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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)

THIRD QUARTERLY REPORT 2023

The board of directors (the “**Board**”) of Angang Steel Company Limited* (鞍鋼股份有限公司) (the “**Company**”) is pleased to announce the unaudited results of the Company and its subsidiaries for the nine months ended 30 September 2023 (the “**Reporting Period**”) prepared in accordance with the Accounting Standards for Business Enterprises of the People’s Republic of China. This announcement is made pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong).

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

IMPORTANT NOTICE:

1. The Board, the supervisory committee, the directors, supervisors and senior management members warrant the truthfulness, accuracy, and completeness of the contents of this quarterly report, and that there is no false representation or misleading statement contained in, or material omission from this quarterly report and assume joint and several legal liability in respect thereof.
2. Mr. Wang Jun, the person-in-charge of the Company, Mr. Wang Baojun, the chief accountant of the Company and Mr. You Yu, the person-in-charge of the accounting department of the Company, warrant the truthfulness, accuracy and completeness of the financial statements in this quarterly report.
3. Whether the third quarterly report has been audited or not
 Yes No
4. Matters on which auditors express non-standard opinions
 Applicable Not applicable

I. PRINCIPAL FINANCIAL DATA

(I) Principal accounting figures and financial indicators

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

Yes No

Unit: RMB million

	The Reporting Period	Increase/ decrease as compared with the corresponding period of the previous year (%)	The period from the beginning of the year to the end of the Reporting Period	Increase/ decrease as compared with the corresponding period of the previous year (%)
Operating income	25,463	-16.67	84,288	-16.42
Net profit attributable to the shareholders of the Company	-769	49.51	-2,115	-1,195.85
Net profit attributable to the shareholders of the Company after deducting extraordinary profit or loss	-778	50.38	-2,133	-2,211.88
Net cash flows from operating activities	-	-	2,774	-55.24
Basic earnings per share (RMB/share)	-0.082	49.07	-0.225	-1,171.43
Diluted earnings per share (RMB/share)	-0.082	49.07	-0.225	-1,171.43
Weighted average return on net assets (%)	-1.36	Increased by 1.22 percentage points	-3.70	Decreased by 4.03 percentage points
	The end of the Reporting Period		The end of the previous year	Increase/ decrease as at the end of the Reporting Period as compared with the end of the previous year (%)
Total assets	96,639		96,935	-0.31
Owners' equity attributable to shareholders of the Company	56,040		58,140	-3.61

(II) Non-recurring items and amounts

Applicable Not applicable

Unit: RMB million

Item	The Reporting Period	The period from the beginning of the year to the end of the Reporting Period
Gains or losses from disposal and retirement of non-current assets	-28	-25
Government grants included in profit or loss for the current period (except for those closely related to the normal operation of the Company and granted continuously at a fixed amount or quantity in accordance with the national policy)	30	51
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 or losses on disposal	–	-37
Reversal of the allowance for impairment of receivables that is individually tested for impairment	–	19
Other non-operating income and expenses apart from those stated above	10	12
	<hr/>	<hr/>
Less: Effect on income tax	3	6
	<hr/>	<hr/>
Total	9	18
	<hr/> <hr/>	<hr/> <hr/>

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

Applicable Not applicable

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

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

Applicable Not applicable

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

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

Applicable Not applicable

1. The increase of RMB287 million in administrative expenses for the period from the beginning of the year to the end of the Reporting Period as compared with the corresponding period of the previous year was mainly due to the increase in enabling staff costs among administrative expenses.
2. The decrease of RMB208 million in research and development expenses for the period from the beginning of the year to the end of the Reporting Period as compared with the corresponding period of the previous year was mainly due to the decrease in fees for trial production of new products.
3. The decrease of RMB224 million in financial expenses for the period from the beginning of the year to the end of the Reporting Period as compared with the corresponding period of the previous year was mainly due to the decrease in interest expenses as a result of the year-on-year decrease in the financing scale as well as the impact of the year-on-year increase in foreign exchange gains.
4. The increase of RMB21 million in other income for the period from the beginning of the year to the end of the Reporting Period as compared with the corresponding period of the previous year was mainly due to completion and acceptance of scientific research projects and new government grants.

