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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 six months ended 30 June 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 six months ended 30 June 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 six months ended	
	30 June	
	2018	2017
	(RMB)	(RMB)
	(Unaudited)	
Net profit attributable to shareholders of the Company	approximately 3,492 million	1,823 million
Basic earnings per share	approximately 0.483	0.252

2. REASON FOR THE ESTIMATED INCREASE

The estimated increase in the net profit attributable to shareholders of the Company as compared with the corresponding period of 2017 is primarily due to the following reasons: in the first half of 2018, the supply-side reform continued to show results with the overall steel market recovered and the iron and steel industry maintaining higher profitability. The Company focused on three key elements, namely “efficiency, quality and transformation” and significantly improved the revenue of the Company through consistently expanding the production scale, continuously optimizing the product structure, enhancing efforts in reducing procurement cost by differential ways, accelerating in technological innovation and deeply promoting systematic cost reduction. The Company is expecting to record net profit attributable to shareholders of the Company of RMB3,492 million in the first half year, representing an increase of RMB1,669 million as compared with the same period last year.

The financial information for the six months ended 30 June 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 the six months ended 30 June 2018 will be disclosed in the Company’s 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 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 purpose only*