



鞍鋼股份有限公司
ANGANG STEEL COMPANY LIMITED*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 347)

**Announcement of Expected Increase in the Profits
For the Period from 1 January 2007 to 30 June 2007**

The Company and its directors warrant the truthfulness, accuracy and completeness of the information disclosed in this announcement and that there are no misrepresentations or misleading statements in, or material omissions from, this announcement.

This announcement is published simultaneously in Shenzhen pursuant to the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange and in Hong Kong pursuant to the disclosure obligations under Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. As requested by the Shenzhen Stock Exchange, the Company has announced that: (i) its net profits for the period from 1 January 2007 to 30 June 2007 is expected to increase by 50% to 70% as compared with the same period in 2006

EXPECTED INCREASE IN THE PROFITS

As requested by the Shenzhen Stock Exchange, Angang Steel Company Limited (the “**Company**”) has announced that:

1. Forecast Increase in the Net Profits

(1) Relevant period

1 January 2007 to 30 June 2007

(2) Forecast increase

The net profits for the period from 1 January 2007 to 30 June 2007 is expected to increase by 50% to 70% as compared with the same period in 2006.

(3) The forecast results are unaudited and prepared pursuant to the PRC accounting rules and regulations.

2. Results for the same period in 2006

According to the announced interim results for the same period in 2006

(1) Net profit

For the period from 1 January 2006 to 30 June 2006: RMB3,043 million (unaudited and prepared pursuant to the PRC accounting rules and regulations)

(2) Earnings per share (Diluted)

For the period from 1 January 2006 to 30 June 2006: RMB0.513 (unaudited and prepared pursuant to the PRC accounting rules and regulations);

3. Reasons for the increase

1. The increase in the selling price of steel products and sales volume as compared with the same period last year,
2. The decrease in the product cost due to improved product mix and quality.

By order of the Board

Fu Jihui

Secretary to the Board

Anshan City
Liaoning Province, the PRC
27 April 2007

As at the date of this announcement, the Board comprises the following directors:

Executive Directors:

Zhang Xiaogang

Tang Fuping

Yang Hua

Huang Haodong

Wang Chunming

Lin Daqing

Fu Wei

Fu Jihui

Non-Executive Director:

Yu Wanyuan

Independent non-executive directors:

Wu Xichun

Wang Linsen

Liu Yongze

Francis Li Chak Yan

Wang Xiaobin

* For identification purposes only