5. The decrease of RMB140 million in gains from changes in fair value for the period from the beginning of the year to the end of the Reporting Period as compared with the corresponding period of the previous year was mainly due to the changes in fair value such as derivative financial instruments.
6. The decrease of RMB356 million in losses on impairment of assets for the period from the beginning of the year to the end of the Reporting Period as compared with the corresponding period of the previous year was mainly due to the decrease in reversal of impairment of inventory as compared with the corresponding period of the previous year.
7. The decrease of RMB45 million in credit impairment losses for the period from the beginning of the year to the end of the Reporting Period as compared with the corresponding period of the previous year was mainly due to the decrease in accounts receivable of the reversal of provision for bad debts on individual basis as compared with the corresponding period of the previous year, resulting in the decrease in the reversal of bad debt provisions as compared with the corresponding period of the previous year.
8. The decrease of RMB41 million in asset disposal income for the period from the beginning of the year to the end of the Reporting Period as compared with the corresponding period of the previous year was mainly due to the income from disposal of land use rights in the corresponding period of the previous year.
9. The decrease of RMB27 million in non-operating income for the period from the beginning of the year to the end of the Reporting Period as compared with the corresponding period of the previous year was mainly due to the decrease in gains on retirement of fixed assets.
10. The decrease of RMB57 million in non-operating expenses for the period from the beginning of the year to the end of the Reporting Period as compared with the corresponding period of the previous year was mainly due to the decrease in losses on retirement of fixed assets.
11. The decrease of RMB624 million in income tax expenses for the period from the beginning of the year to the end of the Reporting Period as compared with the corresponding period of the previous year was mainly due to the decrease in income tax expense as compared with the corresponding period of the previous year resulting from deferred income tax assets recognised for offsetting losses arising from recoverable losses for the period from the beginning of the year to the end of the Reporting Period.

12. The decrease in operating profit, total profit, net profit and net profit attributable to owners of the parent company for the period from the beginning of the year to the end of the Reporting Period as compared with the corresponding period of the previous year was mainly due to the weak cycle and low prosperity of the steel industry, leading to the decrease in the selling price of steel being greater than that in the prices of bulk raw materials and fuels, thus resulting in decrease in the profit margins.
13. The decrease of RMB37 million in derivative financial assets as at the end of the Reporting Period as compared with the end of the previous year was mainly due to the changes in fair value of foreign exchange swaps and future contracts.
14. The decrease of RMB63 million in notes receivable as at the end of the Reporting Period as compared with the end of the previous year was mainly due to the decrease in the average monthly size of notes receivable.
15. The decrease of RMB432 million in other current assets as at the end of the Reporting Period as compared with the end of the previous year was mainly due to the decrease in outstanding VAT credit and prepaid corporate income tax as compared with the end of the previous year.
16. The increase of RMB870 million in deferred income tax assets as at the end of the Reporting Period as compared with the end of the previous year was mainly due to the increase in deductible losses and the recognised deferred income tax assets as compared with the end of the previous year.
17. The decrease of RMB40 million in derivative financial liabilities as at the end of the Reporting Period as compared with the end of the previous year was mainly due to the changes in fair value of foreign exchange swaps.
18. The increase of RMB4,187 million in notes payable as at the end of the Reporting Period as compared with the end of the previous year was mainly due to the increase in the size of notes financing aiming to save finance costs.
19. The decrease of RMB4,260 million in non-current liabilities due within one year as at the end of the Reporting Period as compared with the end of the previous year was mainly due to repayment of matured borrowings and H-share convertible bonds.

