Bengang Steel Plates Co., Ltd.

Interim Report 2026

【August 2026】

I. Important Notice, Table of Contents, and Definitions

The Board of Directors, the Supervisory Board, and all Directors, Supervisors, and Senior Management of the Company ensure the authenticity, accuracy, and completeness of this annual report and confirm that there are no false records, misleading statements, or material omissions. They assume individual and joint legal responsibility for the report.

Wang Zhanwei, the person in charge of the company, Liu Tiecheng, the person in charge of accounting work, and E Jianan, the person in charge of the accounting organization (accounting officer), hereby confirm that the financial report in this annual report is true, accurate and complete.

All directors have attended the board meeting for reviewing this report.

This report involves forward-looking statements such as future plans, which do not constitute a substantial commitment of the company to investors. Investors are advised to pay attention to investment risks. This report is prepared in Chinese and English respectively. In the event of discrepancies in the interpretation of Chinese and foreign texts, the Chinese version shall prevail.

The Company has described the existing risks and countermeasures in detail in this report, please refer to the content of Section 3-10 "Risks Faced by the Company and Countermeasures". "China Securities Journal", "Securities Times", "Hong Kong Commercial Daily" and Juchao Information Network (www.cninfo.com.cn) are selected as the company's information disclosure media. All information of the company is subject to the information published in the above-mentioned designated media. Investors are kindly advised to pay attention to investment risks.

The Company plans not to pay cash dividends, issue bonus shares, or convert capital reserves into share capital.

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Reference File Directory

1. Financial statements containing the signatures and seals of legal representative, chief financial officer, and chief accountant;
2. The originals of all company documents and announcements publicly disclosed during the reporting period;
3. Interim reports published in other securities markets.

Definition

Terms to be defined	Refers to	Content of Definition
Bengang Bancai, the Company, the Listed Company	Refers to	Bengang Steel Plates Co., Ltd.
Ansteel	Refers to	Ansteel Group Co., Ltd.
Bengang Group	Refers to	Bengang Group Co., Ltd.
Bengang Steel Co., Bengang Co.	Refers to	Benxi Steel & Iron (Group) Co., Ltd.
SSE	Refers to	Shenzhen Stock Exchange
Liaoning Provincial State-asset Administration	Refers to	Liaoning State-owned Asset Supervisory and Management Committee
Bengang Posco	Refers to	Bengang Posco Cold-rolled Sheet Co., Ltd.
Ansteel Finance Co.	Refers to	Ansteel Group Finance Co., Ltd.
Angang	Refers to	Angang Steel Company Limited
Vanadium & Titanium Co.	Refers to	Pangang Group Vanadium & Titanium Resources Co., Ltd.
Linggang	Refers to	Lingyuan Iron & Steel Co., Ltd.

II. Company Profile and Main Financial Index

I. Company Information

Stock abbreviation	Bengang Bancai, Bengangban B	Stock Code	000761, 200761
Stock exchange for listing	Shenzhen Stock Exchange		
Company name in Chinese	本钢板材股份有限公司		
Abbreviation of Company name in Chinese	本钢板材		
Company name in English (If any)	BENGANG STEEL PLATES CO., LTD.		
Abbreviation of Company name in English (If any)	BSP		
Legal representative	Wang Zhanwei		

II. Contact Information

	Secretary of the Board	Representative of Stock Affairs
Name	Liu Tiecheng	Chen Liwen
Address	No1-1 Gangtie Road, Pingshan District, Benxi City, Liaoning Province	No1-1 Gangtie Road, Pingshan District, Benxi City, Liaoning Province
Tel	024-47827003	024-47828980
Fax	024-47827004	024-47827004
Email	ltcjldd@163.com	bgbc000761@126.com

III. Other Information

1. Company Contact Information

Whether there are any changes in the Company's registered address, office address and its postal code, official website, and email address during the reporting period

□Applicable ☑Not applicable

There were no changes to the company's registered address, office address (including postal code), website, or email address during the reporting period; for details, please refer to the 2025 annual report.

2. Locations for Information Disclosure and Availability of Documents

Whether there are any changes in information disclosure media and location for document inspection during the reporting period

□Applicable ☑Not applicable

There were no changes during the reporting period regarding the websites and media outlets (including their URLs) where the company discloses its semi-annual reports, nor regarding the location where the semi-annual reports are kept available; for details, please refer to the 2025 annual report.

3. Other Relevant Information

Changes in other relevant information during the reporting period

☐Applicable ☑Not applicable

IV. Key accounting data and financial indicators

Whether the Company needs to retrospectively adjust or restate the accounting data of previous years

☐Yes ☑No

	Current period	Previous period	Changes over previous period
Operating income（RMB）	22,335,640,944.40	24,697,800,421.99	-9.56%
Net profit attributable to the shareholders of the listed company（RMB）	-1,907,548,241.52	-1,399,277,780.90	-36.32%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company（RMB）	-1,926,587,790.58	-1,450,379,795.78	-32.83%
Net Cash flow generated by business operation（RMB）	706,571,945.53	371,629,764.04	90.13%
Basic earnings per share (RMB/Share)	-0.464	-0.341	-36.07%
Diluted earnings per share (RMB/Share)	-0.464	-0.341	-36.07%
Weighted average net assets yield	-27.29%	-12.50%	-14.79%
	2026/06/30	2025/12/31	Changes over the end of the previous year
Total assets（RMB）	45,899,118,732.58	45,770,013,536.58	0.28%
Net assets attributable to shareholders of the listed company（RMB）	5,096,022,852.66	7,935,782,007.83	-35.78%

V. Differences between CAS and IFRS

1. Differences of net profit and net assets disclosed in financial reports prepared under IFRS and Chinese accounting standards.

☐Applicable ☑Not applicable

There are no differences of net profit and net assets disclosed in financial reports prepared under IFRS and Chinese accounting standards during the reporting period.

2. Differences of net profit and net assets disclosed in financial reports prepared under IFRS and Chinese accounting standards.

☐Applicable ☑Not applicable

There are no differences of net profit and net assets disclosed in financial reports prepared under IFRS and Chinese accounting standards during the reporting period.

VI. Items and Amount of Non-recurring Profits and Losses

☑Applicable ☐Not applicable

Unit：RMB

Items	Amount	Notes
Gains and losses on disposal of non-current assets (including the write off part of the provision for impairment)	-22,011,971.70	
Government subsidy attributable to profit and loss of current period (except such government subsidy closely related to the company's normal business operation, meeting the regulation of national policy and enjoyed constantly in certain quota or quantity according to a certain standard)	52,916,603.16	
Gains and losses of debt restructuring	53,299.22	
Other non-operating income and expenses other than above	-6,552,754.01	
Less: impact of income tax	4,090,301.81	
impact on Non-controlling Interests (after tax)	1,275,325.80	
Total	19,039,549.06	--

Specific circumstances of other items that meet the definition of non-recurring gains and losses:

☐Applicable ☑Not applicable

The company has no other specific circumstances that meet the definition of non-recurring gains and losses.

Explanation of situations where non-recurring gains and losses items listed in the "Public Offering of Securities Information Disclosure Explanatory Notice No. 1 – Non-Recurring Gains and Losses" are defined as recurring gains and losses items.

☐Applicable ☑Not applicable

The company has no situations where non-recurring gains and losses items listed in the "Public Offering of Securities Information Disclosure Explanatory Notice No. 1 – Non-Recurring Gains and Losses" are defined as recurring gains and losses items.

III. Management Discussion and Analysis

I. Main Business Operations During the Reporting Period

1. Industry Development Status

The company operates within the iron and steel industry—a fundamental sector of China's national economy that serves as a crucial pillar for building a modern, powerful nation and a key area for achieving green, low-carbon development.

In the first half of 2026, the domestic steel industry was characterized by contracting supply, structurally divergent demand, high costs, and profit pressures, with a distinct pattern of "strong flat products versus weak long products." Guided by policies to "control total volume, optimize supply, strengthen foundations, and drive transformation," the industry continued to regulate crude steel output and accelerate structural upgrades; however, uneven downstream demand recovery and an inverted relationship between raw material costs and product prices squeezed profit margins, intensifying overall operational pressure. Data from the National Bureau of Statistics and the China Iron and Steel Association indicate that national output for crude steel, pig iron, and finished steel products all declined year-on-year during the first six months of 2026. Cumulative crude steel output reached 500 million tonnes (down 3.0% year-on-year); pig iron output was 427 million tonnes (down 2.8%); and finished steel output was 719 million tonnes (down 0.9%). The China Steel Price Index (CSPI) fluctuated within a narrow range during the first half of the year, with the average price edging down; steel price increases failed to offset the rise in raw material costs. On the cost side, the market showed a trend of "strong coke versus weak ore": iron ore prices declined slightly, while prices for coking coal and coke surged, driving up full-process smelting costs and widening the scope of industry-wide losses. Regarding market demand, domestic steel consumption showed significant divergence; the real estate market remained at a low ebb, causing a sharp drop in demand for long steel products used in construction. Conversely, demand for flat steel products remained resilient, driven by sectors such as shipbuilding, offshore wind power, new energy vehicles, and equipment manufacturing; the share of steel consumed by the manufacturing sector continued to rise, serving as a core pillar of industry demand. Import and export activities faced pressure; overseas trade barriers and the implementation of carbon tariff policies hampered steel exports, resulting in a year-on-year decline in total export volume—though high-end flat steel exports demonstrated greater resilience than ordinary carbon construction steel—while steel imports continued to contract.

2. Main business, main products and their uses

During the reporting period, the Company’s primary business activities included iron and steel smelting, rolling and processing, power generation, coal chemicals, special steel profiles, railway operations, import and export trade, scientific research, and product sales. It has essentially established a premium steel production base centered on automotive steel, offering a product portfolio comprising over 60 varieties and more than 7,500 specifications. Its flagship products—such as automotive exterior panels, home appliance sheets, oil pipeline steel, container plates, and shipbuilding plates—are widely used in sectors including automotive manufacturing, home appliances, petrochemicals, aerospace, machinery manufacturing, energy and transportation, construction and decoration, and metal products, and are exported to over 60 countries and regions. There were no significant changes to the Company's core business during the reporting period.

3. Business model

Procurement Model: The Company's procurement model encompasses both domestic and international procurement. Domestic procurement is conducted through collaborative purchasing, centralized tendering (both public and invited), price inquiries and comparisons, competitive bidding, and negotiations. International procurement is carried out via long-term agreements, direct purchasing, public and invited tendering, price inquiries and comparisons, competitive negotiations, and consultative purchasing; these activities are primarily handled by Angang International Trade, Benxi Branch.

Sales Model: The company's sales operations are divided into domestic and export markets. Domestic sales primarily focus on futures-based transactions, utilizing distribution channels centered on direct supply, general distribution, and engineering projects. Contract orders are organized in advance on a monthly basis, and production is subsequently scheduled in accordance with these orders. Tailored to the specific characteristics of different regions, distribution channels, and industries, the company implements a variety of pricing strategies and sales methods—including deferred settlement for futures, "one factory, one policy" approaches, and index-based pricing. Export sales are handled by Ansteel International Trade, Benxi Branch, which acts as the company's export agent, with the company covering the associated agency fees.

4.Main Performance Drivers

During the reporting period, the Company closely adhered to the strategic deployment of "concentrating efforts to tackle five key priorities and achieving new starts in three areas." It fully implemented the requirements to "focus on one central theme, anchor development in three transformations, enhance four key capabilities, and achieve five new breakthroughs," while steadfastly advancing the "0115" guiding principles and maintaining a work style characterized by rigor, meticulousness, and pragmatism.

(1) By prioritizing technological innovation, the company has achieved new breakthroughs in high-end development. Anchored in technological innovation and a strategy focused on high-end products, the company has tackled the challenges of developing "extreme-specification" products and concentrated on enhancing quality and efficiency through core controlled-rolling and controlled-cooling processes. It has continuously refined its process systems, optimized production line performance, and expanded its presence in high-end markets. Significant breakthroughs were achieved in mastering technologies for extreme specifications. Through targeted R&D efforts—including optimizing coil properties, redesigning alloy compositions, and iterating rolling processes—the company successfully established a production workflow on its 2300 hot-rolling line for ultra-wide, ultra-thick plates (ranging from 20–28 mm in thickness and 2,000–2,190 mm in width). The launch of the 2,190 mm extreme-width product marked a global first, creating a flagship domestic product in this category and filling a gap in the industry.

(2) By harnessing the power of digital enablement, the company has achieved significant new milestones in intelligent development. Committed to driving industrial model transformation through intelligence, the company has upgraded from an "experience-driven" approach to a dual-driver model powered by both data and algorithms, earning the AAAA-level certification for the national management system for the integration of industrialization and information technology. Efforts to accelerate industrial digital-intelligence integration have been intensified; by establishing a "smart model matrix" that connects the entire data chain—spanning steelmaking, hot rolling, and cold rolling—the company now covers five key dimensions: process optimization, predictive equipment maintenance, precision energy management, marketing decision support, and precise quality traceability. Smart models are being implemented and delivering results in a phased, categorized manner. Focusing on core areas such as cost accounting, lean operations, and value creation, the company has successfully developed and deepened the application of 41 smart models.

(3) Focusing on the "Dual Carbon" strategy, the company has made significant strides in its green transformation. Guided by this strategy and targeting key production processes—coking, sintering, ironmaking, steelmaking, and rolling—the company has intensified management upgrades, process improvements, and the optimization of its energy structure. It has continued to consolidate the results of its ultra-low emission retrofitting. By implementing comprehensive ultra-low emission controls covering organized emissions, fugitive emissions, and clean transportation, the company has substantially elevated its environmental management standards, achieving a 25.7% year-on-year reduction in pollutant emissions. Efforts to achieve world-class energy efficiency have accelerated; key energy projects were successfully executed, with two 135MW power generation units successfully connected to the grid. Production operations were reorganized with a focus on energy efficiency; in June, the self-generated power ratio exceeded 80% and utility costs (water and electricity) fell below 80 yuan per unit, marking the first time the "Double 80" targets were surpassed and setting a historic record. Energy conversion efficiency improved dramatically, with the self-generated power ratio reaching the industry's 90th percentile, and cumulative converter gas recovery hitting a record high of 139.2 m^3/t.

II. Core Competence Analysis

The company adheres to an innovation-driven approach and a "premium + service" development model, with strategic goals to build an internationally competitive premium steel plate base, a leading domestic special steel base, and a comprehensive service provider. By playing a leading role in strategy, the company focuses on quality improvement, efficiency enhancement, product upgrades, technological innovation, and green and smart manufacturing. These efforts aim to innovate business management strategies, enhance core competitiveness, and drive high-quality, green, and smart development.

1. Production and Manufacturing Capacity: Guided by the philosophy of "prioritizing efficiency and creating value," the company deepened the operation of "virtual business units," extending cost-conscious management to every production line, product variety, and job role. Efforts focused on enhancing "eight key efficiency metrics" and optimizing production line positioning to ensure high-efficiency output for active lines while minimizing expenses for idle ones. The company advanced efficiency improvements across the entire value chain, implementing an operational model defined by "extreme satisfaction, extreme efficiency, and extreme cost control." First, production efficiency improved; in the first half of the year, the company broke various production records 151 times, setting an all-time high. Second, production costs continued to decline. Third, technical and quality capabilities advanced, with cumulative production of automotive steel sheets reaching 1.2308 million tons.

2. Equipment Transformation and Upgrading: For 2026, the company issued a fixed-asset investment plan totaling RMB 1.492 billion. Projects implemented include the rainwater-sewage separation upgrade for the Steelmaking Plant and Fujinhe River area; the quality and efficiency enhancement upgrade for the No. 5 galvanizing line at the Cold Rolling Plant (targeting high-grade products); the upgrade of the Bengang-POSCO No. 3 galvanizing line for high-grade automotive sheet production; and a new round of large-scale technological, IT, and environmental upgrades—exemplified by the "smart factory" transformation of the Hot Strip Mill's 2300 line. Currently, the rainwater-sewage separation project at the Ironmaking Plant's coking section, the environmental upgrade

(vibrating screens and passive dust removal) at the Resource Service Branch, and the enclosure of conveyor belt head/tail pulleys and feed points at the Ironmaking Plant have all been put into operation; meanwhile, the quality and efficiency enhancement project for the Hot Strip Mill's 2300 line is proceeding steadily.

3. New Product Development Capability: The company completed the development of 20 new products and secured orders totaling 73.5 thousand tonnes. It advanced the iterative upgrading of high-strength automotive steels, successfully producing a trial batch of 1,000 MPa-grade hot-dip galvanized dual-phase steel. Focusing on the home appliance steel market, the company developed pickled enameling steel, thereby filling a gap in its product portfolio. Through targeted technical breakthroughs, it achieved stable production of CCSB-grade shipbuilding plate steel in an ultra-thick specification (26.0 mm); the product has passed China Classification Society (CCS) certification and is qualified for supply. Significant progress was made in expanding overseas markets; regarding exported high-end grinding ball steel, process optimization resolved technical bottlenecks in ultrasonic Class A flaw detection for large-specification products and overcame issues such as high defect rates during the straightening of high-carbon steel.

4. Technological Innovation Capability: To strengthen industry-academia collaboration, the company partnered with Xi'an Jiaotong University on the project "Research on Edge Cracking in DP980-DH980 High-Strength Steel Under Complex Loading Conditions," facilitating the transfer of mature technological achievements from universities and research institutes to the enterprise. Regarding standards, the company is currently developing four international standards, nine national standards, and one group standard; the revision of the ISO 9681 international standard, led by the company, has been completed and is undergoing pre-publication review, while the revision of three national standards—including GB/T 17600—has also been completed and submitted to the Standardization Administration of China for review. In terms of intellectual property, the company filed 69 patent applications (including 47 for inventions) and was granted 37 patents (including 28 for inventions). Regarding technological achievements, the company won two provincial- or ministerial-level Science and Technology Progress Awards: the project "Collaborative Technology for Digital-Enabled Automotive Steel Forming, Crash Safety, and Lightweighting, and Its Full-Chain Engineering Transformation" received the Second Prize of the Liaoning Province Science and Technology Award, and the project "Development and Large-Scale Engineering Application of Key Technologies for Precision Forming and Crash Safety of High-Performance Automotive Steel Under Complex Loads" won the Third Prize of the Science and Technology Innovation Award from the China Industry-University-Research Institute Collaboration Association.

5. Green Development Capability: The company is prioritizing initiatives such as the trial production of "green steel" products, the certification of low-carbon steel grades, and the development of a carbon management platform. It has successfully secured certification for three low-carbon steel grades—including pickled steel SPH270D—for Toyota's technical reserve projects, as well as for deep-drawing steel St04D+Z and 590DPD+Z for FAW's technical reserve projects; additionally, it obtained certification for hot-dip galvanized green steel DC53D+Z intended for use in Sony TV back panels. By pioneering a combined process route utilizing "blast furnace hot metal + electric arc furnace (EAF) molten steel (100% scrap)," the company has launched the production of low-carbon automotive steel. Three process models have been explored: a 220t hot metal + 120t special steel molten steel model (35% scrap ratio); a 170t hot metal + 170t special steel molten steel model (50% scrap ratio); and a 50t hot metal + 200t molten steel model (80% scrap ratio). These models enable carbon emission reductions ranging from 30% to 60%. To enhance its competitiveness in product carbon management and meet the requirements of high-end supply chains, the company is collaborating with Baosight Software to build a carbon management platform; the project has currently entered the implementation phase.

6. Intelligent Manufacturing Capability: Adhering to a strategy driven by the "Smart Index" and supported by the digital and intelligent transformation of production processes, the company has steadily implemented smart manufacturing. Intelligent projects launched in 2025—including the smart factory in the No. 3 Cold Rolling area, Phase II of the integrated quality data management platform, and the adaptation of the plate information system for independent and controllable operation—have already seen full or partial functional deployment. Plans for 2026 include investments in Phase II of the plate information system adaptation and the smart factory upgrade for the 2300mm hot continuous rolling line. Driven by digital and intelligent technological innovation, the company has achieved a data assetization rate of 92%. It has deployed 26 robotic units for "3D" tasks (dirty, dangerous, and demanding)—such as blast furnace inspections, temperature measurement and sampling, and slag removal—raising the automation substitution rate from 9% to 32%. The Smart Index score reached 82.67, marking a transition from the "integration" level to the "optimization" level—a 19.36% increase from the previous 69.26—thereby accelerating the pace of smart manufacturing for its plate products. The company has been recognized as an "Excellent-Level Smart Factory" by the Ministry of Industry and Information Technology (MIIT) and an "Advanced-Level Smart Factory" by the Liaoning Provincial Department of Industry and Information Technology; it was also named a "Smart Steel Demonstration Unit" at the 10th Smart Steel Technology and Equipment Development Conference and a benchmark enterprise for digital transformation in Liaoning Province, while successfully obtaining AAAA-level certification for the integration of industrialization and informationization.

III. Main Business Analysis

Overview

Please refer to the section "I. Main Business Operations During the Reporting Period."

Year-over-year changes in key financial data

Unit: RMB

	Current period	Previous period	Change over last year	Reason
Operating income	22,335,640,944.40	24,697,800,421.99	-9.56%	
Operating cost	23,417,107,587.05	25,441,217,248.92	-7.96%	
Selling and distribution expenses	57,847,251.98	61,464,166.53	-5.88%	
General and administrative expenses	270,993,726.11	285,764,896.43	-5.17%	
Financial expenses	262,347,038.94	208,340,955.08	25.92%	Attributable to an increase in interest expenses on interest-bearing liabilities and exchange losses during the current period.
Income tax expenses	68,072,357.45	19,976,028.30	240.77%	Due to factors such as the recognition of deferred income tax for the period and an increase in taxes and fees paid.
R&D expenses	735,966,482.00	947,389,590.00	-22.32%	
Net cash flows from operating activities	706,571,945.53	371,629,764.04	90.13%	Due to a decrease in cash outflows for purchases during the current period.
Net cash flows from investing activities	-835,819,961.61	-948,969,224.56	11.92%	Due to a decrease in cash payments for the acquisition and construction of long-term assets during the current period.
Net cash flows from financing activities	844,277,450.56	93,464,711.63	803.31%	Due to factors such as the repayment of maturing convertible bonds and an increase in bank borrowings.
Net increase in cash and cash equivalents	672,713,356.50	-471,693,191.36	242.62%	Attributable to factors such as a decrease in cash outflows for purchases and the acquisition or construction of long-term assets, as well as an increase in bank borrowings obtained to repay maturing convertible bonds.

Significant changes in the composition or sources of the Company's profits during the reporting period.

☐Applicable ☑Not applicable

There were no significant changes in the composition or sources of the company's profit during the reporting period.

Breakdown of Operating Revenue

Unit：RMB

	Current period	Previous period	Change over

	Amount	Proportion	Amount	Proportion	last year
Total operating revenue	22,335,640,944.40	100%	24,697,800,421.99	100%	-9.56%
By industries					
Industry	22,335,640,944.40	100.00%	24,697,800,421.99	100.00%	-9.56%
By product					
Steel plate	21,230,381,832.17	95.05%	23,720,436,767.59	96.04%	-10.50%
Others	1,105,259,112.23	4.95%	977,363,654.40	3.96%	13.09%
By region					
Domestic	18,498,429,591.74	82.82%	20,437,177,010.22	82.75%	-9.49%
International	3,837,211,352.66	17.18%	4,260,623,411.77	17.25%	-9.94%

Industries, products, regions, or sales models accounting for more than 10% of the company's revenue or operating profit

☑Applicable ☐Not applicable

Unit：RMB

	Operating revenue	Operating costs	Gross margin	Operating income change over last year	Operating costs change over last year	Gross margin change over last year
By industries						
Industry	22,335,640,944.40	23,417,107,587.05	-4.84%	-9.56%	-7.96%	-1.83%
By product						
Steel plate	21,230,381,832.17	22,317,462,327.24	-5.12%	-10.50%	-8.78%	-1.98%
Others	1,105,259,112.23	1,099,645,259.81	0.51%	13.09%	12.63%	0.40%
By region						
Domestic	18,498,429,591.74	19,389,365,082.08	-4.82%	-9.49%	-8.20%	-1.47%
International	3,837,211,352.66	4,027,742,504.97	-4.97%	-9.94%	-6.76%	-3.57%

In the case where the statistical scope of the company's main business data has been adjusted during the reporting period, the company's main business data for the most recent year, adjusted according to the reporting period's scope.

