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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)

ANNOUNCEMENT IN RELATION TO THE CHANGE IN ACCOUNTING POLICIES

This announcement is made pursuant to Rules 13.09(2) 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 (Chapter 571 of the Laws of Hong Kong).

Angang Steel Company Limited* (鞍鋼股份有限公司) (the “**Company**”, together with its subsidiaries, the “**Group**”) held a meeting of the board of directors on 28 March 2024, at which proposed changes in accounting policies were considered and approved. Details are as follows:

I. OVERVIEW OF CHANGES IN ACCOUNTING POLICIES

1. Reason for the Changes

On 30 November 2022, the Ministry of Finance released the “Accounting Standards for Business Enterprises – Interpretation No. 16” (Cai Kuai [2022] No. 31), in which the “Accounting Treatment for Deferred Income Taxes Relating to Assets and Liabilities Arising from A Single Transaction to which the Initial Recognition Exemption is Not Applicable” requirement is required to be applied effective from 1 January 2023 onwards.

2. Date of the Changes

The Group has implemented this regulation since 1 January 2023, and retroactively adjusted the financial data for the years 2022 and 2021 in accordance with the provisions of accounting policy changes.

3. Accounting Policies Adopted Before the Changes

Before the changes in accounting policies, the Group implemented the Accounting Standards for Business Enterprises – Basic Standards and various specific accounting standards, the Application Guidance for Accounting Standards for Business Enterprises, interpretations of the Accounting Standards for Business Enterprises and other relevant regulations issued by the Ministry of Finance.

4. Accounting Policies Adopted After the Changes

After the changes in accounting policies, except for the above changes in accounting policies, the remaining parts without changes still comply with the Accounting Standards for Business Enterprises – Basic Standards issued by the Ministry of Finance, and the specific accounting standards, the Application Guidance for Accounting Standards for Business Enterprises, interpretations of the Accounting Standards for Business Enterprises and other relevant regulations.

II. EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES ON THE COMPANY

Based on the above changes, the effects of the retrospective adjustments to the Group's financial statements for 2021 are as follows:

Unit: RMB million

Item	31 December 2021/the year of 2021 (consolidated)			31 December 2021/the year of 2021 (parent company)		
	After the changes	Before the changes	Impact	After the changes	Before the changes	Impact
Deferred income tax assets	830	744	86	757	671	86
Deferred income tax liabilities	329	157	172	293	122	171
Undistributed profits	12,093	12,179	-86	16,183	16,268	-85
Income tax expenses	2,047	1,961	86	1,424	1,339	85

The effects of the retrospective adjustments to the Company's financial statements for 2022 are as follows:

Unit: RMB million

Item	31 December 2022/the year of 2022 (consolidated)			31 December 2022/the year of 2022 (parent company)		
	After the changes	Before the changes	Impact	After the changes	Before the changes	Impact
Deferred income tax assets	1,562	1,506	56	1,500	1,444	56
Deferred income tax liabilities	347	157	190	338	149	189
Undistributed profits	10,118	10,252	-134	14,098	14,231	-133
Income tax expenses	-407	-455	48	-660	-708	48

The changes in accounting policies have no significant effects on the financial position, operating results and cash flows of the Group, and do not change the nature of the Group's disclosed annual financial report profit and loss for the years 2022 and 2021.

III. OPINIONS OF THE AUDIT COMMITTEE

The changes in accounting policies are made in accordance with the relevant documents newly published by the Ministry of Finance, and are in line with the requirements of relevant PRC rules and regulations. The Group has implemented this regulation since 1 January 2023, and retroactively adjusted the financial data for the years 2022 and 2021 in accordance with the provisions of accounting policy changes. The changes in accounting policies have no significant effects on the financial position, operating results and cash flows of the Company, and do not damage the interests of the Company and its shareholders.

IV. OPINIONS OF THE BOARD

On 28 March 2024, the 27th meeting of the ninth session of the board of directors of the Company considered and approved the Resolution on Changes in the Company's Accounting Policies with a vote result of 8 in favor, 0 against, and 0 abstention.

The changes in accounting policies are made in accordance with the relevant documents newly published by the Ministry of Finance, and are in line with the requirements of relevant PRC rules and regulations. The changes in accounting policies have no significant effects on the financial position, operating results and cash flows of the Group, and do not damage the interests of the Company and its shareholders.

V. OPINIONS OF SUPERVISORY COMMITTEE

The changes in accounting policies are made in accordance with the relevant documents newly published by the Ministry of Finance, and are in line with the requirements of relevant PRC rules and regulations. The procedures for decision-making are in compliance with the relevant laws, administrative laws and regulations and the relevant provisions of the Articles of Association of the Company. The changes in accounting policies have no significant effects on the financial position, operating results and cash flows of the Group, and do not damage the interests of the Company and its shareholders.

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

Anshan City, Liaoning Province, the PRC
1 April 2024

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

Executive Directors:

Wang Jun
Zhang Hongjun
Wang Baojun
Tian Yong

Independent Non-executive Directors:

Feng Changli
Wang Jianhua
Wang Wanglin
Zhu Keshi

* *For identification purposes only*