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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)

## **2023 INTERIM RESULTS ANNOUNCEMENT**

### **FINANCIAL HIGHLIGHTS**

- Operating income amounted to RMB58,825 million
- Total profit amounted to RMB-1,773 million
- Net profit attributable to shareholders of the Company amounted to RMB-1,346 million
- Basic earnings per share amounted to RMB-0.143(January to June 2022 : basic earnings per share of RMB0.182)
- The financial information contained in this announcement was prepared in accordance with the Accounting Standards for Business Enterprises in the PRC

The board of directors of the Company is pleased to announce the unaudited results of the Company and its subsidiaries for the six months ended 30 June 2023 together with the comparative figures as stated herein.

## DEFINITIONS:

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

<b>Term</b>	<b>Meaning</b>
“Angang”	Angang Group Company Limited* (鞍鋼集團有限公司), the de facto controller of the Company
“Angang Financial Company”	Angang Group Financial Company Limited* (鞍鋼集團財務有限責任公司)
“Angang Group”	Angang and the companies in which it holds 30% or above interests (excluding the Group)
“Angang Holding”	Anshan Iron & Steel Co. Ltd* (鞍山鋼鐵集團有限公司), the controlling shareholder of the Company
“Angang International Trade”	Angang Group International Economic and Trade Co., Ltd.* (鞍鋼集團國際經濟貿易有限公司)
“Anshan Iron & Steel Group Complex”	Angang Holding and the companies in which it holds 30% or above interests (excluding the Group)
“Bayuquan Branch Company”	Bayuquan Iron & Steel Branch Company* of Angang Steel (鞍鋼股份鮫魚圈鋼鐵分公司)
“Chaoyang Iron and Steel”	Angang Group Chaoyang Iron and Steel Co., Ltd.* (鞍鋼集團朝陽鋼鐵有限公司)
“Company” or “Angang Steel”	Angang Steel Company Limited* (鞍鋼股份有限公司)
“Continuing Connected Transaction Agreements”	collectively, the Supply of Materials and Services Agreement (2022–2024), the Supply of Materials Agreement (2022–2024), the Financial Service Agreement (2022–2024) and the Supply Chain Financial Service Agreement (2022–2024)

<b>Term</b>	<b>Meaning</b>
“Financial Service Agreement (2022–2024)”	the Financial Service Agreement (2022–2024) entered into between the Company and Angang Financial Company, which was approved at the second extraordinary general meeting of the Company in 2021 on 26 November 2021
“Group”	Angang Steel Company Limited* and its subsidiaries
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Pangang Vanadium & Titanium”	Pangang Group Steel Vanadium & Titanium Co., Ltd.* (攀鋼集團釩鈦資源股份有限公司)
“Pangang Vanadium & Titanium Group”	Pangang Vanadium & Titanium and its subsidiaries
“Reporting Period”	half year ended 30 June 2023
“Supply Chain Financial Service Agreement (2022–2024)”	the Supply Chain Financial Service Agreement (2022–2024) entered into between the Company and Angang Group Capital Holding Co., Ltd., which was approved at the second extraordinary general meeting of the Company in 2021 on 26 November 2021
“Supply of Materials Agreement (2022–2024)”	the Supply of Materials Agreement (2022–2024) entered into between the Company and Pangang Vanadium & Titanium, which was approved at the second extraordinary general meeting of the Company in 2021 on 26 November 2021
“Supply of Materials and Services Agreement (2022–2024)”	the Supply of Materials and Services Agreement (2022–2024) entered into between the Company and Angang Group, which was approved at the second extraordinary general meeting of the Company in 2021 on 26 November 2021

## I. PRINCIPAL ACCOUNTING FIGURES AND FINANCIAL INDICATORS OF THE GROUP

Whether the Company needs to retroactively adjust or restate the accounting data for previous year

Yes

No

*Unit: RMB million*

	During the Reporting Period (from January to June)	Corresponding period of the previous year	Increase/decrease for the Reporting Period as compared with the corresponding period of the previous year (%)
Operating income	58,825	70,294	-16.32
Net profit attributable to the shareholders of the Company	-1,346	1,716	-178.44
Net profit attributable to the shareholders of the Company after deduction of non-recurring gains or losses items	-1,355	1,669	-181.19
Net cash flow from operating activities	2,415	4,140	-41.67
Basic earnings per share ( <i>RMB/share</i> )	-0.143	0.182	-178.57
Diluted earnings per share ( <i>RMB/share</i> )	-0.143	0.182	-178.57
Returns on net assets on weighted average basis (%)	-2.34	2.84	Decreased by 5.18 percentage points
			<b>Increase/decrease at the end of the Reporting Period as compared with the end of the previous year (%)</b>
	<b>As at the end of the Reporting Period</b>	<b>As at the end of the previous year</b>	
Total assets	95,754	96,935	-1.22
Owner's equity attributable to shareholders of the Company	56,826	58,140	-2.26

Total share capital of the Company as at the trading day before the date of disclosure (i.e. 30 August 2023):

Total share capital of the Company as at the trading day before the date of disclosure ( <i>shares</i> )	9,399,442,527
Fully diluted earnings per share calculated based on the latest share capital ( <i>RMB/share</i> )	-0.143

## NON-RECURRING GAINS OR LOSSES ITEMS

*Unit: RMB million*

<b>Item</b>	<b>Amount</b>
Gains/losses from disposal or retirement of non-current assets	3
Government grant recorded in to profit/loss for current period except that relevant to enterprise operation and in compliance with government policies and continuously entitled for standard amount or quantities	21
Changes in fair value of other non-current financial assets	4
Other non-current liabilities-part of embedded derivative financial instruments, derivative financial liabilities-changes in fair value of foreign exchange swap contracts and related gains and losses on disposal	-37
Reversal of the allowance for impairment of receivables that is individually tested for impairment	19
Other non-operating revenue and expenses except those mentioned above	2
Less: Effect of income tax	3
Total	<u><u>9</u></u>

Particulars of other gains or losses items within the definition of extraordinary gains or losses:

Applicable       Not applicable

No particulars of other gains or losses items within the definition of extraordinary gains or losses applied to the Company.

Notes on the extraordinary gain or loss items as illustrated in the Explanatory Announcement on Information Disclosure by Companies Offering Securities to the Public No. 1 –Extraordinary Gains or Losses defined as recurring gain or loss items:

Applicable       Not applicable

No extraordinary gain or loss items as illustrated in the Explanatory Announcement on Information Disclosure by Companies Offering Securities to the Public No. 1 – Extraordinary Gains or Losses were defined by the Company as its recurring gain or loss items.

## II. REPORT OF THE BOARD OF DIRECTORS

### (I) Overview

During the Reporting Period, in the face of the severe and complicated market situation, the Company continued to deepen reform and innovation, increased market development efforts, efficiently organized production, intensified quality improvement and efficiency enhancement, and deeply exploited potential of cost reduction to solidly and effectively promote various work.

1. Enhancing lean management and continuing to improve operational efficiency. The Company strengthened coordination among bases, organised production meticulously, tightened the connection between production and sales, and enhanced quality control to pursue ultimate efficiency. During the Reporting Period, the production of iron, steel and rolled steel reached 13,215,700 tonnes, 13,825,400 tonnes and 12,622,100 tonnes, respectively, representing an increase of 0.72%, 2.44% and a decrease of 0.35%, respectively, as compared with the corresponding period of the previous year. The sales volume of rolled steel was 12,787,000 tonnes, representing a decrease of 1.95% as compared with the corresponding period of the previous year, achieving a sales-output ratio of 101.31% for rolled steel. The comprehensive yield ratio of rolled steel increased by 0.24 percentage point as compared with the corresponding period of the previous year, achieving the best level in history; the rate of defection or degradation of rolled steel decreased by 0.13 percentage point as compared with the corresponding period of the previous year; new breakthroughs were made in the production of non-oriented silicon steel for new energy vehicles, with the yield ratio of the original product increasing by 55.4 percentage points from last year, reaching a historic high; the output of high-magnetic oriented silicon steel increased by 36% as compared with the corresponding period of the previous year, and the yield ratio increased by 3.32 percentage points as compared with the corresponding period of the previous year.

2. Focusing on cost reduction and efficiency enhancement to continue deepening cost reform. With all-around benchmarking as the starting point, and supported by the intelligent integrated operation system, the Company made breakthroughs in key measures to ensure the realization of cost reduction targets. The Company improved the consumption quota system with the goal of cost advancement, refined the cost quota standards, and carried out cost control over the entire business chain, entire cost elements and full life cycle. Adhering to the goal-oriented, problem-oriented and result-oriented approach and taking finance as the core, the Company conducted all-round benchmarking around procurement, sales, logistics, energy and key production processes involving the participation of all staff and all levels, made continuous optimization of the production and operation indexes, and expanded a new way to reduce costs to the extreme. During the Reporting Period, the cost for per ton of steel of the whole process and operation decreased by RMB85, the three items of expenses for per ton of steel decreased by 3.75% year on year, and the cost of purchased energy for per ton of steel decreased by 7.37% year on year. During the Reporting Period, the Company successfully held the 2023 Supplier Conference, and laid the foundation for the Company to expand channels and reduce purchase cost by optimizing the supplier access mechanism, establishing a supplier coordination platform and cultivating strategic suppliers.
3. Vigorous market development and continuous improvement in marketing capabilities. The Company strengthened technology marketing, took the customer-oriented approach, expanded the scope of technical services, and made customized professional products for customers, promoting 26 new varieties and signing 103 technical agreements. The proportion of direct supply increased by 3.93 percentage points during the Reporting Period as compared with the same period of the previous year; the proportion of key products increased by 4 percentage points as compared with the same period of the previous year; and the sales volume of engineering increased by 22.9% as compared with the same period of the previous year. During the Reporting Period, the sales volume of automotive high-strength steel products increased by 3.7% year on year, and new breakthroughs were achieved in the sales volume of silicon steel, spring steel and aluminum-plated silicon new products for new energy vehicles. The Company actively participated in the construction of the Belt and Road Initiative and strengthened the development of overseas markets for variety steel. In the first half of the year, export orders increased by 17.2% year on year, and breakthroughs were made in the export of variety steel such as steel for EPS automobiles, steel rail, shipbuilding plates, and home appliances.

