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

(Stock Code: 00323)

**INSIDE INFORMATION/OVERSEAS REGULATORY
ANNOUNCEMENT
2024 FIRST QUARTERLY REPORT**

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

IMPORTANT NOTICE :

The board of directors (the “**Board**”), the supervisory committee, the directors, the supervisors and senior management of Maanshan Iron & Steel Company Limited (the “**Company**”) warrant that there are no false representations or misleading statements contained in, or material omissions from this report; and severally and jointly accept full responsibility for the truthfulness, accuracy and completeness of the information contained in this report.

Mr. Ding Yi, the person-in-charge of the Company; Mr. Ren Tianbao, the person overseeing accounting operations; and Mr. Xing Qunli, the person-in-charge of the Accounting Department, make representations in respect of the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

The financial statements contained in this first quarterly report as calculated based on PRC GAAP have not been audited, but have been reviewed by the Audit and Compliance Committee under the Board of the Company.

I. MAJOR FINANCIAL DATA

(I) Major accounting data and financial indicators

Unit: Yuan Currency: RMB

Items	The reporting period		Increase/decrease of the reporting period as compared to the same period of previous year (%)
	As at the end of the reporting period	As at the end of previous year	Increase/ decrease as at the end of the reporting period as compared to the end of previous year (%)
Revenue	20,391,635,931		-10.31
Net profit attributable to shareholders of the Company	-310,998,961		Not applicable
Net profit excluding non-recurring gains or losses attributable to shareholders of the Company	-424,082,999		Not applicable
Net cash flows from operating activities	-1,307,684,219		-178.92
Basic earnings per share (<i>RMB/share</i>)	-0.04		Not applicable
Diluted earnings per share (<i>RMB/share</i>)	-0.04		Not applicable
Return on net assets (weighted average) (%)	-1.13		Increased by 0.63 percentage point
Total assets	85,306,511,263	84,552,252,935	0.89
Equity attributable to shareholders of the Company	27,457,160,113	27,768,582,604	-1.12

Note: “The reporting period” refers to January to March 2024, the same below.

(II) Items and amounts of non-recurring gains or losses

Unit: Yuan Currency: RMB

Items of non-recurring gains or losses	Amount for the period
Gains/losses from disposal of non-current assets, including the write-off of provision for impairment on assets	60,769,584
Government subsidies recognized in current gains/losses, excluding those having close relationship with the Company's normal business, conforming to the national policies and regulations and enjoying according to established standard, and having a constant impact on the profit or loss of the Company	89,684,530
Gains or losses arising from fair value changes of financial assets and financial liabilities held by non-financial corporations and gains and losses arising from the disposal of financial assets and financial liabilities other than the hedging business related to the normal business of the Company	-1,394,128
Non-operating income and expenses other than the above items	-4,099,540
Less: Impact of income tax	16,705,611
Impact of minority shareholders' interests (after tax)	15,170,797
Total	<u><u>113,084,038</u></u>

(III) Changes in major accounting information and financial indicators of the Company and the reasons thereof

Items	Percentage of change (%)	Main reasons
Net profit attributable to shareholders of the Company	N/A	The year-on-year decrease in loss was mainly due to the fact that the Company focused on the steel market and raw material market and strengthened its accounting and lean operations, which resulted in a year-on-year reduction in inverted margin between the revenue and cost of steel products during the current period.
Net profit excluding non-recurring gains or losses attributable to shareholders of the Company	N/A	
Basic earnings per share (<i>RMB/share</i>)	N/A	
Diluted earnings per share (<i>RMB/share</i>)	N/A	
Net cash flows from operating activities	-178.92	

II. SHAREHOLDER INFORMATION

(I) Total number of shareholders and table of shareholdings of the top ten shareholders

Unit: Share

Total number of shareholders as at the end of the reporting period 151,678

Shareholding of the top ten shareholders

Name of shareholder	Nature of shareholders	Number of shares held	Percentage of shareholding (%)	Number of Restricted shares held	Number of pledged, marked or frozen	
					Status	Volume
Magang (Group) Holding Co., Ltd.	State-owned legal person	3,664,749,615	47.31	-	Nil	-
Hong Kong Securities Clearing Company (Nominees) Limited	Others	1,717,911,945	22.18	Unknown	Unknown	Unknown
Central Huijin Asset Management Limited	State-owned legal person	139,172,300	1.80	Unknown	Unknown	Unknown
China Merchants Bank Co., Ltd. – SSE dividend ETF	Others	88,529,490	1.14	Unknown	Unknown	Unknown
Hong Kong Securities Clearing Company Limited	Unknown	49,396,880	0.64	Unknown	Unknown	Unknown
Beijing Guoxing Real Estate Management Co., Ltd.	Unknown	32,363,300	0.42	Unknown	Unknown	Unknown
Industrial and Commercial Bank of China Limited – Fullgoal China Securities Dividend Index EIF	Others	27,828,900	0.36	Unknown	Unknown	Unknown
Agricultural Bank of China Limited – CSI500 ETF	Others	27,274,096	0.35	Unknown	Unknown	Unknown
Zhang Wu	Domestic natural person	26,300,000	0.34	Unknown	Unknown	Unknown
Shenwan Hongyuan Securities Co., Ltd.	State-owned legal person	23,419,207	0.30	Unknown	Unknown	Unknown

