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(A joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 00323)

ANNOUNCEMENT ON ESTIMATED DECREASE IN PROFIT IN INTERIM RESULTS OF 2022

This announcement is made by the board of directors (the “**Board**”) of Maanshan Iron & Steel Company Limited (the “**Company**”) pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

I. ESTIMATED RESULTS DURING THE PERIOD

1. Estimated results period:

1 January 2022 to 30 June 2022.

2. Estimated Results:

- 1) Based on a preliminary estimate by the finance department, the net profit of the Company attributable to the shareholders of the listed company for the first half of 2022 is estimated to be approximately RMB1.467 billion, representing a year-on-year decrease of approximately RMB3.177 billion or 68.41%.
- 2) The net profit excluding non-recurring gains or losses attributable to the shareholders of the listed company is estimated to be approximately RMB1.149 billion, representing a year-on-year decrease of approximately RMB3.603 billion or 75.82%.

3. The estimated results have not been audited by certified public accountants.

II. RESULTS FOR THE CORRESPONDING PERIOD OF THE PREVIOUS YEAR

1. The net profit attributable to the shareholders of the listed company for the first half of 2021: RMB4.644 billion. The net profit excluding non-recurring gains or losses attributable to the shareholders of the listed company: RMB4.752 billion.
2. Earnings per share: RMB0.6030.

III. MAIN REASONS FOR THE ESTIMATED DECREASE IN PROFIT OF THE RESULTS FOR THE PERIOD

In the first half of 2022, the demand in steel industry was weak along with increasing inventories and low steel prices due to the impact of complex international political and economic situation as well as the outbreak of COVID-19 across China; the prices of coal, coke and other major fuels remained at high levels, among which, the coking coal prices experienced a year-on-year increase of 80.5% and the pulverised coal injection prices experienced a year-on-year increase of 68.8%, resulting in a material increase in the fuel costs of steel production and a significant squeeze on the profitability of the steel industry. In the face of the severe market situation, the Company made every effort to reduce the adverse impact arising out of the spread of the COVID-19 and the increase in fuel prices on the Company's logistics and costs by means of reasonably coordinating the prevention and control of the pandemic with the production and operation construction; explored the internal production and technical potential in a deep manner with the goal of promoting the key indicators to upgrade and carrying out the "selecting the best candidates via open competition mechanism" project as a main support through strengthening the comprehensive benchmarking, setting a higher benchmark, pursuing perfection; adjusted the division of production lines, improved production efficiency, actively developed markets and optimised the distribution of channels by promoting the model of "base management + brand operation". These measures partially mitigated the adverse impact of the COVID-19 and market changes on the Company, but could not change the relatively significant year-on-year decline in interim results.

During the period, the non-recurring profit and loss items mainly included government subsidies, investment gain from disposal of trading financial assets, gain or loss on disposal of non-current assets and compensation for termination of the labor contract through negotiation, etc, with a net gain of approximately RMB318 million.

IV. RISK DISCLOSURE

The Company considers that there is no material uncertainty affecting the accuracy of the estimated results.

V. OTHER MATTERS

The forecasts above are only preliminary estimates. For the detailed and accurate financial data, please refer to the interim report of 2022 to be formally disclosed by the Company. Investors are advised to pay attention to the investment risks.

By order of the Board
Maanshan Iron & Steel Company Limited
He Hongyun
Secretary to the Board

14 July 2022
Maanshan City, Anhui Province, the PRC

As at the date of this announcement, the directors of the Company include executive directors Ding Yi and Ren Tianbao; and independent non-executive directors Zhang Chunxia, Zhu Shaofang and Wang Xianzhu.