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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)

POSITIVE PROFIT ALERT

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 an increase in the net profit attributable to shareholders of the Company for the nine months ended 30 September 2018 in comparison with the corresponding period of 2017.

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 an increase in the net profit attributable to shareholders of the Company for the nine months ended 30 September 2018 in comparison with the corresponding period of 2017.

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

1. ESTIMATED INCREASE

	For the nine months ended 30 September		
	2018		2017
		<i>Increase as compared with the corresponding period of 2017</i>	
	(RMB) (Unaudited)	(%)	(RMB) (Adjusted)
Total profit	approximately 8,624 million	approximately 123.54%	approximately 3,858 million
Net profit attributable to shareholders of the Company	approximately 6,847 million	approximately 80.52%	approximately 3,793 million
Basic earnings per share	approximately 0.946		approximately 0.524

	For the period from 1 July to 30 September		
	2018		2017
		<i>Increase as compared with the corresponding period of 2017</i>	
	(RMB) (Unaudited)	(%)	(RMB) (Adjusted)
Total profit	approximately 3,185 million	approximately 83.68%	approximately 1,734 million
Net profit attributable to shareholders of the Company	approximately 2,422 million	approximately 41.14%	approximately 1,716 million
Basic earnings per share	approximately 0.335		approximately 0.237

2. REASON FOR THE ESTIMATED INCREASE

The estimated significant increase in the net profit attributable to shareholders of the Company for the first three quarters and the third quarter of 2018 as compared with the corresponding periods of 2017 is primarily due to the following reasons: firstly, the Company timely grasped favorable opportunities arising from the country's efforts on environmental protection and addressing overcapacity and a sustained booming steel market, optimized its business layout, focused on the development of its principal business and coordinated the development of the

non-steel business, which enhanced its ability to generate revenue and create benefits comprehensively; secondly, the Company kept a close eye on the market changes and made further adjustment to its product mix; thirdly, the Company reduced processing costs by further promoting cost reduction in a systematic way; fourthly, the Company reduced various expenditures by strengthening budget control; fifthly, the Company reduced comprehensive procurement costs by means of timely purchases and the combination of futures and spot commodities; sixthly, an increase in the profit of the Company as compared with the corresponding periods of the previous year, which was due to the consolidation of the profit generated from Angang Group Chaoyang Iron & Steel Company Limited* (鞍鋼集團朝陽鋼鐵有限公司) (“**Chaoyang Iron & Steel**”) into that of the Company on the basis of merger of business under common control following the acquisition of Chaoyang Iron & Steel by the Company.

The financial information for the nine months ended 30 September 2018 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 nine months ended 30 September 2018 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
10 October 2018

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

Executive Directors

Wang Yidong
Li Zhen
Ma Lianyong
Xie Junyong

Independent Non-executive Directors

Wu Dajun
Ma Weiguo
Feng Changli

* *For identification purposes only*