4. Deepening reform and innovation to activate the development momentum of enterprise. The Company formulated an implementation plan for creating a source of original and innovative technology, issued the second batch of scientific research projects of the source, and accelerated the pace of research and development of key core technologies. The 690 MPa-level low-temperature steel for the liquid cargo tank of carbon dioxide carriers made its premiere; the project of “Research on Key Technologies and Service Reliability of 1,000 MPa-level Galvanized Automotive Steel Manufacturing” was selected as a key project of the National Natural Science Foundation – Regional Innovation and Development Joint Fund; and the first roll of aluminum-plated silicon and hot-formed commercial steel roll with the world’s highest strength of 2,000 MPa for automotive use was delivered. The Company continued to deepen the market-oriented reform, and signed market-oriented operation contracts with its subordinated 10 units and 2 production lines to stimulate internal vitality. Two subordinated units including Chaoyang Iron and Steel were selected into the “Double-Hundred Enterprises” list. The Company promoted the professional integration of the steel scrap industry and established Angang Steel Green Gold Industry Development Co., Ltd.\* (鞍鋼綠金產業發展有限公司) to improve the control of steel scrap resources.
  
5. Accelerating the construction of digital Angang Steel and achieving new results in digital and intellectual development. The Company comprehensively promoted intelligent operation, intelligent factory and data governance. During the Reporting Period, the Company passed 22 informationization and intelligent investment projects, such as “intelligent ironmaking big data application platform, virtual factory of 5500 production line of thick plate department in Bayuquan”; 21 projects such as hot rolling mill 2150 production line digital twin project, Bayuquan 5G+ intelligent inspection robot, Chaoyang Iron and Steel Digital Intelligence Control Center, etc. were put into operation; and the replacement rate of 3D posts by machines in the Bayuquan Branch Company increased to 51%. The Company won two third-class awards in the first professional competition on digital scene innovation for state-owned enterprises; the “Building an Integrated Control Platform for Quality Analysis of the Whole Process to Enhance the Ability of Intelligent Production Control” was awarded the “Best Case” by the Ministry of Industry and Information Technology of China for the implementation of the I&I Integration Management System; the 5G projects of steel mill of Angang Steel and Bayuquan Branch Company were selected as the 5G Fully-Connected Factory Pilot Demonstration in 2023 in Liaoning Province.



6. Accelerating ultra-low-emission renovation and promoting green and low-carbon development on an ongoing basis. The Company coordinated the promotion of the ultra-low emission renovation project, and the Bayuquan Branch Company completed the ultra-low emission renovation project and achieved stable operation of the entire system. The Company vigorously promoted green power trading, with an estimated volume of 830 million kWh in 2023, representing an increase of 56.6% over last year. The Company promoted the construction of the carbon emission and product life cycle assessment (LCA) platform project, built a comprehensive life cycle assessment system for steel products that complies with the ISO14040 series of standards, and developed a product environmental performance index model and a comprehensive environmental performance index model for steel enterprises; completed the LCA reports for four types of automotive steels, namely ultra-low-carbon steels, bake-hardening steels, low-alloy steels and dual-phase steels, which have met the needs of downstream automobile users. The construction of the pilot base of the project “Research on Fluidized Hydrogen Ironmaking Process Technology” has been carried forward in an orderly manner.
7. Adhering to the bottom-line mentality and strengthening the ability to prevent risks continuously. The Company strictly controlled capital risk and strengthened capital control, and maintained a stable operation in cash flow during the Reporting Period, with cumulative net operating cash flow amounting to RMB2,415 million. The Company strictly and conscientiously strengthened safety management, reinforced accountability towards safe production, increased efforts into hidden danger management, strived to strengthen the management of related parties, and carried out comprehensive emergency response drills for safety accidents to comprehensively improve the level of safety management. The Company continued to strengthen the foundation of cybersecurity, enhanced network security monitoring, promoted unified convergence of Internet outlets to improve the ability to prevent and control cybersecurity.

## (II) Analysis of Principal Businesses

During the Reporting Period, the Group achieved operating income of RMB58,825 million, representing a decrease of 16.32% over the corresponding period of the previous year. The total profit reached RMB-1,773 million, representing a decrease of 180.37% over the corresponding period of the previous year. The net profit attributable to shareholders of the Company was RMB-1,346 million, representing a decrease of 178.44% over the corresponding period of the previous year. The basic earnings per share were RMB-0.143 per share, representing a decrease of 178.57% over the corresponding period of the previous year. The sales profit margin was -3.01%, representing a decrease of 6.15 percentage points over the corresponding period of the previous year.

### 1. Year-on-year changes in principal financial data

*Unit: RMB million*

Item	The Reporting Period	Corresponding period of the previous year	Year-on-year increase/decrease (%)	Reasons for the changes
Operating income	58,825	70,294	-16.32	
Operating costs	58,966	66,613	-11.48	
Marketing expenses	288	309	-6.80	
Administrative expenses	755	659	14.57	
Financial expenses	155	277	-44.04	Financial expenses decreased by RMB122 million as compared with the same period of the previous year, mainly due to the increase in exchange gains on the H shares convertible bonds as compared to the corresponding period of the previous year as well as the decrease in interest rates of bank borrowings.

Item	The Reporting Period	Corresponding period of the previous year	Year-on-year increase/decrease (%)	Reasons for the changes
Income tax expenses	-438	475	-192.21	Income tax expenses decreased by RMB913 million as compared with the same period of the previous year, mainly due to (i) a year-on-year decrease in the profits of the Company, resulting in a year-on-year decrease of RMB348 million in income tax expenses for the current period; and (ii) a year-on-year decrease of RMB565 million in deferred income tax expenses resulting from deferred income tax assets recognized for offsetting losses formed in the Reporting Period.
Total profit	-1,773	2,206	-180.37	In the first half of 2023, the steel industry continued with its weak performance momentum, with downstream demand remaining sluggish and steel prices fluctuating at a low level. While the prices of iron ore followed a consequent downward trend, the decrease was much smaller as compared to the decline in the prices of finished steel products. Faced with the challenging market conditions, the Company employed multiple measures to expand the market, actively expanded sources with serious measures taken for procurement, and implemented system-wide cost reduction efforts. However, the rapid narrowing of price differentials between the supply and demand ends led to a decrease in gross profit contribution. As a result, the Company's performance continued to decline, resulting in losses. Both the total profit and the net profit attributable to the shareholders of the Company showed a significant year-on-year decrease.
Net profit attributable to the shareholders of the Company	-1,346	1,716	-178.44	

Item	The Reporting Period	Corresponding period of the previous year	Year-on-year increase/decrease (%)	Reasons for the changes
Research and development expenses	245	395	-37.97	Research and development expenses decreased by RMB150 million as compared to the same period of the previous year, mainly due to the decrease in trial production expenses for new products.
Net cash flow from operating activities	2,415	4,140	-41.67	Net cash inflow from operating activities decreased by RMB1,725 million as compared to the same period of the previous year, mainly due to (i) the decrease of RMB7,841 million in the cash received from sales of goods and rendering of services as compared to the same period of the previous year; (ii) the decrease of RMB3,752 million in the cash paid for goods purchased and services received as compared to the same period of the previous year; (iii) the decrease of RMB1,114 million in the payment for various taxes as compared to the same period of the previous year; and (iv) the decrease of RMB1,042 million in cash payment for other operating activities as compared to the same period of the previous year.

Item	The Reporting Period	Corresponding period of the previous year	Year-on-year increase/decrease (%)	Reasons for the changes
Net cash flow from investing activities	-1,410	-2,215	36.34	Net cash outflow from investing activities decreased by RMB805 million as compared to the same period of the previous year, mainly due to the decrease of RMB915 million in cash payment for the purchase and construction of fixed assets, intangible assets and other long-term assets as compared to the same period of the previous year.
Net cash flow from financing activities	-2,409	-2,627	8.30	
Net increase in cash and cash equivalents	-1,371	-702	-95.30	Net increase in cash and cash equivalents decreased by RMB669 million as compared to the same period of the previous year, due to (i) the decrease of RMB1,725 million in the net cash inflow from operating activities as compared to the same period of the previous year; (ii) the decrease of RMB805 million in the net cash outflow from investing activities as compared to the same period of the previous year; (iii) the decrease of RMB218 million in the net cash outflow from financing activities as compared to the same period of the previous year; and (iv) the increase of RMB33 million in the effect of exchange rate changes on cash as compared to the same period of the previous year.