20. The increase of RMB2,969 million in long-term loans as at the end of the Reporting Period as compared with the end of the previous year was mainly due to the new long-term loans.
21. The decrease of RMB53 million in deferred income tax liabilities as at the end of the Reporting Period as compared with the end of the previous year was mainly due to the maturity of H-share convertible bonds and the reversal of deferred income tax liabilities.
22. The decrease of RMB194 million in lease liabilities as at the end of the Reporting Period as compared with the end of the previous year was mainly due to the reduction in lease liabilities resulting from the payment of rent.
23. The increase of RMB39 million in special reserve as at the end of the Reporting Period as compared with the end of the previous year was mainly due to the provision for safety production expenses.
24. The decrease of RMB3,424 million in net cash inflows from operating activities for the period from the beginning of the year to the end of the Reporting Period as compared with the corresponding period of the previous year was mainly due to (i) a decrease of RMB17,691 million in cash received from sales of goods and rendering of services as compared with the corresponding period of the previous year; (ii) a decrease of RMB12,573 million in cash paid for goods purchased and services received as compared with the corresponding period of the previous year; and (iii) a decrease of RMB1,687 million in payment for various taxes as compared with the corresponding period of the previous year.
25. The decrease of RMB981 million in net cash outflows from investing activities for the period from the beginning of the year to the end of the Reporting Period as compared with the corresponding period of the previous year was mainly due to the decrease of RMB1,100 million in cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets as compared with the corresponding period of the previous year.

26. The decrease of RMB666 million in net cash outflows from financing activities for the period from the beginning of the year to the end of the Reporting Period as compared with the corresponding period of the previous year was mainly due to (i) an increase of RMB5,141 million in cash received from borrowings obtained as compared with the corresponding period of the previous year; (ii) an increase of RMB6,402 million in cash payment for repayment of debts as compared with the corresponding period of the previous year; and (iii) a decrease of RMB2,037 million in cash payment for distribution of dividends, profits or payment of interest as compared with the corresponding period of the previous year.
27. The decrease of RMB1,744 million in the increase of cash and cash equivalents for the period from the beginning of the year to the end of the Reporting Period as compared with the corresponding period of the previous year was due to (i) a decrease of RMB3,424 million in net cash inflows from operating activities as compared with the corresponding period of the previous year; (ii) a decrease of RMB981 million in net cash outflows from investing activities as compared with the corresponding period of the previous year; (iii) a decrease of RMB666 million in net cash outflows from financing activities as compared with the corresponding period of the previous year; and (iv) an increase of RMB33 million in effect of foreign exchange rate changes on cash and cash equivalents as compared with the corresponding period of the previous year.

II. INFORMATION ON SHAREHOLDERS

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

Unit: shares

Total number of holders of ordinary shares as at the end of the Reporting Period	107,198, amongst whom 454 are holders of H shares	Total number of holders of preference shares with restored voting rights as at the end of the Reporting Period (if any)	0
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Shareholding of the top 10 shareholders

Name of shareholder	Nature of shareholder	Percentage of Shareholding	Number of shares held	Number of shares	Pledged, tagged or frozen	Status of shares	Number
				held subject to trading moratorium			
Anshan Iron & Steel Group Co. Ltd (鞍山鋼鐵集團有限公司)	State-owned legal person	53.36%	5,016,111,529	0	–	–	–
HKSCC Nominees Limited	Overseas legal person	14.88%	1,398,803,741	0	–	–	–
China National Petroleum Corporation (中國石油天然氣集團有限公司)	State-owned legal person	8.99%	845,000,000	0	–	–	–
Hong Kong Securities Clearing Company Limited	Overseas legal person	0.93%	87,538,574	0	–	–	–
Central Huijin Asset Management Limited (中央匯金資產管理有限責任公司)	State-owned legal person	0.89%	83,650,620	0	–	–	–
Power Construction Corporation of China (中國電力建設集團有限公司)	State-owned legal person	0.60%	56,550,580	0	–	–	–
Agricultural Bank of China Limited – CSI 500 Trading Index Securities Investment Open-ended Fund (中國農業銀行股份有限公司–中證500交易型開放式指數證券投資基金)	Others	0.19%	17,751,948	0	–	–	–
Chen Zhiying	Overseas natural person	0.17%	15,700,000	0	–	–	–
Han Ke	Domestic natural person	0.16%	14,692,800	0	–	–	–
Cong Zhonghong	Domestic natural person	0.16%	14,590,000	0	–	–	–