☐Applicable ☑Not applicable

IV. Analysis of Non-core Business

☑Applicable ☐Not applicable

Unit：RMB

	Amount	Proportion in total profit	Explanation of cause	Whether sustainable
Other income	54,759,372.15	-3.03%	Primarily consist of gains from government subsidies.	No
Investment income (losses are marked with a "-")	-13,043,716.99	0.72%	Primarily consist of gains from the discounting of bank acceptance bills.	No
Credit impairment loss (losses are marked with a "-")	-9,502,738.36	0.53%	Impairment provision recognized for accounts receivable.	No
Asset impairment loss (losses	-14,435,000.34	0.80%	Provision for Inventory	No

are marked with a "-")			impairment losses.	
Non-operating income	6,082,381.82	-0.34%	Mainly due to the impact of scrapping of non-current assets and other gains.	No
Non-operating expenses	34,760,019.49	-1.92%	Primarily attributable to losses from the retirement of non-current assets and other expenditures.	No

V. Assets and Liabilities

1. Significant Change of Assets Components

Unit：RMB

	2026/06/30		2025/12/31		Proportion change	Notes to significant change
	Amount	Proportion in the total assets	Amount	Proportion in the total assets		
Cash and cash equivalents	1,801,115,557.54	3.92%	1,127,390,675.15	2.46%	1.46%	
Accounts receivable	1,284,974,584.51	2.80%	1,178,780,456.77	2.58%	0.22%	
Inventories	6,071,509,678.50	13.23%	6,369,194,886.12	13.92%	-0.69%	
Long-term equity investment	43,269,884.04	0.09%	43,269,884.04	0.09%	0.00%	
Fixed assets	28,503,203,951.19	62.10%	28,412,673,622.89	62.08%	0.02%	
Construction in process	2,621,834,772.76	5.71%	3,074,712,066.38	6.72%	-1.01%	
Right of use assets	2,863,353,470.27	6.24%	2,607,155,393.90	5.70%	0.54%	
Short-term loans	4,575,371,374.99	9.97%	333,660,470.12	0.73%	9.24%	
Contract liabilities	2,701,578,357.21	5.89%	2,736,697,947.25	5.98%	-0.09%	
Long-term loans	9,227,985,607.86	20.10%	6,014,469,758.11	13.14%	6.96%	
Lease liabilities	2,313,796,245.61	5.04%	2,239,436,105.64	4.89%	0.15%	

2. Overview of Major Overseas Assets.

☐Applicable ☑Not applicable

3. Assets and Liabilities Measured at Fair Value

☑Applicable ☐Not applicable

Unit：RMB

Item	Beginning balance	Profit and loss from changes in fair value in the current	Accumulated fair value changes recognised in equity	Impairment accrued in the current period	Amount purchased in the current period	Amount sold in the current period	Other changes	Ending balance

		period						
Financial assets								
4. Other equity instruments investment	890,420,831.77		-165,618,690.23					890,420,831.77
Subtotal	890,420,831.77		-165,618,690.23					890,420,831.77
Total	890,420,831.77		-165,618,690.23					890,420,831.77
Financial liabilities	0.00							0.00

Other changes

Whether there has been a significant change in the measurement attributes of the company's main assets during the reporting period

☐Yes ☑No

4. Restricted Assets by the End of the Period

Items	Ending Balance			
	Gross Book Value	Net Book Value	Restricted types	Status
Cash at bank and on hand	840,931,894.73	840,931,894.73	Margin for bills/notes, margin for letters of credit	Margin for bills/notes, margin for letters of credit
Notes receivable	3,000,000.00	3,000,000.00	Pledged	Pledged
Accounts receivable financing	124,228,068.50	124,228,068.50	Pledged	Pledged
Total	968,159,963.23	968,159,963.23		

VI. Analysis of Investment Status

1. Overview

☐Applicable ☑Not applicable

2. Significant equity investment obtained during the reporting period

☐Applicable ☑Not applicable

3. Major non-equity investments ongoing during the reporting period.

☐Applicable ☑Not applicable

4. Financial asset investments

(1) Securities investment

☐Applicable ☑Not applicable

The company did not have any securities investments during the reporting period.

(2) Derivative investment situation

☐Applicable ☑Not applicable

The company did not have any derivative investments during the reporting period.

5. Use of Raised Funds

√ Applicable □ Not applicable

(1) Use of Raised Funds

√Applicable □ Not applicable

Unit: 10 thousand yuan

Year	Fundraising Method	Securities listing date	Total amount of funds raised	Net Raised Funds (1)	Total Funds Used in the Current Period	Cumulative Funds Used (2)	Fund Usage Ratio at the End of the Reporting Period (3) = (2) / (1)	Total Funds Redirected During the Reporting Period	Cumulative Redirected Funds	Cumulative Redirected Funds Ratio	Total Unused Raised Funds	Purpose and destination of unused raised funds	Amount of raised funds idle for more than two years
2020	Issue of convertible bonds	August 4, 2020	680,000	675,920	0	487,823.88	72.17%	101,479	101,479	15.01%	0	None	0
Total	--	--	680,000	675,920	0	487,823.88	72.17%	101,479	101,479	15.01%	0	--	0

Explanation of the overall use of raised funds

1. Use of Funds Raised for Investment Projects

For details regarding the actual use of raised funds by the Company from January to June 2026, please refer to Appendix 1, "Comparison Table of the Use of Raised Funds."

2. Changes in the Implementation Location or Method of Investment Projects

During the reporting period, there were no changes in the investment projects funded by the raised funds, nor were there any changes in their implementation locations or methods.

3. Initial investment and replacement of raised funds investment projects

The 13th meeting of the 8th Board of Directors and the 11th meeting of the 8th Board of Supervisors of the Company reviewed and approved the "Proposal on Using Raised Funds to Replace Self-raised Funds Pre-invested in Raised Fund Investment Projects and Paid Issuance Expenses", agreeing that the company will use raised funds to replace self-raised funds pre-invested in raised funds investment projects and paid issuance expenses, with a total replacement amount of RMB 366,180,860.17. This replacement does not involve a disguised change in the use of raised funds, does not affect the normal progress of raised funds investment projects, and the replacement time is no more than 6 months from the time the raised funds arrive, which is in compliance with relevant laws and regulations.

Before the raised funds were received, the company had used self-raised funds to pre-invest in the raised projects according to the project progress. As of May 31, 2020, the amount of self-raised funds pre-invested was RMB 365,630,860.17, including the steel plant No. 8 casting machine project was RMB 76,278,945.59, the iron plant No. 5 blast furnace capacity replacement project was RMB 119,043,290.09, the special steel electric furnace upgrade and transformation project was RMB 59,948,807.90, the CCPP power generation project was RMB 95,098,084.16, and the steel plant No. 4-6 converter environmental protection transformation project was RMB 15,261,732.43. As of July 6, 2020, the above-mentioned issuance expenses of RMB 55,000.00 paid by the company's own funds were replaced with raised funds.

From March 1, 2019 to May 31, 2021, the company used self-raised funds to pay for the construction of projects funded by the raised funds, amounting to RMB 1,082,356,809.47, including RMB 180,000.00 for the high-grade high-magnetic induction non-oriented silicon steel project, RMB 55,364,729.08 for the No. 8 casting machine project of the steelmaking plant, RMB 628,049,033.12 for the capacity replacement project of the No. 5 blast furnace of the ironmaking plant, RMB 253,298,156.22 for the upgrading and transformation project of the special steel electric furnace, RMB 115,353,050.36 for the CCPP power generation project, and RMB 30,111,840.69 for the environmental protection transformation project of the No. 4-6 converters of the steelmaking plant. The company has transferred the above amounts from the raised funds account to the general deposit account in 2021.

From June 1, 2021 to May 31, 2022, the company used self-raised funds to pay for the construction of projects funded by the raised funds, amounting to RMB 614,208,698.23, including: RMB 12,881,890.61 for the No. 8 Casting Machine Project of the Steelmaking Plant, RMB 17,508,088.97 for the Capacity Replacement Project of the No. 5 Blast Furnace of the Ironmaking Plant, RMB 364,155,482.35 for the Upgrading and Reconstruction Project of the Special Steel Electric Furnace, RMB 186,441,497.75 for the CCPP Power Generation Project, and RMB 33,221,738.55 for the Environmental Protection Reconstruction Project of the No. 4 and No. 6 Converters of the Steelmaking Plant. The company has transferred the above amounts from the raised funds account to the general deposit account in 2022.

From June 1, 2022 to May 31, 2023, the company used self-raised funds to pay for the construction of the raised funds investment projects, amounting to RMB 494,502,583.01, of which RMB 15,316,136.52 was used for the capacity replacement project of No. 5 blast furnace of the ironmaking plant, RMB 19,796,661.74 for the CCPP power generation project, RMB 429,392,157.76 for the upgrading and transformation project of the special steel electric furnace, RMB 21,452,968.70 for the environmental protection transformation project of No. 4-6 converters of the steelmaking plant, and RMB 8,544,658.29 for the No. 8 casting machine project of the steelmaking plant. As of December 31, 2023, the company has transferred the funds from the raised funds account to the general deposit account.

From June 1, 2023 to May 31, 2024, the company used self-raised funds to pay for the construction of the raised investment projects, amounting to RMB 102,185,736.55, of which RMB 24,887,030.75 was used for the No. 8 casting machine project of the steelmaking plant, RMB 5,111,121.59 for the capacity replacement project of the No. 5 blast furnace of the ironmaking plant, RMB 60,162,375.13 for the upgrading and transformation project of the special steel electric furnace, RMB 5,454,868.60 for the CCPP power generation project, and RMB 6,570,340.48 for the environmental protection transformation project of the No. 4-6 converters of the steelmaking plant. As of December 31, 2024, the company has transferred the funds from the raised funds account to the general deposit account.

From June 1, 2024 to May 31, 2025, the company has no prior investment or replacement of raised funds in investment projects.

From June 1, 2025 to May 31, 2026, the company has no prior investment or replacement of raised funds in investment projects.

4. Using idle raised funds to temporarily supplement working capital

During the reporting period, the Company did not use temporarily idle raised funds to temporarily supplement working capital.

(1) Status of the temporary use of idle raised funds to supplement working capital in 2020

The company used idle raised funds of RMB4,180,000,000.00 (RMB1,010,000,000.00 for high-grade and high-magnetic induction non-oriented silicon steel project, RMB220,000,000.00 for the No. 8 casting machine project of the steel plant, RMB800,000,000.00 for the capacity replacement project of No. 5 blast furnace of the iron plant, RMB1,300,000,000.00 for the special steel electric furnace upgrading and renovation project, RMB700,000,000.00 for the CCPP power generation project, and RMB150,000,000.00 for the environmental protection renovation project of No. 4-6 converters of the steel plant) to temporarily supplement working capital. The matter was reviewed and approved at the 14th meeting of the 8th Board of Directors and the 12th meeting of the 8th Board of Supervisors held on July 28, 2020. The company's independent directors have expressed their clear consent. The time for supplementing working capital shall not exceed 12 months.

The sponsor of the company's public issuance of convertible corporate bonds agreed that the company could use idle raised funds to temporarily supplement working capital and issued the "Guotai Junan Securities Co., Ltd.'s Verification Opinion on the Company's Use of Idle Raised Funds to Temporarily Supplement Working Capital".

As of July 27, 2021, the Company has returned all of the idle raised funds used to temporarily supplement working capital to the Company's special account for raised funds.

(2) Status of the temporary use of idle raised funds to supplement working capital in 2021

The company used idle raised funds of RMB 3,030,000,000.00 (RMB 1,010,000,000.00 for high-grade and high-magnetic induction non-oriented silicon steel project, RMB 150,000,000.00 for the No. 8 casting machine project of the steel plant, RMB 160,000,000.00 for the capacity replacement project of No. 5 blast furnace of the iron plant, RMB 1,000,000,000.00 for the special steel electric furnace upgrade and renovation project, RMB 590,000,000.00 for the CCPP power generation project, and RMB 120,000,000.00 for the environmental protection renovation project of No. 4-6 converters of the steel plant) to temporarily supplement working capital. The matter was reviewed and approved at the 19th meeting of the 8th Board of Directors and the 17th meeting of the 8th Board of Supervisors held on July 28, 2021. The company's independent directors have expressed their clear consent. The time for replenishing working capital shall not exceed 12 months.

The sponsor of the company's public issuance of convertible corporate bonds agreed that the company could use idle raised funds to temporarily supplement working capital and issued the "Guotai Junan Securities Co., Ltd.'s Verification Opinion on the Company's Use of Idle Raised Funds to Temporarily Supplement Working Capital".

As of July 26, 2022, the Company has returned all of the idle raised funds used to temporarily supplement working capital to the Company's special account for raised funds.

(3) Status of the temporary use of idle raised funds to supplement working capital in 2022

The company used idle raised funds of RMB 3,014,000,000.00 (RMB 1,015,000,000.00 for high-grade and high-magnetic induction non-oriented silicon steel project, RMB 165,000,000.00 for the No. 8 casting machine project of the steel plant, RMB 175,000,000.00 for the capacity replacement project of No. 5 blast furnace of the iron plant, RMB 933,000,000.00 for the special steel electric furnace upgrade and renovation project, RMB 578,000,000.00 for the CCPP power generation project, and RMB 148,000,000.00 for the environmental protection renovation project of No. 4-6 converters of the steel plant) to temporarily supplement working capital. The matter was reviewed and approved at the third meeting of the ninth board of directors and the third meeting of the ninth board of supervisors held on July 28, 2022. The company's independent directors have expressed their clear consent. The time for replenishing working capital shall not exceed 12 months.

The sponsor of the company's public issuance of convertible corporate bonds agreed that the company could use idle raised funds to temporarily supplement working capital and issued the "Guotai Junan Securities Co., Ltd.'s Verification Opinion on the Company's Use of Idle Raised Funds to Temporarily Supplement Working Capital".

As of July 17, 2023, the Company has returned all of the idle raised funds used to temporarily supplement working capital to the Company's special account for raised funds.

(4) Status of the temporary use of idle raised funds to supplement working capital in 2023

The company used idle raised funds of RMB 1,961,200,000.00 (RMB 1,015,000,000.00 for high-grade and high-magnetic induction non-oriented silicon steel project, RMB 125,000,000.00 for the No. 8 casting machine project of the steel plant, RMB 145,000,000.00 for the capacity replacement project of No. 5 blast furnace of the iron plant, RMB 188,000,000.00 for the special steel electric furnace upgrade and renovation project, RMB 393,200,000.00 for the CCPP power generation project, and RMB 95,000,000.00 for the environmental protection renovation project of No. 4-6 converters of the steel plant) to temporarily supplement working capital. The matter was reviewed and approved at the 17th meeting of the 9th Board of Directors and the 12th meeting of the 9th Board of Supervisors held on July 19, 2023. The company's independent directors have expressed their clear consent. The time for supplementing working capital shall not exceed 12 months.

The sponsor of the company's public issuance of convertible bonds agreed that the company could use idle raised funds to temporarily supplement working capital and issued the "Guotai Junan Securities Co., Ltd.'s Verification Opinion on the Company's Use of Idle Raised Funds to Temporarily Supplement Working Capital".

As of July 17, 2024, the Company has returned all of the idle raised funds used to temporarily supplement working capital to the Company's special account for raised funds.

(5) Status of the temporary use of idle raised funds to supplement working capital in 2024

The company used idle raised funds of RMB 1,860,000,000.00 (RMB 1,015,000,000.00 for high-grade and high-magnetic induction non-oriented silicon steel project, RMB 100,000,000.00 for the No. 8 casting machine project of the steel plant, RMB 140,000,000.00 for the capacity replacement project of No. 5 blast furnace of the iron plant, RMB120,000,000.00 for the special steel electric furnace upgrade and renovation project, RMB 397,000,000.00 for the CCPP power generation project, and RMB 88,000,000.00 for the environmental protection renovation project of No. 4-6 converters of the steel plant) to temporarily supplement working capital. The matter was reviewed and approved at the 26th meeting of the 9th Board of Directors and the 17th meeting of the 9th Board of Supervisors held on July 18, 2024. The company's independent directors have expressed their clear consent. The time for supplementing working capital shall not exceed 12 months.

The sponsor of the company's public issuance of convertible bonds agreed that the company could use idle raised funds to temporarily supplement working capital and issued the "Guotai Junan Securities Co., Ltd.'s Verification Opinion on the Company's Use of Idle Raised Funds to Temporarily Supplement Working Capital".

As of July 15, 2025, the Company has returned the aforementioned idle raised funds, which were utilized to temporarily supplement working capital, to the Company's designated special account for raised funds.

(6) Status of the temporary use of idle raised funds to supplement working capital in 2025

The proposal regarding the temporary use of RMB 1,015,000,000.00 in idle raised funds—originally designated for the "High-Grade, High-Magnetic-Induction Non-Oriented Silicon Steel Project"—to supplement working capital was reviewed and approved at the Second Meeting of the 10th Board of Directors and the Second Meeting of the 10th Board of Supervisors, held on July 16, 2025. The Company's Independent Directors have issued an explicit opinion of consent regarding this matter; the duration of this working capital supplementation shall not exceed 12 months.

The sponsor of the company's public issuance of convertible bonds agreed that the company could use idle raised funds to temporarily supplement working capital and issued the "Guotai Junan Securities Co., Ltd.'s Verification Opinion on the Company's Use of Idle Raised Funds to Temporarily Supplement Working Capital".

On April 23, 2026, the Company fully returned the idle raised proceeds of RMB 1,015 million—which had been used to temporarily supplement working capital—to the Company’s designated account for raised proceeds, and notified its sponsor and sponsor representatives.

5. Cash management using idle raised funds

The company did not use idle raised funds for cash management during the reporting period.

6. Use of surplus raised funds

On April 2, 2025, the company held the 35th meeting of the 9th Board of Directors and the 21st meeting of the 9th Board of Supervisors to review and approve the "Proposal on Completing Some Fundraising Projects and Using the Surplus Fundraising Funds to Permanently Supplement Working Capital". Given that the Company's 2020 public issuance of convertible corporate bonds, which raised funds for investment projects including the "Steel Plant No. 8 Casting Machine Project," the "Iron Plant No. 5 Blast Furnace Capacity Replacement Project," the "Special Steel Electric Furnace Upgrading and Reconstruction Project," the "CCPP Power Generation Project," and the "Steel Plant No. 4-6 Converter Environmental Reconstruction Project," have essentially completed investment, in order to rationally utilize the raised funds, reduce the Company's financial expenses, enhance the Company's sustainable operating capacity, and fully utilize the raised funds, and in accordance with the requirements of relevant laws, regulations, and normative documents such as the "Guidelines for the Supervision of Listed Companies No. 2 - Regulatory Requirements for the Management and Use of Raised Funds by Listed Companies" and the "Shenzhen Stock Exchange Guidelines for Self-Regulatory Supervision of Listed Companies No. 1 - Standardized Operations of Main Board Listed Companies," the Company intends to use the remaining raised funds of RMB 870.18 million (the specific amount will be based on the bank interest balance settled on the date the funds are transferred) from these completed investment projects to permanently supplement its working capital for the Company's daily operations.

In addition, the company does not use the surplus funds from the raised funds investment projects for other raised funds investment projects or non-raised funds investment projects.

The sponsor of the company's public offering of convertible bonds agreed that the company would use the remaining raised funds to permanently supplement its working capital and issued the "Guotai Junan Securities Co., Ltd.'s Verification Opinion on the Completion of Some Fundraising Projects of Bengang Plate Co., Ltd. and the Use of the Surplus Raised Funds to Permanently Supplement Working Capital".

7. Changes in the Use of Raised Funds

On April 24, 2026, the Company convened the ninth meeting of the tenth Board of Directors, where the "Proposal on Changing the Use of Certain Raised Funds to Permanently Supplement Working Capital" was approved with 9 votes in favor, 0 against, and 0 abstentions. The Board agreed to terminate the raised-fund investment project titled "High-Grade, High-Magnetic-Induction Non-Oriented Silicon Steel Project" and to utilize the entire remaining balance of the project's raised funds—amounting to RMB 1,014.79 million—to permanently supplement working capital.

Apart from this, the Company has not used the remaining funds from raised-fund investment projects for other raised-fund investment projects or for projects not funded by raised proceeds.

The sponsor for the Company's public issuance of convertible bonds consented to the Company's use of the remaining raised funds to permanently supplement working capital and issued the "Verification Opinion of Guotai Haitong Securities Co., Ltd. on Bengang Plate Co., Ltd.'s Change of Use of Certain Raised Funds to Permanently Supplement Working Capital."

8. Utilization of excess raised funds

The Company has no instances of utilizing excess raised funds.