**2. Significant change in profit composition or source of profit of the Company during the Reporting Period**

Applicable  Not applicable

During the Reporting Period, there was no significant change in profit composition or sources of profit of the Company.

**3. Composition of operating income**

*Unit: RMB million*

Item	The Reporting Period		Corresponding period of the previous year		Year- on-year increase/ decrease (%)
	Amount	As a percentage of the operating income (%)	Amount	As a percentage of the operating income (%)	
Total operating Income	<u>58,825</u>	<u>100</u>	<u>70,294</u>	<u>100</u>	<u>-16.32</u>
<b>By industry</b>					
Steel pressing and processing industry	58,733	99.84	70,105	99.73	-16.22
Others	92	0.16	189	0.27	-51.32
<b>By product</b>					
Steel products	53,442	90.85	64,258	91.41	-16.83
Others	5,383	9.15	6,036	8.59	-10.82
<b>By geographical location</b>					
China	55,068	93.61	66,837	95.08	-17.61
Export sales	3,757	6.39	3,457	4.92	8.68

Industries, products and geographical locations accounting for more than 10% of the operating income or operating profit of the Company

Applicable  Not applicable

Unit: RMB million

Item	Operating income	Operating costs	Gross profit margin (%)	Increase/ decrease in operating income as compared with the corresponding period of the previous year (%)	Increase/ decrease in operating costs as compared with the corresponding period of the previous year (%)	Increase/ decrease in gross profit margin as compared with the corresponding period of the previous year (percentage point)
<b>By industry</b>						
Steel pressing and processing industry	58,733	58,878	-0.25	-16.22	-11.38	-5.48
<b>By product</b>						
Hot-rolled sheets products	17,612	17,887	-1.56	-17.28	-9.76	-8.46
Cold-rolled sheets products	19,282	19,332	-0.26	-18.32	-12.35	-6.82
Medium-thick plates	10,515	10,258	2.44	-22.19	-21.87	-0.40
<b>By geographical location</b>						
China	54,976	55,057	-0.15	-17.51	-13.00	-5.20
Export sales	3,757	3,821	-1.70	8.68	21.03	-10.38

In case of adjustment in statistical calibers of principal businesses of the Company during the Reporting Period, the principal businesses data of the Company in the latest period according to adjusted calibers at the end of the Reporting Period

Applicable       Not applicable

#### **4. *Liquidity and financial resources***

As at 30 June 2023, the Group had long-term loans (exclusive of loans due within one year) of RMB3,130 million with average interest rate of 2.74% and a term of 3 years. These loans, which will fall due no later than 2026, are mainly used for production and operation of the Group. The Group's long-term loans due within one year amounted to RMB50 million. As of 30 June 2023, the Group's fixed rate borrowings amounted to RMB1,700 million.

With good credit standing, the Group was reviewed and assigned a long-term credit rating of "AAA" by the rating committee of China Chengxin International Credit Rating Co., Ltd. in 2023. The Group is able to repay its debts as they fall due.

As at 30 June 2023, the Group had a total capital commitment of RMB3,183 million, which was primarily attributable to the investment contracts of RMB14 million entered into but not yet performed or partially performed and construction and renovation contracts of RMB3,169 million entered into but not yet performed or partially performed.

#### **5. *Foreign exchange risk***

The Group carries out import and export through agent trade by Angang International Trade for its main foreign currency transactions, including the export of sales products, import of raw materials for production and engineering equipment. Foreign currency risk is mainly reflected in the impact of exchange rate changes when settling through agent on sales and procurement costs.



### (III) Analysis of Non-Principal Businesses

*Unit: RMB million*

Item	Amount	As a percentage of total profit (%)	Reasons	Sustainable or not
Investment income	109	N/A	Mainly included income from long-term equity investments accounted for using equity method and investment income from other equity instrument investments during the holding period.	Yes
Gains or losses arising from changes in fair value	53	N/A	Included changes in fair value of derivative financial instruments and other non-current financial assets.	Yes
Asset impairment losses	26	N/A	Included reversal of provisions for impairment on inventories.	No
Credit impairment loss	19	N/A	Included reversal of provision for credit impairment losses on receivables.	No
Other gains	16	N/A	Mainly included gains on government grants.	No
Asset disposal income	25	N/A	Included gain on disposal of intangible assets.	No
Non-operating income	14	N/A	Mainly included gain on retirement of non-current assets, gains on government grants and indemnity income.	No
Non-operating expenses	29	N/A	Mainly included losses on scrap of non-current assets.	No

## (IV) Assets and Liabilities

### 1. Significant changes in composition of assets

Unit: RMB million

Item	As at the end of the Reporting Period		As at the end of the previous year		Increase/ decrease (percentage point)	Explanation for significant changes
	Amount	As a percentage of total assets (%)	Amount	As a percentage of total assets (%)		
Monetary capital	3,722	3.89	5,093	5.25	-1.36	–
Accounts receivables	3,721	3.89	2,838	2.93	0.96	–
Inventories	14,022	14.64	13,575	14.00	0.64	–
Long-term equity investments	3,141	3.28	3,169	3.27	0.01	–
Fixed assets	46,899	48.98	46,985	48.47	0.51	–
Construction in progress	6,646	6.94	6,732	6.94	0.00	–
Right-of-use assets	679	0.71	761	0.79	-0.08	–
Short-term loans	1,243	1.30	1,579	1.63	-0.33	–
Contract liabilities	7,188	7.51	6,393	6.60	0.91	–
Long-term loans	3,130	3.27	600	0.62	2.65	–
Lease liabilities	63	0.07	226	0.23	-0.16	–

### 2. Information on main overseas assets

Applicable       Not applicable

### 3. Assets and liabilities measured at fair value

Applicable       Not applicable

Unit: RMB million

Item	Opening balance	Gains or losses arising from changes in fair value for the period	Changes in fair value included in equity	Impairment provision made for the period	Purchases during the period	Disposals during the period	Other changes	Closing balance
<b>Financial assets Including:</b>								
1. Financial assets held for trading (excluding derivative financial assets)								
2. Derivative financial assets	37	-37						0
3. Other debt investment								
4. Other equity instrument investments	641		256					694
5. Other non-current financial assets	33	4						37
Sub-total of financial assets	<u>711</u>	<u>-33</u>	<u>256</u>					<u>731</u>
Investment properties								
Productive biological assets								
Others								
Total	<u>711</u>	<u>-33</u>	<u>256</u>					<u>731</u>
Financial liabilities	<u>41</u>	<u>-41</u>						<u>0</u>

Material changes in measurement of major assets during the Reporting Period

Yes       No

#### **4. *Gearing ratio***

As at 30 June 2023 and 31 December 2022, the Group's equity-to-debt ratio was 1.50 times and 1.54 times, respectively.

#### **5. *Restrictions on assets as at the end of the Reporting Period***

In 2022, the Group transferred accounts receivable of RMB399 million to financial institutions through factoring business to obtain the proceeds of RMB399 million from the transfer. At the same time, the Group undertook to settle the payment obligation of the buyer if the buyer fails to fulfill the payment obligation when due. The Group considers that the risks and rewards of the accounts receivable have not been transferred and therefore the proceeds from the transfer were recognised as pledged borrowings. As at 30 June 2023, the Group had outstanding pledged borrowings of RMB203 million under such business.

#### **6. *Contingent liabilities***

As at 30 June 2023, the Group had no contingent liabilities.

### **(V) Work Plan for the Second Half of 2023**

In 2023, affected by uncertainties such as the ongoing conflicts in certain international regions, high inflation in the United States and other developed economies, interest rate hike by the Federal Reserve, global economic recovery is expected to remain weak, which will have various impacts on China's economic development and the operation of the steel industry. In terms of the domestic economic situation, the long-term positive fundamentals of China's economy remain unchanged. The meeting of Political Bureau of the Central Committee of the CPC proposed to continue implementing a proactive fiscal policy and a prudent monetary policy, focus on expanding domestic demand, boost confidence and and prevent risks. With the gradual implementation of various economic support policies and measures to stabilize growth, China's economy will continue to grow in a restorative manner, and the role of the steel industry in the overall economic and social development will be further developed, and the demand for steel will gradually recover. In the second half of the year, the profit of the steel industry will maintain at a relatively low level, coupled with energy consumption, environmental protection control and other policy regulations, the steel production may fall. It is expected that steel supply and demand will generally remain at a weak balance in the second half of the year, and steel prices are expected to rebound on the basis of the first half of the year under the support of the gradual recovery of demand and the supporting

policies, However, with the downward trend of global economic volatility unchanged and the impact of fluctuations in the industrial chain, the overall development of the market may be volatile.

Facing the complex market situation, the Company will deeply explore the extreme potential, enhance the extreme efficiency, pursue the extreme cost reduction, and strive to complete the various production and operation tasks. In the second half of the year, the Company will focus on the following works:

1. Strengthen the budget leadership, promote extreme cost reduction, and deeply explore the system's capabilities to reduce costs and improve efficiencies;
2. Adhere to lean manufacturing, and coordinate and linkage to ensure stable production and quality improvement of economic operation;
3. Vigorously explore the market, optimize the variety structure, and strive to improve the capabilities of creating benefits through marketing;
4. Strengthen scientific and technological innovation, intensify research and development efforts, and continuously enhance the capabilities of creating benefits through science and technology;
5. Strengthen the bottom-line thinking, strengthen the concept of system, and strive to consolidate the risk prevention capability;
6. Accelerate ultra-low-emission renovation, promote extreme energy efficiency, and enhance the capability for green and low-carbon development.

