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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 2022 in comparison with the corresponding period of 2021.

**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 2022 in comparison with the corresponding period of 2021.

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

## 1. ESTIMATED DECLINE

		For the six months ended 30 June	
		2022 (RMB) (Unaudited)	2021 (RMB) (Unaudited)
		After adjustment <sup>(Note)</sup>	Before adjustment <sup>(Note)</sup>
Net profit attributable to shareholders of the Company	<b>approximately 1,700 million (Decrease as compared to corresponding period of last year: approximately 67.37%)</b>	5,210 million	5,183 million
Net profit after deducting non-recurring profit or loss attributable to shareholders of the Company	<b>approximately 1,654 million (Decrease as compared to corresponding period of last year: approximately 68.56%)</b>	5,260 million	5,260 million
Basic earnings per share	<b>approximately 0.181</b>	0.554	0.551

*Note:* On 30 December 2021, the Company entered into an agreement (the “**Agreement**”) with Anshan Iron & Steel Group Co., Ltd. (“**Angang Holding**”) for the acquisition of the net assets of the Second Power Plant under Angang Holding after the approval at the 55<sup>th</sup> meeting of the eighth session of the Board. The Company completed the acquisition and the Company retrospectively adjusted the accounting figures of the corresponding period of last year based on the principle of business combinations under common control according to the asset delivery date under the Agreement.

## 2. REASON FOR THE ESTIMATED DECLINE

In the first half of 2022, it is estimated that the Company realised a net profit attributable to shareholders of the Company of RMB1,700 million, representing a year-on-year decrease of approximately 67.37%. Since the beginning of this year, the production and operation of the Company have been facing greater challenges due to factors such as the complicated and severe international situation, the sporadic outbursts of the domestic pandemic and the disrupted supply chains and industrial chains. The main reasons for the year-on-year decrease in results were: firstly, the prices of major raw materials such as coking coal, coke and alloys increased significantly in the first half of 2022, while the price of iron ore remained high, which had a relatively great impact on production costs. Secondly, since March of this year, due to the impact of the pandemic, downstream demand in the steel industry has been weak and steel prices have continued to fall. Due to a double impact on the procurement and sales, the profit margin of steel mills has been significantly compressed.

The financial information for the six months ended 30 June 2022 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 2022 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 2022

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

*Executive Directors*

Wang Yidong  
Xu Shishuai  
Wang Baojun  
Yang Xu

*Independent Non-executive Directors*

Feng Changli  
Wang Jianhua  
Wang Wanglin  
Zhu Keshi

\* For identification purposes only