Shareholding of the top 10 shareholders not subject to trading moratorium

Name of shareholder	Number of shares not subject to trading moratorium	Class and number of shares	
		Class of shares	Number
Anshan Iron & Steel Group Co. Ltd (鞍山鋼鐵集團有限公司)	5,016,111,529	Renminbi ordinary shares	5,016,111,529
HKSCC Nominees Limited	1,398,803,741	Overseas-listed foreign shares	1,398,803,741
China National Petroleum Corporation (中國石油天然氣集團有限公司)	845,000,000	Renminbi ordinary shares	845,000,000
Hong Kong Securities Clearing Company Limited	87,538,574	Renminbi ordinary shares	87,538,574
Central Huijin Asset Management Limited (中央匯金資產管理有限責任公司)	83,650,620	Renminbi ordinary shares	83,650,620
Power Construction Corporation of China (中國電力建設集團有限公司)	56,550,580	Renminbi ordinary shares	56,550,580
Agricultural Bank of China Limited – CSI 500 Trading Index Securities Investment Open-ended Fund (中國農業銀行股份有限公司–中證500交易型開放式指數證券投資基金)	17,751,948	Renminbi ordinary shares	17,751,948
Chen Zhiying	15,700,000	Renminbi ordinary shares	15,700,000
Han Ke	14,692,800	Renminbi ordinary shares	14,692,800
Cong Zhonghong	14,590,000	Renminbi ordinary shares	14,590,000
Explanations on connected relationship or concert party relationship among the shareholders mentioned above	The Company is not aware of any connected relationship among the above shareholders or any such shareholders acting in concert within the meaning of the “Procedures on the Administration of Information Disclosure for Change in Shareholdings of the Shareholders of Listed Companies”.		
Description of top 10 shareholders to participate in financing business (if any)	The 14,590,000 shares held by Cong Zhonghong were all held through investor credit securities accounts. The 15,700,000 shares held by Chen Zhiying were all held through investor credit securities accounts.		

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

Applicable Not applicable

III. OTHER SIGNIFICANT EVENTS

Applicable Not applicable

1. On 21 July 2023, the Company completed the repurchase and cancellation of 1,128,370 restricted shares granted but not yet unlocked which were held by 12 incentive participants who failed to meet the incentive conditions, as well as the cancellation of 408,623 treasury shares remaining in the repurchase security account. Upon completion of the cancellation, the total share capital of the Company was reduced from 9,400,979,520 shares to 9,399,442,527 shares.
2. On 25 August 2023, Mr. Yang Zhengwen (楊正文) tendered his resignation as an employee representative supervisor of the Company due to changes in work arrangement. On 25 August 2023, Mr. Guo Fang (郭放) was elected as an employee representative supervisor of the Company at the fourth meeting of the second session of the employees' representative meeting of the Company.
3. On 28 August 2023, Mr. Zhang Peng (張鵬) tendered his resignation as the deputy general manager of the Company due to changes in work arrangement. On 28 August 2023, Mr. Zhang Hua (張華) was appointed as the deputy general manager at the 18th meeting of the ninth session of the Board of the Company.
4. On 22 September 2023, Mr. Wang Jun was elected as an executive director of the Company at the 2023 second extraordinary general meeting of the Company. On 22 September 2023, Mr. Wang Jun was elected as the chairman of the ninth session of the Board at the 20th meeting of the ninth session of the Board of the Company.
5. On 26 October 2023, the Resolution on the 2023 Supplemental Agreement to the Supply of Materials and Services Agreement (2022–2024) Entered into Between the Company and Angang Group Company*, 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 Changing the Registered Capital of the Company and Amendments to the Articles of Association were passed at the 2023 third extraordinary general meeting of the Company.