## (VI) Analysis of Investments

### 1. Overview

Investments for the Reporting Period (RMB million)	External investments Investments for the corresponding period of the previous year (RMB million)	Change (%)
0	362	-100

### 2. Significant equity investments made during the Reporting Period

Applicable       Not applicable

**3. Significant non-equity investments being conducted during the Reporting Period**

Applicable  Not applicable

**4. Financial asset investments**

*(1) Securities investments*

*Unit: RMB million*

Stock type	Stock code	Stock abbreviation	Initial investment	Accounting measurements	Book value	Gains or losses on fair value change for the current period	Accumulative changes in fair value included in equity	Purchase amount for the current period	Disposal amount for the current period	Loss	Book value at the end of the Reporting Period	Accounting item	Source of funds
					at the beginning of the current period					or gain during the Reporting Period			
Shares	600961	Zhuye Group (株冶集團)	81	Measured at fair value	33	4	-	-	-	4	37	Financial asset held for trading	Self-owned funds

*(2) Derivatives investments*

1) Derivatives investments for hedging purposes during the Reporting Period

Applicable  Not applicable

*Unit: RMB million*

Type of Derivatives investment	Initial investment amount	Gains or losses on fair value change for the current period	Accumulative changes in fair value included in equity	Purchase amount during the Reporting Period	Disposal amount during the Reporting Period	Amount at the end of the period	Proportion of investments at the end of the period to net assets of the Company at the end of the Reporting Period
Futures hedging	1	32	-	561	676	396	0.7
Foreign exchange swap	-	17	-	-	-	-	-
Total	1	49	-	561	676	396	0.7

Explanation as to whether there has been a material change in the accounting policy and specific accounting and auditing principles for the hedging business during the Reporting Period as compared to last reporting period	N/A
Explanation of actual profit or loss during the Reporting Period	<ol style="list-style-type: none"> <li>1. The actual profit or loss on futures hedging during the Reporting Period was RMB65 million. (Source of spot price data: Wind)</li> <li>2. The actual profit or loss on foreign exchange hedging during the Reporting Period was RMB -27 million.</li> </ol>
Explanation of hedging effectiveness	<ol style="list-style-type: none"> <li>1. During the Reporting Period, there was a high correlation between the hedged items of futures hedging and the hedging instruments, and the hedging effect was relatively good at both futures and spot ends, and the hedging function could be better performed.</li> <li>2. During the Reporting Period, there was a high correlation between the exchange rate exposure of the hedged items of foreign exchange hedging – H-share convertible bonds and the hedging instruments – foreign exchange swaps, and the risk of exchange rate exposure of foreign currency debt was effectively controlled, and the hedging function could be better performed.</li> </ol>
Source of funds for derivative investments	Self-owned funds

Risk analysis of positions in derivatives during the Reporting Period and explanations of risk control measures (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)

❖ Futures hedging:

- (1) Market risk exists when the position held by the Company is related to the steel products industry, which is highly relevant to spot commodity operated by the Company. Although the Company makes regular analysis and forecast on the market, the judgment on the market may be deviated, resulting in potential risk. However, the risk is controllable after futures hedging with spot commodities.
- (2) As the category of position held has sufficient liquidity, there is no liquidity risk.
- (3) The futures exchange provides credit guarantee for the category of position held, thus the credit risk minimal.
- (4) The Company carries out such business in strict compliance with the relevant requirements of hedging and total holding position and term are in line with the Company's approval.

The Company has performed evaluation of relevant legal risks. Business development is carried out in accordance with the laws and regulations of futures exchanges in the PRC, and thus, risks can be controlled.



❖ Foreign exchange hedging:

The hedging process is to first enter into a swap contract with a bank and purchase foreign currency at the agreed price at maturity. The purpose of the transaction is to prevent against the exchange rate risk arising from the repayment for the matured H Shares convertible bonds in May 2023. The transaction is simple and convenient to conduct and there exists no significant risk. Control measures:

- (1) In order to regulate the behavior of foreign exchange derivatives trading and strengthen the supervision and management of foreign exchange derivatives trading business, the Company has issued the Foreign Exchange Capital Management Measures on the basis of relevant laws, regulations and policies, which makes detailed provisions for the principles, conditions and implementation of trading, capital management and position management of the foreign exchange derivatives trading, as well as the corresponding approval process and authority.
- (2) The Company strengthens the management of bank accounts and funds, strictly complies with the approval procedures for the allocation and use of funds, arranges full-time personnel, clarifies the responsibilities, and strictly engages in the above business within the scope of authorization. The Company properly arranges funds for completion to ensure delivery on schedule; in case a special circumstance requires early completion through swap transactions, extension or adoption of other methods acceptable to counterparties, etc., relevant procedures should be completed in accordance with the regulations of foreign exchange derivatives transactions.

Changes in market price or product fair value of derivatives invested during the Reporting Period, where specific methods and relevant assumptions and parameters used shall be disclosed in the analysis of derivatives' fair value

❖ Futures hedging:

Iron ore, coking coal and coke quoted on the Dalian Commodity Exchange; on 3 January 2023, the settlement prices of main connected contracts of iron ore, coking coal and coke were RMB849.5/ton, RMB1,812/ton and RMB2,610/ton, respectively; on 30 June 2023, the settlement prices of main connected contracts of iron ore, coking coal and coke were RMB833/ton, RMB1,345.5/ton and RMB2,117/ton, respectively. The changes in fair values of iron ore, coking coal and coke were RMB-16.5/ton, RMB-466.5/ton and RMB-493/ton, respectively.

❖ Foreign exchange hedging:

At the time of entering into the 2020 contracts, an exchange rate of 0.866 HKD/RMB was adopted as the settlement price on 18 May 2021. The Company paid interest to the bank on the principal amount of HK\$1 billion (converted to RMB866 million at the settlement price of 0.866 at maturity) at an annualized interest rate of 3.58% based on the actual number of subsisting days of the contracts. The Company extended the term of the contracts upon the expiry of the term of such contracts in May 2021, and an exchange rate of 0.866 HKD/RMB was adopted as the settlement price on 18 May 2023. On 18 May 2023, the Company paid interest of RMB54.61 million to the bank on the principal amount of HK\$1 billion (converted to RMB866 million at the settlement price of 0.866 at maturity) at an annualized interest rate of 3.11% based on the actual number of subsisting days of the contracts.

Litigation case (if applicable)

N/A

Date of the announcement disclosing the approval of derivatives investment by the Board (if any)	<p>On 30 March 2023, the Resolution in relation to the Company’s 2023 Annual Hedging Business Amount was approved at the 14th meeting of the ninth session of the Board.</p> <p>On 29 October 2020, the Resolution in relation to the Carrying out of Foreign Exchange Hedging Business by the Company was approved at the 29th meeting of the eighth session of the Board.</p>
Date of the announcement disclosing the approval of derivatives investment at shareholders’ meeting (if any)	<p>On 29 May 2023, the Resolution in relation to the Company’s 2023 Annual Hedging Business Amount was approved at the 2022 annual general meeting of the Company.</p>
Specific opinions of independent directors on the derivatives investment and risk control of the Company	<p>❖ Futures hedging:</p> <p>(1) The Company utilized the self-owned funds for the development of futures hedging business on the basis of ensuring its normal production and operation, and performed the related approval procedures in compliance with relevant requirements of the relevant laws, regulations and the Articles of Association, which was beneficial to the reduction of operating risks of the Company, without prejudice to the interests of the Company and shareholders as a whole.</p> <p>(2) The Company established the “Administrative Measures on Angang Steel Company Limited Commodity Futures Hedging”* (《鞍鋼股份有限公司商品期貨套期保值管理辦法》), and clearly specified internal control procedures such as the business operation procedures, approval process and risks prevention and control, achieving a protection for the Company to control futures risks.</p> <p>(3) The Company confirmed that the maximum amount and the types for trading of the annual hedging guarantees were reasonable and in compliance with the actual situation of production and operation of the Company, and were conducive to reasonably controlling risks by the Company.</p>

❖ Foreign exchange hedging:

- (1) In order to prevent foreign exchange risks, the Company has carried out foreign exchange hedging business and fulfilled the relevant approval procedures, which are in compliance with the relevant national laws, regulations and the relevant provisions of the Articles of Association, and are conducive to reducing of operating risks of the Company, without prejudice to the interests of the Company and its shareholders.
- (2) The Company has formulated the “Measures for the Management of Foreign Exchange Funds of Angang Steel Company Limited”\* (《鞍鋼股份有限公司外匯資金管理辦法》), which provides clear regulations on the principles of foreign exchange derivatives trading, trading process, internal control and risk prevention measures, and plays a protective role in controlling the risk of foreign exchange derivatives trading by the Company.
- (3) The types and quantities of foreign exchange hedging trading determined by the Company are in line with the business requirements of the Company and are conducive to reasonably controlling risks by the Company.