Top Ten Shareholders without selling restrictions

Name of Shareholder	Number of floating shares held without selling restrictions	Type and number of shares	
		Type	Number
Magang (Group) Holding Co., Ltd.	3,664,749,615	Ordinary shares in RMB	3,664,749,615
Hong Kong Securities Clearing Company (Nominees) Limited	1,717,911,945	Overseas-listed shares	1,717,911,945
Central Huijin Asset Management Limited	139,172,300	Ordinary shares in RMB	139,172,300
China Merchants Bank Co., Ltd. – SSE dividend ETF	88,529,490	Ordinary shares in RMB	88,529,490
Hong Kong Securities Clearing Company Limited	49,396,880	Ordinary shares in RMB	49,396,880
China Life Pension Strategy No. 4 Equity Pension Product – Industrial and Commercial Bank of China Limited	32,363,300	Ordinary shares in RMB	32,363,300
Beijing Guoxing Real Estate Management Co., Ltd.	27,828,900	Ordinary shares in RMB	27,828,900
Industrial and Commercial Bank of China Limited – Fullgoal China Securities Dividend Index EIF	27,274,096		27,274,096
Zhang Wu	26,300,000	Ordinary shares in RMB	26,300,000
Shenwan Hongyuan Securities Co., Ltd.	23,419,207	Ordinary shares in RMB	23,419,207

Notes on the above shareholders' affiliated relation or concerted action

There is no connected relationship between Magang (Group) Holding Co., Ltd. and other foregoing shareholders and are not persons acting in concerted action. However, it is not in the knowledge of the Company whether there is any affiliated relation among other foregoing shareholders and whether they are persons acting in concerted action.

Notes: (1) The nature of shareholders of A Shares represents the nature of accounts held by shareholders registered with Shanghai Branch of China Securities Depository and Clearing Corporation Limited. (2) Hong Kong Securities Clearing Company (Nominees) Limited is the nominee holder of shares held by non-registered shareholders of the H shares of the Company, which held 1,717,911,945 H shares of the Company on behalf of its customers. Among them, Baosteel Hong Kong Investment Ltd., holding 358,950,000 H Shares of the Company, is a wholly-owned subsidiary of China Baowu Steel Group, the controlling shareholder of Magang (Group) Holding Co., Ltd.. (3) The shares held by Hong Kong Securities Clearing Company Limited refer to A Shares held by non-registered shareholders of Northbound Trading of the Shanghai-Hong Kong Stock Connect.

III. OTHER REMINDERS

In the first quarter of 2024, the domestic economy continued to rebound with year-on-year growth in GDP of 5.3%. The overall downstream demand for steel in the steel industry has not sufficiently recovered, resulting in great operating pressure on the steel enterprises. National pig iron and crude steel production decreased by 1.9% and 2.9% year on year, respectively, while steel production increased by 4.4%. The average value of the domestic steel price index decreased by 5.61% year on year. Iron ore prices experienced fluctuating declines, with the average value of the Platts Index (62% Fe, CFR Qingdao Port) decreasing by 1.36% year on year. The average value of the coke price index decreased by 18.52% year on year.

During the reporting period, the Company and its subsidiaries (hereinafter referred to as the “**Group**”) adhered to the concept of “accounting operation”. Guided by the direction of “high-end orientation, intelligentization, greenization and high efficiency”, and operating framework of “4-with”, the Group deeply promoted the change from “production-oriented” to “operation-oriented”, continued to search for new breakthroughs for improving operational performance and firmly implemented various aspects of our management plan, resulting in a stable and orderly business situation. The Group produced a total of 4.50 million tonnes of pig iron, 4.91 million tons of crude steel, essentially unchanged year on year, and 4.49 million tons of steel, representing a year-on-year decrease of 7.1%. The Group’s net loss attributable to owners of the parent decreased by approximately RMB238 million year on year. The major work of the Group is set out below:

1. Breaking mental barriers, leading breakthroughs in development. We held in-depth discussions about mindset liberation to facilitate the transition from a “production-oriented” to a “operation-oriented” business model, which entails breakthroughs in mindset, enhancing awareness of accounting management, lean operations, market and site, as well as responsibility to think outside the box. In terms of action, we found “solutions” of mindset liberation by focusing on solving practical issues, making high efficiency the standard and fast pace the norm. In terms of development, each unit promoted both accounting management and the enhancement of lean operational capabilities through shifts in thought and ideas, and by addressing key challenges, we paved the way for new opportunities, striving to contribute to the Company’s performance improvement.

