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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)

PROFIT WARNING

This announcement is published by the Company simultaneously in Shenzhen pursuant to the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange and in Hong Kong pursuant to the disclosure obligations under Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board hereby announces that the Company is expecting to record a decline in the net profit attributable to shareholders of the Company for the six months ended 30 June 2023 in comparison with the corresponding period of 2022.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is published by Angang Steel Company Limited* (the “**Company**”) simultaneously in Shenzhen pursuant to the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange and in Hong Kong pursuant to the disclosure obligations under Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The board of directors of the Company (the “**Board**”) hereby announces that the Company (together with its subsidiaries, the “**Group**”) is expecting to record a decline in the net profit attributable to shareholders of the Company for the six months ended 30 June 2023 in comparison with the corresponding period of 2022.

Details of and the reasons for such estimated decline are set out below.

1. ESTIMATED DECLINE

	For the six months ended 30 June	
	2023 <i>(RMB)</i> (Unaudited)	2022 <i>(RMB)</i> (Unaudited)
Net profit/(loss) attributable to shareholders of the Company	Approximately (1,347) million (Decrease as compared to corresponding period of last year: approximately 178.50%)	1,716 million
Net profit/(loss) after deducting non-recurring profit or loss attributable to shareholders of the Company	Approximately (1,357) million (Decrease as compared to corresponding period of last year: approximately 181.31%)	1,669 million
Basic earnings/(loss) per share	Approximately (0.143)	0.182

2. REASONS FOR THE ESTIMATED DECLINE

In the first half of 2023, the steel industry remained in a weak market condition that had persisted since the second half of 2022. The downstream demand for steel products continued to be low, leading to fluctuating steel prices at a low level. Although the cost of raw materials decreased, it did not match the decline in sales. To combat the challenging market situation, the Company implemented a range of measures to expand its market, increase its sources, prioritise procurement, and systematically reduce costs. However, despite these efforts, the difference in market price between supply and demand narrowed rapidly, resulting in a reduction in gross profit contribution. As a result, the Company's profits declined, and it suffered losses, with operating results showing a larger year-on-year decrease.

The financial information for the six months ended 30 June 2023 set out above is solely based on preliminary assessment by the Company in accordance with the unaudited management accounts (prepared in accordance with the PRC Accounting Standards for Business Enterprises) and is not based on the financial information audited or reviewed by the Company's auditors. Shareholders of the Company and potential investors should note that detailed information on the Group's performance for the six months ended 30 June 2023 will be disclosed in its results announcement for the same period to be published in due course. There may be differences between such information and the estimated financial information set out above.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Anshan City, Liaoning Province, the PRC
14 July 2023

As at the date of this announcement, the Board comprises 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*