2) Derivatives investments for speculative purposes during the Reporting Period

Applicable       Not applicable

There were no derivatives investments for speculative purposes during the Reporting Period.

**5. Use of proceeds**

Applicable       Not applicable

**(VII) Disposal of Major Assets and Equity Interests**

**1. Disposal of major assets**

Applicable  Not applicable

The Company did not dispose of any material assets during the Reporting Period.

**2. Disposal of major equity interests**

Applicable  Not applicable

**(VIII) Analysis of Major Subsidiaries and Investees**

Major subsidiaries and investees accounting for over 10% of the net profit of the Company:

*Unit: RMB million*

Name of companies	Type of companies	Principal activities	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Chaoyang Iron and Steel	Manufacturing enterprise	Steel pressing and processing	8,000	6,159	4,570	4,461	-50	-71

Acquisition and disposal of subsidiaries during the Reporting Period:

Applicable  Not applicable

**(IX) Structured Entities Controlled by the Company**

Applicable  Not applicable

## **(X) Purchase, Sale or Redemption of Listed Shares of the Company**

On 10 February 2023, the Company completed the redemption and cancellation of 2,040,931 restricted shares held by 12 incentive participants which had been granted but not yet released from restriction on sales, with a total amount of RMB3,972,198.54 for the repurchase and cancellation of the restricted shares. For the movement in share capital related to the incentive scheme, please refer to “Corporate Governance” in this report.

On 29 May 2023, the Resolution on Repurchase and Cancellation of Restricted Shares that have been Granted to Some Incentive Participants of the 2020 Restricted Stock Incentive Plan but not yet Unlocked (《關於2020年限制性股票激勵計劃部分激勵對象已獲授但尚未解除限售的限制性股票回購註銷的議案》) and the Resolution on Cancellation of Shares in the Repurchase Security Account of the Company (《關於註銷公司回購專用證券賬戶股份的議案》) were considered and approved at the 2022 annual general meeting, the 2023 First Class Meeting of Shareholders of Domestic Shares and the 2023 First Class Meeting of Shareholders of Foreign Shares of the Company.

On 21 July 2023, the Company completed the redemption and cancellation of 1,128,370 restricted shares held by 12 incentive participants which had been granted but not yet released from restriction on sales, with a total amount of RMB2,216,868.80 for the repurchase and cancellation of the restricted shares. On 21 July 2023, the Company completed the cancellation of 408,623 treasury shares remaining in the repurchase security account. For the movement in share capital related to the incentive scheme, please refer to “Corporate Governance” in this report.

On 25 May 2018, the Company issued HK\$1,850,000,000 zero coupon convertible bonds on the Hong Kong Stock Exchange. In accordance with the relevant terms of the issuance of the bonds, the Company redeemed the bonds with the remaining principal amount of HK\$1,818,000,000 on 25 May 2023 (i.e., the maturity date of the convertible bonds), and the convertible bonds were fully redeemed.

Save for the aforementioned matters, there was no purchase, sale or redemption by the Company or any of its subsidiaries of any securities of the Company during the Reporting Period.

(XI) **Securities Transactions by Directors**

The Board has adopted the relevant code for directors' securities transactions for the purpose of complying with the Hong Kong Listing Rules. In response to the Company's specific enquiries with all Directors, the Directors have confirmed that they have complied with the standards set out in Appendix 10 to the Listing Rules.

The Company has also adopted a code of conduct governing securities transactions by the employees of the Company who may possess or have access to price sensitive information in relation to the Company or its securities.

(XII) **Independent Non-Executive Directors**

Throughout the Reporting Period, the Board had been in compliance with Rule 3.10(1) of the Hong Kong Listing Rules, which requires a company to maintain at least three independent non-executive directors, and Rule 3.10(2) of the Hong Kong Listing Rules, which requires one of the independent non-executive directors to possess professional qualifications or accounting or related financial management expertise.

(XIII) **Audit Committee**

The Company has established an audit committee (the "**Audit Committee**") in compliance with Rule 3.21 of the Hong Kong Listing Rules.

The Audit Committee and the management have reviewed the accounting standards, principles and measurements adopted by the Company, and considered the related audit, internal control and the unaudited interim financial report for the six months ended 30 June 2023.

### III. SIGNIFICANT MATTERS

#### (I) Proposals of Profit Distribution and Transfer of Reserve to Share Capital during the Reporting Period

The Company proposed not to distribute cash dividends, issue bonus shares or transfer reserve to share capital for the interim period.

#### (II) Use of the Capital of the Listed Company by the Controlling Shareholder and Its Connected Parties for Non-operating Purposes

During the Reporting Period, neither the controlling shareholder nor the other connected parties of the Company used the capital of the Company for non-operating purposes.

#### (III) Major Connected Transactions

The connected transactions set out below fall within the definition relating to “Connected Transaction” or “Continuing Connected Transaction” under Chapter 14A of the Hong Kong Stock Exchange Listing Rules. Relevant connected transactions have complied with the disclosure requirements under Chapter 14A of the Hong Kong Stock Exchange Listing Rules.

##### 1. Connected transactions related to daily operations

Connected party	Connected relationship	Type of connected transaction	Content of connected transaction	Pricing principle of connected transaction	Connected transaction price	Connected transaction amount	As a	Approved transaction cap	Whether exceeding approved cap	Settlement method of connected transactions	Market price of available similar transactions
							percentage of the amount of similar transactions				
					(RMB million)	(RMB million)	(%)	(RMB million)			
Angang Mining Co., Ltd.	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Purchase main materials	Market principle	-	8,862	20.55			In cash	-
Shanxi Wuchan International Energy Co., Ltd. (山西物產國際能源有限公司)	Associate of controlling shareholder	Purchase goods/ Receive services	Purchase main materials	Market principle	-	1,587	3.68			In cash	-



Connected party	Connected relationship	Type of connected transaction	Content of connected transaction	Pricing principle of connected transaction	Connected transaction price	Connected transaction amount (RMB million)	As a	Approved transaction cap (RMB million)	Whether exceeding approved cap	Settlement method of connected transactions	Market
							percentage of the amount of similar transactions (%)				price of available similar transactions
Angang Group Zhongyuan Industry Development Co., Ltd.	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Purchase main materials	Market principle	-	1,154	2.68			In cash	-
Angang International Trade	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Purchase main materials	Market principle	-	851	1.97			In cash	-
Angang Cast Steel Co., Ltd	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Purchase main materials	Market principle	-	357	0.83			In cash	-
Other subsidiaries of Angang Group	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Purchase main materials	Market principle	-	375	0.87			In cash	-
Sub-total	-	-	Purchase main materials	-	-	13,186	30.58	39,769	No	-	-
Bensteel Group Corporation Limited	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Purchase steel products	Market principle	-	340	6.92			In cash	-
Angang Group	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Purchase steel products	Market principle	-	276	5.61			In cash	-
Sub-total	-	-	Purchase steel products	-	-	616	12.51	1,632	No	-	-

Connected party	Connected relationship	Type of connected transaction	Content of connected transaction	Pricing principle of connected transaction	Connected transaction price	Connected transaction amount (RMB million)	As a	Approved transaction cap (RMB million)	Whether exceeding approved cap	Settlement method of connected transactions	Market
							percentage of the amount of similar transactions (%)				price of available similar transactions
Anshan Iron and Steel Metallurgical Furnace Material Technology Co., Ltd.	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Purchase auxiliary materials	Market principle	-	480	13.54			In cash	-
Angang Refractory Co., Ltd.	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Purchase auxiliary materials	Market principle	-	376	10.61			In cash	-
Other subsidiaries of Angang Group	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Purchase auxiliary materials	Market principle	-	422	11.90			In cash	-
Sub-total	-	-	Purchase auxiliary materials	-	-	1,278	36.05	3,702	No	-	-
Angang Group	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Procurement of energy and power	Market principle	-	77	15.16			In cash	-
Sub-total	-	-	Procurement of energy and power	-	-	77	15.16	2,011	No	-	-

Connected party	Connected relationship	Type of connected transaction	Content of connected transaction	Pricing principle of connected transaction	Connected transaction price	Connected transaction amount (RMB million)	As a	Approved transaction cap (RMB million)	Whether exceeding approved cap	Settlement method of connected transactions	Market
							percentage of the amount of similar transactions (%)				price of available similar transactions
Delin Lugang Supply Chain Service Co., Ltd.* (德鄰陸港供應鏈服務有限公司)	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Receive supporting services	Market principle	-	604	8.72			In cash	-
Angang Group Zhongyuan Industry Development Co., Ltd.	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Receive supporting services	Market principle	-	487	7.03			In cash	-
Angang Group Engineering Technology Development Co., Ltd.	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Receive supporting services	Market principle	-	467	6.74			In cash	-
Angang Holding	Controlling shareholder	Purchase goods/ Receive services	Receive supporting services	Market principle	-	432	6.24			In cash	-
Angang Cold Rolled Steel Plate (Putian) Co., Ltd.	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Receive supporting services	Market principle	-	274	3.95			In cash	-
Other subsidiaries of Angang Group	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Receive supporting services	Market principle	-	888	12.82			In cash	-
Sub-total	-	-	Receive supporting services	-	-	3,152	45.50	9,343	No	-	-

