

The board of directors (the "Board"), Supervisory Committee ("Supervisory Committee") and the directors, Supervisors and Senior Management of Angang 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. Zhang Xiaogang, and Chief Accountant and Head of the Accounting Department, Ma Lianyong confirm that the financial statements in this annual report are true and complete.

The Board of the Company is pleased to announce the annual results of the Company and its jointly controlled entities (the "Group") for the year ended 31 December 2006.

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 Roll 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.

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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.

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.

COMPANY PROFILE (continued)

On 26 January 2006, the Company issued 2,970,000,000 A shares at Rmb4.29 per share to Angang Holding as partial payment for the consideration for the acquisition of 100% share capital of Angang New Steel and Iron Company Limited ("ANSI"). The registration for custody of such shares at Shenzhen Branch of China Securities Registration and Clearing Corporation Limited completed on 23 February 2006 and they will not be traded or transferred within 36 months from 23 February 2006. The total number of shares of the Company was increased to 5,932,985,697 following such issue.

On 20 June 2006, it was approved at the annual general meeting of the Shareholders of the Company for the year 2005 to change the Chinese name of the Company from "鞍鋼新軋鋼股份有限公司" to "鞍鋼股份有限公司" and the English name was changed from "Angang New Steel Company Limited" to "Angang Steel Company Limited". On 29 September 2006, the Company received its new "Business License for Enterprise Legal Person" reflecting such change of name.

In December 2005, the Company implemented the state-owned share reform, pursuant to which Angang Holding, the holder of the non-tradable shares of the Company, offered 2.5 A shares and 1.5 "鞍鋼 JTC1" warrants for every 10 shares held by the holders of tradable A shares on the record date for the state-owned share reform, and Angang Holding offered a total of 188,496,424 A shares and 113,097,855 "鞍鋼 JTC1" warrants to the holders of the tradable A shares. The "鞍鋼 JTC1" warrants expired in December 2006. A total of 110,601,666 warrants were exercised as a result of which, Angang Holding transferred 110,601,666 shares to holders of the tradable A shares at Rmb3.386 per share. The "鞍鋼 JTC1" warrants which were not exercised on the date of expiry was cancelled thereafter. Following the exercise of such warrants, the total number of shares of the Company remained unchanged, comprising 3,989,901,910 A shares held by Angang Holding, 1,053,083,787 A shares held by the other A shareholders and 890,000,000 H shares held by the H Shareholders.

The Company's principal activities include production and sale of steel products such as hot rolled sheets, cold rolled sheets, galvanized steel sheets, colour coating plates, silicon steel, moderately thick plates, wire rods, large steel products and seamless steel pipes. 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 and foreign market and its equipment is of an advanced standard in the PRC.



COMPANY PROFILE (continued)

1. Legal Name of the Company
(in Chinese): 鞍鋼股份有限公司
(in English): ANGANG STEEL COMPANY LIMITED
2. Legal Representative of the Company: Liu Jie (Zhang Xiaogang will become the legal representative on 26 March 2007)
3. Company Secretary: Fu Jihui
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Qianshan District, Anshan City,
Liaoning Province, the PRC
Telephone: 86-412-8417273
86-412-8419192
Fax: 86-412-6727772
4. Registered Address of the Company: Production Area of Angang Steel
Tie Xi District, Anshan City,
Liaoning Province, the PRC
Postal Code: 114021
E-mail Address: ansteel@ansteel.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: Angang Steel
H Shares: Angang Steel
Stock Code: A Shares: 000898
H Shares: 0347