receivable		
Dividends		
receivable	13	17
Inventory	11,107	10,303
Other current assets	479	411
Total current assets	25,343	21,715
Non-current assets:		
Long-term equity		
investments	13,720	13,633
Other equity instrument		
investments	641	641
Other non-current financial		
assets	39	33
Fixed assets	40,021	39,952
Construction in progress	6,185	6,141
Right-of-use assets	714	755
Intangible assets	5,742	5,771
Deferred income tax assets	1,580	1,444
Other non-current assets	1,049	1,300
Total non-current assets	69,691	69,670
Total assets	95,034	91,385

Item	31 March 2023	31 December 2022
Current liabilities:		
Short-term loans	1,399	1,399
Derivative financial liabilities	42	41
Notes payable	13,694	11,172
Accounts payable	7,704	7,333
Contract liabilities	6,379	5,726
Staff remuneration payable	178	135
Tax payable	98	119
Other payables	4,853	4,304
Including: Interests payable	3	6
Dividends payable		
Current portion of non-current liabilities	<u>2,944</u>	<u>4,211</u>
Total current liabilities	<u>37,291</u>	<u>34,440</u>
Non-current liabilities:		
Long-term loans	1,750	600
Bonds payable	299	299
Lease liability	153	223
Long-term payables	119	119
Long-term employee benefits payable	58	58
Deferred income	392	395
Deferred income tax liabilities	149	149
Other non-current liabilities		
Total non-current liabilities	<u>2,920</u>	<u>1,843</u>
Total liabilities	<u><u>40,211</u></u>	<u><u>36,283</u></u>

Item	31 March 2023	31 December 2022
Shareholders' equity:		
Share capital	9,401	9,403
Capital reserve	26,920	26,921
Less: Treasury shares	92	96
Other comprehensive income	152	152
Specialised reserve	69	44
Surplus reserve	4,447	4,447
Retained earnings	13,926	14,231
	<hr/>	<hr/>
Subtotal of Shareholders' equity attributable to shareholders of parent company	54,823	55,102
	<hr/>	<hr/>
Minority interests		
Total shareholders' equity	54,823	55,102
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities and shareholders' equity	95,034	91,385
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<i>Legal representative:</i>	<i>Financial controller:</i>	<i>Person in charge of accounting department:</i>
Wang Yidong	Wang Baojun	You Yu

5. Parent Company Income Statement

Parent Company Income Statement For the three months ended 31 March 2023

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

Item	January to March 2023	January to March 2022
I. Total operating revenue	26,816	31,287
Including: operating revenue	26,816	31,287
II. Total operating costs	27,386	30,315
Less: Operating costs	26,613	29,404
Tax and surcharges	176	213
Selling expenses	128	125
Administrative expenses	265	266
Research and development expenses	112	208
Financial expenses	92	99
Including: Interests expenses	115	82
Interests revenue	14	11
Add: Other income	5	5
Investment income (“-” for losses)	88	33
Including: Investment incomes in associates and joint ventures	88	33
Gain from fair-value changes (“-” for losses)	(10)	62
Impairment losses on assets (“-” for losses)	75	383
Credit impairment loss (“-” for losses)	3	
Gains on disposal of assets (“-” for losses)	25	16

Item	January to March 2023	January to March 2022
III. Operating profit (“-” for losses)	(384)	1,471
Add: Non-operating income	3	2
Less: Non-operating expenses	19	61
IV. Profit before income tax (“-” for losses)	(400)	1,412
Less: Income tax expenses	(95)	359
V. Net profit for the period (“-” for losses)	(305)	1,053
(I) Classification according to the continuity of operation		
1. Continuous operating net profit (“-” for losses)	(305)	1,053
2. Termination of net profit (“-” for losses)		
(II) Classification according to ownership		
1. The net profit belongs to the owners of the company	(305)	1,053
2. Minority interest income		
VI. The net amount after tax of other comprehensive income		
Net after-tax net of other comprehensive income attributable to the parent company owner		
(I) The other comprehensive income which can not be reclassified into profit or loss		
1. Changes in fair value of other investments in equity instruments investment		

Item	January to March 2023	January to March 2022
(II) The other comprehensive income which can be classified into profit or loss		
1. The shares of the other comprehensive income which can be reclassified in profit or loss of the invested company in equity method		
Net after-tax net of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	(305)	1,053
The comprehensive income attributed to the owners of the company	(305)	1,053
The comprehensive income attributed to the minority		
<i>Legal representative:</i> Wang Yidong	<i>Financial controller:</i> Wang Baojun	<i>Person in charge of accounting department:</i> You Yu

6. *Parent Company Cash Flow Statement*

Parent Company Cash Flow Statement
For the three months ended 31 March 2023

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

Item	January to March 2023	January to March 2022
I. Cash flows from operating activities:		
Cash received from selling of goods or rendering of services	27,441	27,869
Refund of taxes and fares		
Other cash received from operating activities	152	135
Sub-total of cash inflows from operating activities	27,593	28,004
Cash payments for goods purchased and services received	23,140	24,734
Cash payments to and on behalf of employees	1,028	1,115
Payments of taxes	221	370
Other cash payments relating to operating activities	804	519
Sub-total of cash outflows from operating activities	25,193	26,738
Net cash flow from operating activities	2,400	1,266

Item	January to March 2023	January to March 2022
II. Cash flows from investing activities:		
Cash received from return of investments		
Cash received from investment income	4	
Net cash received from disposal of fixed assets, intangible assets and other non-current assets		26
Other cash received from investment activities	24	62
Sub-total of cash inflows from investing activities	28	88
Cash paid for acquisition of fixed assets, intangible assets and other non-current assets	830	528
Cash paid for acquisition of investments		198
Other cash paid for investment activities	3	31
Sub-total of cash outflows from investing activities	833	757
Net cash flow from investing activities	(805)	(669)

Item	January to March 2023	January to March 2022
III. Cash flows from financing activities:		
Cash received from absorbing investments		
Including: received of subsidiary from minority shareholders		
Cash received from borrowings	2,350	
Other cash received from financing activities	1,180	1,323
Sub-total of cash inflows from financing activities	3,530	1,323
Cash repayments of amounts borrowed	2,450	250
Cash paid for distribution of dividends or profit and repayment of interests	36	76
Including: dividends or profit paid to minority shareholders		
Other cash paid for financing activities	420	37
Sub-total of cash outflows from financing activities	2,906	363
Net cash flow from financing activities	624	960

Item	January to March 2023	January to March 2022
IV. Effect of changes in foreign exchange rate on cash and cash equivalents		
V. Net increase in cash and cash equivalents	2,219	1,557
Add: Opening balance of Cash and Cash Equivalents	2,089	2,872
VI. Cash and cash equivalents at the end of this period	4,308	4,429

<i>Legal representative:</i> Wang Yidong	<i>Financial controller:</i> Wang Baojun	<i>Person in charge of accounting department:</i> You Yu
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II. Audit Report

Whether the first quarterly report has been audited or not

Yes No

The first quarterly report of the Company is unaudited.

By Order of the Board
ANGANG STEEL COMPANY LIMITED*
Wang Yidong
Executive Director and Chairman of the Board

Anshan City, Liaoning Province, the PRC
27 April 2023

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

Executive Directors

Wang Yidong
Zhang Hongjun
Wang Baojun
Tian Yong

Independent Non-executive Directors

Feng Changli
Wang Jianhua
Wang Wanglin
Zhu Keshi

* *For identification purposes only*