Connected party	Connected relationship	Type of connected transaction	Content of connected transaction	Pricing principle of connected transaction	Connected transaction price	Connected transaction amount (RMB million)	As a	Approved transaction cap (RMB million)	Whether exceeding approved cap	Settlement method of connected transactions	Market price of available similar transactions
							percentage of the amount of similar transactions (%)				
Delin Lugang Supply Chain Service Co., Ltd.* (德鄰陸港供應鏈服務有限公司)	Controlled by the same controlling shareholder	Sales of products/ Provision of services	Sales of products	Market principle	-	3,738	4.70			In cash	-
Angang International Trade	Controlled by the same controlling shareholder	Sales of products/ Provision of services	Sales of products	Market principle	-	295	0.37			In cash	-
Other subsidiaries of Angang Group	Controlled by the same controlling shareholder	Sales of products/ Provision of services	Sales of products	Market principle	-	667	0.84			In cash	-
Sub-total	-	-	Sales of products	-	-	4,700	5.91	20,206	No	-	-
Angang Group	Controlled by the same controlling shareholder	Sales of products/ Provision of services	Sell scrap steel material, abandoned material, minus sieve powder	Market principle	-	160	98.16			In cash	-
Sub-total	-	-	Sell scrap steel material, abandoned material, minus sieve powder	-	-	160	98.16	436	No	-	-

Connected party	Connected relationship	Type of connected transaction	Content of connected transaction	Pricing principle of connected transaction	Connected transaction price	Connected transaction amount (RMB million)	As a	Approved transaction cap (RMB million)	Whether exceeding approved cap	Settlement method of connected transactions	Market
							percentage of the amount of similar transactions (%)				price of available similar transactions
Angang Group	Controlled by the same controlling shareholder	Sales of products/ Provision of services	Provide comprehensive services	Market principle	-	205	22.21			In cash	-
Sub-total	-	-	Provide comprehensive services	-	-	205	22.21	1,769	No	-	-
Angang Financial Company	Controlled by the same controlling shareholder	Receive finance services	Settle fund and deposit interests	Market principle	-	26	70.27	100	No	In cash	-
Angang Financial Company	Controlled by the same controlling shareholder	Receive finance services	Maximum daily deposit balance	Market principle	-	4,895	-	5,000	No	-	-
Angang Financial Company	Controlled by the same controlling shareholder	Receive finance services	Credit business interest	Market principle	-	-	-	250	No	In cash	-
Angang Financial Company	Controlled by the same controlling shareholder	Receive finance services	Entrusted loan interest	Market principle	-	-	-	100	No	In cash	-

Connected party	Connected relationship	Type of connected transaction	Content of connected transaction	Pricing principle of connected transaction	Connected transaction price	Connected transaction amount (RMB million)	As a	Approved transaction cap (RMB million)	Whether exceeding approved cap	Settlement method of connected transactions	Market
							percentage of the amount of similar transactions (%)				price of available similar transactions
Angang Group Capital Holding Co., Ltd.	Controlled by the same controlling shareholder	Receive finance services	Commercial factoring	Market principle	-	-	-	1,000	No	In cash	-
Angang Group Capital Holding Co., Ltd.	Controlled by the same controlling shareholder	Receive finance services	Commercial factoring interest	Market principle	-	-	-	50	No	In cash	-
Particulars on refund of bulk sale				-							
Estimated total amount for continuing connected transactions to be conducted during the period and their actual implementing during the Reporting Period				During the Reporting Period, the total amount of the Company's daily connected transactions did not exceed the relevant caps applicable to such category as set out in the relevant daily connected transaction agreements approved at the general meeting and the estimated amounts of each type of daily connected transactions expected at the beginning of the year.							
Reason for the large difference between transaction price and market reference price				-							
Relevant explanation on connected transactions				As production in the iron and steel industry is on a continuous basis, Angang Group has been engaged in mining, supplying, processing and manufacturing of raw materials, auxiliary materials and energy and power, which is a part of the supply chain of the Company. In the meantime, its subsidiaries have a high technological level and service capabilities, which can provide necessary support services for production and operation of the Company. The Company would sell certain products, abandoned steel, abandoned materials and integrated services to Angang Group which is a client of the Company.							

**2. Related party transactions in relation to asset or equity acquisition or disposal**

Applicable  Not applicable

**3. Related party transactions in relation to joint external investments**

Applicable  Not applicable

**4. Related party credit and debt transaction**

Applicable  Not applicable

Whether there are claims or obligations for non-operating purpose

Yes  No

There were no claims or obligations for non-operating purpose during the Reporting Period.

**5. Transaction with connected financial company**

Applicable  Not applicable

*Unit: RMB million*

Deposit business

Related party	Related relationship	Maximum daily deposit limit	Range of deposit interest rate	Balance as at the beginning of the period	Amount during the period		Balance as at the end of the period
					Total amount deposited during the period	Total amount withdrawn during the period	
Angang Group Financial Company Limited*	Controlled by the same controlling shareholder	5,000	0.455%-1.9%	4,224	224,415	225,710	2,929

## Loan business

Related party	Related relationship	Loan facility	Range of loan interest rate	Balance as at the beginning of the period	Amount during the period		Balance as at the end of the period
					Total loan amount for the period	Total amount repaid during the period	
Angang Group Financial Company Limited*	Controlled by the same controlling shareholder	3,000	-	0	0	0	0

## Credit extension or other financial business

Related party	Related relationship	Type of business	Total amount	Actual amount
Angang Group Financial Company Limited*	Controlled by the same controlling shareholder	Credit extension	3,000	0

**6. Transaction with connected financial company which is under the control of the Company**

Applicable       Not applicable

**7. Other major connected transactions**

Applicable       Not applicable



## **(IV) Material Contracts and their Implementation**

### **1. Trust, contractual or lease arrangement**

#### *(1) Trust arrangement*

The Company entered into the Entrusted Management Services of Asset and Business Agreement with Angang Holding as the specific agreement for execution under the approved Supply of Materials and Services Agreement (2022–2024). Pursuant to the Entrusted Management Services of Asset and Business Agreement, Angang Holding entrusts the Company to daily operate and manage the assets, businesses, additional future assets and businesses of the unlisted units under its control.

During the Reporting Period, the Company did not have any entrusted projects that resulted in profit or loss of the Company amounting to more than 10% of the Company's total profit during the Reporting Period.

#### *(2) Contractual arrangement*

Applicable       Not applicable

The Company did not enter into any contractual arrangement during the Reporting Period.

(3) *Lease arrangement*

Applicable       Not applicable

Lease arrangement explanation

The Company used certain land assets of Angang Holding and its subsidiaries for its production and operation. Pursuant to the land lease agreements entered into between the Company and relevant parties, the Company paid a land leasehold payment with reference to the market rates to Angang Holding and its subsidiaries, with a total amount of RMB61 million paid during the Reporting Period.

Items that bring profit or loss of more than 10% of the total profit of the Company during the Reporting Period

Applicable       Not applicable

During the Reporting Period, there was no lease which generated profit of more than 10% of the gross profit of the Company.

**2. *Material guarantee***

Applicable       Not applicable

During the Reporting Period, there was no material guarantee provided by the Company.

**3. *Entrusted wealth management***

Applicable       Not applicable

During the Reporting Period, the Company did not have entrusted wealth management.

**4. *Other significant contracts***

Applicable       Not applicable

During the Reporting Period, the Company had no other significant contracts.

#### **IV. CORPORATE GOVERNANCE OF THE COMPANY**

In strict compliance with the requirements of the Company Law, the Securities Law, the relevant requirements of the China Securities Regulatory Commission (the “CSRC”), the Hong Kong Stock Exchange Listing Rules, the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange and the Corporate Governance Guideline of Listed Companies and other requirements, the Company has regulated its operations and established a comprehensive corporate governance system and an effective internal control system. There is no difference between the Company’s corporate governance practice and the Company Law and the relevant requirements of the CSRC.

With shares listed in both Hong Kong and Shenzhen, 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 create return for the shareholders in the long term.

The Company has adopted the code provisions set out in Appendix 14 to the Listing Rules of Hong Kong Stock Exchange as currently effective. The Company has periodically reviewed its corporate governance practices. During the six months ended 30 June 2023, save as set out below, the Company has complied with all the code provisions of the Corporate Governance Code which were effective during the Reporting Period.

According to provision F.2.2 set out in Appendix 14 to the Hong Kong Listing Rules, “The chairman of the board should attend the annual general meeting. . . .”

In 2023, the chairman of the Company has not attended the annual general meeting of the Company in person due to corporate affairs, and appointed Mr. Zhang Hongjun, the Director of the Company, to attend and preside over the meeting on his behalf.

