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(A joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 00323)

ANNOUNCEMENT ON ESTIMATED DECREASE IN PROFIT IN ANNUAL RESULTS OF 2019

This announcement is made by the board of directors (the “**Board**”) of Maanshan Iron & Steel Company Limited (the “**Company**”) pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

I. ESTIMATED RESULTS DURING THE PERIOD

1. Estimated results period:

1 January 2019 to 31 December 2019.

2. Estimated results:

1) Based on a preliminary estimate by the finance department, the net profit attributable to the shareholders of the listed company for the year 2019 is estimated to reach approximately RMB1.113 billion, representing a year-on-year decrease of approximately RMB4.83 billion or approximately 81.27%.

2) The net profit excluding non-recurring gains or losses attributable to shareholders of the listed company is estimated to reach approximately RMB1.583 billion, representing a year-on-year decrease of approximately RMB3.51 billion or approximately 68.92%.

3. The estimated results have not been audited by certified public accountants.

II. RESULTS FOR THE CORRESPONDING PERIOD OF THE PREVIOUS YEAR

1. The net profit attributable to the shareholders of the listed company: RMB5.943 billion. The net profit excluding non-recurring gains or losses attributable to shareholders of the listed company: RMB5.092 billion.
2. Earnings per share: RMB0.722.

III. MAIN REASONS FOR THE ESTIMATED PROFIT GROWTH OF THE RESULTS DURING THE PERIOD

1. Impact of principal business

In 2019, affected by the factors such as increase in capacity and production in the iron and steel industry, steel prices fell year on year, and the prices of major raw materials and fuels such as iron ore, scrap steel and coal rose rapidly or fluctuated at high levels. The profit margins of iron and steel enterprises including the Company were severely squeezed. Facing the severe market situation, the Company has maintained strategic focus, optimized dynamic balance through in-depth promotion of lean operation, and carried out benchmarking and flexible production organization to maintain stability and efficiency. Despite a year-on-year decline in production capacity and the overhaul of a 2,500 m³ blast furnace from January to February 2019, the production capacity of pig iron, crude steel and steel was basically fair as compared with the previous year. Such measures have partially mitigated the adverse impacts arising from price changes in steel, raw materials and fuels, but have failed to turn the tide of year-on-year decline.

2. Impact of non-recurring gains or loss

The items of non-recurring profit or loss of the Company attributable to the shareholders of listed company for 2019 mainly include compensation for termination of the labor contract through negotiation, government subsidies and the investment gain from disposal of trading financial assets, etc, with a net loss of approximately RMB0.47 billion.

IV. RISK DISCLOSURE

The Company considers that there is no material uncertainty affecting the accuracy of the estimated results.

V. OTHER MATTERS

The forecasts above are only preliminary estimates. For the detailed and accurate financial information, please refer to the audited annual report of 2019 to be formally disclosed by the Company. Investors are advised to pay attention to the investment risks.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

The Board
Maanshan Iron & Steel Company Limited

22 January 2020
Maanshan City, Anhui Province, the PRC

As at the date of this announcement, the directors of the Company include:

Executive Directors: Ding Yi, Qian Haifan, Zhang Wenyang

Non-executive Directors: Ren Tianbao

Independent Non-executive Directors: Zhang Chunxia, Zhu Shaofang, Wang Xianzhu