2. Driven by innovation, insisting on technology leadership. Masteel high-speed train wheels have been exclusively applied to a China Rejuvenation Train for manned operation; achieved the world's first launch of P92 steel for ultra-supercritical high-pressure boiler with φ 1,000mm round billet; participated in the 2024 China Intelligent Electric Vehicle Technology and Supply Chain Exhibition with its new energy silicon steel, special steel, and automobile plates, earning the title of "Outstanding Enterprise in the Automotive Industry Chain and Supply Chain of Chengdu-Chongqing Twin-city Economic Circle."
3. Green and high-efficiency, continuous optimization of structure. Carbon footprint reports for two major categories of products, special steel continuous casting billets (square and round billets) and steel rods (square and round steel), were released on the EPD platform for the iron and steel industry under the organization of the China Iron and Steel Association. Taking channel adjustments as the main task, and leveraging the comparative advantages of key products and the geographical benefits of proximity, we strengthened channel development, enlarged the high-end user base, deepened market penetration, and expanded overseas business. In the first quarter, steel exports increased by 62.7% year on year.

IV. QUARTERLY FINANCIAL STATEMENTS

Consolidated Statement of Financial Position 31 March 2024

	<i>Unit: RMB</i>	
	31 March 2024 Unaudited	31 December 2023 Audited
ASSETS		
CURRENT ASSETS:		
Cash and bank balances	5,138,398,146	5,569,797,722
Financial assets held for trading	4,284,994	–
Notes receivable	1,430,295,006	1,708,216,158
Trade receivables	1,497,294,614	1,400,664,759
Financing receivables	1,788,837,216	1,801,284,684
Prepayments	617,337,446	645,423,430
Other receivables	352,107,900	315,637,040
Inventories	11,639,328,279	9,918,290,048
Other current assets	955,128,500	682,306,261
Total current assets	23,423,012,101	22,041,620,102
NON-CURRENT ASSETS:		
Long term equity investments	7,101,071,244	7,043,824,631
Other equity instruments investments	391,993,788	391,993,788
Investment properties	54,693,839	55,196,655
Property, plant and equipment	47,825,478,394	48,548,833,230
Construction in progress	4,098,823,205	4,013,854,765
Right-of-use assets	342,157,515	348,972,586
Intangible assets	1,733,043,600	1,753,618,113
Deferred tax assets	336,237,577	354,339,065
Total non-current assets	61,883,499,162	62,510,632,833
TOTAL ASSETS	85,306,511,263	84,552,252,935

IV. QUARTERLY FINANCIAL STATEMENTS (CONTINUED)

Consolidated Statement of Financial Position (Continued)

31 March 2024

Unit: RMB

	31 March 2024 Unaudited	31 December 2023 Audited
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term loans	11,429,129,009	9,428,060,223
Notes payable	9,357,181,584	8,631,701,173
Trade payables	13,421,742,389	13,513,640,486
Contract liabilities	3,426,804,118	4,013,383,663
Payroll and employee benefits payable	215,967,741	204,380,835
Taxes payable	173,758,604	372,393,489
Other payables	2,971,521,098	3,068,633,198
Non-current liabilities due within one year	2,718,241,920	3,784,343,228
Accrued liabilities	10,865,236	9,875,967
Other current liabilities	433,019,480	1,028,203,765
Total current liabilities	44,158,231,179	44,054,616,027
NON-CURRENT LIABILITIES:		
Long-term loans	7,790,089,775	6,799,686,232
Lease liabilities	355,669,657	361,507,890
Long-term payables	52,964,036	52,964,036
Long-term employee benefits payable	1,554,186	1,554,186
Deferred revenue	1,010,072,896	1,002,087,759
Deferred tax liabilities	802,468	295,454
Total non-current liabilities	9,211,153,018	8,218,095,557
Total liabilities	53,369,384,197	52,272,711,584

IV. QUARTERLY FINANCIAL STATEMENTS (CONTINUED)

Consolidated Statement of Financial Position (Continued)