## V. FINANCIAL INFORMATION

### CONSOLIDATED BALANCE SHEET

As at 30 June, 2023

Prepared by: Angang Steel Company Limited

Monetary unit: RMB million

Item	Notes	30 June 2023	31 December 2022
<b>Current assets:</b>			
Cash and cash equivalents		3,722	5,093
Derivative financial assets			37
Notes receivable		80	173
Accounts receivable	2	3,721	2,838
Receivables financing		1,584	1,824
Prepayments		4,047	5,113
Other receivables		327	27
Including: Interests receivable			
Dividends receivable			
Inventories		14,022	13,575
Other current assets		491	552
<b>Total current assets</b>		<b>27,742</b>	<b>29,232</b>
<b>Non-current assets:</b>			
Long-term equity investments		3,141	3,169
Other equity instrument investments		694	641
Other non-current financial assets		37	33
Fixed assets		46,899	46,985
Construction in progress		6,646	6,732
Right-of-use assets		679	761
Intangible assets		6,616	6,553
Deferred income tax assets		2,094	1,506
Other non-current assets		1,206	1,323
<b>Total non-current assets</b>		<b>68,012</b>	<b>67,703</b>
<b>Total assets</b>		<b>95,754</b>	<b>96,935</b>

Legal representative:

Wang Yidong

Financial controller:

Wang Baojun

Person in charge of accounting department:

You Yu

<b>Item</b>	<i>Notes</i>	<b>30 June 2023</b>	31 December 2022
<b>Current liabilities:</b>			
Short-term loans		<b>1,243</b>	1,579
Derivative financial liabilities			41
Notes payable		<b>14,968</b>	11,743
Accounts payable	3	<b>7,629</b>	8,854
Contract liabilities		<b>7,188</b>	6,393
Staff remuneration payable		<b>217</b>	158
Tax payable		<b>166</b>	255
Other payables		<b>2,418</b>	2,871
Including: Interests payable		<b>10</b>	6
Dividends payable		<b>3</b>	3
Non-current liabilities due within 1 year		<b>50</b>	4,260
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>33,879</b>	36,154
		<hr/> <hr/>	<hr/> <hr/>
<b>Non-current liabilities:</b>			
Long-term loans		<b>3,130</b>	600
Bonds payable		<b>299</b>	299
Lease liability		<b>63</b>	226
Long-term payables		<b>119</b>	119
Long-term employee benefits payable		<b>60</b>	60
Deferred income		<b>533</b>	523
Deferred income tax liabilities		<b>173</b>	157
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>4,377</b>	1,984
		<hr/> <hr/>	<hr/> <hr/>

Item	<i>Notes</i>	<b>30 June 2023</b>	31 December 2022
<b>Total liabilities</b>		<b><u>38,256</u></b>	<b><u>38,138</u></b>
<b>Shareholders' equity:</b>			
Share capital		<b>9,401</b>	9,403
Capital reserve		<b>33,877</b>	33,879
Less: Treasury shares		<b>92</b>	96
Other comprehensive income		<b>192</b>	152
Special reserve		<b>148</b>	93
Surplus reserve		<b>4,457</b>	4,457
Retained earnings	4	<b>8,842</b>	10,252
<b>Subtotal of Shareholders' equity attributable to shareholders of parent company</b>		<b><u>56,826</u></b>	<b><u>58,140</u></b>
Minority interests		<b><u>672</u></b>	<b><u>657</u></b>
<b>Total shareholders' equity</b>		<b><u>57,498</u></b>	<b><u>58,797</u></b>
<b>Total liabilities and shareholders' equity</b>		<b><u>95,754</u></b>	<b><u>96,935</u></b>

*Legal representative:* **Wang Yidong**     
 *Financial controller:* **Wang Baojun**     
 *Person in charge of accounting department:* **You Yu**

## CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2023

Prepared by: Angang Steel Company Limited

Monetary unit: RMB million

Item	Notes	January to June 2023	January to June 2022
<b>I. Total operating revenue</b>		<b>58,825</b>	70,294
Including: Operating revenue	5	<b>58,825</b>	70,294
<b>II. Total operating cost</b>		<b>60,831</b>	68,795
Including: Operating cost	5	<b>58,966</b>	66,613
Taxes and surcharges	6	<b>422</b>	542
Selling expenses		<b>288</b>	309
Administrative expenses		<b>755</b>	659
Research and development expenses		<b>245</b>	395
Finance expenses	8	<b>155</b>	277
Including: Interest expenses		<b>189</b>	206
Interest income		<b>37</b>	37
Add: Other incomes		<b>16</b>	16
Investment income (Loss is listed with “-”)		<b>109</b>	104
Including: Investment incomes in associates and joint ventures		<b>161</b>	102
Gain from fair-value changes (Loss is listed with “-”)		<b>53</b>	132
Impairment on assets (Loss is listed with “-”)		<b>26</b>	392
Credit impairment losses (Loss is listed with “-”)		<b>19</b>	65
Gains on disposal of assets (Loss is listed with “-”)		<b>25</b>	16

Item	<i>Notes</i>	<b>January to June 2023</b>	January to June 2022
<b>III. Operating profit (Loss is listed with “-”)</b>		<b>(1,758)</b>	2,224
Add: Non-operating income		<b>14</b>	49
Less: Non-operating expenses		<b>29</b>	67
<b>IV. Profit before tax (Loss is listed with “-”)</b>		<b>(1,773)</b>	2,206
Less: Income tax expenses	9	<b>(438)</b>	475
<b>V. Net profit (Loss is listed with “-”)</b>		<b>(1,335)</b>	1,731
(I) Classification of business operation			
1. Continuous operation profit (Loss is listed with “-”)		<b>(1,335)</b>	1,731
2. Termination of business operating profit (Loss is listed with “-”)			
(II) Classification of ownership			
1. Net income attributable to the Company owners		<b>(1,346)</b>	1,716
2. Net income attributable to minority shareholders		<b>11</b>	15
<b>VI. Other comprehensive income after tax</b>		<b>40</b>	75
Other comprehensive income after tax attributable to parent company owners		<b>40</b>	75
(I) Other comprehensive income which cannot be reclassified subsequently to profit or loss		<b>40</b>	75
1. Net gain on other equity instruments at fair value through other comprehensive income		<b>40</b>	75
(II) Other comprehensive income which will be reclassified subsequently to 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			
<b>Other comprehensive income after tax attributable to minority shareholders</b>			



<b>Item</b>	<i>Notes</i>	<b>January to June 2023</b>	January to June 2022
<b>VII. Total comprehensive income</b>		<b>(1,295)</b>	1,806
Total comprehensive income attributed to the Company owners		<b>(1,306)</b>	1,791
Total comprehensive income attributable to minority shareholders		<b>11</b>	15
<b>VIII. Earnings per share</b>			
Basic earnings per share (RMB/share)	10	<b>(0.143)</b>	0.182
Diluted earnings per share (RMB/share)	10	<b>(0.143)</b>	0.182

*Legal representative:*

**Wang Yidong**

*Financial controller:*

**Wang Baojun**

*Person in charge of accounting department:*

**You Yu**

## **NOTES TO FINANCIAL STATEMENTS**

*For The Period Ended 30 June 2023*

(Expressed in million RMB unless otherwise indicated)

### **1. PREPARATION BASIS OF THE FINANCIAL STATEMENTS**

The Group has evaluated the continuous operations ability for the 12 months from June 30, 2023, and has not found any matters or circumstances that have significant doubts about the continuous operations ability. Therefore, the financial statements are prepared on the assumption of going concern principle. In addition, the Group has prepared this report based on the actual transactions and events and in accordance with the Basic Standard and 42 specific standards of the Accounting Standards for Business Enterprises(abbreviated as “ASBE”) (Ministry of Finance issued No. 33, the Ministry of Finance to amend No. 76) issued by the Ministry of Finance on 15 February 2006, and the Application Guidance for Accounting Standards for Business Enterprises, Interpretations of Accounting Standards for Business Enterprises and other relevant regulations issued thereafter (hereafter collectively referred to as the “Accounting Standards for Business Enterprises” or “CAS”) and the disclosure requirements regulation in the Preparation Convention of Information Disclosure of information of public listed companies, No. 15–General Requirements on Financial Reports revised by the China Securities Regulatory Commission 2014.

According to the relevant provisions of Accounting Standards, the Group adopted an accrual accounting basis. Except for certain financial instruments, the financial statements are reported at historical cost. If assets are impaired, relevant provisions are made in accordance with relevant standards.

## 2. ACCOUNTS RECEIVABLE

### (1) Classification of accounts receivable

Items	30 June 2023				Net Book Value
	Book Value		Bad Debt Provision		
	Amount	Percentage (%)	Amount	Percentage (%)	
Accounts receivable subject to separate assessment for bad debts provision	897	20.06	747	83.28	150
Account receivable for which bad debt is prepared based on group combination	3,575	79.94	4	0.11	3,571
including: Risk-free group combination	1,904	42.58			1,904
Risk group combination on the basis of aging-matrix	1,671	37.36	4	0.24	1,667
<b>Total</b>	<b>4,472</b>	<b>100.00</b>	<b>751</b>	<b>16.79</b>	<b>3,721</b>

  

Items	31 December 2022				Net Book Value
	Book Value		Bad Debt Provision		
	Amount	Percentage (%)	Amount	Percentage (%)	
Accounts receivable subject to separate assessment for bad debts provision	919	25.47	766	83.35	153
Account receivable for which bad debt is prepared based on group combination	2,689	74.53	4	0.15	2,685
including: Risk-free group combination	734	20.34			734
Risk group combination on the basis of aging-matrix	1,955	54.19	4	0.20	1,951
<b>Total</b>	<b>3,608</b>	<b>100.00</b>	<b>770</b>	<b>21.34</b>	<b>2,838</b>

**(2) Accounts receivable subject to separate assessment for bad debts provision**

Debtors	30 June 2023			Reason
	Book Value	Bad Debt Provision	Percentage (%)	
Tianjin Property Group Finance Co., Ltd.	566	442	78.09	Notes overdue
HNA Group Finance Co., Ltd.	199	179	89.95	Notes overdue
Chongqing Lifan Finance Co., Ltd.	50	45	90.00	Notes overdue
Anshan Zhongyou Tianbao Steel Pipe Co., Ltd.	67	66	98.51	Business is in trouble. It does not have repayment ability
Dongbei Special Steel Group Dalian material trading Co., Ltd.	15	15	100.00	The company has gone into liquidation
<b>Total</b>	<b>897</b>	<b>747</b>		

**(3) Accounts receivable classified by aging**

Aging	30 June 2023	31 December 2022
Within 1 year	3,557	2,679
1 to 2 years	19	11
2 to 3 years	1	
3 to 4 years	809	832
4 to 5 years		
Over 5 years	86	86
<b>Total</b>	<b>4,472</b>	<b>3,608</b>

**(4) Bad debt provision**

Type	31 December 2022	Increase/Decrease		30 June 2023
		Bad debt provision	Reverse verification	
Accounts receivable	<u>770</u>	<u>(19)</u>	<u></u>	<u>751</u>

**(5) Accounts receivable written off this period**

There are no accounts receivables that have been written off this period.