(2) Fundraising commitments

√Applicable □ Not applicable

Unit: 10 thousand yuan

Financing Project Name	Securities Listing Date	Committed Investment Projects and Excessive Fund Allocation	Project Nature	If the Project Been Changed (Including Partial Changes)	Total Committed Investment Amount	Adjusted Total Investment Amount (1)	Investment Amount for the Reporting Period	Cumulative Investment Amount by the End of the Period (2)	Investment Progress by the End of the Period (3) = (2)/(1)	Project Reached Predetermined Usable Status Date	Benefits Achieved in the Reporting Period	Cumulative Benefits Achieved by the End of the Period	Expected Benefits Achieved	Has There Been a Major Change in Project Feasibility
Committed Investment Projects														
Bengang Convertible Bonds	August 4, 2020	High-grade high magnetic induction non-oriented silicon steel project	Manufacturing construction	Yes	101,620	101,620	0	141	0.14%	March 1, 2032	0	0	Not applicable	No
Bengang Convertible Bonds	August 4, 2020	Steel plant No. 8 casting machine project	Manufacturing construction	No	33,500	33,500	0	22,756.19	67.93%	October 31, 2020	-18,919.38	-74,603.98	No	No
Beng	Augu	Blast	Manuf	No	96,000	96,000	0	81,187.52	84.57%	November	-24,816.28	-74,043.65	No	No

ang Convertible Bonds	st 4, 2020	furnace No. 5 capacity replacement project	acturing construction							30, 2020				
Bengang Convertible Bonds	August 4, 2020	Special steel electric furnace upgrade project	Manufacturing construction	No	141,600	141,600	0	129,042.92	91.13%	December 31, 2025	-10,870.22	-10,870.22	No	No
Bengang Convertible Bonds	August 4, 2020	CCPP power generation project	Manufacturing construction	No	83,300	83,300	0	43,499.08	52.22%	December 31, 2022	10,648.81	95,201.93	Yes	No
Bengang Convertible Bonds	August 4, 2020	Steel plant No. 4-6 converter environmental transformation project	Manufacturing construction	No	19,900	19,900	0	11,197.17	56.27%	December 31, 2020	0	0	Not applicable	No
Bengang Convertible Bonds	August 4, 2020	Repayment of bank loans	Repayment of bank loans	No	200,000	200,000	0	200,000	100.00%	August 4, 2020	0	0	Not applicable	No

Subtotal of Committed Investment Projects				--	675,920	675,920	0	487,823.88	--	--	-43,957.07	-64,315.92	--	--
Use of Over-Raised Funds														
None	August 4, 2020	None	Not applicable	No	0	0	0	0	0.00%		0	0	Not applicable	No
Total				--	675,920	675,920	0	487,823.88	--	--	-43,957.07	-64,315.92	--	--
Explanation of Project Delays, Expected Returns, and Reasons (Including Reasons for Selecting "Not Applicable" for Expected Returns)		The project for high-grade, high-magnetic-induction non-oriented silicon steel faced the risk of technological obsolescence due to the rapid pace of technological evolution in the sector; furthermore, intensified market competition and increasing sales challenges meant that continued investment risked tying up capital and failing to meet return expectations. The Company resolved to terminate this project on April 24, 2026. The project for No. 8 Continuous Casting Machine at the Steelmaking Plant failed to meet projected economic benefits, as overall steel market conditions and sales prices fell short of expectations. The capacity replacement project for No. 5 Blast Furnace at the Ironmaking Plant failed to meet projected economic benefits, as overall steel market conditions and sales prices fell short of expectations. The upgrade and renovation project for the special steel electric arc furnace failed to meet projected economic benefits, as overall steel market conditions and sales prices fell short of expectations.												
Description of Significant Changes in Project Feasibility		None												
Amount, Purpose, and Progress of Over-Raised Funds		Not applicable												
Cases of arbitrarily changing the purpose of raised funds or illegally		Not applicable												

occupying raised funds	
Changes in the Implementation Location of Fundraising Investment Projects	Not applicable
Adjustments in the Implementation Method of Fundraising Investment Projects	Not applicable
Advance Investment and Replacement of Fundraising Investment Projects	Applicable
	For details, please refer to the content stated in Special Report Section III (3).
Use of Idle raised Funds for Temporary Supplementation of Working Capital	Applicable
	For details, please refer to the content stated in Special Report Section III (4).
Amount and Reasons for Surplus raised Funds in Project Implementation	Applicable
	The company will close the investment projects raised from its 2020 public offering of convertible corporate bonds and will use the remaining proceeds of RMB870.1762 million (the specific amount will be determined by the bank's interest balance on the day the funds are transferred) to permanently supplement its working capital. The main reasons for the remaining proceeds are: 1. The company consistently adheres to the principles of rationality, economy, and efficiency in implementing the investment projects, strictly adhering to relevant regulations on the management of raised funds to ensure optimal capital allocation and cost control while ensuring project quality. When preparing the project feasibility study, the company calculated the investment project based on the current production technology and process plan. However, as the company gained experience in early production, its capabilities in equipment selection, procurement, and production line optimization continued to grow, and economies of scale emerged, effectively reducing construction costs. Furthermore, during project implementation, the company strengthened cost control and budget management at all stages based on actual needs, rationally allocated resources, and optimized construction expenditures, further reducing overall project costs. These measures not only enabled

	the project to proceed smoothly but also resulted in surplus proceeds from the investment. 2. Due to the cyclical nature of the construction of the raised funds, to improve the efficiency of the raised funds, the company has comprehensively arranged funding sources during project implementation, taking into account actual funding needs and plans, and has preemptively used its own funds to meet some of the phased funding needs. 3. The raised funds projects concluded this time have outstanding contract balances, warranty deposits, and other outstanding amounts. Due to the long timeline for these payments, some of the raised funds have been saved.
Purpose and Destination of Unused raised Funds	The Company convened the ninth meeting of the tenth Board of Directors on April 24, 2026, and subsequently passed the "Proposal on Changing the Use of Certain Raised Funds for Permanent Working Capital Replenishment" at the First Extraordinary General Meeting of Shareholders and the First Bondholders' Meeting of 2026, held on May 19, 2026. It was agreed to terminate the raised-fund investment project—the "High-Grade, High-Magnetic-Induction Non-Oriented Silicon Steel Project"—and to utilize the entire remaining balance of raised funds, amounting to RMB 1,014.79 million, for permanent working capital replenishment.
Issues or Other Situations in the Use and Disclosure of raised Funds	There are no issues or other situations.

(3) The situation for raised funds change project

□ Applicable √ Not applicable
During the reporting period, the company did not have any changes in the fundraising project.

VII. Significant Assets and Equity Sold

1. Significant Assets Sold

☐Applicable ☑Not applicable

There were no significant asset sold during the reporting period.

2. Substantial Equity Sold

☐Applicable ☑Not applicable

VIII. Analysis of Major Subsidiaries and Affiliates

☑Applicable ☐Not applicable

Details of Major Subsidiaries and Affiliates that Contribute More Than 10% to the Company's Net Profit

Unit：RMB

Company Name	Company type	Main business	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net Profit
Bengang POSCO Cold Rolled Sheet Co., Ltd.	Subsidiaries	Processing and sales of steel	1,920,000,000	6,140,513,708.35	2,559,623,244.31	3,655,467,369.27	118,245,937.06	100,498,447.72

Acquisition and Disposal of Subsidiaries During the Reporting Period

☐Applicable ☑Not applicable

IX. Structured Entities Controlled by the Company

☐Applicable ☑Not applicable

X. Risks Faced by the Company and Countermeasures

1. Market and Operational Risks

In the first half of the year, the steel industry as a whole showed an overall trend of weak demand, loose supply, falling prices, shrinking profits, and intensified competition. The company's operations are facing multiple substantive pressures, specifically concentrated in the continued weakness of terminal demand and insufficient market growth; steel prices have fluctuated downwards, and profit margins have continued to be compressed; industry production capacity has been fully released, and market competition has been viciously involved.

Countermeasures: In response to the severe downturn in the industry in the first half of the year, the company made a comprehensive shift, actively expanded the market, refined operations, and comprehensively hedged market risks through a series of targeted response measures such as stabilizing orders, adjusting structure, controlling risks, improving services, expanding channels, and ensuring cash flow.

2. Financial and Capital Risks

The company faces significant short-term debt repayment pressure; compounded by persistent operating losses and rising financial costs, its capital chain is strained, operating cash flow lacks stability, and the level of funds tied up in receivables and inventories remains high. This ongoing capital tie-up further constricts available liquidity, reduces capital turnover efficiency, and places significant strain on cash flow.

Countermeasures: Implement a multi-pronged approach to mitigate risks associated with maturing debt, establish a dedicated mechanism for debt repayment, and ensure capital security through a dual strategy: on one hand, actively expand diversified financing channels—such as securing bank credit lines and executing debt swaps—to build up repayment funds in advance; on the other, boost operating cash flow by cutting costs and increasing efficiency, improving quality and profitability, and revitalizing existing assets. Strictly control the volume of funds tied up in receivables and inventories, enforce rigorous cash flow management, set annual reduction targets for these items, continuously revitalize existing capital, and enhance capital turnover efficiency.

3. Environmental Protection and Regulatory Compliance Risks

Environmental inspections and ultra-low emission controls within the domestic steel industry are intensifying, with regulatory standards for pollutant emissions, solid waste management, and "dual control" of energy consumption (limiting both total energy consumption and energy intensity) constantly rising. Policies regarding capacity replacement, energy consumption controls, low-carbon transformation, and industrial upgrading are continuously updated, raising the threshold for industry entry.

Countermeasures: The Company strictly implements rectification measures addressing issues identified during central environmental inspections and has established robust standards for the routine operation, inspection, and maintenance of environmental protection facilities to ensure pollutant emissions consistently meet compliance standards. The Company continues to advance energy conservation, carbon reduction, and clean production upgrades; it reduces the emission intensity of major pollutants, standardizes the disposal processes for solid and hazardous waste, and fully complies with all industry environmental regulations.

XI. The Formulation and Implementation of Market Value Management System and Valuation Enhancement Plan.

Whether the company established a market value management System

☐Yes ☑No

Whether the company disclosed its valuation enhancement plan

☑Yes ☐No

During the reporting period, the Company enhanced operational efficiency and profitability by focusing on its core business, setting multiple historical records through efficiency improvements, boosting the technological content and added value of high-end products, accelerating the intelligent upgrading of production lines, optimizing structure and addressing weaknesses to improve quality and efficiency, and expediting the acceptance process for ultra-low emissions as part of its green transition. The Company actively pursued high-quality development goals and continued to advance major asset restructuring. Committed to serving investors, the Company expanded communication channels by adding a dedicated investor hotline and establishing a dedicated investor email address; it achieved a 100% response rate on the "Hudong-e" (Interactive E) platform, conducted eight investor communication events, hosted over 50 institutional site visits, and held an annual earnings briefing, thereby institutionalizing the practice of regular earnings briefings. Adhering to the principles of "truthfulness, accuracy, completeness, timeliness, and fairness" in information disclosure, the Company diligently fulfilled its disclosure obligations, completing 32 disclosure events and releasing 77 documents—including periodic reports and ESG reports—during the first half of the year. The Company's stock price has successfully moved out of the long-standing "trading below net asset value" (breaking-net) range.

XII. Implementation of the "Quality Return Dual Improvement" Action Plan

Whether the company has disclosed the announcement of the "Quality Return Dual Improvement" action plan

☐Yes ☑No

IV. Corporate Governance, Environment and Society

I. Changes in directors, supervisors and senior management of the Company

√Applicable □Not applicable

Name	Position	Type of change	Date	Reason
Huang Zuowei	Chairman and General Manager	Leave office	2 Apr 2026	Job transfer
Yuan Zhizhu	Independent director	Leave office upon completion of term	2 Apr 2026	Job transfer
Yan Dongyu	General Manager	Appointment	2 Apr 2026	Job transfer
Liu Tiecheng	Chief Accountant	Appointment and Removal	2 Apr 2026	Job transfer
Wang Zhanwei	Chairman	Elected	24 Apr 2026	Job transfer
Yan Dongyu	Director	Elected	24 Apr 2026	Job transfer
Liu Ruping	Independent director	Elected	24 Apr 2026	Job transfer

II. Profit distribution and capital reserve conversion into share capital during the reporting period

□ Applicable √ Not applicable

The company plans not to distribute cash dividends, issue bonus shares, or convert capital reserves into share capital during the current period.

III. Implementation of the company's equity incentive plan, employee stock ownership plan or other employee incentive measures

□ Applicable √ Not applicable

The company had no equity incentive plan, employee stock ownership plan or other employee incentive measures and their implementation during the reporting period.

IV. Status of Environmental Information Disclosure

Whether the listed company and its subsidiaries belong to the key pollutant discharge units announced by the environmental protection department

√ Yes □ No

Number of companies required by law to disclose environmental information		9
Number	Company name	Link to environmental information disclosures
1	Benxi Iron & Steel Co., Ltd. Cold Rolling Mill (First Cold Rolling Area)	https://qyxxpl.ywzh.lnsthj.cn:8802/home/index
2	Benxi Iron & Steel Co., Ltd. Cold Rolling Mill (Third Cold Rolling Area)	https://qyxxpl.ywzh.lnsthj.cn:8802/home/index
3	Benxi Iron & Steel Co., Ltd. Steelmaking Plant	https://qyxxpl.ywzh.lnsthj.cn:8802/home/index
4	Benxi Steel Plate Co., Ltd. Ironmaking Sintering Branch	https://qyxxpl.ywzh.lnsthj.cn:8802/home/index

5	Benxi Steel Plate Co., Ltd. Ironmaking Plant, Coking Branch	https://qyxxpl.ywzh.lnsthj.cn:8802/home/index
6	Special Steel Division, Bengang Steel Plates Co., Ltd.	https://qyxxpl.ywzh.lnsthj.cn:8802/home/index
7	Bengang Steel Plates Co., Ltd. — Energy Management and Control Center (Power Generation Area)	https://qyxxpl.ywzh.lnsthj.cn:8802/home/index
8	Bengang Steel Plates Co., Ltd. — Energy Management and Control Center (Energy Plant Area)	https://qyxxpl.ywzh.lnsthj.cn:8802/home/index
9	Bengang POSCO Cold Rolled Sheet Co., Ltd.	https://qyxxpl.ywzh.lnsthj.cn:8802/home/index

V. Social responsibility

The company actively selects and dispatches outstanding personnel to support rural revitalization efforts; currently, two employees are serving as resident village officials. Adhering to the requirements of consolidating poverty alleviation achievements and advancing agricultural and rural modernization, these officials coordinate industrial development with livelihood support. They focus on strengthening village economies and increasing local incomes by fostering industries and expanding revenue streams for both collective entities and individual residents, while also implementing robust, routine monitoring to prevent a return to poverty. Upholding a pragmatic and incorruptible work style and remaining committed to serving the people, they rally collective efforts for rural development. The company has formulated its 2026 assistance plan, which includes a target of 4.6947 million yuan for "consumption-based assistance" (purchasing goods from assisted areas) for the year—a commitment already incorporated into the company's comprehensive budget management. Additionally, in accordance with the Notice on Continuously Carrying Out "Workwear Support for Xinjiang" Initiatives, the company plans to procure 2,000 sets of workwear from Xinjiang at an estimated cost of 226 thousand yuan; these plans are scheduled for implementation in the second half of the year.

V. Important Events

I. Commitments that the actual controller, shareholders, related parties, acquirers and the company and other related parties have fulfilled during the reporting period and have not yet fulfilled by the end of the reporting period

☑Applicable □Not applicable

Commitments	Commitment party	Type of commitment	Contents	Commitment time	Commitment period	Performance
Commitments made in acquisition reports or equity change reports Commitments made in acquisition reports or equity change reports Commitments made in acquisition reports or equity change reports	Ansteel Group Co., Ltd.	Other commitments	In order to maintain the independence of Bengang Plates, Ansteel Group promises as follows: 1. Ansteel Group guarantees to keep separate from Bengang Plates in terms of assets, personnel, finance, institutions and business, and strictly abide by the relevant regulations of the China Securities Regulatory Commission on the independence of listed companies, and will not use its controlling position to interfere with the standardized operation of Bengang Plates, interfere with the business decisions of Bengang Plates, or damage the legitimate rights and interests of Bengang Plates and other shareholders. Ansteel Group and its controlled subsidiaries guarantee not to illegally occupy the funds of Bengang Plates and its controlled subsidiaries in any way. 2. The above commitments will remain valid during the period when Ansteel Group has control over Bengang Plates. If Ansteel Group fails to fulfill the above commitments and causes losses to Bengang Plates, Ansteel Group will bear the corresponding compensation liability.	Aug 20, 2021	Long term	In progress

	Ansteel Group Co., Ltd.	Other commitments	To avoid horizontal competition, Ansteel Group undertakes as follows: (1) With regard to the overlap of some businesses between Ansteel Group and Bengang Plates after the completion of this acquisition, in accordance with the requirements of current laws, regulations and relevant policies, Ansteel Group will, within 5 years from the date of this letter of commitment, and strive to achieve the same within a shorter period of time, in accordance with the requirements of relevant securities regulatory authorities, and on the premise of complying with the laws, regulations and relevant regulatory rules applicable at that time, and in line with the principle of benefiting the development of Bengang Plates and safeguarding the interests of shareholders, especially the interests of small and medium-sized shareholders, steadily promote the integration of related businesses to resolve horizontal competition by comprehensively using a variety of methods such as asset restructuring, business adjustments, and entrusted management. The above solutions include but are not limited to: 1) Asset restructuring: adopt different methods permitted by relevant laws and regulations such as cash consideration or issuance of shares to purchase assets, asset replacement, asset transfer or other feasible restructuring methods, gradually sort out and reorganize the assets of Ansteel Group and Bengang Plate with overlapping businesses, and eliminate the overlap of some businesses; 2) Business adjustment: sort out the business boundaries and	Aug 20, 2021	Long term	In progress

			make every effort to achieve differentiated operations, such as achieving business differentiation through asset transactions, business division and other different methods, including but not limited to differentiation in business composition, product grade, application field and customer group; 3) Entrusted management: by signing an entrustment agreement, one party fully entrusts the decision-making power and management power involved in the operation of some relevant assets with overlapping businesses to the other party for unified management; 4) Other feasible solutions within the scope permitted by laws, regulations and relevant policies. The implementation of the above solutions is subject to the necessary review procedures for listed companies, the approval procedures of securities regulatory authorities and relevant competent authorities in accordance with relevant laws and regulations. (2) Ansteel Group has not yet formulated a specific implementation plan and time schedule for resolving the issue of overlap between some of the businesses of Ansteel Group and Bengang Plates. Ansteel Group will promptly fulfill its information disclosure obligations in accordance with the requirements of relevant laws and regulations after formulating a specific and feasible plan; (3) In addition to the above circumstances, when Ansteel Group or other subsidiaries obtain business opportunities that may compete with the business of Bengang Plates, Ansteel Group will make every effort to give Bengang Plates			

			priority development rights and priority acquisition rights for such opportunities, ensure that the price of the relevant transaction is fair and reasonable, and will use the business practices followed in normal commercial transactions with independent third parties as the basis for pricing; (4) Ansteel Group guarantees to strictly abide by laws, regulations and the provisions of the Articles of Association of Bengang Plates Co., Ltd. and its relevant management systems, and will not use its position as an indirect controlling shareholder of Bengang Plates to seek improper interests, thereby damaging the rights and interests of other shareholders of Bengang Plates; (5) The above commitments made by Ansteel Group are valid during the period when Ansteel Group controls Bengang Plates. If the rights and interests of Bengang Plates are damaged due to the violation of the above commitments, Ansteel Group is willing to bear the corresponding liability for damages.			
	Ansteel Group Co., Ltd.	Other commitment s	In order to standardize and reduce the related-party transactions between Ansteel Group and listed companies, Ansteel Group has made the following commitments: 1. Ansteel Group will ensure that Bensteel Plates has independent business and complete assets, and has independent and complete production, supply, sales and other supporting systems. 2. Ansteel Group and other enterprises controlled by Ansteel Group will not use their control over Bensteel Plates to seek priority in transactions with Bensteel Plates and its subsidiaries. 3.	Aug 20, 2021	Long term	In progress

			Ansteel Group and other enterprises controlled by Ansteel Group will avoid and reduce unnecessary transactions with Bensteel Plates and its subsidiaries. If there are truly necessary and unavoidable transactions, Ansteel Group and other enterprises controlled by Ansteel Group will sign agreements with Bensteel Plates and its subsidiaries in accordance with the principles of fairness, equity, and equal compensation, and perform legal procedures. In accordance with the requirements of relevant laws, regulations and normative documents and the provisions of the Articles of Association of Bensteel Plates Co., Ltd., they will perform information disclosure obligations and relevant internal decision-making and approval procedures in accordance with the law, and ensure that they will not trade with Bensteel Plates and its subsidiaries under conditions that are obviously unfair compared to market prices, and will not use such transactions to engage in any behavior that damages the legitimate rights and interests of Bensteel Plates and other shareholders of Bensteel Plates. 4. If the above commitments are violated and the legitimate rights and interests of Bengang Plate are damaged, Ansteel Group will compensate Bengang Plate for the losses caused thereby in accordance with the law.			
Commitment made during initial public offering or refinancing	Company directors, senior management/ Benxi Steel Group Co., Ltd.	Other commitment s	According to the relevant regulations of the China Securities Regulatory Commission, all directors and senior management of the Company have made the following commitments to the Company's fulfillment of the diluted immediate return measures: 1. I promise to	May 22, 2019	Long term	In progress

			perform my duties faithfully and diligently, and safeguard the legitimate rights and interests of the Company and all shareholders . 2. I promise not to deliver benefits to other units or individuals without compensation or under unfair conditions, nor to use other means to damage the Company's interests. 3. I promise to restrict the position-related consumption behavior of company directors and senior management personnel. 4. I promise not to use the Company’s assets to do investment and consumption activities that are not related to the performance of my duties. 5. Within the scope of my responsibilities and authority, I promise to make every effort to promote the company's board of directors or the remuneration system established by the remuneration and appraisal committee to be linked to the implementation of the company's compensation measures, and vote in favor of the relevant proposals reviewed by the company's board of directors and general meeting (If I have voting rights). 6. If the company intends to implement equity incentives, I promise to, within my own responsibilities and jurisdiction, make every effort to promote the Company’s proposed equity incentive exercise conditions to be linked to the Company’s implementation of the return measures, and to review the Company’s board of directors and shareholders’ general meetings and vote in favor of the relevant proposals reviewed by the company's board of directors and general meeting (If I have voting rights). 7. If the future issuance of this commitment			

			and the implementation of the Company’s public issuance of convertible corporate bonds are completed, if the China Securities Regulatory Commission makes other new regulatory provisions on the measures for filling returns and their commitments, and the above commitments cannot meet the requirements of the China Securities Regulatory Commission When other regulations are stipulated, a commitment will be issued in accordance with the latest regulations of the China Securities Regulatory Commission. The company's controlling shareholder, Benxi Iron and Steel (Group) Co., Ltd., promised not to interfere with the company's operation and management activities beyond its authority and not to infringe on the Company's interests.			
	Bengang Group Co., Ltd. and Benxi Steel Group Co., Ltd.	Other commitments	1. Bengang International trade Co., Ltd. and Bengang Steel Plates Co., Ltd.'s sales companies in the same region guarantee personnel independence, business independence, financial independence, and asset independence, and guarantee that they are not in the same place of registration and never work in the same office; 2. In view of the fact that Bengang Steel Plates Co., Ltd. has recently completed the registration of foreign trade operators, and considering that the qualification level certification of raw material suppliers and customs import and export qualification level certification still need to be gradually improved, it lacks the actual conditions and capabilities to independently carry out import and export business in the short term. In order to ensure the normal business development of Bengang Steel Plates Co., Ltd., the Group agrees that Bengang International Trade Co., Ltd. will continue to act as the agent for the main import and export business of	July 24,2019	Long term	In progress

			Bengang Steel Plates Co., Ltd. within a period of no more than 5 years from the date of issuance of this commitment, until Bengang Steel Plates Co., Ltd. believes that it can independently carry out import and export business, and during this period, Bengang International Trade Co., Ltd. will provide necessary support for Bengang Steel Plates Co., Ltd. to establish and improve its import and export business. In addition, Bengang International Trade Co., Ltd.'s sales companies are only responsible for selling the products of Beiying Steel & Iron Group, and never sell third-party steel products. 3. The three sales companies of the Group, namely Shanghai Bengang Steel Sales Co., Ltd., Shanghai Bengang Steel Materials Co., Ltd. and Guangzhou Bonded Zone Bengang Sales Co., Ltd., are no longer actually engaged in any business activities. The specific details are as follows: (1) Shanghai Bengang Steel Trading Co., Ltd. filed for bankruptcy in 2014. The People's Court of Changning District, Shanghai issued an announcement to appoint Grandall Law Firm (Shanghai) as the bankruptcy administrator. After communicating with the bankruptcy administrator, the relevant procedures for the cancellation of Shanghai Bengang Steel Sales Co., Ltd. will be handled immediately after the completion of the aforementioned bankruptcy liquidation procedures. (2) Shanghai Bengang Steel Materials Co., Ltd. is a holding subsidiary of Shanghai Bengang Steel Trading Co., Ltd. and was cancelled in November 2020. (3) Guangzhou Bonded Zone Bengang Sales Co., Ltd. was cancelled in July 2022.			
	Bengang Group Co., Ltd. and Benxi Steel Group Co., Ltd.	Other commitment s	Benxi Steel Group Co., Ltd. and Bengang Group Co., Ltd. (hereinafter collectively referred to as the "Group"), as the direct and indirect controlling shareholders of Bengang Steel Plates Co., Ltd.	July 24,2019	Long term	In progress