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Financial Statements

Consolidated Balance Sheet

As at 30 September 2023

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

Item	30 September 2023	31 December 2022
Current assets:		
Cash and cash equivalents	4,113	5,093
Derivative financial assets		37
Notes receivable	110	173
Accounts receivable	2,982	2,838
Receivables financing	1,813	1,824
Prepayments	5,000	5,113
Other receivables	34	27
Including: Interests receivable		
Dividends receivable		
Inventories	13,510	13,575
Other current assets	120	552
	<hr/>	<hr/>
Total current assets	27,682	29,232
	<hr/> <hr/>	<hr/> <hr/>

Item	30 September 2023	31 December 2022
Non-current assets:		
Long-term equity investments	3,229	3,169
Other equity instrument investments	694	641
Other non-current financial assets	37	33
Fixed assets	46,969	46,985
Construction in progress	7,219	6,732
Right-of-use assets	638	761
Intangible assets	6,543	6,553
Deferred income tax assets	2,376	1,506
Other non-current assets	1,252	1,323
	<hr/>	<hr/>
Total non-current assets	68,957	67,703
	<hr/> <hr/>	<hr/> <hr/>
Total assets	96,639	96,935
	<hr/> <hr/>	<hr/> <hr/>
Current liabilities:		
Short-term loans	1,580	1,579
Derivative financial liabilities	1	41
Notes payable	15,930	11,743
Accounts payable	6,987	8,854
Contract liabilities	7,149	6,393
Staff remuneration payable	172	158
Tax payable	329	255
Other payables	2,912	2,871
Including: Interests payable	1	6
Dividends payable	3	3
Non-current liabilities due within one year	<hr/>	4,260
	<hr/>	<hr/>
Total current liabilities	35,060	36,154
	<hr/> <hr/>	<hr/> <hr/>

Item	30 September 2023	31 December 2022
Non-current liabilities:		
Long-term loans	3,569	600
Bonds payable	299	299
Lease liability	32	226
Long-term payables	140	119
Long-term employee benefits payable	60	60
Deferred income	641	523
Deferred income tax liabilities	104	157
	<hr/>	<hr/>
Total non-current liabilities	4,845	1,984
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities	39,905	38,138
	<hr/> <hr/>	<hr/> <hr/>
Shareholders' equity:		
Share capital	9,399	9,403
Capital reserve	33,876	33,879
Less: Treasury shares	89	96
Other comprehensive income	192	152
Special reserve	132	93
Surplus reserve	4,457	4,457
Retained earnings	8,073	10,252
Subtotal of Shareholders' equity attributable to shareholders of parent company	56,040	58,140
Minority interests	694	657
	<hr/>	<hr/>
Total shareholders' equity	56,734	58,797
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities and shareholders' equity	96,639	96,935
	<hr/> <hr/>	<hr/> <hr/>

Legal representative:
Wang Jun

Financial controller:
Wang Baojun

*Person in charge of
accounting department:*
You Yu

Consolidated Income Statement
For the nine months ended 30 September 2023

Prepared by: Angang Steel Company Limited

Monetary unit: RMB million

Item	January to September 2023	January to September 2022
I. Total operating revenue	84,288	100,850
Including: Operating revenue	84,288	100,850
II. Total operating cost	87,458	101,614
Including: Operating cost	84,535	98,369
Taxes and surcharges	652	835
Selling expenses	456	450
Administrative expenses	1,239	952
Research and development expenses	357	565
Finance expenses	219	443
Including: Interest expenses	248	243
Interest income	49	50
Add: Other incomes	44	23
Investment income (Loss is listed with “-”)	205	200
Including: Investment incomes in associates and joint ventures	246	198
Gain from fair-value changes (Loss is listed with “-”)	52	192
Impairment on assets (Loss is listed with “-”)	(13)	343
Credit impairment losses (Loss is listed with “-”)	19	64
Gains on disposal of assets (Loss is listed with “-”)		41

Item	January to September 2023	January to September 2022
III. Operating profit (Loss is listed with “-”)	(2,863)	99
Add: Non-operating income	29	56
Less: Non-operating expenses	35	92
IV. Profit before tax (Loss is listed with “-”)	(2,869)	63
Less: Income tax expenses	(775)	(151)
V. Net profit (Loss is listed with “-”)	(2,094)	214
(I) Classification of business operation		
1. Continuous operation profit (Loss is listed with “-”)	(2,094)	214
2. Termination of business operating profit (Loss is listed with “-”)		
(II) Classification of ownership		
1. Net income attributable to the Company owners	(2,115)	193
2. Net income attributable to minority shareholders	21	21
VI. Other comprehensive income after tax	40	75
Other comprehensive income after tax attributable to parent company owners	40	75
(I) Other comprehensive income which cannot be reclassified subsequently to profit or loss	40	75
1. Net gain on other equity instruments at fair value through other comprehensive income	40	75