31 March 2024

Unit: RMB

	31 March 2024 Unaudited	31 December 2023 Audited
SHAREHOLDERS' EQUITY:		
Share capital	7,746,937,986	7,746,937,986
Capital reserve	8,439,923,708	8,439,923,708
Less: Treasury stock	105,928,072	105,928,072
Other comprehensive income	(21,096,696)	(12,900,327)
Special reserve	104,578,130	96,805,291
Surplus reserve	4,720,262,452	4,720,262,452
Retained earnings	6,572,482,605	6,883,481,566
Equity attributable to owners of the parent company	<u>27,457,160,113</u>	<u>27,768,582,604</u>
Minority shareholders' equity	<u>4,479,966,953</u>	<u>4,510,958,747</u>
Total shareholders' equity	<u>31,937,127,066</u>	<u>32,279,541,351</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>85,306,511,263</u>	<u>84,552,252,935</u>

IV. QUARTERLY FINANCIAL STATEMENTS (CONTINUED)

Consolidated Profit or Loss Statement

January to March 2024

Unit: RMB

	January to March 2024 Unaudited	January to March 2023 Unaudited
I. Revenue	20,391,635,931	22,736,558,090
Less: Cost of sales	20,067,978,672	22,708,791,124
Taxes and surcharges	134,854,469	96,017,198
Selling expenses	75,769,670	66,980,589
General and administrative expenses	203,325,005	177,154,912
R&D expenses	227,790,259	267,698,912
Financial expenses	155,063,085	76,883,498
Including: interest expense	148,700,915	106,069,643
interest income	22,905,779	10,086,110
Add: Other income	89,684,529	23,409,063
Investment income	60,559,196	51,335,945
Including: share of profits of associates and joint ventures	60,353,974	26,238,197
(Loss)/gain on the changes in fair value	(1,599,350)	(23,621,466)
Credit impairment losses	3,586,313	48,360,919
Asset impairment losses	(268,439)	2,527
Gains on disposal of assets	60,459,094	16,878,656

IV. QUARTERLY FINANCIAL STATEMENTS (CONTINUED)

Consolidated Profit or Loss Statement (Continued)

January to March 2024

Unit: RMB

	January to March 2024 Unaudited	January to March 2023 Unaudited
II. Operating loss	(260,723,886)	(540,602,499)
Add: Non-operating income	457,748	1,547,038
Less: Non-operating expenses	4,246,798	549,680
III. Total loss	(264,512,936)	(539,605,141)
Less: Income tax expense	81,123,997	43,844,241
IV. Net loss	(345,636,933)	(583,449,382)
(I) Categorized by operation continuity		
1. Net loss from continuing operations	(345,636,933)	(583,449,382)
(II) Categorized by ownership		
1. Net loss attributable to owners of the parent company	(310,998,961)	(509,272,601)
2. Profit or loss attributable to minority shareholders	(34,637,972)	(74,176,781)

IV. QUARTERLY FINANCIAL STATEMENTS (CONTINUED)

Consolidated Profit or Loss Statement (Continued)

January to March 2024

	<i>Unit: RMB</i>	
	January to March 2024 Unaudited	January to March 2023 Unaudited
V. Other comprehensive income, net of tax	(8,196,369)	(11,873,000)
(I) Other comprehensive income attributable to owners of the parent company, net of tax	(8,196,369)	(11,873,000)
1. Other comprehensive income that cannot be reclassified to profit or loss	-	-
2. Other comprehensive income to be reclassified to profit or loss:	(8,196,369)	(11,873,000)
(1) Changes in fair value of other debt investments	-	4,656,562
(2) Exchange differences on translation of foreign operation	(8,196,369)	(15,635,197)
(3) Others	-	(894,365)
(II) Other comprehensive income attributable to minority shareholders' interests, net of tax	-	-
VI. Total comprehensive income	(353,833,302)	(595,322,382)
Attributable to:		
(I) Owners of the parent company	(319,195,330)	(521,145,601)
(II) Minority shareholders	(34,637,972)	(74,176,781)
VII. Earnings per share :		
(I) Basic earnings per share	(0.04)	(0.07)
(II) Diluted earnings per share	(0.04)	(0.07)