			(hereinafter referred to as "Bengang Plate"), hereby make the following commitments to avoid horizontal competition: 1. During the period when the Group serves as the controlling shareholder of Bengang Plate, the Group and other enterprises controlled by the Group except Bengang Plate will no longer produce or develop any products that compete or may compete with the products produced by Bengang Plate and its subsidiaries at home and abroad, will not directly or indirectly operate any business that competes or may compete with the business operated by Bengang Plate and its subsidiaries, and will not participate in the investment in any other enterprises that compete or may compete with the products produced or businesses operated by Bengang Plate and its subsidiaries. 2. If Bengang Plates and its subsidiaries further expand their business scope, the Group and other enterprises controlled by the Group will not compete with the expanded business of Bengang Plates and its subsidiaries; if there is a possibility of competition with the expanded business of Bengang Plates and its subsidiaries, they will withdraw from the competition with Bengang Plates in the following ways: (1) stop the business that competes or may compete with Bengang Plates and its subsidiaries; (2) incorporate the competing business into Bengang Plates and its subsidiaries in a legal and compliant manner; (3) transfer the competing business to an unrelated third party. 3. If the Group has any business			

			opportunity to engage in or participate in activities that may compete with the business operations of Bengang Plates, the Group shall immediately notify Bengang Plates of the above business opportunity. If Bengang Plates responds affirmatively within a reasonable period specified in the notification that it is willing to utilize the business opportunity, the Group will try its best to provide the business opportunity to Bengang Plates on terms no less favorable than those provided to any independent third party. 4. If the above commitments are violated, the Group is willing to bear all the responsibilities arising therefrom and fully compensate or indemnify Bengang Plates for all direct or indirect losses caused thereby. 5. This letter of commitment shall remain valid and cannot be changed or revoked during the period when the Group serves as the controlling shareholder of Bengang Plates.			
	Bengang Group Co., Ltd. and Benxi Steel Group Co., Ltd.	Other commitment s	Benxi Steel Group Co., Ltd. and Bengang Group Co., Ltd. (hereinafter collectively referred to as "the Group"), as the direct and indirect controlling shareholders of Bengang Steel Plates Co., Ltd. (hereinafter referred to as "Bengang Plate"), hereby promise to regulate the related transactions between the Group and Bengang Plate: 1. The Group will fully respect the independent legal person status of Bengang Plate, guarantee the independent operation and independent decision-making of Bengang Plate, ensure the business independence, asset integrity, personnel independence and financial independence of Bengang Plate, so as to avoid and reduce unnecessary related transactions; the Group will strictly control the related transactions between	July 24,2019	Long term	In progress

			Bengang Plate and its subsidiaries. 2. The Group and other companies controlled by it promise not to occupy or misappropriate the funds of Bengang Plate and its subsidiaries by borrowing, repaying debts, advancing funds or other means, nor require Bengang Plate and its subsidiaries to provide illegal guarantees for the Group and other companies controlled by it. 3. The Group and other companies controlled by it will minimize related transactions with Bengang Plate. When conducting related transactions that are truly necessary and unavoidable, the decision-making authority, decision-making procedures, and avoidance system stipulated in the Articles of Association of Bengang Plates and the decision-making system for related transactions shall be strictly implemented, the role of the Supervisory Board and independent directors shall be fully utilized, and the information disclosure obligations shall be conscientiously fulfilled to ensure that transactions are conducted in accordance with the principles of openness, fairness, and equity in market transactions and normal commercial terms. The Group and other companies controlled by it will not require or accept Bengang Plates to provide more favorable conditions than any third party in any fair market transaction, and protect the interests of other shareholders of Bengang Plates and Bengang Plates from being harmed. 4. The Group guarantees that the above commitments will remain valid and irrevocable during the period when the Group is listed on the domestic stock exchange and the Group is its direct and indirect controlling shareholder. If any violation of the above commitments occurs, the Group shall bear all losses caused to Bengang Plates.			
Whether Commitment	Yes					

fulfilled on time or not	

II. Non-operating capital occupation of listed companies by controlling shareholders and other related parties

□Applicable ☑Not applicable

During the reporting period, there was no non-operating capital occupation of the listed company by the controlling shareholder or other related parties.

III. Illegal external guarantees

□Applicable ☑Not applicable

The company did not provide any illegal external guarantees during the reporting period.

IV. Appointment and dismissal of accounting firms

Whether the semi-annual financial report has been audited

□Yes ☑No

The company's semi-annual report is unaudited.

V. Board of Directors' Explanation on the Non-Standard Audit Report Issued by the Accounting Firm for the Reporting Period

□Applicable ☑Not applicable

VI. Board of Directors' Explanation on Matters Related to the Non-Standard Audit Report of the Previous Year

□Applicable ☑Not applicable

VII. Bankruptcy and reorganization related matters

□Applicable ☑Not applicable

The company did not have any bankruptcy reorganization related matters during the reporting period.

VIII. Litigation and arbitration matters

Major Litigation and Arbitration Matters

□Applicable ☑Not applicable

During the reporting period, the Company had no major litigation or arbitration matters.

Other litigation matters

☑Applicable ☐Not applicable

Basic information of litigation (arbitration)	Amount involved (in 10 thousand yuan)	Whether estimated liabilities are formed	Progress of litigation (arbitration)	Results and impact of litigation (arbitration)	Execution of litigation (arbitration) judgment	Date of disclosure	Disclosure index
Summary of matters where the company does not meet the disclosure standards for major litigation (arbitration)	754.56	None	Under review	None	Handle according to legal provisions		

IX. Penalties and Rectification

☐Applicable ☑ Not applicable

The Company was not subject to any penalties or rectification requirements during the reporting period.

X. Integrity of the company and its controlling shareholders and actual controllers

☐Applicable ☑Not applicable

XI. Major Related-Party Transactions

1. Related-party transactions related to daily operations

☑Applicable ☐Not applicable

Related party	Relationship	Transactions type	Related party transaction content	Pricing principles of related party transactions	Related party transaction price	Amount of Affiliated Transaction (ten thousand Yuan)	Proportion of the amount of similar transactions	Approved transaction amount (ten thousand yuan)	Whether the approved quota is exceeded	Settlement method of related party transactions	The market price of similar transactions available	Disclosure date	Disclosure index
Angang Group International Economic & Trade Co., Ltd.	Belongs to Angang Group Co., Ltd.	Purchase of Goods/Acceptance of Services	Procurement of Major Raw Materials	Market-oriented principles	Related-Party Agreement Price	11,016.22	0.47%	16,728	No	According to the agreement	Yes	26/12/2025	2025-071
Ansteel Group Mining Co., LTD	Belongs to Angang Group Co., Ltd.	Purchase of Goods/Acceptance of Services	Procurement of Major Raw Materials	Market-oriented principles	Related-Party Agreement Price	7,612.15	0.33%	4,130	Yes	According to the agreement	Yes	26/12/2025	2025-071
Anshan Iron and Steel Group Co., Ltd.	Belongs to Angang Group Co., Ltd.	Purchase of Goods/Acceptance of Services	Procurement of Major Raw Materials	Market-oriented principles	Related-Party Agreement Price	19,854.62	0.85%	20,190	No	According to the agreement	Yes	26/12/2025	2025-071
Benxi Beiying Iron and Steel (Group) Co., Ltd.	Belongs to Bengang Group Co., Ltd.	Purchase of Goods/Acceptance of Services	Procurement of Major Raw Materials	Market-oriented principles	Related-Party Agreement Price	587,475.70	25.09%	1,487,640	No	According to the agreement	Yes	26/12/2025	2025-071
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Same parent company	Purchase of Goods/Acceptance of Services	Procurement of Major Raw Materials	Market-oriented principles	Related-Party Agreement Price	375.89	0.02%	12,970.90	No	According to the agreement	Yes	26/12/2025	2025-071

Related party	Relationship	Transactions type	Related party transaction content	Pricing principles of related party transactions	Related party transaction price	Amount of Affiliated Transaction (ten thousand Yuan)	Proportion of the amount of similar transactions	Approved transaction amount (ten thousand yuan)	Whether the approved quota is exceeded	Settlement method of related party transactions	The market price of similar transactions available	Disclosure date	Disclosure index
Benxi Iron and Steel (Group) Construction Co., Ltd.	Same parent company	Purchase of Goods/Acceptance of Services	Procurement of Major Raw Materials	Market-oriented principles	Related-Party Agreement Price	73.59	0.00%	629.3	No	According to the agreement	Yes	26/12/2025	2025-071
Benxi Iron and Steel (Group) Mining Co., Ltd.	Same parent company	Purchase of Goods/Acceptance of Services	Procurement of Major Raw Materials	Market-oriented principles	Related-Party Agreement Price	280,307.60	11.97%	740,524.05	No	According to the agreement	Yes	26/12/2025	2025-071
Benxi Steel Group Equipment Engineering Co., Ltd.	Same parent company	Purchase of Goods/Acceptance of Services	Procurement of Major Raw Materials	Market-oriented principles	Related-Party Agreement Price	102.78	0.00%	998.2	No	According to the agreement	Yes	26/12/2025	2025-071
Benxi Steel Group Industrial Development Co., Ltd.	Same parent company	Purchase of Goods/Acceptance of Services	Procurement of Major Raw Materials	Market-oriented principles	Related-Party Agreement Price	23,855	1.02%	67,546.76	No	According to the agreement	Yes	26/12/2025	2025-071
Benxi Iron and Steel (Group) Co., LTD	Parent company	Purchase of Goods/Acceptance of Services	Procurement of Major Raw Materials	Market-oriented principles	Related-Party Agreement Price	28.07	0.00%	439	No	According to the agreement	Yes	26/12/2025	2025-071
Lingyuan Iron & Steel Group Co., Ltd.	Belongs to Angang Group Co., Ltd.	Purchase of Goods/Acceptance of Services	Procurement of Major Raw Materials	Market-oriented principles	Related-Party Agreement Price	1,422.81	0.06%	21,000	No	According to the agreement	Yes	26/12/2025	2025-071
Pangang Group Co., Ltd.	Belongs to Angang Group Co., Ltd.	Purchase of Goods/Acceptance of Services	Procurement of Major Raw Materials	Market-oriented principles	Related-Party Agreement Price	479.53	0.02%	1,000	No	According to the agreement	Yes	26/12/2025	2025-071

Related party	Relationship	Transactions type	Related party transaction content	Pricing principles of related party transactions	Related party transaction price	Amount of Affiliated Transaction (ten thousand Yuan)	Proportion of the amount of similar transactions	Approved transaction amount (ten thousand yuan)	Whether the approved quota is exceeded	Settlement method of related party transactions	The market price of similar transactions available	Disclosure date	Disclosure index
Angang Steel Company Limited	Belongs to Angang Group Co., Ltd.	Purchase of Goods/Acceptance of Services	Procurement of Auxiliary Materials	Market-oriented principles	Related-Party Agreement Price	279.59	0.01%	600	No	According to the agreement	Yes	26/12/2025	2025-071
Angang Group Engineering Technology Co., Ltd.	Belongs to Angang Group Co., Ltd.	Purchase of Goods/Acceptance of Services	Procurement of Auxiliary Materials	Market-oriented principles	Related-Party Agreement Price	165.72	0.01%	437	No	According to the agreement	Yes	26/12/2025	2025-071
Angang Group International Economic & Trade Co., Ltd.	Belongs to Angang Group Co., Ltd.	Purchase of Goods/Acceptance of Services	Procurement of Auxiliary Materials	Market-oriented principles	Related-Party Agreement Price	7,596.40	0.32%	16,000	No	According to the agreement	Yes	26/12/2025	2025-071
Angang Digital Intelligence Technology (Liaoning) Co., Ltd.	Belongs to Angang Group Co., Ltd.	Purchase of Goods/Acceptance of Services	Procurement of Auxiliary Materials	Market-oriented principles	Related-Party Agreement Price	719.26	0.03%	5,576	No	According to the agreement	Yes	26/12/2025	2025-071
Anshan Iron and Steel Group Co., Ltd.	Belongs to Angang Group Co., Ltd.	Purchase of Goods/Acceptance of Services	Procurement of Auxiliary Materials	Market-oriented principles	Related-Party Agreement Price	1,465.67	0.06%	7,607.40	No	According to the agreement	Yes	26/12/2025	2025-071
Benxi Beiying Iron and Steel (Group) Co., Ltd.	Belongs to Bengang Group Co., Ltd.	Purchase of Goods/Acceptance of Services	Procurement of Auxiliary Materials	Market-oriented principles	Related-Party Agreement Price	56.31	0.00%	1,680	No	According to the agreement	Yes	26/12/2025	2025-071
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Same parent company	Purchase of Goods/Acceptance of Services	Procurement of Auxiliary Materials	Market-oriented principles	Related-Party Agreement Price	15,478.48	0.66%	37,708	No	According to the agreement	Yes	26/12/2025	2025-071

Related party	Relationship	Transactions type	Related party transaction content	Pricing principles of related party transactions	Related party transaction price	Amount of Affiliated Transaction (ten thousand Yuan)	Proportion of the amount of similar transactions	Approved transaction amount (ten thousand yuan)	Whether the approved quota is exceeded	Settlement method of related party transactions	The market price of similar transactions available	Disclosure date	Disclosure index
Benxi Iron and Steel (Group) Construction Co., Ltd.	Same parent company	Purchase of Goods/Acceptance of Services	Procurement of Auxiliary Materials	Market-oriented principles	Related-Party Agreement Price	5,253.78	0.22%	8,316.17	No	According to the agreement	Yes	26/12/2025	2025-071
Benxi Iron and Steel (Group) Mining Co., Ltd.	Same parent company	Purchase of Goods/Acceptance of Services	Procurement of Auxiliary Materials	Market-oriented principles	Related-Party Agreement Price	17,616.64	0.75%	55,982.30	No	According to the agreement	Yes	26/12/2025	2025-071
Benxi Steel (Group) Equipment Engineering Co., Ltd.	Same parent company	Purchase of Goods/Acceptance of Services	Procurement of Auxiliary Materials	Market-oriented principles	Related-Party Agreement Price	1,086.65	0.05%	8,683	No	According to the agreement	Yes	26/12/2025	2025-071
Benxi Steel Group Industrial Development Co., Ltd.	Same parent company	Purchase of Goods/Acceptance of Services	Procurement of Auxiliary Materials	Market-oriented principles	Related-Party Agreement Price	215.51	0.01%	500	No	According to the agreement	Yes	26/12/2025	2025-071
Benxi Iron and Steel (Group) Co., LTD	Parent company	Purchase of Goods/Acceptance of Services	Procurement of Auxiliary Materials	Market-oriented principles	Related-Party Agreement Price	1,419.34	0.06%	3,774	No	According to the agreement	Yes	26/12/2025	2025-071
Other Subsidiaries of Ansteel Group	Belongs to Angang Group Co., Ltd.	Purchase of Goods/Acceptance of Services	Procurement of Auxiliary Materials	Market-oriented principles	Related-Party Agreement Price	16.81	0.00%	40	No	According to the agreement	Yes	26/12/2025	2025-071
Anshan Iron and Steel Group Co., Ltd.	Belongs to Angang Group Co., Ltd.	Purchase of Goods/Acceptance of Services	Procure steel products	Market-oriented principles	Related-Party Agreement Price	5,581.23	0.24%	540.26	Yes	According to the agreement	Yes	26/12/2025	2025-071

Related party	Relationship	Transactions type	Related party transaction content	Pricing principles of related party transactions	Related party transaction price	Amount of Affiliated Transaction (ten thousand Yuan)	Proportion of the amount of similar transactions	Approved transaction amount (ten thousand yuan)	Whether the approved quota is exceeded	Settlement method of related party transactions	The market price of similar transactions available	Disclosure date	Disclosure index
Benxi Beiying Iron and Steel (Group) Co., Ltd.	Belongs to Bengang Group Co., Ltd.	Purchase of Goods/Acceptance of Services	Procure steel products	Market-oriented principles	Related-Party Agreement Price	2,326.17	0.10%	161,595.12	No	According to the agreement	Yes	26/12/2025	2025-071
DeLin Land Port Supply Chain Services Co., Ltd.	Belongs to Angang Group Co., Ltd.	Purchase of Goods/Acceptance of Services	Procure steel products	Market-oriented principles	Related-Party Agreement Price	53.07	0.00%	0	Yes	According to the agreement	Yes	26/12/2025	2025-071
Benxi Beiying Iron and Steel (Group) Co., Ltd.	Belongs to Bengang Group Co., Ltd.	Purchase of Goods/Acceptance of Services	Procurement of Energy and Utilities	Market-oriented principles	Related-Party Agreement Price	35,873.86	1.53%	89,451.54	No	According to the agreement	Yes	26/12/2025	2025-071
Benxi Iron and Steel (Group) Mining Co., Ltd.	Same parent company	Purchase of Goods/Acceptance of Services	Procurement of Energy and Utilities	Market-oriented principles	Related-Party Agreement Price	833.33	0.04%	180	Yes	According to the agreement	Yes	26/12/2025	2025-071
Angang Group Engineering Technology Co., Ltd.	Belongs to Angang Group Co., Ltd.	Purchase of Goods/Acceptance of Services	Receive Supportive Services	Market-oriented principles	Related-Party Agreement Price	488.86	0.02%	7,200	No	According to the agreement	Yes	26/12/2025	2025-071
Angang Group International Economic & Trade Co., Ltd.	Belongs to Angang Group Co., Ltd.	Purchase of Goods/Acceptance of Services	Receive Supportive Services	Market-oriented principles	Related-Party Agreement Price	3,556.44	0.15%	20,120.70	No	According to the agreement	Yes	26/12/2025	2025-071
Angang Group Zhongyuan Industrial Development Co., Ltd.	Belongs to Angang Group Co., Ltd.	Purchase of Goods/Acceptance of Services	Receive Supportive Services	Market-oriented principles	Related-Party Agreement Price	5,413.77	0.23%	14,706.29	No	According to the agreement	Yes	26/12/2025	2025-071

Related party	Relationship	Transactions type	Related party transaction content	Pricing principles of related party transactions	Related party transaction price	Amount of Affiliated Transaction (ten thousand Yuan)	Proportion of the amount of similar transactions	Approved transaction amount (ten thousand yuan)	Whether the approved quota is exceeded	Settlement method of related party transactions	The market price of similar transactions available	Disclosure date	Disclosure index
Angang Digital Intelligence Technology (Liaoning) Co., Ltd.	Belongs to Angang Group Co., Ltd.	Purchase of Goods/Acceptance of Services	Receive Supportive Services	Market-oriented principles	Related-Party Agreement Price	8,623.59	0.37%	11,481.60	No	According to the agreement	Yes	26/12/2025	2025-071
Anshan Iron and Steel Group Co., Ltd.	Belongs to Angang Group Co., Ltd.	Purchase of Goods/Acceptance of Services	Receive Supportive Services	Market-oriented principles	Related-Party Agreement Price	651.96	0.03%	2,065.64	No	According to the agreement	Yes	26/12/2025	2025-071
Bengang Group Co., Ltd.	Shareholders of the parent company	Purchase of Goods/Acceptance of Services	Receive Supportive Services	Market-oriented principles	Related-Party Agreement Price	13,406.33	0.57%	33,084.33	No	According to the agreement	Yes	26/12/2025	2025-071
Benxi Beiying Iron and Steel (Group) Co., Ltd.	Belongs to Bengang Group Co., Ltd.	Purchase of Goods/Acceptance of Services	Receive Supportive Services	Market-oriented principles	Related-Party Agreement Price	5,968.32	0.25%	12,030	No	According to the agreement	Yes	26/12/2025	2025-071
Benxi Steel and Iron (Group)Tengda Co., Ltd.	Belongs to Angang Group Co., Ltd.	Purchase of Goods/Acceptance of Services	Receive Supportive Services	Market-oriented principles	Related-Party Agreement Price	27,119.97	1.16%	57,231.22	No	According to the agreement	Yes	26/12/2025	2025-071
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Same parent company	Purchase of Goods/Acceptance of Services	Receive Supportive Services	Market-oriented principles	Related-Party Agreement Price	5,614.41	0.24%	12,269.62	No	According to the agreement	Yes	26/12/2025	2025-071
Benxi Iron and Steel (Group) Construction Co., Ltd.	Same parent company	Purchase of Goods/Acceptance of Services	Receive Supportive Services	Market-oriented principles	Related-Party Agreement Price	9,876.89	0.42%	34,366.69	No	According to the agreement	Yes	26/12/2025	2025-071

Related party	Relationship	Transactions type	Related party transaction content	Pricing principles of related party transactions	Related party transaction price	Amount of Affiliated Transaction (ten thousand Yuan)	Proportion of the amount of similar transactions	Approved transaction amount (ten thousand yuan)	Whether the approved quota is exceeded	Settlement method of related party transactions	The market price of similar transactions available	Disclosure date	Disclosure index
Benxi Steel (Group) Equipment Engineering Co., Ltd.	Same parent company	Purchase of Goods/Acceptance of Services	Receive Supportive Services	Market-oriented principles	Related-Party Agreement Price	31,998.71	1.37%	70,229.35	No	According to the agreement	Yes	26/12/2025	2025-071
Benxi Iron and Steel (Group) Industrial Development Co., Ltd.	Same parent company	Purchase of Goods/Acceptance of Services	Receive Supportive Services	Market-oriented principles	Related-Party Agreement Price	217.98	0.01%	1,219.24	No	According to the agreement	Yes	26/12/2025	2025-071
Benxi Iron and Steel (Group) Co., LTD	Parent company	Purchase of Goods/Acceptance of Services	Receive Supportive Services	Market-oriented principles	Related-Party Agreement Price	1,073.51	0.05%	17,195.85	No	According to the agreement	Yes	26/12/2025	2025-071
DeLin Land Port Supply Chain Services Co., Ltd.	Belongs to Angang Group Co., Ltd.	Purchase of Goods/Acceptance of Services	Receive Supportive Services	Market-oriented principles	Related-Party Agreement Price	523	0.02%	1,084.70	No	According to the agreement	Yes	26/12/2025	2025-071
Other Subsidiaries of Ansteel Group	Belongs to Angang Group Co., Ltd.	Purchase of Goods/Acceptance of Services	Receive Supportive Services	Market-oriented principles	Related-Party Agreement Price	1,597.82	0.07%	1,761.86	No	According to the agreement	Yes	26/12/2025	2025-071
Angang Steel Company Limited	Belongs to Angang Group Co., Ltd.	Sale of Goods/Rendering of Services	Sale of Goods	Market-oriented principles	Related-Party Agreement Price	216.48	0.01%	800	No	According to the agreement	Yes	26/12/2025	2025-071
Angang Metal Structure Co., Ltd.	Belongs to Angang Group Co., Ltd.	Sale of Goods/Rendering of Services	Sale of Goods	Market-oriented principles	Related-Party Agreement Price	12,851.78	0.58%	61,946.90	No	According to the agreement	Yes	26/12/2025	2025-071