Item	January to September 2023	January to September 2022
(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		
Other comprehensive income after tax attributable to minority shareholders		
VII. Total comprehensive income	(2,054)	289
Total comprehensive income attributed to the Company owners	(2,075)	268
Total comprehensive income attributable to minority shareholders	21	21
VIII. Earnings per share		
Basic earnings per share (<i>RMB/share</i>)	(0.225)	0.021
Diluted earnings per share (<i>RMB/share</i>)	(0.225)	0.021

Legal representative:
Wang Jun

Financial controller:
Wang Baojun

*Person in charge of
accounting department:*
You Yu

Consolidated Statement of Cash Flows
For the nine months ended 30 September 2023

Prepared by: Angang Steel Company Limited

Monetary unit: RMB million

Item	January to September 2023	January to September 2022
I. Cash Flows from Operating Activities:		
Cash received from sales and services	86,020	103,711
Taxes and surcharges refunds	38	239
Other cash receipts related to operating activities	747	486
	<hr/>	<hr/>
Sub-total of cash inflows from operating activities	86,805	104,436
	<hr/> <hr/>	<hr/> <hr/>
Cash payments for goods purchased and services received	76,844	89,417
Cash payments to and on behalf of employees	3,650	3,868
Payments of taxes and surcharges	841	2,528
Other cash payments relating to operating activities	2,696	2,425
	<hr/>	<hr/>
Sub-total of cash outflows from operating activities	84,031	98,238
	<hr/> <hr/>	<hr/> <hr/>
Net Cash Flows from Operating Activities	2,774	6,198
	<hr/> <hr/>	<hr/> <hr/>

Item	January to September 2023	January to September 2022
II. Cash Flows from Investing Activities:		
Cash receipts from disposals and returns of investments		
Cash receipts from returns on investments	204	238
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	14	21
Other cash receipts relating to investing activities	92	141
	<u> </u>	<u> </u>
Sub-total of cash inflows from investing activities	<u> 310 </u>	<u> 400 </u>
Cash payments to acquire and construct fixed assets, intangible assets and other long-term assets	2,267	3,367
Cash payments to acquire investments		
Other cash payments relating to investing activities	62	33
	<u> </u>	<u> </u>
Sub-total of cash outflows from investing activities	<u> 2,329 </u>	<u> 3,400 </u>
Net Cash Flows from Investing Activities	<u> (2,019) </u>	<u> (3,000) </u>
III. Cash Flows from Financing Activities:		
Cash received from investments	14	69
Including: cash receipts from minorities making investment in subsidiaries	14	
Cash receipts from borrowings	6,780	1,639
Other cash receipts relating to financing activities		
	<u> </u>	<u> </u>
Sub-total of cash inflows from financing activities	<u> 6,794 </u>	<u> 1,708 </u>

Item	January to September 2023	January to September 2022
Cash repayments of amounts borrowed	8,043	1,641
Cash payments for distribution of dividends or profit or interest expenses	209	2,246
Including: payments for distribution of dividends or profit to minorities of subsidiaries		
Other cash payments relating to financing activities	310	255
Sub-total of cash outflows from financing activities	8,562	4,142
Net Cash Flows from Financing Activities	(1,768)	(2,434)
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	33	
V. Net Increase in Cash and Cash Equivalents	(980)	764
Add: Opening balance of Cash and Cash Equivalents	5,093	5,398
VI. Closing Balance of Cash and Cash Equivalents	4,113	6,162