IV. QUARTERLY FINANCIAL STATEMENTS (CONTINUED)

Consolidated Statement of Cash Flow

January to March 2024

Unit: RMB

	January to March 2024 Unaudited	January to March 2023 Unaudited
I. Cash flow from operating activities:		
Cash received from sale of goods and rendering of services	17,787,707,600	17,857,561,162
Tax refunds received	231,333,764	–
Decrease in deposits in central bank	–	253,240,601
Net decrease in financial assets purchased under agreements to resell	–	2,479,939,906
Net decrease in loans and advances to customers	–	1,495,508,222
Received interests, handling fees and commission charges	–	45,775,813
Net increase in financial assets sold under repurchase agreements	–	700,364,745
Cash received relating to other operating activities	<u>934,736,725</u>	<u>587,516,606</u>
Sub-total of cash inflows from operating activities	<u>18,953,778,089</u>	<u>23,419,907,055</u>
Cash paid for purchase of goods and services	(18,469,351,482)	(17,721,532,359)
Cash paid to and on behalf of employees	(966,174,521)	(1,323,496,186)
Taxes and surcharges paid	(363,558,810)	(356,524,440)
Net decrease in customer deposits and due to banks and other financial institutions	–	(2,071,864,335)
Cash paid for interest charges, fees and commissions	–	(90,996,943)
Cash paid relating to other operating activities	<u>(462,377,495)</u>	<u>(198,510,425)</u>
Sub-total of cash outflows from operating activities	<u>(20,261,462,308)</u>	<u>(21,762,924,688)</u>
Net cash flows (used in)/generated from operating activities	<u>(1,307,684,219)</u>	<u>1,656,982,367</u>

IV. QUARTERLY FINANCIAL STATEMENTS (CONTINUED)

Consolidated Statement of Cash Flow (Continued)

January to March 2024

Unit: RMB

	January to March 2024 Unaudited	January to March 2023 Unaudited
II. Cash flows from investing activities:		
Cash received from disposal of investments	–	3,956,531,148
Cash received from investment income	3,138,807	1,299,060
Proceeds from disposal of items of property, plant and equipment, intangible assets and other non-current assets	43,329,728	75,316,082
Cash received relating to other investing activities	9,595,978	–
Sub-total of cash inflows from investing activities	56,064,513	4,033,146,290
Purchases of property, plant and equipment, intangible assets and other non-current assets	(575,523,996)	(1,458,127,098)
Cash paid for investments	–	(1,819,321,249)
Cash paid relating to other investing activities	–	–
Sub-total of cash outflows from investing activities	(575,523,996)	(3,277,448,347)
Net cash flows (used in)/generated from investing activities	(519,459,483)	755,697,943

IV. QUARTERLY FINANCIAL STATEMENTS (CONTINUED)

Consolidated Statement of Cash Flow (Continued)

January to March 2024

Unit: RMB

	January to March 2024 Unaudited	January to March 2023 Unaudited
III. Cash flows from financing activities:		
Cash received from borrowings	<u>5,652,273,785</u>	<u>1,156,142,541</u>
Sub-total of cash inflows from financing activities	<u>5,652,273,785</u>	<u>1,156,142,541</u>
Repayment of borrowings	(4,268,475,588)	(3,864,774,696)
Cash paid for the distribution of dividend or profits and for interest expenses	(165,633,233)	(141,378,191)
Cash paid relating to other financing activities	<u>(7,707,612)</u>	<u>—</u>
Sub-total of cash outflows from financing activities	<u>(4,441,816,433)</u>	<u>(4,006,152,887)</u>
Net cash flows generated from/(used in) financing activities	<u>1,210,457,352</u>	<u>(2,850,010,346)</u>

IV. QUARTERLY FINANCIAL STATEMENTS (CONTINUED)

Consolidated Statement of Cash Flow (Continued)

January to March 2024

Unit: RMB

	January to March 2024 Unaudited	January to March 2023 Unaudited
IV. Effect of foreign exchange rate changes on cash and cash equivalents	<u>(21,882,791)</u>	<u>23,699,871</u>
V. Net increase in cash and cash equivalents	<u>(638,569,141)</u>	<u>(413,630,165)</u>
Add: cash and cash equivalents at the beginning of the year	<u>4,428,594,208</u>	<u>4,360,738,411</u>
VI. Cash and cash equivalents at the end of the period	<u><u>3,790,025,067</u></u>	<u><u>3,947,108,246</u></u>

Legal representative:
Ding Yi

Chief Accountant:
Ren Tianbao

Head of Accounting:
Xing Qunli

By order of the Board
Maanshan Iron & Steel Company Limited
Ren Tianbao
Secretary to the Board

29 April 2024
Maanshan City, Anhui Province, the PRC

As at the date of this announcement, the directors of the Company include executive directors Ding Yi, Mao Zhanhong and Ren Tianbao; and independent non-executive directors Guan Bingchun, He Anrui, Liao Weiquan and Qiu Shengtao.