Related party	Relationship	Transactions type	Related party transaction content	Pricing principles of related party transactions	Related party transaction price	Amount of Affiliated Transaction (ten thousand Yuan)	Proportion of the amount of similar transactions	Approved transaction amount (ten thousand yuan)	Whether the approved quota is exceeded	Settlement method of related party transactions	The market price of similar transactions available	Disclosure date	Disclosure index
Angang Group International Economic & Trade Co., Ltd.	Belongs to Angang Group Co., Ltd.	Sale of Goods/Rendering of Services	Sale of Goods	Market-oriented principles	Related-Party Agreement Price	8,103.82	0.36%	45,000	No	According to the agreement	Yes	26/12/2025	2025-071
Angang Group Zhongyuan Industrial Development Co., Ltd.	Belongs to Angang Group Co., Ltd.	Sale of Goods/Rendering of Services	Sale of Goods	Market-oriented principles	Related-Party Agreement Price	3,228.68	0.14%	6,705.09	No	According to the agreement	Yes	26/12/2025	2025-071
Angang Digital Intelligence Technology (Liaoning) Co., Ltd.	Belongs to Angang Group Co., Ltd.	Sale of Goods/Rendering of Services	Sale of Goods	Market-oriented principles	Related-Party Agreement Price	15.32	0.00%	50.2	No	According to the agreement	Yes	26/12/2025	2025-071
Angang Resources Co., Ltd.	Belongs to Angang Group Co., Ltd.	Sale of Goods/Rendering of Services	Sale of Goods	Market-oriented principles	Related-Party Agreement Price	98.93	0.00%	2,800	No	According to the agreement	Yes	26/12/2025	2025-071
Anshan Iron and Steel Group Co., Ltd.	Belongs to Angang Group Co., Ltd.	Sale of Goods/Rendering of Services	Sale of Goods	Market-oriented principles	Related-Party Agreement Price	17,057.48	0.76%	87,713.05	No	According to the agreement	Yes	26/12/2025	2025-071
Bengang Group Co., Ltd.	Shareholders of the parent company	Sale of Goods/Rendering of Services	Sale of Goods	Market-oriented principles	Related-Party Agreement Price	27,906.92	1.25%	43.56	Yes	According to the agreement	Yes	26/12/2025	2025-071
Benxi Beiying Iron and Steel (Group) Co., Ltd.	Belongs to Bengang Group Co., Ltd.	Sale of Goods/Rendering of Services	Sale of Goods	Market-oriented principles	Related-Party Agreement Price	23,267.69	1.04%	182,132.55	No	According to the agreement	Yes	26/12/2025	2025-071

Related party	Relationship	Transactions type	Related party transaction content	Pricing principles of related party transactions	Related party transaction price	Amount of Affiliated Transaction (ten thousand Yuan)	Proportion of the amount of similar transactions	Approved transaction amount (ten thousand yuan)	Whether the approved quota is exceeded	Settlement method of related party transactions	The market price of similar transactions available	Disclosure date	Disclosure index
Benxi Iron & Steel (Group) Construction Advanced Decoration Co., Ltd.	Belongs to Angang Group Co., Ltd.	Sale of Goods/Rendering of Services	Sale of Goods	Market-oriented principles	Related-Party Agreement Price	3.54	0.00%	20	No	According to the agreement	Yes	26/12/2025	2025-071
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Same parent company	Sale of Goods/Rendering of Services	Sale of Goods	Market-oriented principles	Related-Party Agreement Price	2,130.07	0.10%	8,073.55	No	According to the agreement	Yes	26/12/2025	2025-071
Benxi Iron and Steel (Group) Construction Co., Ltd.	Same parent company	Sale of Goods/Rendering of Services	Sale of Goods	Market-oriented principles	Related-Party Agreement Price	51.3	0.00%	341.66	No	According to the agreement	Yes	26/12/2025	2025-071
Benxi Iron and Steel (Group) Mining Co., Ltd.	Same parent company	Sale of Goods/Rendering of Services	Sale of Goods	Market-oriented principles	Related-Party Agreement Price	15,004.33	0.67%	38,556.33	No	According to the agreement	Yes	26/12/2025	2025-071
Benxi Steel (Group) Equipment Engineering Co., Ltd.	Same parent company	Sale of Goods/Rendering of Services	Sale of Goods	Market-oriented principles	Related-Party Agreement Price	92.95	0.00%	240.02	No	According to the agreement	Yes	26/12/2025	2025-071
Benxi Iron and Steel (Group) Industrial Development Co., Ltd.	Same parent company	Sale of Goods/Rendering of Services	Sale of Goods	Market-oriented principles	Related-Party Agreement Price	5,301.51	0.24%	8,692.50	No	According to the agreement	Yes	26/12/2025	2025-071
Benxi Iron and Steel (Group) Co., LTD	Parent company	Sale of Goods/Rendering of Services	Sale of Goods	Market-oriented principles	Related-Party Agreement Price	2,363.51	0.11%	7,205.13	No	According to the agreement	Yes	26/12/2025	2025-071

Related party	Relationship	Transactions type	Related party transaction content	Pricing principles of related party transactions	Related party transaction price	Amount of Affiliated Transaction (ten thousand Yuan)	Proportion of the amount of similar transactions	Approved transaction amount (ten thousand yuan)	Whether the approved quota is exceeded	Settlement method of related party transactions	The market price of similar transactions available	Disclosure date	Disclosure index
DeLin Land Port Supply Chain Services Co., Ltd.	Belongs to Angang Group Co., Ltd.	Sale of Goods/Rendering of Services	Sale of Goods	Market-oriented principles	Related-Party Agreement Price	143,961.41	6.45%	587,985.65	No	According to the agreement	Yes	26/12/2025	2025-071
Lingyuan Iron & Steel Co., Ltd.	Belongs to Angang Group Co., Ltd.	Sale of Goods/Rendering of Services	Sale of Goods	Market-oriented principles	Related-Party Agreement Price	0.02	0.00%	2,834.70	No	According to the agreement	Yes	26/12/2025	2025-071
Pangang Group Co., Ltd.	Belongs to Angang Group Co., Ltd.	Sale of Goods/Rendering of Services	Sale of Goods	Market-oriented principles	Related-Party Agreement Price	1,131.95	0.05%	2,450	No	According to the agreement	Yes	26/12/2025	2025-071
Other Subsidiaries of Ansteel Group	Belongs to Angang Group Co., Ltd.	Sale of Goods/Rendering of Services	Sale of Goods	Market-oriented principles	Related-Party Agreement Price	1.5	0.00%	3.09	No	According to the agreement	Yes	26/12/2025	2025-071
Anshan Iron and Steel Group Co., Ltd.	Belongs to Angang Group Co., Ltd.	Sale of Goods/Rendering of Services	Provide support services	Market-oriented principles	Related-Party Agreement Price	1.37	0.00%	5,000	No	According to the agreement	Yes	26/12/2025	2025-071
Bengang Group Co., Ltd.	Shareholders of the parent company	Sale of Goods/Rendering of Services	Provide support services	Market-oriented principles	Related-Party Agreement Price	53.01	0.00%	500	No	According to the agreement	Yes	26/12/2025	2025-071
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Same parent company	Sale of Goods/Rendering of Services	Provide support services	Market-oriented principles	Related-Party Agreement Price	37.3	0.00%	400.22	No	According to the agreement	Yes	26/12/2025	2025-071

Related party	Relationship	Transactions type	Related party transaction content	Pricing principles of related party transactions	Related party transaction price	Amount of Affiliated Transaction (ten thousand Yuan)	Proportion of the amount of similar transactions	Approved transaction amount (ten thousand yuan)	Whether the approved quota is exceeded	Settlement method of related party transactions	The market price of similar transactions available	Disclosure date	Disclosure index
Benxi Iron and Steel (Group) Construction Co., Ltd.	Same parent company	Sale of Goods/Rendering of Services	Provide support services	Market-oriented principles	Related-Party Agreement Price	0.11	0.00%	500	No	According to the agreement	Yes	26/12/2025	2025-071
Benxi Iron and Steel (Group) Mining Co., Ltd.	Same parent company	Sale of Goods/Rendering of Services	Provide support services	Market-oriented principles	Related-Party Agreement Price	489.85	0.02%	1,100	No	According to the agreement	Yes	26/12/2025	2025-071
Benxi Steel (Group) Equipment Engineering Co., Ltd.	Same parent company	Sale of Goods/Rendering of Services	Provide support services	Market-oriented principles	Related-Party Agreement Price	1.57	0.00%	500	No	According to the agreement	Yes	26/12/2025	2025-071
Benxi Iron and Steel (Group) Co., LTD	Parent company	Sale of Goods/Rendering of Services	Provide support services	Market-oriented principles	Related-Party Agreement Price	59.22	0.00%	500	No	According to the agreement	Yes	26/12/2025	2025-071
Lingyuan Iron & Steel Co., Ltd.	Belongs to Angang Group Co., Ltd.	Sale of Goods/Rendering of Services	Provide support services	Market-oriented principles	Related-Party Agreement Price	1,907.80	0.09%	3,900.60	No	According to the agreement	Yes	26/12/2025	2025-071
Other subsidiaries of Ansteel Group	Belongs to Angang Group Co., Ltd.	Sale of Goods/Rendering of Services	Provide support services	Market-oriented principles	Related-Party Agreement Price	11.72	0.00%	99.18	No	According to the agreement	Yes	26/12/2025	2025-071
Total				--	--	1,410,124.48	--	4,124,608.07	--	--	--	--	--
Details of any sales return of a large amount						Not applicable							
Actual performance of the estimated total amount of daily related transactions to occur in the current period during the reporting period by category (if any)						Not applicable							

Related party	Relationship	Transactions type	Related party transaction content	Pricing principles of related party transactions	Related party transaction price	Amount of Affiliated Transaction (ten thousand Yuan)	Proportion of the amount of similar transactions	Approved transaction amount (ten thousand yuan)	Whether the approved quota is exceeded	Settlement method of related party transactions	The market price of similar transactions available	Disclosure date	Disclosure index
Reason for any significant difference between the transaction price and the Market price for reference (if applicable)						Not applicable							

2. Related party transactions relevant to asset acquisition or sold

□ Applicable √ Not applicable

During the reporting period, the Company did not engage in any related-party transactions involving the acquisition or disposal of assets or equity interests.

3. Related party transactions relevant to joint investments

□ Applicable √ Not applicable

During the reporting period, the Company did not engage in any related-party transactions involving joint external investments.

4. Credits and liabilities with related parties

□ Applicable √ Not applicable

There were no related credits and debts during the reporting period.

5. Transactions with related financial companies

√ Applicable □ Not applicable

Deposit business

Related party	Relationship	Maximum daily deposit limit (ten thousand)	Deposit interest rate range	Beginning balance (10 thousand)	Current period		Ending balance (10 thousand)
					Total deposit amount of the current period (10 thousand)	Total withdrawal amount of this period (10 thousand)	
Angang Group Finance Co., Ltd.	Also belong to Ansteel	450,000	0.65%-1.45 %	19,474.64	8,351,578.23	8,353,046.86	18,006.02

Loans

Related party	Relationship	Credit Limit (ten thousand)	Credit interest rate range	Beginning balance (10 thousand)	Current period		Ending balance (10 thousand)
					Total loan amount for the current period (10 thousand)	Total repayment amount for this period (10 thousand)	
Angang Group Finance Co., Ltd.	Also belong to Ansteel	300,000	2.11%-2.29%	0	100,000	0	100,000

Credit or other financial services

Related party	Relationship	Business type	Total amount（10 thousand）	Actual amount（10 thousand）
Angang Group Finance	Also belong to Ansteel	Other financial services	500,000	92,652.44

Co., Ltd.				

6. Transactions between the company's holding financial company and related parties

□ Applicable √ Not applicable

There were no deposits, loans, credit or other financial businesses between the financial company controlled by the company and its related parties.

7. Other significant related transactions

□ Applicable √ Not applicable
There were no other significant related transactions during the reporting period.

XII. Significant Contracts and Their Performance

1. Trusteeship, Contracting, and Lease Arrangements

(1) Trusteeship

☐ Applicable ☑ Not Applicable

During the reporting period, the Company had no trusteeship arrangements.

(2) Contracting

☐ Applicable ☑ Not Applicable

During the reporting period, the Company had no contracting arrangements.

(3) Leasing

☑ Applicable ☐ Not Applicable

Details of leasing

The Company as Lessee

Lessor Name	Leased Asset Type	Current period					Previous period amount				
		Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets	Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets
Benxi Steel & Iron (Group) Co., Ltd.	2300 Hot rolling product line, related real estate			8,049,080.52	3,160,255.47				8,049,080.52	3,348,358.04	
Benxi Steel & Iron (Group) Co., Ltd.	Land use right 7,669,068.17 square meter Land use right 42,920.00 square meter			27,638,772.06	18,142,807.59				27,638,772.06	18,502,019.80	
Benxi Beiying Steel	1780 Hot rolling			6,912,486.06	2,433,851.18				7,175,818.86	2,578,717.23	

Lessor Name	Leased Asset Type	Current period					Previous period amount				
		Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets	Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets
& Iron (Group) Co., Ltd.	product line, related real estate										
Bengang Group Co., Ltd.	Land use right 728,282.30 square meter			4,972,711.56	588,107.25				4,972,711.56	756,809.43	
Angang Group Energy-Saving Technology Services Co., Ltd.	Machinery and equipment			1,026,168.33	1,035,351.86				828,571.67	1,400,598.59	
Benxi Yuneng Thermal	Plate Mill High-Pressure Area			122,125,000.00	8,928,791.76						

Lessor Name	Leased Asset Type	Current period					Previous period amount				
		Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets	Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets
Power Co., Ltd.	2×135MW Waste Gas Resource Comprehensive Utilization Power Generation Project (BOT)										
Benxi Iron and Steel (Group) Construction Co., Ltd.	Machinery and Equipment	7,313,667.92					3,470,033.34				
Benxi Iron &	Transport	5,687,307.26									

Lessor Name	Leased Asset Type	Current period					Previous period amount				
		Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets	Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets
Steel (Group) Construction Co., Ltd.	Equipment										
Benxi New Industrial Development Co., Ltd.	Land Lease	120,000.00									
Anzi (Tianjin) Financial Leasing Co., Ltd.	Machinery and Equipment	7,238,081.98					1,369,970.85				

Items with Profit/Loss Impact Exceeding 10% of the Company's Total Profit for the Reporting Period

☐ Applicable ☑ Not Applicable

During the reporting period, there were no lease arrangements that generated profit/loss exceeding 10% of the Company's total profit.

2. Significant Guarantees

☐ Applicable ☑ Not Applicable

During the reporting period, there were no significant guarantees provided by the Company.

3. Entrusted Cash Asset Management

☐ Applicable ☑ Not Applicable

During the reporting period, the Company did not engage in entrusted wealth management.

4. Other Significant Contracts

☐ Applicable ☑ Not Applicable

During the reporting period, there were no other significant contracts.

XIII. Research, visits and interviews received in this reporting period

☑Applicable ☐Not applicable

Reception Date	Location	Reception Method	Visitor Type	Visitor	Main Topics Discussed and Materials Provided	Basic Information Index of the Research
Jan 21, 2026	Benxi	Online Platform Exchange	Institution	CPIC Asset Management – Zhang Xueting Guosen Securities (Proprietary Trading) – Zhang Meng Ruijun Asset Management – Liu Guoxing Morgan Huaxin – Zengge Kaiqi, Zhang Yi Yinhua Fund – Hua Qiangqiang, Li Wanda, Zhang Ling BOC Fund – Chai Yiming Essence Fund – Song	Company's production and operational status	Investor Relations Activity Record on Jan 21, 2026

				Shanshan BOCOM Fund – Zhuang Tongyun ICBC Credit Suisse – Zhou Tong China Renaissance Asset Management – Liu Jinyu Rongtong Fund – Fan Xin Huatai Asset Management – Xia Jialu Hongkang Life Insurance – Sun Ting Haitong Asset Management – Jiao Jie CICC Asset Management – Hu Di Xingquan Fund – Yang Yuchen Ping An Pension – Jin Haofeng Taikang Asset Management – Chen Xiao China Life AMP Asset Management – Qu Langning China Universal Asset Management – He Biao Huihua Wealth Management – Zhang Luotong Fullgoal Fund – Huang Qinyi Taixin Fund – Qu Yicheng		
Feb 25, 2026	Benxi	On-site research	Institution	Caitong Securities - Zheng Huiwen ICBC Credit Suisse - Zhou Tong	Company's production and operational status	Investor Relations Activity Record on Feb 25, 2026

				Yinhua Fund - Jiang Shan		
Apr 16, 2026	Benxi	Online Platform Exchange	Institution	E Fund - Zhou Zhanman ICBC Credit Suisse - Yang Yunxin CITIC Securities - Liu Dangwu	Company's production and operational status	Investor Relations Activity Record on Apr 16, 2026
Apr 17, 2026	Benxi	Online Platform Exchange	Others	Performance Presentation	Company's production and operational status	Investor Relations Activity Record on Apr 17, 2026
Apr 29, 2026	Benxi	Online Platform Exchange	Institution	China Merchants Fund - Guo Qi Zhongjia Fund - Duan Jinxuan Yongying Fund - Lu Kailin CITIC Asset Management - Zheng Qinyuan HuaAn Fund - Wang Xiaodan BOC International (China) Fund - Zhuang Tongyun Huatai Asset Management - Xia Jialu Everbright-Pramerica - Yang Ziyi Yuanxin Yongfeng Fund - Qi Haolin China Southern Fund - Wang Yu Taikang Fund - Xu Xiaoxuan, Zhao Ruiheng PICC Pension - Xia Bingxin, Song Linlin CCB Principal Asset Management - Wang Xuhui, Wang Bowen Wanjia Fund -	Company's production and operational status	Investor Relations Activity Record on Apr 29, 2026

				Wang Ziyu, Zhou Shi Taikang Asset Management - Chen Xiao Essence Fund - Song Shanshan E Fund - Zhang Yi Bosera Fund - Jia Yunshu Kaifeng Investment - Tong Shuai Minmetals Asset Management - Hao Yagang Hualong Securities - Zhang Jin Guotai Fund - Tan Yu Soochow Securities - Zheng Bin HuaAn Asset Management - Li Ying China Universal Asset Management - Hou Yuelong		
May 7, 2026	Benxi	Online Platform Exchange	Institution	Taikang Asset Management – Chen Xiao, Shang Yifeng Everbright Securities – Wang Zhaohua, Wang Qiuqi, Liu Fanming	Company's production and operational status	Investor Relations Activity Record on May 7, 2026
May 18, 2026	Benxi	Online Platform Exchange	Institution	SW Asset Management – Yao Zidong, Liu Xiaomeng, Cao Ziyin	Company's production and operational status	Investor Relations Activity Record on May 18, 2026
Jun 16, 2026	Benxi	Online Platform Exchange	Institution	Changjiang Pension – Li Yiwei Huachuang Securities – Zhang Wenxing	Company's production and operational status	Investor Relations Activity Record on Jun 16, 2026

XIV. Other Major Events

☑ Applicable ☐ Not Applicable

On June 20, 2023, the company disclosed the "Major Asset Replacement and Related Transaction Plan" to carry out asset replacement with Benxi Iron and Steel Company, intending to acquire 100% equity of Benxi Iron and Steel (Group) Mining Co., Ltd., and intending to dispose of all assets and liabilities of the listed company except for retained assets and liabilities. The difference between the assets to be acquired and the assets to be disposed of shall be made up by one party to the other in cash. At present, the company is conducting further demonstration and communication and negotiation on the transaction plan. After the relevant matters are determined, the company will convene the board of directors again for deliberation.

XV. Major Events of Subsidiaries

☐ Applicable ☑ Not Applicable

VI. Status of Share Capital Changes and Shareholders

I. Share Capital Changes

1. Share capital changes

Unit: Share

	Before the change		Increase/decrease (+，-)					After the Change	
	Quantity	Percentage	Issuing of new share	Bonus shares	Capitalization of common reserve fund	Others	Subtotal	Quantity	Percentage
I. Restricted Shares									
1. State-owned Shareholdings									
2. State-owned Legal-person Shareholding									
3. Other domestic shareholdings									
Including: Domestic legal person holding									
Domestic person holding									
4. Foreign Shareholding									
Including: Foreign legal person holding									
Foreign person holding									
II. Non-restricted Shares	4,108,236,253	100.00%				153,849	153,849	4,108,390,102	100.00%
1. Common shares in RMB	3,708,236,253	90.26%				153,849	153,849	3,708,390,102	90.26%
2. Foreign shares in domestic market	400,000,000	9.74%						400,000,000	9.74%
3. Foreign shares in oversea market									
4.Others									
III. Total shares	4,108,236,253	100.00%				153,849	153,849	4,108,390,102	100.00%

Reason for share capital changes

√Applicable □Not applicable

During the reporting period, 5,071 convertible bonds were converted into shares and the company's total share capital increased by 153,849 shares.

Approval of share capital changes

□ Applicable √ Not applicable

Status of registration process of transferred shares

□ Applicable √ Not applicable

Progress of the Share Buyback Implementation

□ Applicable √ Not applicable

Progress update on the reduction of repurchased shares via centralized bidding

□ Applicable √ Not applicable

Influences of share capital changes on financial indices such as basic earnings per share, diluted earnings per share, and net assets per share attributed to common shareholders

□ Applicable √ Not applicable

Other information the Company deems necessary to be disclosed or required by the authority

□ Applicable √ Not applicable

2. Changes of Restricted Shares

□Applicable √Not applicable

II. Securities Issuance and Listing

□Applicable √Not applicable

III. Shareholders and Actual Controller

1. Total Number of shareholders and shareholding

Unit: Share

Total number of common shareholders at the end of the reporting period	45, 172	Total number of preferred shareholders whose voting rights were restored at the end of the reporting period (if any) (see Note	0

			8)					
Shareholding of shareholders holding more than 5% or top 10 shareholders (Excluding shares lent through refinancing)								
Name of the shareholder	Nature of shareholder	Holding Percentage	Number of shares held at period-end	Changes in reporting period	Restricted shares held	Un-restricted shares held	Number of pledged or frozen shares	
							Status	Number
Benxi Steel & Iron (Group) Co., Ltd.	State-owned legal person	58.65%	2,409,628,094	0	0	2,409,628,094	Frozen	102,100,000
Bengang Group Co., Ltd.	State-owned legal person	17.95%	737,371,532	0	0	737,371,532	Not applicable	0
Guan Hui	Domestic natural person	0.70%	28,900,000	300,000	0	28,900,000	Not applicable	0
Zhang Wenyou	Domestic natural person	0.38%	15,423,865	-2,397,000	0	15,423,865	Not applicable	0
Lyu Ruijun	Domestic natural person	0.31%	12,612,200	323,100	0	12,612,200	Not applicable	0
Zhou Wei	Domestic natural person	0.25%	10,136,800	400,100	0	10,136,800	Not applicable	0
Ma Yonghua	Domestic natural person	0.24%	10,036,457	3,100	0	10,036,457	Not applicable	0
Hong Kong Securities Clearing Company Limited	Foreign legal person	0.20%	8,207,219	-6,084,442	0	8,207,219	Not applicable	0
Jiang Dong	Domestic natural person	0.19%	7,770,000	7,770,000	0	7,770,000	Not applicable	0
Tang Linlin	Domestic natural person	0.19%	7,650,000	7,650,000	0	7,650,000	Not applicable	0
Strategy investors or general legal person becomes top 10 shareholders due to rights issued (if any) (See Notes 3)		None						
Notes to relationship or 'action in concert' among the top 10 shareholders.		Benxi Iron and Steel (Group) Co., Ltd. has a related relationship with Benxi Iron and Steel Group Co., Ltd., and is a concerted action person stipulated in the "Administrative Measures for the Acquisition of Listed Companies". It is unknown to the Company whether there is any related connection or 'Action in Concert' as described by Rules of Information Disclosing Regarding Changing of Shareholding Status of Listed Companies existing among the above shareholders.						

