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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 year ended 31 December 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 year ended 31 December 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 year ended 31 December		
	2018		2017
		<i>Increase as compared with the corresponding period of 2017</i>	
	(RMB) (Unaudited)	(%)	(RMB) (Adjusted)
Total profit	approximately 10,000 million	approximately 58.40%	6,313 million
Net profit attributable to shareholders of the Company	approximately 7,800 million	approximately 17.51%	6,638 million
Basic earnings per share	approximately 1.078		0.917

Note: As the Company acquired the 100% equity of Angang Group Chaoyang Iron & Steel Company Limited* (鞍鋼集團朝陽鋼鐵有限公司) in the end of September 2018, the figures in the above table are adjusted figures in accordance with the Accounting Standards for Business Enterprises of the PRC.

2. REASON FOR THE ESTIMATED INCREASE

In 2018, the Company carried out series of work focusing on “efficiency, quality and reform” with the profit hitting a new high: Firstly, it further promoted cost reduction in a systematic way and reduced procurement cost by differential ways. While concentrating on iron element flow, carbon element flow and cost flow, the Company established the indicator system for cost reduction to deeply explore the potential in cost reduction. It has achieved remarkable results with the “three enhancements and three reductions (三提三降)” policy; Secondly, it established the “1+4+N” marketing system and achieved the integration of production, marketing, research and services. It allocated resources based on the orientation of market demands and continuously enhanced the brand influence through establishing the brand with quality, creating the brand by restructuring of product portfolio and strengthening the brand with technology; Thirdly, it completed the acquisition of Angang Group Chaoyang Iron & Steel Company Limited* (鞍鋼集團朝陽鋼鐵有限公司), achieved the overall listing of quality assets in the iron and steel business and enhanced the profitability of the Company.

The financial information for the year ended 31 December 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 year ended 31 December 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
22 January 2019

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*