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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 nine months ended 30 September 2020 in comparison with the corresponding period of 2019.

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, based on the preliminary assessment of the latest financial information, 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 nine months ended 30 September 2020 in comparison with the corresponding period of 2019.

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

1. ESTIMATED DECREASE

	For the nine months ended 30 September		2019
	2020		
	<i>Decrease as compared with the corresponding period of 2019</i>		
	(RMB)	(%)	(RMB)
	(Unaudited)		(Unaudited)
Net profit attributable to shareholders of the Company	approximately 1,325 million	approximately 23.05%	1,722 million
Basic earnings per share	approximately 0.141		0.183

	For the period from 1 July to 30 September		2019
	2020		
	<i>Increase as compared with the corresponding period of 2019</i>		
	(RMB)	(%)	(RMB)
	(Unaudited)		(Unaudited)
Net profit attributable to shareholders of the Company	approximately 825 million	approximately 177.78%	297 million
Basic earnings per share	approximately 0.088		0.032

2. REASON FOR THE ESTIMATED DECREASE

For the nine months ended 30 September 2020, the net profit attributable to shareholders of the Company decreased by approximately 23.05% as compared with the corresponding period of last year, which was mainly because: (a) the demand for steel products decreased and in particular the demand of downstream industry for cold-rolled sheets products was sluggish as a result of the COVID-19 pandemic during the first half of 2020, leading to a significant downsize of the net profit attributable to shareholders of the Company during the first six months of 2020 by 64.91% as compared to that of the same period in 2019, and

(b) such decrease was partially offset by the significant increase of the net profit attributable to shareholders of the Company for the subsequent three-month period ended 30 September 2020 by approximately 177.78% as compared with the corresponding period of last year, which was mainly due to (i) the COVID-19 pandemic was gradually under control in the PRC and the market demand and the steel price accordingly revived in the third quarter, and (ii) the Company adopted various measures to effectively reduce operating costs while enhancing efficiency.

The financial information for the nine months ended 30 September 2020 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 nine months ended 30 September 2020 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
14 October 2020

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

Executive Directors

Wang Yidong
Li Zhen
Li Zhongwu
Ma Lianyong

Independent Non-executive Directors

Wu Dajun
Feng Changli
Wang Jianhua
Wang Wanglin

* For identification purposes only