Legal representative:
Wang Jun

Financial controller:
Wang Baojun

*Person in charge of
accounting department:*
You Yu

Parent company Balance sheet

As at 30 September 2023

Prepared by: Angang Steel Company Limited

Monetary unit: RMB million

Item	30 September 2023	31 December 2022
Current assets:		
Cash and cash equivalents	1,869	2,089
Derivative financial assets		37
Notes receivable	86	34
Accounts receivable	3,079	2,693
Receivables financing	1,315	1,499
Prepayments	4,321	4,585
Other receivables	66	64
Including: Interests receivable		
Dividends receivable	13	17
Inventories	10,164	10,303
Other current assets		411
Total current assets	20,900	21,715
Non-current assets:		
Long-term equity investments	13,692	13,633
Other equity instrument investments	694	641
Other non-current financial assets	37	33
Fixed assets	39,774	39,952
Construction in progress	6,658	6,141
Right-of-use assets	632	755
Intangible assets	5,778	5,771
Deferred income tax assets	2,317	1,444
Other non-current assets	1,135	1,300
Total non-current assets	70,717	69,670
Total assets	91,617	91,385

Item	30 September 2023	31 December 2022
Current liabilities:		
Short-term loans	1,500	1,399
Derivative financial liabilities	1	41
Notes payable	15,293	11,172
Accounts payable	5,657	7,333
Contract liabilities	6,155	5,726
Staff remuneration payable	150	135
Tax payable	271	119
Other payables	4,516	4,304
Including: Interests payable	1	6
Dividends payable		
Non-current liabilities due within one year		4,211
Total current liabilities	33,543	34,440
Non-current liabilities:		
Long-term loans	3,439	600
Bonds payable	299	299
Lease liability	31	223
Long-term payables	140	119
Long-term employee benefits payable	58	58
Deferred income	509	395
Deferred income tax liabilities	104	149
Total non-current liabilities	4,580	1,843
Total liabilities	38,123	36,283

Item	30 September 2023	31 December 2022
Shareholders' equity:		
Share capital	9,399	9,403
Capital reserve	26,918	26,921
Less: Treasury shares	89	96
Other comprehensive income	192	152
Special reserve	73	44
Surplus reserve	4,447	4,447
Retained earnings	12,554	14,231
	<hr/>	<hr/>
Subtotal of Shareholders' equity attributable to shareholders of parent company	53,494	55,102
	<hr/> <hr/>	<hr/> <hr/>
Minority interests		
Total shareholders' equity	53,494	55,102
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities and shareholders' equity	91,617	91,385
	<hr/> <hr/>	<hr/> <hr/>

Legal representative:
Wang Jun

Financial controller:
Wang Baojun

*Person in charge of
accounting department:*
You Yu

Parent Company Income Statement
For the nine months ended 30 September 2023

Prepared by: Angang Steel Company Limited

Monetary unit: RMB million

Item	January to September 2023	January to September 2022
I. Total operating revenue	74,242	87,822
Including: Operating revenue	74,242	87,822
II. Total operating cost	77,501	89,611
Including: Operating cost	74,999	86,608
Taxes and surcharges	535	700
Selling expenses	425	460
Administrative expenses	972	810
Research and development expenses	302	557
Finance expenses	268	476
Including: Interest expenses	273	267
Interest income	29	37
Add: Other incomes	38	16
Investment income (Loss is listed with “-”)	687	1,071
Including: Investment incomes in associates and joint ventures	249	190
Gain from fair-value changes (Loss is listed with “-”)	52	192
Impairment on assets (Loss is listed with “-”)	(7)	351
Credit impairment losses (Loss is listed with “-”)	19	64
Gains on disposal of assets (Loss is listed with “-”)		41

Item	January to September 2023	January to September 2022
III. Operating profit (Loss is listed with “-”)	(2,470)	(54)
Add: Non-operating income	11	52
Less: Non-operating expenses	34	91
IV. Profit before tax (Loss is listed with “-”)	(2,493)	(93)
Less: Income tax expenses	(880)	(441)
V. Net profit (Loss is listed with “-”)	(1,613)	348
(I) Classification of business operation		
1. Continuous operation profit (Loss is listed with “-”)	(1,613)	348
2. Termination of business operating profit (Loss is listed with “-”)		
(II) Classification of ownership		
1. Net income attributable to the Company owners	(1,613)	348
2. Net income attributable to minority shareholders		
VI. Other comprehensive income after tax	40	75
Other comprehensive income after tax attributable to parent company owners	40	75
(I) Other comprehensive income which cannot be reclassified subsequently to profit or loss	40	75
1. Net gain on other equity instruments at fair value through other comprehensive income	40	75