Explanation of the above-mentioned shareholders' entrusted/entrusted voting rights and waiver of voting rights	The above shareholders are not involved in the entrustment, entrusted voting rights, or abstention of voting rights.		
Special instructions for the existence of special repurchase accounts among the top 10 shareholders (if any) (see Note 10)	None		
Shareholding of top 10 unrestricted shareholders (Excluding shares lent through refinancing and shares locked by senior executives)			
Name of the shareholder	Un-restricted shares held at the end of the reporting period	Category of shares	
		Category of shares	Quantity
Benxi Steel & Iron (Group) Co., Ltd.	2,409,628,094	Common shares in RMB	2,409,628,094
Bengang Group Co., Ltd.	737,371,532	Common shares in RMB	737,371,532
Guan Hui	28,900,000	Common shares in RMB	28,900,000
Zhang Wenyou	15,423,865	Common shares in RMB	15,423,865
Lyu Ruijun	12,612,200	Foreign shares in domestic exchange	12,612,200
Zhou Wei	10,136,800	Common shares in RMB	10,136,800
Ma Yonghua	10,036,457	Foreign shares in domestic exchange	10,036,457
Hong Kong Securities Clearing Company Limited	8,207,219	Common shares in RMB	8,207,219
Jiang Dong	7,770,000	Common shares in RMB	7,770,000
Tang Linlin	7,650,000	Common shares in RMB	7,650,000
Notes to relationship or 'action in concert' among the top 10 non-restricted shareholders, and among the top 10 non-restricted shareholders and top 10 shareholders	Benxi Iron and Steel (Group) Co., Ltd. has a related relationship with Benxi Iron and Steel Group Co., Ltd., and is a concerted action person stipulated in the "Administrative Measures for the Acquisition of Listed Companies". It is unknown to the Company whether there is any related connection or 'Action in Concert' as described by Rules of Information Disclosing Regarding Changing of Shareholding Status of Listed Companies existing among the above shareholders.		
Shareholders among the top 10 participating in securities margin trading (if any) (see Note 4)	Guan Hui holds 900,000 shares of the Company's stock through an investor general account and 28,000,000 shares of the Company's stock through an investor credit securities account. Zhang Wenyou holds 367,998 shares of the Company's stock through an investor general securities account, 15,055,867 shares of the Company's stock through an investor credit securities account. Zhou Wei holds 867,900 shares of the Company's stock through an investor general securities account, 9,268,900 shares of the Company's stock through an investor credit securities account. Tang Linlin holds 7,650,000 shares of the Company's stock through an investor credit securities account.		

Shareholders holding more than 5% of the shares, the top 10 shareholders and the top 10 shareholders of unrestricted tradable shares participating in the refinancing business and lending shares

□ Applicable √ Not Applicable

The top 10 shareholders and the top 10 shareholders of unrestricted tradable shares have changed compared with the previous period due to lending/repayment of refinancing

□ Applicable √ Not Applicable

Whether top 10 common shareholders and top 10 un-restricted common shareholders have a buy-back agreement dealing in reporting period

□ Yes √ No

Top 10 common shareholders and top 10 un-restricted common shareholders had no buy-back agreement dealing in reporting period.

IV. Changes in Shareholdings of Directors and Senior Management

□ Applicable √ Not Applicable

There were no changes in the shareholdings of the company's directors and senior management during the reporting period; for details, please refer to the 2025 annual report.

V. Changes in the controlling shareholder or actual controller

If the company has previously disclosed that its actual controller is planning a change in control but the process has not yet been completed, please provide an update on the progress of the change in control.

□ Applicable √ Not Applicable

Change of controlling shareholders during the reporting period

□ Applicable √ Not Applicable

There was no change in the company's controlling shareholder during the reporting period.

Change of actual controller during the reporting period

□ Applicable √ Not Applicable

There was no change in the actual controller of the company during the reporting period.

VI. Information Regarding Preferred Shares

□ Applicable √ Not Applicable

The Company had no preferred shares during the reporting period.

VII. Status of Bonds

√ Applicable □ Not applicable

I. Enterprise bonds

□ Applicable √ Not applicable

During the reporting period, the company did not have Enterprise bonds.

II. Corporate bonds

□ Applicable √ Not applicable

During the reporting period, the company did not have corporate bonds.

III. Debt financing tools for non-financial companies

□ Applicable √ Not applicable

During the reporting period, the company did not have non-financial corporate debt financing instruments.

IV. Convertible corporate bonds

√ Applicable □ Not applicable

1. Convertible bond issuance

(1) Convertible Bond Issuance Status

Approved by the China Securities Regulatory Commission's "Securities Regulatory License [2020] No. 46", the company publicly issued 68 million convertible corporate bonds on June 29, 2020, with a face value of RMB 100 each, a total issuance amount of RMB 6.80 billion, and a term of 6 years.

(2) Listing Status of Convertible Bonds

Pursuant to the approval granted by the Shenzhen Stock Exchange (SZSE) in document "Shen Zheng Shang [2020] No. 656," the Company's convertible corporate bonds, with an aggregate principal amount of RMB 6.8 billion, commenced trading on the SZSE on August 4, 2020; the bonds are abbreviated as " Bengang Convertible Bond" and bear the stock code "127018."

(3) Conversion period for convertible bonds

In accordance with the stipulations of the “Prospectus for the Public Issuance of A-Share Convertible Corporate Bonds by Bengang Plate Co., Ltd.”, the conversion period for the convertible corporate bonds issued in this offering commences on the first trading day following the expiration of six months from the completion of the issuance and extends to the maturity date of the bonds, specifically, from January 4, 2021, to June 28, 2026.

(4) Redemption Status of Convertible Corporate Bonds at Maturity

The conversion period for the “Bengang Convertible Bonds” commenced on January 4, 2021. As of June 26, 2026 (the final conversion date), a total of 11,695,500 convertible bonds had been converted into the Company’s shares, resulting in the issuance of 233,018,570 shares. The outstanding balance of “Bengang Convertible Bonds” not converted by maturity amounted to 56,304,420 bonds, with a total redemption value of RMB 6,700,225,980 (inclusive of tax and the final interest payment); this amount was fully redeemed on June 29, 2026. Effective June 29, 2026, the conversion of “Bengang Convertible Bonds” ceased, and the bonds were delisted from the Shenzhen Stock Exchange. For further details, please refer to the “Announcement on the Redemption Results and Share Capital Changes of Bengang Convertible Bonds” (Announcement No.: 2026-044) published by the Company on June 30, 2026, in designated information disclosure media.

2. Guarantors and top ten holders of convertible bonds

3. Changes in convertible bonds during the reporting period

√ Applicable □ Not applicable

Unit: RMB Yuan

Convertible Corporate Bond Name	Before Change	Increase/Decrease			After Change
		Conversion	Redemption	Repurchase	
Bengang Convertible Bond	5,630,953,100.00	507,100.00	5,630,442,000.00	4,000.00	0.00

4. Cumulative share conversion

√ Applicable □ Not applicable

Name of Convertible	Start date and end date of conversion	Total issue quantity	Total issue amount (Yuan)	Cumulative conversion amount (Yuan)	Cumulative conversion quantity(s	Proportion of converted shares to the total issue quantity	Amount of shares not converted (Yuan)	Proportion of unconverted amount

Bond		(sheet)			hares)			to the total issue amount
Bengang Convertible Bond	4th Jan 2021 – 28th Jun 2026	68,000,000	68,000,000,000.00	1,169,550,000.00	233,018,570	6.01%	0.00	0.00%

5. Previous adjustments and revisions of the conversion price

Name of Convertible Bond	Conversion Price Adjustment Date	Adjusted Conversion Price (Yuan)	Disclosure Date	Conversion Price Adjustment Explanation	Latest Conversion Price as of the End of the Reporting Period (Yuan)
Bengang Convertible Bond	July 19, 2021	5.02	July 10, 2021	Implementation of 2020 Equity Distribution Plan	3.29
Bengang Convertible Bond	October 13, 2021	4.55	September 28, 2021	Implementation of 2021 Interim Equity Distribution Plan	3.29
Bengang Convertible Bond	June 16, 2022	3.95	June 8, 2022	Implementation of 2021 Equity Distribution Plan	3.29
Bengang Convertible Bond	December 26, 2025	3.29	December 26, 2025	The company's A-share price triggered the clause in the prospectus regarding the downward adjustment of the conversion price of Bengang convertible bonds, and the board of directors proposed an amendment.	3.29

6. At the end of the reporting period, the company's liabilities, changes in credit standing, and cash arrangements for debt repayment in future years

Not applicable.

V. The loss of the consolidated financial statements during the reporting period exceeds 10% of the net assets at the end of the previous year

√ Applicable □ Not applicable

Items	Losses	Reasons for the losses	The impact on the company's production and operation and

			debt repayment capacity
Parent company of Bengang Steel Plates Co., Ltd.	Net profit in the first half year of 2026: RMB -2,006,402,032.67	Operational loss	The parent company's net profit in the first half of 2026 was -2,006,402,032.67 yuan, which was 10% higher than the net assets in the audited consolidated balance sheet of the previous year, affecting the increase in the audited consolidated net loss in this period and the increase in the debt-to-asset ratio.

VI. The company's main accounting data and financial indicators for the past two years as of the end of the reporting period

Unit: 10 thousand yuan

Item	30 Jun 2026	31 Dec 2025	Changes over ending balance of last year
Current ratio	0.37	0.35	5.71%
Debt-to-asset ratio	87.38%	81.20%	6.18%
Quick ratio	0.13	0.11	18.18%
	Current period	Previous period	Changes over previous period
Net profit after deducting non-recurring gains and losses	-192,658.78	-145,037.98	32.83%
EBITDA total debt ratio	-1.45%	-1.14%	-0.31%
Interest Coverage ratio	-6.37	-4.42	44.12%
Cash Interest Coverage ratio	2.88	1.44	100.00%
EBITDA Interest Coverage ratio	-2.37	-1.04	127.88%
Loan repayment rate	100.00%	100.00%	0.00%
Interest repayment rate	100.00%	100.00%	0.00%

VIII. Financial Report

1. Auditor's report

Whether the interim report is audited

□ Yes √ No

The interim report is unaudited.

2. Financial Statements

The unit of the financial statements is: RMB yuan

BENGANG STEEL PLATES CO., LTD.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2026
(Expressed in Renminbi unless otherwise indicated)

Assets	Notes	Jun 30, 2026	Dec 31, 2025
Current assets			
Cash at bank and on hand	5 (1)	1,801,115,557.54	1,127,390,675.15
Settlement provisions			
Placements with banks and other financial institutions			
Financial assets held for trading			
Derivative financial assets			
Notes receivable	5 (2)	251,853,740.38	399,759,776.83
Accounts receivable	5 (3)	1,284,974,584.51	1,178,780,456.77
Accounts receivable financing	5 (4)	256,934,534.14	331,321,177.27
Prepayments	5 (5)	452,416,738.31	314,825,894.06
Insurance contract assets			
Reinsurance contract assets			
Other receivables	5 (6)	1,178,776.75	4,034,061.03
Redemptory financial assets for sale			
Inventories	5 (7)	6,071,509,678.50	6,369,194,886.12
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets	5 (8)	323,570,705.62	450,271,362.93
Total current assets		10,443,554,315.75	10,175,578,290.16
Non-current assets			
Loan and advances issued			
Debt Investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	5 (9)	43,269,884.04	43,269,884.04
Other equity instrument investments	5 (10)	890,420,831.77	890,420,831.77
Other non-current financial assets			
Investment property			
Fixed assets	5 (11)	28,503,203,951.19	28,412,673,622.89
Construction in progress	5 (12)	2,621,834,772.76	3,074,712,066.38
Productive biological assets			
Oil and gas assets			
Right-of-use assets	5 (13)	2,863,353,470.27	2,607,155,393.90
Intangible assets	5 (14)	384,438,175.33	383,659,012.77
Development expenditure	6 (2)	3,700,000.00	3,700,000.00
Goodwill			
Long-term deferred expenses			
Deferred tax assets	5 (15)	93,916,495.69	124,211,917.95
Other non-current assets	5 (16)	51,426,835.78	54,632,516.72
Total non-current assets		35,455,564,416.83	35,594,435,246.42
Total assets		45,899,118,732.58	45,770,013,536.58

The notes to the financial statements attached form part of these financial statements.

Legal Representative: Chief Financial Officer: Chief Accountant:

BENGANG STEEL PLATES CO., LTD.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
As at 30 June 2026
(Expressed in Renminbi unless otherwise indicated)

Liabilities and equities	Notes	Jun 30, 2026	Dec 31, 2025
Current Liabilities			
Short-term loans	5 (18)	4,575,371,374.99	333,660,470.12
Loan from central bank			
Loan from other banks			
Financial liability held for trading			
Derivative financial liabilities			
Notes payable	5 (19)	13,673,839,787.02	12,962,287,642.88
Accounts payable	5 (20)	3,101,065,676.73	2,667,236,412.66
Advance from customers	5 (21)	252,490.93	49,541.35
Contract liabilities	5 (22)	2,701,578,357.21	2,736,697,947.25
Financial assets sold for repurchase			
Deposits from customers and interbank			
Receipt from vicariously traded securities			
Receipt from vicariously underwriting securities			
Employee benefits payable	5 (23)	10,303,757.76	2,586,883.29
Current tax liabilities	5 (24)	53,717,519.20	59,857,286.81
Other payables	5 (25)	2,551,169,237.40	2,775,544,196.11
Handling charges and commission payable			
Liabilities held for sale			
Non-current liabilities due within one year	5 (26)	1,457,804,520.24	6,940,934,862.49
Other current liabilities	5 (27)	290,086,986.58	275,281,765.24
Total current liabilities		28,415,189,708.06	28,754,137,008.20
Non-current liabilities			
Insurance contract liabilities			
Reinsurance contract liabilities			
Long-term loans	5 (28)	9,227,985,607.86	6,014,469,758.11
Bonds payable	5 (29)		
Including: Preferred stock			
Perpetual bond			
Lease liabilities	5 (30)	2,313,796,245.61	2,239,436,105.64
Long-term payables			
Long-term employee benefits payable			
Estimated liabilities			
Deferred income	5 (31)	147,564,088.15	158,199,416.58
Deferred tax liabilities	5 (15)		
Other non-current liabilities			
Total non-current liabilities		11,689,345,941.62	8,412,105,280.33
Total liabilities		40,104,535,649.68	37,166,242,288.53
Shareholders' equity:			
Share capital	5 (32)	4,108,390,102.00	4,108,236,253.00
Other equity instruments	5 (33)		947,843,680.82
Including: Preferred stock			
Perpetual bond			
Capital reserves	5 (34)	13,253,305,178.53	13,252,955,837.48
Less: treasury shares			
Other comprehensive income	5 (35)	-129,961,806.05	-129,961,806.05
Special reserves	5 (36)	16,011,079.35	881,502.23
Surplus reserves	5 (37)	1,195,116,522.37	1,195,116,522.37
General risk reserve			
Undistributed profits	5 (38)	-13,346,838,223.54	-11,439,289,982.02
Total equity attributable to equity holders of the parent company		5,096,022,852.66	7,935,782,007.83
Non-controlling interests		698,560,230.24	667,989,240.22
Total shareholder's equity		5,794,583,082.90	8,603,771,248.05
Total of liabilities and owners' equity		45,899,118,732.58	45,770,013,536.58

The notes to the financial statements attached form part of these financial statements.

Legal Representative: Chief Financial Officer: Chief Accountant:

BENGANG STEEL PLATES CO., LTD.
STATEMENT OF FINANCIAL POSITION
As at 30 June 2026
(Expressed in Renminbi unless otherwise indicated)

Assets	Notes	Jun 30, 2026	Dec 31, 2025
Current assets			
Cash at bank and on hand		1,644,608,451.50	969,348,936.91
Financial assets held for trading			
Derivative financial assets			
Notes receivable		177,619,625.27	288,032,009.55
Accounts receivable	15 (1)	1,251,296,555.12	1,153,889,227.54
Accounts receivable financing		286,808,102.89	334,034,656.97
Prepayments		445,594,707.42	274,799,041.59
Other receivables	15 (2)	39,937,108.19	55,731,976.38
Inventories		5,426,183,573.29	5,607,342,964.33
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		307,390,019.52	417,408,930.19
Total current assets		9,579,438,143.20	9,100,587,743.46
Non-current assets			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	15 (3)	2,465,813,343.47	2,465,813,343.47
Other equity instrument investments		890,420,831.77	890,420,831.77
Other non-current financial assets			
Investment property			
Fixed assets		27,378,200,613.08	27,265,548,170.25
Construction in progress		2,506,825,149.42	2,965,847,309.52
Productive biological assets			
Oil and gas assets			
Right-of-use assets		2,863,353,470.27	2,607,155,393.90
Intangible assets		203,215,917.08	199,952,774.53
Including: data assets			
Development expenditure		3,700,000.00	3,700,000.00
Including: data assets			
Goodwill			
Long-term deferred expenses			
Deferred tax assets		92,581,529.69	122,987,010.55
Other non-current assets		51,426,835.78	53,948,721.72
Total non-current assets		36,455,537,690.56	36,575,373,555.71
Total assets		46,034,975,833.76	45,675,961,299.17

The notes to the financial statements attached form part of these financial statements.

Legal Representative: Chief Financial Officer: Chief Accountant:

BENGANG STEEL PLATES CO., LTD.
STATEMENT OF FINANCIAL POSITION (Continued)
As at 30 June 2026
(Expressed in Renminbi unless otherwise indicated)

Liabilities and shareholders' equities	Notes	Jun 30, 2026	Dec 31, 2025
Current liabilities			
Short-term loans		4,575,371,374.99	333,660,470.12
Financial liability held for trading			
Derivative financial liabilities			
Notes payable		11,286,261,844.98	10,945,673,752.38
Accounts payable		3,669,021,919.63	2,726,855,682.41
Prepayments			
Contract liabilities		7,007,391,578.87	6,807,101,441.62
Employee benefits payable		7,871,398.25	631,573.72
Current tax liabilities		22,168,044.92	31,524,009.09
Other payables		2,419,649,102.54	2,619,633,120.59
Liabilities held for sale			
Non-current liabilities due within one year		1,457,804,520.24	6,940,934,862.49
Other current liabilities		39,611,208.41	58,382,271.92
Total current liabilities		30,485,150,992.83	30,464,397,184.34
Non-current liabilities			
Long term loans		9,227,985,607.86	6,014,469,758.11
Bonds payable			
Including: Preferred stock			
Perpetual bond			
Lease liabilities		2,313,796,245.61	2,239,436,105.64
Long-term payables			
Long-term employee benefits payable			
Estimated liabilities			
Deferred income		147,564,088.15	158,199,416.58
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities		11,689,345,941.62	8,412,105,280.33
Total liabilities		42,174,496,934.45	38,876,502,464.67
Shareholder’s equity:			
Share capital		4,108,390,102.00	4,108,236,253.00
Other equity instruments			947,843,680.82
Including: Preferred stock			
Perpetual bond			
Capital reserves		12,852,815,365.60	12,852,466,024.55
Less: Treasury shares			
Other comprehensive income		-129,961,806.05	-129,961,806.05
Special reserves		14,780,150.08	17,561.83
Surplus reserves		1,195,116,522.37	1,195,116,522.37
Undistributed Profits		-14,180,661,434.69	-12,174,259,402.02
Total shareholder's equity		3,860,478,899.31	6,799,458,834.50
Total liabilities and shareholder’s equity		46,034,975,833.76	45,675,961,299.17

The notes to the financial statements attached form part of these financial statements.

Legal Representative: Chief Financial Officer: Chief Accountant:

BENGANG STEEL PLATES CO., LTD.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 June 2026
(Expressed in Renminbi unless otherwise indicated)

Items	Notes	Current period	Previous period
1. Total operating income		22,335,640,944.40	24,697,800,421.99
Including: Operating income	5 (39)	22,335,640,944.40	24,697,800,421.99
Interest income			
Premium earned			
Income from handling charges and commission			
2. Total operating cost		24,133,982,174.64	26,136,426,924.70
Including: Operating cost	5 (39)	23,417,107,587.05	25,441,217,248.92
Interest expense			
Expenditure for handling charges and commission			
Insurance service expenses			
Tax and surcharges	5 (40)	93,794,767.58	108,022,323.47
Selling and distribution expenses	5 (41)	57,847,251.98	61,464,166.53
General and administrative expenses	5 (42)	270,993,726.11	285,764,896.43
Research and development expenses	5 (43)	31,891,802.98	31,617,334.27
Financial expenses	5 (44)	262,347,038.94	208,340,955.08
Including: Interest expense	5 (44)	245,361,416.02	207,308,249.73
Interest income	5 (44)	28,085,562.37	17,521,734.29
Add: Other income	5 (45)	54,759,372.15	109,012,246.69
Income on investment（“-” for loss）	5 (46)	-13,043,716.99	-17,631,847.31
Including: Income from associates and joint ventures			
Income from derecognition of financial assets measured at amortized cost		-2,756,945.48	-603,798.41
Exchange gains（“-” for loss）			
Net exposure hedge income（“-” for loss）			
Gains from change of fair value （“-” for loss）			
Credit impairment loss （“-” for loss）	5 (47)	-9,502,738.36	-9,308,109.96
Asset impairment loss （“-” for loss）	5 (48)	-14,435,000.34	36,671,170.60
Assets disposal gains（“-” for loss）	5 (49)		3,008.85
3. Operational profit（“-” for loss）		-1,780,563,313.78	-1,319,880,033.84
Add: Non-operating income	5 (50)	6,082,381.82	9,723,769.21
Less: Non-operating expenses	5 (51)	34,760,019.49	36,523,366.11
4. Total profit (“-” for loss)		-1,809,240,951.45	-1,346,679,630.74
Less: Income tax expenses	5 (52)	68,072,357.45	19,976,028.30
5. Net profit（“-” for loss）		-1,877,313,308.90	-1,366,655,659.04
1.Classification by continuing operating			
1.Net profit from continuing operation（“-” for loss）		-1,877,313,308.90	-1,366,655,659.04
2.Net profit from discontinued operation（“-” for loss）			
2.Classification by ownership			
1. Net profit attributable to the owners of parent company （“-” for loss）		-1,907,548,241.52	-1,399,277,780.90
2. Net profit attributable to non-controlling shareholders （“-” for loss）		30,234,932.62	32,622,121.86
6.Other comprehensive income			
Other comprehensive income attributable to owners of the parent company after tax			
1.Other comprehensive income items that will not be reclassified into gains/losses			
1) Re-measurement of defined benefit plans of changes in net debt or net assets			
2) Other comprehensive income under the equity method cannot be reclassified into profit or loss			
3) Changes in fair value of other equity instrument investments			
4) Changes in fair value of company's credit risk			
5) Insurance finance reserve for insurance contracts that will not be reclassified to profit or loss			
6) Others			
2.Other comprehensive income that will be reclassified into profit or loss.			
1) Other comprehensive income under the equity method which can be reclassified into profit or loss			
2) Changes in fair value of other debt investments			
3) Amount of financial assets reclassified into other comprehensive income			
4) Credit impairment provision of other debt investments			
5) Cash flow hedges reserve			
6) Translation differences in foreign currency financial statements			
7) Financial changes in insurance contracts which can be reclassified to profit or loss			
8) Financial changes in reinsurance contracts which can be reclassified to profit or loss			
9) Others			
Other comprehensive income attributable to non-controlling shareholders’ equity after tax			
7. Total comprehensive income		-1,877,313,308.90	-1,366,655,659.04
Total comprehensive income attributable to the owner of the parent company		-1,907,548,241.52	-1,399,277,780.90
Total comprehensive income attributable to non-controlling shareholders		30,234,932.62	32,622,121.86
8. Earnings per share			
1） Basic earnings per share (RMB yuan/share)		-0.464	-0.341
2） Diluted earnings per share (RMB yuan/share)		-0.464	-0.341

The notes to the financial statements attached form part of these financial statements.