**(6) The condition of accounts receivable of the top five debtors by the balances as of 30 June 2023**

The total amount of top five accounts receivable according to closing balance of debtors of the Group was RMB3,047 million as of 30 June 2023, which accounted for 68.14% of the closing balance of the total accounts receivable. The summary closing balance of corresponding bad debt provision amounted to RMB621 million as of 30 June 2023.

**(7) Accounts receivable derecognized resulting from transfer of financial assets**

The Group transferred accounts receivable on a non-recourse basis of RMB1,663 million and incurred costs related to derecognition of RMB28 million during the period.

### 3. ACCOUNTS PAYABLE

#### (1) Aging of accounts payable

Items	30 June 2023		31 December 2022	
	Balance	Percentage (%)	Balance	Percentage (%)
Within 1 year	7,440	97.52	8,721	98.50
1 to 2 years	132	1.73	74	0.84
2 to 3 years	27	0.35	31	0.35
Over 3 years	30	0.40	28	0.31
Total	<u>7,629</u>	<u>100.00</u>	<u>8,854</u>	<u>100.00</u>

*Note:* the above aging analysis is based on the invoice date.

#### (2) Significant account payable aging over 1 year

Creditors	Balance	Aging
China Faw Co., Ltd. Procurement Center	73	1 to 2 years
Angang Construction Group Co., Ltd.	10	1 to 5 years
Anshan Metallurgical Group Power Engineering Co., Ltd.	6	1 to 5 years, over 5 years
Anshan Metallurgical Group Industrial Engineering Co., Ltd.	5	1 to 5 years, over 5 years
Angang Metal Structure Co., Ltd.	6	1 to 5 years, over 5 years
Total	<u>100</u>	

#### 4. RETAINED EARNINGS

Items	This period
Balance as of 31 Dec. 2022	10,252
Changes in accounting policies	
Business combination under common control	
Balance as of 1 Jan. 2023	10,252
Increase in 2023	(1,346)
Including: Net profit transferred this period	(1,346)
Other adjustment factors	
Decrease in 2023	64
Including: Extraction of surplus reserve this period	
Extraction of general risk provisions in this period	
Distribution of cash dividend this period (Note)	64
Conversed capital	
Other decreases	
	<hr/>
Balance as of 30 June. 2023	<b><u><u>8,842</u></u></b>

*Note:* According to the resolution of the 2022 Annual General Meeting of Shareholders held on May 29, 2023, the Company distributed cash dividends to all shareholders at RMB0.068 (tax included) every 10 shares. Calculated based on the total number of shares entitled to distribution rights of 9,400,570,897 shares, a total distributed profit of RMB64 million.

## 5. OPERATING REVENUE AND OPERATING COST

### (1) Classified by production

Items	This period		Last period	
	Income	Cost	Income	Cost
Prime operating	58,733	58,878	70,105	66,440
Other operating	92	88	189	173
Total	<u>58,825</u>	<u>58,966</u>	<u>70,294</u>	<u>66,613</u>

*Note1:* The Group is classified into an operating segment based on the type of business: production and sale of steel products.

*Note2:* Other business income and other business costs of The Group are mainly generated from the sales of materials and scrap materials.

### (2) Classified by region

Items	This period	Last period
Foreign transaction income from the within borders	55,068	66,837
Foreign exchange income from outside borders	<u>3,757</u>	<u>3,457</u>
Total	<u>58,825</u>	<u>70,294</u>

### (3) Classified by the time when the revenue is confirmed

Items	This period	Last period
Confirmed at a certain point	<u>58,825</u>	<u>70,294</u>
Total	<u>58,825</u>	<u>70,294</u>



## 6. TAXES AND SURCHARGES

Items	This period	Last period
City maintenance and construction tax	7	70
Educational surcharge and local educational surcharge	5	50
Land use tax	218	218
Property tax	83	80
Stamp tax	62	69
Resources tax	1	1
Environmental protection tax	46	54
Total	<u>422</u>	<u>542</u>

## 7. DEPRECIATION AND AMORTIZATION

Items	This period	Last period
Depreciation of fixed assets	1,668	1,758
Amortization of intangible assets	120	107
Depreciation of right-of-use assets	82	81
Total	<u>1,870</u>	<u>1,946</u>

## 8. FINANCIAL EXPENSES

Items	This period	Last period
Interest expense	198	225
Including: Interests expense from the long-term loans and long-term bonds	87	108
Interests expense from the short-term loans and letters of credit	20	56
Other interest expenditures	91	61
Less: Interest income	37	37
Less: Capitalized interest expense	9	19
Exchange gain or loss	(27)	68
Less: Capitalized exchange gain or loss		
Others	30	40
Total	<u>155</u>	<u>277</u>

## 9. INCOME TAX EXPENSES

### (1) Income tax expenses

Items	This period	Last period
Income tax during this period	147	495
Changes on deferred income tax expenses	<u>(585)</u>	<u>(20)</u>
Total	<u><u>(438)</u></u>	<u><u>475</u></u>

### (2) The reconciliation between accounting profit and income tax expenses

Items	This period
Total profit	(1,773)
Income tax expenses calculated at statutory/applicable tax rates	(443)
Effect of different tax rates applied by subsidiary companies	(1)
Effect of adjustments for income tax for prior period	4
Effect of current unrecognized deductible temporary difference or deductible loss arising from deferred tax income assets	<u>2</u>
Income tax expenses	<u><u>(438)</u></u>

## 10. RETURN ON EQUITY (ROE) AND EARNINGS PER SHARE (EPS)

Profit in this period	Weighted average (ROE) (%)	EPS (Yuan per share)	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders	(2.34)	(0.143)	(0.143)
Net profit (exclusive of non-operating profit) attributable to ordinary shareholders	<u>(2.36)</u>	<u>(0.144)</u>	<u>(0.144)</u>

## 11. OPERATING SEGMENT

*Note:* The Group is classified into an operating segment based on the type of business: production and sale of steel products.

## 12. COMMITMENTS

Items	30 June 2023	31 December 2022
Investment contracts entered but not yet performed or performed partially	14	14
Construction and renovation contracts entered but not yet performed or performed partially	<u>3,169</u>	<u>3,036</u>
Total	<u>3,183</u>	<u>3,050</u>

### 13. SUBSEQUENT EVENTS

On May 29, 2023, the company held the 2022 annual general meeting, the 2023 first A share class meeting, and the H Share Class Meeting, which considered and approved The repurchase and cancellation of part of the Restricted Shares, The Cancellation of the Shares in the Designated Security Account for Repurchase, The Adjustment to the Registered Capital of the Company and The Proposed Amendments to The Articles of Association.

According to the provisions of the 2020 incentive plan and relevant laws and regulations, 11 original incentive objects granted for the first time and 1 original incentive object reserved for the grant have failed to meet the incentive conditions, and the company repurchased and cancelled 1,128,370 shares of restricted shares that have been granted but have not been released from restricted sales. On July 10, 2023, BDO China Shu Lun Pan Certified Public Accountants LLP issued the Capital Verification Report, After the cancellation, the share capital of the company was changed from 9,400,979,520 shares to 9,399,851,150 shares.

Reviewed and confirmed by the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd, on July 21, 2023, the company cancelled a total of 408,623 treasury shares in the repurchase special industry securities account. After the cancellation, the share capital of the company was changed from 9,399,851,150 shares to 9,399,442,527 shares.

### 14. NET CURRENT ASSETS

Items	30 June 2023	31 December 2022
Current assets	27,742	29,232
Less : Current liabilities	<u>33,879</u>	<u>36,154</u>
Net current assets/(liabilities)	<u>(6,137)</u>	<u>(6,922)</u>

## 15. TOTAL ASSETS LESS CURRENT LIABILITIES

<b>Items</b>	<b>30 June 2023</b>	31 December 2022
Total assets	<b>95,754</b>	96,935
Less: Current liabilities	<b>33,879</b>	36,154
Total assets less current liabilities	<b><u>61,875</u></b>	<b><u>60,781</u></b>

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

Anshan City, Liaoning Province, the PRC  
30 August 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*