Item	January to September 2023	January to September 2022
(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		
Other comprehensive income after tax attributable to minority shareholders		
VII. Total comprehensive income	(1,573)	423
Total comprehensive income attributed to the Company owners	(1,573)	423
Total comprehensive income attributable to minority shareholders		

Legal representative:
Wang Jun

Financial controller:
Wang Baojun

*Person in charge of
accounting department:*
You Yu

Parent Company Cash Flow Statement
For the nine months ended 30 September 2023

Prepared by: Angang Steel Company Limited

Monetary unit: RMB million

Item	January to September 2023	January to September 2022
I. Cash Flows from Operating Activities:		
Cash received from sales and services	76,482	89,812
Taxes and surcharges refunds		
Other cash receipts related to operating activities	550	368
	<hr/>	<hr/>
Sub-total of cash inflows from operating activities	77,032	90,180
	<hr/> <hr/>	<hr/> <hr/>
Cash payments for goods purchased and services received	68,690	78,650
Cash payments to and on behalf of employees	3,084	3,302
Payments of taxes and surcharges	369	1,820
Other cash payments relating to operating activities	2,322	2,061
	<hr/>	<hr/>
Sub-total of cash outflows from operating activities	74,465	85,833
	<hr/> <hr/>	<hr/> <hr/>
Net Cash Flows from Operating Activities	2,567	4,347
	<hr/> <hr/>	<hr/> <hr/>

Item	January to September 2023	January to September 2022
II. Cash Flows from Investing Activities:		
Cash receipts from disposals and returns of investments		50
Cash receipts from returns on investments	685	876
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	68	64
Other cash receipts relating to investing activities	65	140
	<hr/>	<hr/>
Sub-total of cash inflows from investing activities	818	1,130
	<hr/> <hr/>	<hr/> <hr/>
Cash payments to acquire and construct fixed assets, intangible assets and other long-term assets	2,003	3,154
Cash payments to acquire investments		392
Other cash payments relating to investing activities	62	33
	<hr/>	<hr/>
Sub-total of cash outflows from investing activities	2,065	3,579
	<hr/> <hr/>	<hr/> <hr/>
Net Cash Flows from Investing Activities	(1,247)	(2,449)
	<hr/> <hr/>	<hr/> <hr/>
III. Cash Flows from Financing Activities:		
Cash received from investments		
Cash receipts from borrowings	6,570	1,399
Other cash receipts relating to financing activities	1,211	1,744
	<hr/>	<hr/>
Sub-total of cash inflows from financing activities	7,781	3,143
	<hr/> <hr/>	<hr/> <hr/>

Item	January to September 2023	January to September 2022
Cash repayments of amounts borrowed	7,813	1,550
Cash payments for distribution of dividends or profit or interest expenses	200	2,232
Including: payments for distribution of dividends or profit to minorities of subsidiaries		
Other cash payments relating to financing activities	1,341	668
Sub-total of cash outflows from financing activities	9,354	4,450
Net Cash Flows from Financing Activities	(1,573)	(1,307)
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	33	
V. Net Increase in Cash and Cash Equivalents	(220)	591
Add: Opening balance of Cash and Cash Equivalents	2,089	2,872
VI. Closing Balance of Cash and Cash Equivalents	1,869	3,463

Legal representative:
Wang Jun

Financial controller:
Wang Baojun

*Person in charge of
accounting department:*
You Yu

(II) Particulars in relation to adjustments made to the financial statements as at the beginning of the year of the initial adoption new accounting standards since 2023

Applicable Not applicable

(III) Audit report

Whether the third quarterly report has been audited or not

Yes No

The third quarterly report of the Company is unaudited.

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

Anshan City, Liaoning Province, the PRC
30 October 2023

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