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鞍 鋼 股 份 有 限 公 司

ANGANG STEEL COMPANY LIMITED*

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

(Stock Code: 0347)

PROFIT WARNING

This announcement is published by the Company 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(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board hereby announces that the Company is expecting to record a decrease in the net profit attributable to shareholders of the Company for the year ended 31 December 2019 in comparison with the corresponding period of 2018.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is published by Angang Steel Company Limited* (鞍鋼股份有限公司) (the “**Company**”) 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(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The board of directors of the Company (the “**Board**”) hereby announces that the Company (together with its subsidiaries, the “**Group**”) is expecting to record a decrease in the net profit attributable to shareholders of the Company for the year ended 31 December 2019 in comparison with the corresponding period of 2018.

Details of and the reasons for such estimated decrease are set out below.

1. ESTIMATED DECREASE

	For the year ended 31 December		
	2019		2018
	Decrease as compared with the corresponding period of 2018		
	(RMB)	(%)	(RMB)
	(Unaudited)		(Audited)
Net profit attributable to shareholders of the Company	approximately 1,600 million	approximately 79.88%	7,952 million
Basic earnings per share	approximately 0.170		0.846

2. REASON FOR THE ESTIMATED DECREASE

Net profit attributable to shareholders of the Company in 2019 decreased substantially as compared with the corresponding period of last year, which was mainly due to following factors: firstly, China's economy is transitioning from the stage of high-speed growth to high-quality development with economic growth slowing down, the demand for steel products declining and low steel prices. The steel price decreased as compared with the same period last year as a result of the lower demand for steel in domestic downstream industries such as automobile, household appliance and real estate industry; secondly, affected by demand, prices of iron ore and coal increased significantly as compared with the same period last year. Under the stress from both purchase and sale, the profit margin for steel companies narrowed, so the profit level decreased as compared with the same period last year; thirdly, a provision for credit impairment loss of RMB338 million was made to account for outstanding bank acceptance notes due for payment issued by relevant financial companies.

The financial information for the year ended 31 December 2019 set out above is solely based on preliminary assessment by the Company in accordance with the unaudited management accounts (prepared in accordance with the PRC Accounting Standards for Business Enterprises) and is not based on the financial information audited or reviewed by the Company's auditors. Shareholders of the Company and potential investors should note that detailed information on the Group's performance for the year ended 31 December 2019 will be disclosed in its results announcement for the same period to be published in due course. There may be differences between such information and the estimated financial information set out above.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
ANGANG STEEL COMPANY LIMITED*
Wang Yidong
Executive Director and Chairman of the Board

Anshan City, Liaoning Province, the PRC
17 January 2020

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

Executive Directors:

Wang Yidong
Li Zhen
Ma Lianyong

Independent Non-executive Directors:

Wu Dajun
Ma Weiguo
Feng Changli
Wang Jianhua

* *For identification purposes only*