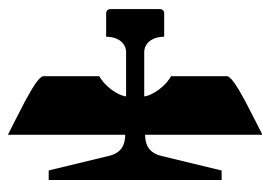


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**鞍 鋼 股 份 有 限 公 司**

**ANGANG STEEL COMPANY LIMITED\***

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

(Stock Code: 347)

**PROFIT WARNING**  
**ESTIMATED LOSS FOR THE YEAR ENDED**  
**31 DECEMBER 2012**

This announcement is published simultaneously in the PRC pursuant to the Shenzhen Listing Rules 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.

The Company announces that it estimates to record a net loss of approximately RMB4,160 million for the year ended 31 December 2012.

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

This announcement is published simultaneously in the PRC pursuant to the Rules Governing the Listing of Stock on Shenzhen Stock Exchange (the “**Shenzhen Listing Rules**”) 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.

Angang Steel Company Limited\* (鞍鋼股份有限公司) (the “**Company**”) hereby announces it estimates a net loss of approximately RMB4,160 million for the year ended 31 December 2012. Details of and the reasons for such estimated loss are set out below.

## 1. ESTIMATED LOSS

|                                                            | For the year ended                          |                                           |
|------------------------------------------------------------|---------------------------------------------|-------------------------------------------|
|                                                            | 31 December<br>2012<br>(RMB)<br>(Estimated) | 31 December<br>2011<br>(RMB)<br>(Audited) |
| Net profit attributable to the shareholders of the Company | <b>approximately<br/>-4,160 million</b>     | -2,146 million                            |
| Earning per share (basic)                                  | <b>approximately<br/>-0.575</b>             | -0.297                                    |

## 2. REASON FOR THE ESTIMATED LOSS

The board of directors of the Company (the “**Board**”) believes that because the global economic downturn, slowdown in domestic economic growth, insufficient market demand, excessive steel production capacity, and more intense competition for steel products, the price of steel products declined significantly in 2012. As a result, the profitability of the Company decreased significantly in the year of 2012 and the Company had incurred substantial losses for the first three quarters of 2012. Despite the Company’s efforts to avoid and control losses, by significantly reducing procurement costs, logistic costs, production process costs and expenses, and implementing various measures to improve profitability including adjustments to the product mix, which resulted in a decrease in losses for the fourth quarter, the Company still expects to record an estimated loss for the year ended 31 December 2012.

The financial information for the year ended 31 December 2012 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. There may be differences between such information and the audited financial information. Shareholders of the Company and potential investors should note that detailed information on the Company's performance for the year ended 31 December 2012 will be disclosed in its announcement of the results for the same period to be published in due course.

As the Company has recorded a net loss for the year ended 31 December 2011 and is expecting to continue to record a net loss for the year ended 31 December 2012, a delisting risk warning may be imposed on the A shares of the Company pursuant to the requirements of the Shenzhen Listing Rules following the announcement of its annual financial results for the year of 2012.

**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\***  
**Fu Jihui**  
*Executive Director and Secretary to the Board*

Anshan City, Liaoning Province, the PRC  
30 January 2013

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

*Executive Directors:*

Zhang Xiaogang  
Yang Hua  
Chen Ming  
Yu Wanyuan  
Fu Jihui

*Independent Non-Executive Directors:*

Li Shijun  
Ma Guoqiang  
Kwong Chi Kit, Victor

\* *For identification purposes only*