

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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 decline in the net profit attributable to shareholders of the Company for the six months ended 30 June 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\* (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 decline in the net profit attributable to shareholders of the Company for the six months ended 30 June 2019 in comparison with the corresponding period of 2018.

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

## 1. ESTIMATED DECLINE

|                                                               | <b>For the six months<br/>ended 30 June</b>                                                                                   |                   |
|---------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|-------------------|
|                                                               | <b>2019</b>                                                                                                                   | 2018              |
|                                                               | <b>(RMB)</b>                                                                                                                  | <b>(RMB)</b>      |
|                                                               | <b>(Unaudited)</b>                                                                                                            | <b>(Adjusted)</b> |
| Net profit/(loss) attributable to shareholders of the Company | <b>approximately<br/>1,450 million<br/>(Decrease as<br/>compared to<br/>corresponding<br/>period of<br/>last year: 67.3%)</b> | 4,441 million     |
| Basic earnings/(loss) per share                               | <b>approximately<br/>0.154</b>                                                                                                | 0.472             |

## 2. REASON FOR THE ESTIMATED DECLINE

In the first half of 2019, the Company managed to achieve the desired effects in respect of its production efficiency, cost management and control as well as other efforts made for tapping potentials and increasing efficiency. Notwithstanding, as affected by the market conditions, the prices of steel products of the Company declined as compared to the corresponding period of last year, and the production costs increased due to rapidly rising prices of raw materials and fuels. Consequently, net profit attributable to shareholders of the Company decreased correspondingly.

The financial information for the six months ended 30 June 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. In terms of the financial information set out above, the following adjustments have been made to the data for the corresponding period of last year in accordance with the PRC Accounting Standards for Business Enterprises: (1) due to the Company's acquisition of Angang Group Chaoyang Iron and Steel Company, Ltd\* (鞍鋼集團朝陽鋼鐵有限公司) from business combination under common control on 30 September 2018, retroactive adjustments were made to the net profit attributable to the shareholders of the Company and basic earnings per share; and (2) according to the profit distribution of 2018 implemented by the Company on 28 June 2019, the Company issued 3 additional shares for every 10 shares to all shareholders through conversion of capital reserve, and the share capital has increased from 7,235

million shares to 9,405 million shares. As such, basic earnings per share for each of the reporting period and the corresponding period of last year were calculated based on the number of shares after such adjustments. Shareholders of the Company and potential investors should note that detailed information on the Group's performance for the six months ended 30 June 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  
12 July 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  
Wang Jianhua

\* *For identification purposes only*