Legal Representative: Chief Financial Officer: Chief Accountant:

BENGANG STEEL PLATES CO., LTD.
STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 June 2026
(Expressed in Renminbi unless otherwise indicated)

Items	Notes	Current period	Previous period
1. Total operating income	15 (4)	22,142,202,489.73	24,843,114,408.22
Less: Operating cost	15 (4)	23,400,804,629.82	25,744,208,800.42
Tax and surcharges		67,485,264.31	77,033,502.59
Selling and distribution expenses		76,802,940.13	93,709,728.93
General and administrative expenses		254,396,265.45	270,944,864.54
Research and development expenses		31,891,802.98	31,617,334.27
Financial expenses		258,458,066.76	209,002,624.36
Including: Interest expense		245,361,416.02	207,308,249.73
Interest income		26,310,927.41	15,302,608.67
Add: Other income		48,788,836.85	68,822,256.72
Income on investment（“-” for loss）	15 (5)	-10,296,649.51	-17,359,947.52
Including: Income from associates and joint ventures			
Income from derecognition of financial assets measured at amortized cost			
Net exposure hedge income（“-” for loss）			
Gains from change of fair value （“-” for loss）			
Credit impairment loss（“-” for loss）		-8,768,999.66	-20,985,096.52
Assets impairment loss（“-” for loss）		-14,435,000.34	36,671,170.60
Assets disposal gains（“-” for loss）			3,008.85
2. Operational profit（“-” for loss）		-1,932,348,292.38	-1,516,251,054.76
Add: Non-operating income		5,748,673.13	9,650,019.10
Less: Non-operating expenses		34,646,932.56	33,395,650.60
3. Total profit (“-” for loss)		-1,961,246,551.81	-1,539,996,686.26
Less: Income tax expenses		45,155,480.86	146,195.41
4. Net profit（“-” for loss）		-2,006,402,032.67	-1,540,142,881.67
1.Net profit from continuing operation (“-” for loss)		-2,006,402,032.67	-1,540,142,881.67
2.Net profit from discontinued operation (“-” for loss)			
5.Other comprehensive income			
1.Other comprehensive income items that will not be reclassified into gains/losses			
1) Re-measurement of defined benefit plans of changes			
2) Other comprehensive income under the equity method cannot be reclassified into profit or loss			
3) Changes in fair value of other equity instrument investments			
4) Changes in fair value of company's credit risk			
2.Other comprehensive income that will be reclassified into profit or loss.			
1) Other comprehensive income under the equity method investee can be reclassified into profit or loss			
2) Changes in fair value of other debt investments			
3) Amount of financial assets reclassified into other comprehensive income			
4) Credit impairment provision of other debt investments			
5) Cash flow hedges reserve			
6) Translation differences in foreign currency financial statements			
7) Others			
6. Total comprehensive income		-2,006,402,032.67	-1,540,142,881.67
7. Earnings per share			
1）Basic earnings per share			
2）Diluted earnings per share			

The notes to the financial statements attached form part of these financial statements.

Legal Representative: Chief Financial Officer: Chief Accountant:

BENGANG STEEL PLATES CO., LTD.
CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended 30 June 2026
(Expressed in Renminbi unless otherwise indicated)

Items	Notes	Current period	Previous period
1.Cash flow from operating activities			
Cash received from sale of goods or rendering of services		24,821,179,787.30	26,352,011,964.12
Net increase of customers' deposit and interbank deposit			
Net increase of loan from central bank			
Cash received from premiums of insurance contracts issued			
Net cash received for reinsurance business			
Cash from receiving interest, handling charge and commission			
Net increase of loans from borrowing funds			
Net increase of fund for repurchase business			
Net cash received from traded securities			
Tax rebate received		27,615,774.73	
Other cash received relating to operating activities	5 (53)	69,030,457.30	122,173,179.14
Subtotal of cash inflows from operating activities		24,917,826,019.33	26,474,185,143.26
Cash paid for goods and services		22,939,289,959.24	24,803,326,040.01
Net increase of customer's loan and advances			
Net increase of deposit in central bank and interbank deposit			
Cash for payment of compensation for original insurance contract			
Net cash paid for reinsurance contracts held			
Net increase in policy loans			
Net increase in capital lent			
Cash for payment of interest, handling charge and commission			
Cash paid to and on behalf of employees		895,157,541.69	942,556,803.50
Cash paid for all types of taxes		221,801,883.88	197,929,978.91
Other cash paid relating to operating activities	5 (53)	155,004,688.99	158,742,556.80
Subtotal of cash outflows from operating activities		24,211,254,073.80	26,102,555,379.22
Net cash flows from operating activities		706,571,945.53	371,629,764.04
2. Cash flows from investing activities			
Cash received from disposal of investments			
Cash received from return on investments			
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			87,181,100.00
Net cash received from disposal of subsidiaries and other operating units			
Other cash received relating to investing activities			
Subtotal of cash inflows from investing activities			87,181,100.00
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		835,819,961.61	976,150,324.56
Cash paid for acquisition of investments			60,000,000.00
Net cash paid for acquiring subsidiaries and other business units			
Other cash paid relating to investing activities			
Subtotal of cash outflows from investing activities		835,819,961.61	1,036,150,324.56
Net cash flows from investing activities		-835,819,961.61	-948,969,224.56
3. Cash flows from financing activities			
Proceeds from investment			29,400,000.00
Including: Proceeds from investment of non-controlling shareholders of subsidiary			29,400,000.00
Proceeds from borrowings		9,617,500,000.00	1,251,997,823.71
Other proceeds relating to financing activities	5 (53)	921,460,041.20	1,815,330,484.81
Subtotal of cash inflows from financing activities		10,538,960,041.20	3,096,728,308.52
Cash repayments of borrowings		7,553,405,605.24	703,625,752.00
Cash payments for distribution of dividends, profit or interest expenses		1,195,084,112.26	337,785,953.76
Including: Cash paid to non-controlling shareholders as dividend and profit by subsidiaries			51,908,524.27
Other cash payments relating to financing activities	5 (53)	946,192,873.14	1,961,851,891.13
Subtotal of cash outflows from financing activities		9,694,682,590.64	3,003,263,596.89
Net cash flows from financing activities		844,277,450.56	93,464,711.63
4. Effect of foreign exchange rate changes on cash and cash equivalents		-42,316,077.98	12,181,557.53
5. Net increase in cash and cash equivalents	5 (54)	672,713,356.50	-471,693,191.36
Add: Cash and cash equivalents at the beginning of the period	5 (54)	287,470,306.31	1,590,205,218.91
6. Cash and cash equivalents at the ending of the period	5 (54)	960,183,662.81	1,118,512,027.55

The notes to the financial statements attached form part of these financial statements.

Legal Representative: Chief Financial Officer: Chief Accountant:

BENGANG STEEL PLATES CO., LTD.
STATEMENT OF CASH FLOWS
For the period ended 30 June 2026

(Expressed in Renminbi unless otherwise indicated)

Items	Notes	Current period	Previous period
1. Cash flow from operating activities			
Cash received from sale of goods or rendering of services		22,218,706,118.83	25,486,623,895.09
Tax rebate received		25,654,204.30	
Other cash received relating to operating activities		62,530,710.01	359,517,948.34
Subtotal of cash inflows from operating activities		22,306,891,033.14	25,846,141,843.43
Cash paid for goods and services		21,024,174,232.95	24,109,950,616.59
Cash paid to and on behalf of employees		827,130,009.63	869,629,604.70
Cash paid for all types of taxes		121,653,206.63	126,265,175.99
Other cash paid relating to operating activities		147,323,918.94	144,527,255.02
Subtotal of cash outflows from operating activities		22,120,281,368.15	25,250,372,652.30
Net cash flows from operating activities		186,609,664.99	595,769,191.13
2. Cash flows from investing activities			
Cash received from disposal of investments			
Cash received from return on investments		12,000,000.00	184,898,383.95
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			87,181,100.00
Net cash received from disposal of subsidiaries and other operating units			
Other cash received relating to investing activities			
Subtotal of cash inflows from investing activities		12,000,000.00	272,079,483.95
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		326,382,505.42	972,611,679.66
Cash paid for acquisition of investments			90,600,000.00
Net cash paid for acquisition of subsidiaries and other operating unit			
Other cash paid relating to investing activities			
Subtotal of cash outflows paid for investing activities		326,382,505.42	1,063,211,679.66
Net cash flows from investing activities		-314,382,505.42	-791,132,195.71
3. Cash flows from financing activities			
Proceeds from investment			
Cash received from borrowings		9,617,500,000.00	1,251,997,823.71
Other cash received relating to financing activities		921,460,041.20	1,815,330,484.81
Subtotal of cash inflows from financing activities		10,538,960,041.20	3,067,328,308.52
Cash repayments of borrowings		1,922,963,605.24	703,625,752.00
Cash payments for distribution of dividends, profit or interest		125,300,132.26	285,877,429.49
Other cash payments relating to financing activities		7,617,416,200.58	1,961,851,891.13
Subtotal of cash outflows from financing activities		9,665,679,938.08	2,951,355,072.62
Net cash flows from financing activities		873,280,103.12	115,973,235.90
4. Effect of foreign exchange rate changes on cash and cash equivalents		-42,256,621.43	12,043,045.91
5. Net increase in cash and cash equivalents		703,250,641.26	-67,346,722.77
Add: Cash and cash equivalents at the beginning of the period		177,479,144.77	1,064,914,001.36
6. Ending balance of cash and cash equivalents		880,729,786.03	997,567,278.59

The notes to the financial statements attached form part of these financial statements.

Legal Representative: Chief Financial Officer: Chief Accountant:

BENGANG STEEL PLATES CO., LTD.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 30 June 2026
(Expressed in Renminbi unless otherwise indicated)

Items	Current period													
	Owner's equity attributable to parent company													
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserve	Undistributed profit	Subtotal	Non-controlling interest	Total of owner's equity
		Preference shares	Perpetual bond	Others										
1. Ending balance of last year	4,108,236,253.00			947,843,680.82	13,252,955,837.48		-129,961,806.05	881,502.23	1,195,116,522.37		-11,439,289,982.02	7,935,782,007.83	667,989,240.22	8,603,771,248.05
Add: Change of accounting policies														
Correction of errors for last period														
Business consolidation under common control														
Others														
2. Beginning balance of current year	4,108,236,253.00			947,843,680.82	13,252,955,837.48		-129,961,806.05	881,502.23	1,195,116,522.37		-11,439,289,982.02	7,935,782,007.83	667,989,240.22	8,603,771,248.05
3. Changes in current year (“-” for decrease)	153,849.00			-947,843,680.82	349,341.05			15,129,577.12			-1,907,548,241.52	-2,839,759,155.17	30,570,990.02	-2,809,188,165.15
1) Total comprehensive income											-1,907,548,241.52	-1,907,548,241.52	30,234,932.62	-1,877,313,308.90
2) Capital increase and decrease by shareholders	153,849.00			-947,843,680.82	349,341.05							-947,340,490.77		-947,340,490.77
(1) Common share invested by shareholders														
(2) Capital input by the holder of other equity instruments	153,849.00			-947,843,680.82								-947,689,831.82		-947,689,831.82
(3) Share-based payment attributable to owners' equity														
(4) Others					349,341.05							349,341.05		349,341.05
3) Profit distribution														
(1) Appropriation to surplus reserves														
(2) Appropriation to general risk reserve														
(3) Profit distribution to shareholders														
(4) Others														
4) Transfers within shareholders' equity														
(1) Capital reserves transferred into paid-in capital (or stock)														
(2) Surplus reserves transferred into paid-in capital (or stock)														
(3) Surplus reserves to recover loss														
(4) Net changes of defined contribution plans transferred into Retained Earnings														
(5) Other comprehensive income transferred into Retained Earnings														
(6) Others														
5) Special reserves								15,129,577.12				15,129,577.12	336,057.40	15,465,634.52
(1) Provision of special reserves								30,136,206.94				30,136,206.94	2,508,026.61	32,644,233.55
(2) Use of special reserves								15,006,629.82				15,006,629.82	2,171,969.21	17,178,599.03
6) Others														
4. Ending balance of current year	4,108,390,102.00				13,253,305,178.53		-129,961,806.05	16,011,079.35	1,195,116,522.37		-13,346,838,223.54	5,096,022,852.66	698,560,230.24	5,794,583,082.90

The notes to the financial statements attached form part of these financial statements

Legal Representative: Chief Financial Officer: Chief Accountant:

BENGANG STEEL PLATES CO., LTD.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)
For the period ended 30 June 2026
(Expressed in Renminbi unless otherwise indicated)

Items	Previous period													
	Owner's equity attributable to parent company													
	Share capital	Other equity instruments: Preference shares	Other equity instruments: Perpetual bond	Other equity instruments: Others	Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserve	Undistributed profit	Subtotal	Non-controlling interest	Total of owner's equity
1. Ending balance of last year	4,108,228,157.00			947,850,195.03	13,225,632,166.95		-93,407,196.62	809,649.65	1,195,116,522.37		-7,497,011,632.90	11,887,217,861.48	611,915,458.68	12,499,133,320.16
Add: Change of accounting policies														
Correction of errors for last period														
Business consolidation under common control														
Others														
2. Beginning balance of current year	4,108,228,157.00			947,850,195.03	13,225,632,166.95		-93,407,196.62	809,649.65	1,195,116,522.37		-7,497,011,632.90	11,887,217,861.48	611,915,458.68	12,499,133,320.16
3. Changes in current year (“-” for decrease)	4,048.00			-3,257.10	11,835.26			15,368,052.79			-1,399,277,780.90	-1,383,897,101.95	62,709,204.45	-1,321,187,897.50
1) Total comprehensive income											-1,399,277,780.90	-1,399,277,780.90	32,622,121.86	-1,366,655,659.04
2) Capital increase and decrease by shareholders	4,048.00			-3,257.10	11,835.26							12,626.16	29,400,000.00	29,412,626.16
(1) Common share invested by shareholders													29,400,000.00	29,400,000.00
(2) Capital input by the holder of other equity instruments	4,048.00			-3,257.10	11,835.26							12,626.16		12,626.16
(3) Share-based payment attributable to owners' equity														
(4) Others														
3) Profit distribution														
(1) Appropriation to surplus reserves														
(2) Appropriation to general risk reserve														
(3) Profit distribution to shareholders														
(4) Others														
4) Transfers within shareholders' equity														
(1) Capital reserves transferred into paid-in capital (or stock)														
(2) Surplus reserves transferred into paid-in capital (or stock)														
(3) Surplus reserves to recover loss														
(4) Net changes of defined contribution plans transferred into Retained Earnings														
(5) Other comprehensive income transferred into Retained Earnings														
(6) Others														
5) Special reserves								15,368,052.79				15,368,052.79	687,082.59	16,055,135.38
(1) Provision of special reserves								32,080,601.70				32,080,601.70	2,253,924.06	34,334,525.76
(2) Use of special reserves								16,712,548.91				16,712,548.91	1,566,841.47	18,279,390.38
6) Others														
4. Ending balance of current year	4,108,232,205.00			947,846,937.93	13,225,644,002.21		-93,407,196.62	16,177,702.44	1,195,116,522.37		-8,896,289,413.80	10,503,320,759.53	674,624,663.13	11,177,945,422.66

The notes to the financial statements attached form part of these financial statements

Legal Representative: Chief Financial Officer: Chief Accountant:

BENGANG STEEL PLATES CO., LTD.
STATEMENT OF CHANGES IN EQUITY
For the period ended 30 June 2026
(Expressed in Renminbi unless otherwise indicated)

Items	Current period										
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total shareholder’s equity
		Preference shares	Perpetual bond	Others							
1. Ending balance of last year	4,108,236,253.00			947,843,680.82	12,852,466,024.55		-129,961,806.05	17,561.83	1,195,116,522.37	-12,174,259,402.02	6,799,458,834.50
Add: Change of accounting policies											
Correction of errors for last period											
Others											
2. Beginning balance of current year	4,108,236,253.00			947,843,680.82	12,852,466,024.55		-129,961,806.05	17,561.83	1,195,116,522.37	-12,174,259,402.02	6,799,458,834.50
3. Changes in current year (“-” for decrease)	153,849.00			-947,843,680.82	349,341.05			14,762,588.25		-2,006,402,032.67	-2,938,979,935.19
1) Total comprehensive income										-2,006,402,032.67	-2,006,402,032.67
2) Capital increase and decrease by shareholders	153,849.00			-947,843,680.82	349,341.05						-947,340,490.77
(1) Common share invested by shareholders											
(2) Capital input by the holder of other equity instruments				-947,843,680.82							-947,843,680.82
(3) Share-based payment attributable to shareholders' equity											
(4) Others	153,849.00				349,341.05						503,190.05
3) Profit distribution											
(1) Appropriation of surplus reserves											
(2) Profit distribution to shareholders											
(3) Others											
4) Transfers within shareholders' equity											
(1) Capital reserves transferred into paid-in capital (or stock)											
(2) Surplus reserves transferred into paid-in capital (or stock)											
(3) Surplus reserves to recover loss											
(4) Net changes of defined contribution plans transferred into Retained Earnings											
(5) Other comprehensive income transferred into retained earnings											
(6) Others											
5) Special reserves								14,762,588.25			14,762,588.25
(1) Provision of special reserves								23,140,800.00			23,140,800.00
(2) Use of special reserves								8,378,211.75			8,378,211.75
6) Others											
4. Ending balance of current year	4,108,390,102.00				12,852,815,365.60		-129,961,806.05	14,780,150.08	1,195,116,522.37	-14,180,661,434.69	3,860,478,899.31

The notes to the financial statements attached form part of these financial statements

Legal Representative: Chief Financial Officer: Chief Accountant:

BENGANG STEEL PLATES CO., LTD.
STATEMENT OF CHANGES IN EQUITY (Continued)
For the period ended 30 June 2026
(Expressed in Renminbi unless otherwise indicated)

Items	Previous period										
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total shareholder's equity
		Preference shares	Perpetual bond	Others							
1. Ending balance of last year	4,108,228,157.00			947,850,195.03	12,825,142,354.02		-93,407,196.62	9,276.81	1,195,116,522.37	-8,088,697,453.94	10,894,241,854.67
Add: Change of accounting policies											
Correction of errors for last period											
Others											
2. Beginning balance of current year	4,108,228,157.00			947,850,195.03	12,825,142,354.02		-93,407,196.62	9,276.81	1,195,116,522.37	-8,088,697,453.94	10,894,241,854.67
3. Changes in current year ("-" for decrease)	4,048.00			-3,257.10	11,835.26			13,263,849.83		-1,540,142,881.67	-1,526,866,405.68
1) Total comprehensive income										-1,540,142,881.67	-1,540,142,881.67
2) Capital increase and decrease by shareholders	4,048.00			-3,257.10	11,835.26						12,626.16
(1) Common share invested by shareholders											
(2) Capital input by the holder of other equity instruments	4,048.00			-3,257.10	11,835.26						12,626.16
(3) Share-based payment attributable to shareholders' equity											
(4) Others											
3) Profit distribution											
(1) Appropriation of surplus reserves											
(2) Profit distribution to shareholders											
(3) Others											
4) Transfers within shareholders' equity											
(1) Capital reserves transferred into paid-in capital (or stock)											
(2) Surplus reserves transferred into paid-in capital (or stock)											
(3) Surplus reserves to recover loss											
(4) Net changes of defined contribution plans transferred into Retained Earnings											
(5) Other comprehensive income transferred into retained earnings											
(6) Others											
5) Special reserves								13,263,849.83			13,263,849.83
(1) Provision of special reserves								25,328,400.00			25,328,400.00
(2) Use of special reserves								12,064,550.17			12,064,550.17
6) Others											
4. Ending balance of current year	4,108,232,205.00			947,846,937.93	12,825,154,189.28		-93,407,196.62	13,273,126.64	1,195,116,522.37	-9,628,840,335.61	9,367,375,448.99

The notes to the financial statements attached form part of these financial statements

Legal Representative: Chief Financial Officer: Chief Accountant:

Bengang Steel Plates Co., Ltd.

Notes to the financial statements

For the period from Jan. to Jun. 2026

(Expressed in Renminbi unless otherwise indicated)

1. Basic Information of the Company

(1) Company profile

Bengang Steel Plates Co., Ltd. (hereinafter referred to as "Bengang Steel Plates" or "the Company"), as approved in Liao-Zheng (1997) No. 57 by Liaoning People's Government on 27 March 1997, was incorporated as a joint stock limited company through public share offer of domestic listed foreign currency denominated shares (B shares) in the People's Republic of China (the "PRC") on 27 June 1997 by Benxi Steel and Iron (Group) Co., Ltd. ("Bengang Group"), through reorganization of operations, assets and liabilities of its plants, namely, Steel Smelting Plant, Primary Rolling Plant and Continuous Hot Rolling Plant.

As approved by China Securities Regulatory Commission (hereinafter referred to as "the CSRC"), the Company issued 400,000,000 B-shares at HKD 2.38 each in Shenzhen Stock Exchange on 10 June 1997. On 3 November 1997, the Company issued another 120,000,000 A-shares (Renminbi common Shares) at RMB 5.40 each, and listed in Shenzhen Stock Exchange since 15 January 1998. The capital shares were totaled to 1,136,000,000 shares.

On 14 March 2006, according to the resolutions of the Shareholders' Meeting regarding share equity relocation, the Share Equity Relocation Scheme, Response to Bengang Steel Plate Co., Ltd. about Share Equity Relocation issued by Liaoning Provincial Government State-owned Asset Administrative Committee, Bengang Group – the only holder of non-negotiable state-owned legal person shares paid the consideration to the current shareholders to obtain the current option for the 40,800,000 shares of the total 616,000,000 shares it was holding. Shareholding positions have been registered with China Securities Depository & Clearing Corporation Ltd. Shenzhen Office. However, the total amount of capital shares of Bengang Steel Plates Co., Ltd. was not changed through the share equity relocation action.

On July 6, 2006, the Company received Document No. Zhengjian Gongsi Zi (2006) 126, issued by the China Securities Regulatory Commission (CSRC) on June 30, 2006. This document approved the issuance by the Company of 2 billion RMB-denominated ordinary shares to Bengang Group for the purpose of acquiring relevant assets from Bengang Group. On the same day, Bengang Group received circular Zheng-Jian-Gong-Si-Zi [2006] No. 127 issued by China Securities Regulatory Committee, and were exempted for the liability of undertaking the purchase offer. The liability was caused by subscribing of the 2 billion new shares and the total shareholding was thus increased to 2.5752 billion shares (accounting for 82.12% of the total capital shares of the Company). On 28 August 2006, as approved by China Securities Depository & Clearing Corporation Ltd. Shenzhen Office, the registration and conditional placing procedures of the 2 billion new shares were completed. On 28 September 2006, the privately placed shares were approved by Shenzhen Stock Exchange to be placed in the stock market. The placing price was RMB4.6733 per share.

Approved by the China Securities Regulatory Commission [2017] No. 1476, Bengang Steel Plate Co., Ltd. privately placed no more than 739,371,534 RMB ordinary shares (A shares) to no more than 10 issuers. The non-public offering was completed on 9 February 2018, and 739,371,532 shares were actually issued. The placing price was RMB5.41 per share.

