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Company Profile

The board of directors (the "Board"), the supervisory committee (the "Supervisory Committee") and the directors, supervisors and senior management of Angang New Steel Company Limited (the "Company") confirm that there are no false representations or misleading statements contained in, or material omissions from this annual report. The directors of the Company (the "Directors") severally and jointly accept responsibility for the truthfulness, accuracy, and completeness of the contents of this annual report.

The Company's Chairman Mr. Liu Jie, and Chief Accountant and Head of the Accounting Department Mr. Ma Lianyong confirm that the financial statements in this annual report are true and complete.

The Board of the Company is pleased to present the annual results of the Company and its jointly controlled entities (collectively referred to as the "Group") for the year ended 31 December 2005.

COMPANY PROFILE

The Company is a joint stock limited company incorporated on 8 May 1997 with Anshan Iron and Steel Group Complex ("Angang Holding") as its sole promoter. Pursuant to the reorganisation of Angang Holding and the Company, the Cold Rolling Plant, Wire Rod Plant and Thick Plate Plant were transferred to the Company by Angang Holding. The three plants represented a net asset value of Rmb2,028,817,600 as determined by the State-owned Assets Administration Bureau and 1,319,000,000 domestic State-owned legal person shares with a nominal value of Rmb1 each were issued to Angang Holding as consideration for these plants.

On 22 July 1997, the Company issued 890,000,000 H Shares at HK\$1.63 per share which were listed on The Stock Exchange of Hong Kong Limited on 24 July 1997. The Company subsequently issued 300,000,000 A Shares at Rmb3.90 per share on 16 November 1997, of which 285,505,400 shares were offered to the public and 14,494,600 shares were allotted to the employees of the Company. Trading of the 285,505,400 shares offered domestically, and the 14,494,600 employees' shares allotted to the employees of the Company commenced on the Shenzhen Stock Exchange on 25 December 1997 and 26 June 1998, respectively.



COMPANY PROFILE *(continued)*

On 15 March 2000, the Company issued A share convertible debentures amounting to Rmb1.5 billion in the People's Republic of China (the "PRC"). On 14 March 2005, the Company paid the principal and interest accrued for the A share convertible debentures upon their maturity. Trading in A share convertible debentures ended on the same day. A total of 453,985,697 A shares were converted from the convertible debentures of the Company.

On 23 November 2005, the plan in relation to the reform of the state-owned shares of the Company (the "State-owned Share Reform Plan") was approved by the relevant shareholders. On 2 December 2005, pursuant to, the State-owned Share Reform Plan, Angang Holding, the holder of the non-tradable shares of the Company, paid to the holders of the tradable A shares of the Company a consideration of 2.5 shares and 1.5 warrants for every 10 tradable A shares held by them. Before the implementation of the State-owned Share Reform Plan, there were 1,319,000,000 non-tradable State-owned legal person shares, 753,985,697 tradable A shares and 890,000,000 H shares, representing 44.52%, 25.44% and 30.04% of the Company's total share capital, respectively. After the implementation of the State-owned Share Reform Plan, all shares of the Company became tradable, of which 1,130,539,826 shares (including 36,250 shares held by senior management) are subject to trading moratorium, representing 38.15% of the Company's total share capital, 942,445,871 shares are domestic shares not subject to trading moratorium, representing 31.81% of the Company's total share capital, and 890,000,000 shares are overseas-listed foreign shares not subject to trading moratorium, representing 30.04% of the Company's total share capital. The total number of the shares in the capital of the Company remained unchanged upon completion of the State-owned Share Reform Plan.

The Company's principal activities include the production and sale of steel products such as billets, cold rolled sheets, galvanized steel sheets, colour coating plates, wire rods, thick plates, heavy rails, pipe billets and large steel products. These products are widely used in automobile, construction, ship-building, home electrical appliances, railway construction industries and in the manufacture of pipelines. The Company's products are competitive in the domestic market. The Cold Rolling Plant, Wire Rod Plant, Thick Plate Plant, Large Section Plant and Steel Smelting Plant are well equipped and are of an advanced standard in the PRC.

Company Profile *(Continued)*

COMPANY PROFILE *(continued)*

1. Legal Name of the Company
(in Chinese): 鞍鋼新軋鋼股份有限公司
(in English): ANGANG NEW STEEL COMPANY LIMITED
2. Legal Representative of the Company: Liu Jie
3. Secretary to the Board: Fu Jihui
Contact Address: 1 Qianshan Road West,
Qianshan District, Anshan City,
Liaoning Province, the PRC
Telephone: 86-412-8419192
86-412-8417273
Fax: 86-412-6727772
4. Registered Address of the Company: 396 Nan Zhong Hua Lu,
Tie Dong District, Anshan City,
Liaoning Province, the PRC
Office Address: Tie Xi District, Anshan City,
Liaoning Province, the PRC
Postal Code: 114021
E-mail Address: fujihui@ansc.com.cn
5. Company's Annual Report available at: Secretarial office of the Board of Directors of the Company

Stock Exchange Listings: A Shares: Shenzhen Stock Exchange
H Shares: The Stock Exchange of Hong Kong Limited

Abbreviations: A Shares: G鞍鋼
H Shares: Angang New Steel

Stock Code: A Shares: 000898
H Shares: 0347