On August 20, 2021, the State-owned Assets Supervision and Administration Commission of the People's Government of Liaoning Province (hereinafter referred to as Liaoning SASAC) and Ansteel Group Co., Ltd. (hereinafter referred to as Ansteel) signed the "Agreement on the Gratuitous Transfer of State-owned Equity in Bengang Group Co., Ltd. between the State-owned Assets Supervision and Administration Commission of the People's Government of Liaoning Province and Ansteel Group Co., Ltd." According to the agreement, Liaoning SASAC will transfer its 51% equity in Bengang Group Co., Ltd. (hereinafter referred to as Bengang Group) to Ansteel Group Co., Ltd. for free. After the completion of this free transfer, Ansteel became the controlling shareholder of Bengang Group, and Ansteel indirectly hold 76.67% of the total share capital of Bengang Steel Plates.

As at 30 June 2026, the capital shares were totaled to 4,108,390,102.00 shares.
The Company’s uniform social credit code: 91210000242690243E.
The Company’s registered address: 16th Renmin Road, Pingshan District, Benxi, Liaoning Province.
The Company’s legal representative: Wang Zhanwei.

The parent company of Bengang Steel Plates Co., Ltd is Benxi Steel and Iron (Group) Co., Ltd. and the actual controller is Ansteel Group Co., Ltd..

Bengang Steel Plates Co., Ltd. belongs to ferrous metal smelting and rolling processing industry and is mainly involved in producing and trading of ferrous metal products.

The financial statements have been approved for reporting by the board of directors of the Company on 27 August 2026.

2. Basis of preparation

(1) Basis of preparation

The financial statements have been prepared in accordance with "Accounting Standards for Business Enterprises – Basic Standard" and relevant specific standards, application materials, interpretations (together hereinafter referred to as "Accounting Standards for Business Enterprises") issued by the Ministry of Finance, and "Information Disclosure Rules for Companies of securities for public issuance No. 15 – General Regulations for Financial Statements" issued by the China Securities Regulatory Commission.

(2) Going concern

The financial statements have been prepared on a going concern basis.

3. Significant accounting policies and accounting estimates

The following disclosed content covers the specific accounting policies and accounting estimates that are adopted by the Company based on the actual production and operation characteristics. Please see Note (10) Financial instruments, (12) Inventory, (15) Fixed assets, (18) Intangible assets, (24) Revenue under "3. Significant accounting policies and accounting estimates" for details.

(1) Statement of compliance with China Accounting Standards for Business Enterprises

The financial statements present truly and completely the financial position, operation results and cash flows of the consolidated and parent company during the reporting period in accordance with China Accounting Standards for Business Enterprises.

(2) Accounting year

The Accounting year is from 1 January to 31 December.

(3) Operating period

The operating period is twelve months.

(4) Functional currency

The Company's functional currency is RMB.

(5) The accounting treatment for Business combination under/not under common control

Business combination under common control

The assets and liabilities that the Company acquired in a business combination shall be measured on the basis of their carrying amount of acquiree's assets, liabilities (as well as the goodwill arising from the business combination) in the consolidated financial statement of the ultimate controller on the combining date. As for the balance between the carrying amount of the net assets obtained by the Company and the carrying amount of the consideration paid by it (or the total par value of the shares issued), capital reserve needs to be adjusted. If the capital reserve is not sufficient, any excess shall be adjusted against retained earnings.

Business combination not under common control

The Company shall, on the acquisition date, measure the assets given and liabilities incurred or assumed by an enterprise for a business combination in light of their fair values, and shall record the balances between them and their carrying amounts into the profits and losses at the current period. The Company shall recognize the positive balance between the combination costs and the fair value of the identifiable net assets it obtains from the acquiree as goodwill. The Company shall treat the negative balance between the combination costs and the fair value of the identifiable net assets it obtains from the acquiree into the profits and losses of the current period. All identifiable assets, liabilities and contingent liabilities of the acquiree that meet the recognition criteria acquired in the merger are measured at fair value on the acquisition date.

Directly related expenses incurred for a business combination are recorded in the current period's profit or loss when incurred; transaction costs of equity securities or debt securities issued for a business combination are included in the initial recognition amount of the equity securities or debt securities.

(6) Scope of consolidation and Consolidation of Financial Statements

1. Scope of consolidation

The scope of consolidation of consolidated financial statements is determined based on control and the scope of consolidation includes the Company and all its subsidiaries. Control means that the Company has power over the investee, enjoys variable returns through participation in the relevant activities of the investee, and has the ability to use the power over the investee to influence the amount of its returns.

2. Procedure of consolidation

When preparing consolidated financial statements, the parent shall consider the entire group as an accounting entity, adopt uniform accounting policies to prepare the consolidated financial statements which reflect the overall financial position, operating results and cash flows of the group. The impact of internal transactions between the Company and its subsidiaries and between subsidiaries shall be offset. If internal transactions indicate that relevant assets have suffered impairment losses, such losses shall be fully recognized. The accounting policy and accounting period of the subsidiaries within the consolidation scope shall be in accordance with those of the Company. If not, it is necessary to make the adjustment according to the Company's accounting policies and accounting period when preparing the consolidated financial statements.

The owners' interests, profit or loss, and comprehensive income of the subsidiary attributable to the non-controlling shareholders shall be presented separately in the shareholders' equity of the consolidated balance sheet and under the item of net profit of the consolidated statement of comprehensive income and under the item of total comprehensive income. Where losses assumed by the minority exceed the minority's interests in the beginning equity of a subsidiary, the excess shall be charged against the minority's interests.

(1) Increasing new subsidiaries and businesses

If the Company has a new subsidiary due to business combination under common control during the reporting period, it shall adjust the beginning balance in the consolidated statement of financial position when preparing consolidated statement of financial position. The revenue, expenses and profits of the subsidiaries from the acquisition date to the end of the reporting period are included in the Company's consolidated statement of comprehensive income. The cash flow of the subsidiaries from the acquisition date to the end of the reporting period is included in the Company's consolidated statement of cash flows. And meanwhile the Company shall adjust the relevant items of the comparative financial statements as if the reporting entity for the purpose of consolidation has been in existence since the date the ultimate controlling party first obtained control.

When the Company becomes capable of exercising control over an investee under common control due to additional investment or other reasons, adjustment shall be made as if the reporting entity after the combination has been in existence since the date the ultimate controlling party first obtained control. The investment income recognized between date of previously obtaining equity investment and the date the acquiree and acquirer are under common control, which is later, and the combining date, other comprehensive income and other changes of net assets arising from the equity investment previously held before obtaining the control the acquiree shall be adjusted against the prior retained earnings of the comparative financial statements and the current profit or loss respectively.

If it is not under common control, it will be included in the consolidated financial statements from the date of acquisition based on the fair value of each identifiable asset, liability and contingent liability determined on the date of acquisition.

When the Company becomes capable of exercising control over an investee not under common control due to additional investment or other reasons, the acquirer shall remeasure its previously held equity interest in the acquiree to its fair value at the acquisition date. The difference between the fair value and the carrying amount shall be recognized as investment income for the period when the acquisition takes place. When the previously held equity investment is accounted for under the equity method, any other comprehensive income previously recognized in relation to the acquiree's equity changes shall be transferred to profit or loss for the current period when the acquisition takes place.

(2) Disposing subsidiaries or businesses

1. General treatment

When the Company loses control over an investee due to partial disposal or other reasons, the acquirer shall re-measure the remaining equity interests in the acquiree to its fair value at the acquisition date. The difference, between sums of consideration received for disposal equity shares and fair value of the remaining shares, and sums of share of net assets of the subsidiary calculated continuously from the acquisition date or the combination date based on the previous shareholding proportion and goodwill, shall be recognized as investment income for the period when the Company loses control over acquiree. When the previously held equity investment is accounted for under the equity method, any other comprehensive income previously recognized in relation to the acquiree's equity changes, and other equity changes rather than changes from net profit, other comprehensive income and profit distribution, shall be transferred to investment income for the current period when the Company loses control over acquiree.

(7) Classification of joint venture arrangements and accounting treatment

Joint venture arrangements are divided into joint operations and joint ventures.

When the Company is a joint venture party of a joint venture arrangement and have the assets related to the arrangement and assumes the liabilities related to the arrangement, it is a joint operation.

The Company confirms the following items related to the share of interest in the joint operation and performs accounting treatment in accordance with the relevant enterprise accounting standards:

a. Confirm the assets held by the company separately, and confirm the assets held jointly by the Company's share;

b. Recognize the liabilities assumed by the Company separately and the liabilities jointly assumed by the company's share;

c. Recognize the income generated by the sale of the Company's share of common operating output;

d. Recognize the revenue generated from the sale of joint operations based on the Company's share;

e. Confirm the expenses incurred separately and the expenses incurred in the joint operation according to the Company's share.

The Company's investment in joint ventures is accounted for using the equity method. For details, see Note (14) Long-term equity investments under “ 3. Significant accounting policies and accounting estimates”.

(8) Recognition of cash and cash equivalents

The term "cash" refers to the cash on hand and the unrestricted deposit. And the term "cash equivalents" refers to short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(9) Foreign currency transaction and translation of foreign currency financial statements

1. Foreign currency transactions

Foreign currency transactions are translated into RMB at the current rate at the day of transactions.

The foreign currency monetary items shall be translated at the spot exchange rate on the balance sheet date. The balance of exchange arising from the difference between the spot exchange rate on the balance sheet date and the spot exchange rate at the time of initial recognition or prior to the balance sheet date, except those arising from the raising of special foreign debt for the purchase or construction of capitalizable assets thus shall be capitalized according to the borrowing costs capitalization principle, shall be recorded into the profits and losses at the current period.

2. Translation of foreign currency financial statements

The asset and liability items in the statement of financial position shall be translated at a spot exchange rate on the balance sheet date. Among the owner's equity items, except the ones as "undistributed profits", others shall be translated at the spot exchange rate at the time when they are incurred. The income and expense items in the income statement shall be translated using an exchange rate that is determined in a systematic and reasonable manner and approximates the spot exchange rate on the transaction date.

When disposing an overseas business, the Company shall shift the balance, which is presented under the items of the owner's equities in the statement of financial position and arises from the translation of foreign currency financial statements related to this oversea business, into the disposal profits and losses of the current period.

(10) Financial instruments

The Company recognizes a financial asset, financial liability or equity instrument when it becomes a party to a financial instrument contract.

1. Classification of financial instruments

The Company shall classify financial assets on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset as: financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss at initial measurement.

A financial asset which is not designated as a financial asset measured at fair value through profit or loss shall be measured at amortised cost if both of the following conditions are met.

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met.

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company may make an election at initial recognition for non-trading equity instrument investments whether it is designated as a financial asset (equity instrument) that is measured at fair value through other comprehensive income. The designation is made on the basis of a single investment, and the related investment meets the definition of an equity instrument from the issuer's perspective.

Other financial assets other than these are classified as financial assets measured at fair value through profit or loss. At the initial recognition, in order to eliminate or significantly reduce accounting mismatches, financial assets that should be classified as measured at amortized value or financial assets measured at fair value through other comprehensive income can be designated as financial assets measured at fair value through profit or loss.

The Company shall classify financial liabilities as financial liabilities measured at amortised cost and financial liabilities measured at fair value through profit or loss at initial measurement.

2. Recognition and measurement of financial instruments

(1) Financial assets measured at amortised cost

Financial assets measured at amortized cost include notes receivables, accounts receivables, other receivables, long-term receivables, debt investments, etc. At initial recognition, the Company shall measure a financial asset at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset. The Company shall measure account receivables at their transaction price if the account receivables do not contain a significant financing component and accounts receivables that the company has decided not to consider for a financing component of no more than one year.

Interests calculated by using the effective interest method during the holding period shall be recognized in profit or loss.

When recovering or disposing the receivables, the difference between the price obtained and the carrying value shall be recognized in current profit or loss.

(2) Financial assets measured at fair value through other comprehensive income (debt instruments)

Financial assets measured at fair value through other comprehensive income (debt instruments) include receivables financing, other debt investments, etc. At initial recognition, the Company shall measure a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition or issuance of the financial asset. The financial assets are subsequently measured at fair value. Changes in fair value are included in other comprehensive income except for interest calculated using the effective interest method, impairment losses or gains and exchange gains and losses.

When the financial assets are derecognized, the accumulated gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income and recognized in profit or loss.

(3) Financial assets at fair value through other comprehensive income (equity instruments)

Financial assets at fair value through other comprehensive income (equity instruments). include other equity instrument investments, etc. At initial recognition, the Company shall measure a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. The financial assets are subsequently measured at fair value. Changes in fair value are included in other comprehensive income. The dividends obtained are recognised in profit and loss.

When the financial assets are derecognized, the accumulated gain or loss previously recognised in other comprehensive income is transferred from other comprehensive income and recognised in retained earnings.

(4)Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include transactional financial assets, derivative financial assets, other non-current financial assets, etc. The Company shall measure the financial assets at fair value at initial recognition. Transaction costs are recognised in profit or loss. Changes in fair value are included in profit or loss.

(5) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include current financial liabilities, derivative financial liabilities, etc. The Company shall measure the financial assets at fair value at initial recognition. Transaction costs are recognised in profit or loss. Changes in fair value are included in profit or loss.

When the financial liabilities are derecognized, the difference between the fair value and the initially recorded amount is recognized as investment income, and the gains and losses from changes in fair value are adjusted.

(6) Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost include short-term borrowings, notes payables, accounts payables, other payables, long-term borrowings, bonds payables, long-term payables. At initial recognition, the Company shall measure a financial liability at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Interests calculated by using the effective interest method during the holding period shall be recognized in profit or loss.

When the financial liabilities are derecognized, the difference between the price obtained and the carrying value shall be recognised in profit and loss.

3. Termination of recognition of financial assets and financial assets transfer

When one of the following conditions is met, the company terminates the recognition of financial assets.

- Termination of contractual rights to receive cash flows from financial assets;
- The financial assets have been transferred, and almost all the risks and rewards in the ownership of the financial assets have been transferred to the transferee;
- The financial assets have been transferred. Although the company has neither transferred nor retained almost all the risks and rewards of the ownership of the financial assets, it has not retained control of the financial assets.

If the Company modifies or renegotiates a contract with its counterparty and the modification constitutes a substantial modification, the original financial asset will be derecognized and a new financial asset will be recognized in accordance with the modified terms.

If it retained nearly all of the risks and rewards related to the ownership of the financial asset, it shall not stop recognizing the financial asset.

To judge whether the transfer of a financial asset can satisfy the conditions as prescribed in these Standards for stopping the recognition of a financial asset, the Company shall follow the principle of the substance over form.

Transfer of an entire financial asset can be divided into partial financial assets transfer and entire financial asset transfer. If the transfer of an entire financial asset satisfies the conditions for de-recognition, the difference between the amounts of the following 2 items shall be recorded in the profits and losses of the current period:

(1) The book value of the transferred financial asset; and

(2) The sum of consideration received from the transfer, and the accumulative amount of the changes of the fair value originally recorded in the owners' equities (in the event that the financial asset involved in the transfer is a financial asset Available-for-sale).

If the transfer of partial financial asset satisfies the conditions to derecognize, the entire book value of the transferred financial asset shall, between the portion whose recognition has been stopped and the portion whose recognition has not been stopped (under such circumstance, the service asset retained shall be deemed as a portion of financial asset whose recognition has not been stopped), be apportioned according to their respective relative fair value, and the difference between the amounts of the following 2 items shall be included into the profits and losses of the current period :

(1) The book value of the portion whose recognition has been stopped; and

(2) The sum of consideration of the portion whose recognition has been stopped, and the portion of the accumulative amount of the changes in the fair value originally recorded in the owner's equities which is corresponding to the portion whose recognition has been stopped (in the event that the financial asset involved in the transfer is a financial asset Available-for-sale).

If the transfer of financial assets does not satisfy the conditions to stop the recognition, it shall continue to be recognized as financial assets and the consideration received shall be recognized as financial liabilities.

4. Termination of recognition of financial liabilities

Only when the prevailing obligations of a financial liability are relieved in all or in part may the recognition of the financial liability be terminated in all or partly. Where the Company (debtor) enters into an agreement with a creditor so as to substitute the existing financial liabilities by way of any new financial liability, and if the contractual stipulation regarding the new financial liability is substantially different from that regarding the existing financial liability, it shall terminate the recognition of the existing financial liability, and shall at the same time recognize the new financial liability.

Where the Company makes substantial revisions to part or all of the contractual stipulations of the existing financial liability, it shall terminated the recognition of the existing financial liability or part of it, and at the same time recognize the financial liability after revising the contractual stipulations as a new financial liability.

Where the recognition of a financial liability is totally or partially terminated, the Company shall include into the profits and losses of the current period the difference between the carrying amount which has been terminated from recognition and the considerations it has paid (including the non-cash assets it has transferred out and the new financial liabilities it has assumed).

Where the Company buys back part of its financial liabilities, it shall distribute, on the date of repurchase, the carrying amount of the whole financial liabilities in light of the comparatively fair value of the part that continues to be recognized and the part whose recognition has already been terminated. The gap between the carrying amount which is distributed to the part whose recognition has terminated and the considerations it has paid (including the noncash assets it has transferred out and the new financial liabilities it has assumed) shall be recorded into the profits and losses of the current period.

5. Determination of the fair value of the financial assets (liabilities)

If active markets for the financial instruments exist, the fair value shall be measured by quoted prices in the active markets. If active markets for the financial instruments do not exist, valuation techniques shall be applied for the measurement. The Company uses valuation techniques appropriate in the circumstances and for which sufficient data are available to measure fair value. The Company chooses relevant observable inputs for identical or similar assets or liabilities. Only when relevant observable inputs are unavailable or should the Company use unobservable inputs for the asset or liability.

6. Impairment provision of the financial assets

The Company recognize the expected credit loss on financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income (debt instruments) , financial guarantee contract, and so on, on the individual or portfolio basis.
The Company considers all reasonable and relevant information, including past events, current conditions, and forecasts of future economic conditions, and uses the risk of default as the weight to calculate the probability-weighted amount of present value of difference between the cash flow receivable from the contract and the cash flow expected to be received to confirm the expected credit loss.

For account receivables and contract assets recognized according to Accounting Standards for Business Enterprises No. 14 Revenue, whether a significant financing component is contained or not, the Company shall always measure the loss allowance at an amount equal to lifetime expected credit losses.

For lease receivables recognized according to Accounting Standards for Business Enterprises No. 21 Lease, the Company shall always measure the loss allowance at an amount equal to lifetime expected credit losses.
For other financial instruments, the Company shall assess changes in the credit risk of the relevant financial instruments since initial recognition at each balance sheet date.

The company compares the risk of default on the balance sheet date of financial instruments with the risk of default on the date of initial recognition to determine the relative change in the risk of default during the expected life of the financial instrument to assess whether there is a significant increase in credit risk of financial assets since the initial recognition. Generally, the Company believes that the credit risk of the financial instrument has significantly increased over 30 days after the due date, unless there is solid evidence that the credit risk of the financial instrument has not increased significantly since initial recognition.

If the credit risk of a financial instrument at the reporting date is relatively low, the Company considers that the credit risk of the financial instrument has not increased significantly since the initial recognition.

If the credit risk of the financial instrument has increased significantly since the initial confirmation, the Company shall measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. The increase or reversal amount of loss allowance thus formed shall be included in the current profits and losses as impairment losses or gains. For financial assets at fair value through other comprehensive income (debt instruments), loss provisions are recognised in other comprehensive income and impairment losses or gains are recognised in profit or loss at the current period without reducing the carrying amount of the financial asset in the balance sheet.

(11) Recognition criteria and measurement methods for expected credit losses on receivables

1. Receivables with expected credit losses measured on a portfolio basis

Portfolios	Basis for determining portfolios	Measurement methods for ECL
Accounts receivable – aging portfolio	Aging	Drawing upon historical credit loss experience and incorporating current conditions as well as forecasts of future economic conditions, a matrix correlating accounts receivable aging with expected credit loss rates is prepared to calculate expected credit losses.
Accounts Receivable — Risk-Free Portfolio	Related-Party Transactions within the Scope of the Company's Consolidated Financial Statements	Expected credit losses are calculated by referencing historical credit loss experience—combined with current conditions and forecasts of future economic conditions—using default risk exposure and expected credit loss rates over the next 12 months or the entire remaining life.
Other receivables – aging portfolio	Aging	Drawing upon historical credit loss experience and incorporating current conditions as well as forecasts of future economic conditions, a matrix correlating accounts receivable aging with expected credit loss rates is prepared to calculate expected credit losses.

Portfolios	Basis for determining portfolios	Measurement methods for ECL
Other Receivables — Risk-Free Portfolio	Items within the scope of the Company's consolidated financial statements—including inter-company balances with related parties, petty cash, and suspense accounts	Expected credit losses are calculated by referencing historical credit loss experience—combined with current conditions and forecasts of future economic conditions—using default risk exposure and expected credit loss rates over the next 12 months or the entire remaining life.

2. Provision matrix of aging and expected credit loss rates for aging portfolios

Aging	Accounts receivable ECL(%)	Other receivables ECL(%)
Within 1 year (inclusive, same hereafter)	1	1
1-2 years	10	10
2-3 years	20	20
3-4 years	100	100
4-5 years	100	100
Over 5 years	100	100

3. Criteria for Identifying Receivables for Which Expected Credit Losses Are Recognized on an Individual Basis

For receivables where the credit risk differs significantly from the credit risk of the portfolio, the Company recognizes expected credit losses on an individual basis.

(12) Inventory

1. Inventory classification and costs of inventory

Inventories include material in transit, raw material, turnover materials, finished goods, work in process, issue commodity, materials for consigned processing, etc.

Inventory is initially measured at cost. Inventory cost includes purchase cost, processing cost and other expenditures incurred to bring inventory to its current location and state.

2. Valuation method for inventory dispatched

The weighted average method is used to confirm the actual cost of the inventories dispatched.

3. Inventory system

The Company uses perpetual inventory system.

4. Amortization of low-valued consumables and packing materials

(1) Low-valued consumables shall be amortized in full amount on issuance.

(2) Packing materials shall be amortized in full amount on issuance.

5. The basis for confirming the net realizable value of inventories and the methods to make provision for the inventory impairment loss

On the balance sheet date, inventories shall be measured at the lower of cost and net realizable value. When the cost of inventories is higher than its net realizable value, provision for inventory impairment loss shall be made. The net realizable value refers to the amount of the estimated selling price of the inventory minus the estimated costs that will occur at the time of completion, estimated selling expenses, and relevant taxes in daily activities.

The net realizable value of inventories (finished goods, stock commodity, material, etc.) held for direct selling in the daily business activity shall be calculated by deducting the estimated sale expense and relevant taxes from the estimated sale price of inventories; The net realizable value of inventories for further processing in the daily business activity shall be calculated by deducting the estimated cost of completion, estimated sale expense and relevant taxes from the estimated sale price of inventories; The net realizable value of inventories held for the execution of sales contracts or labor contracts shall be calculated on the ground of the contract price. If the Company holds more inventories than the quantities subscribed in the sales contract, the net realizable value of the excessive part of the inventories shall be calculated on the ground of the general sales price.

After the inventory impairment is withdrawn, if the factors that previously affected the write-down of the inventory value have disappeared, causing the net realizable value of the inventory to be higher than its book value, it shall be reversed within the amount of the inventory impairment that has been withdrawn, and the reverted amount shall be included in the current profit and loss.

(13) Contract asset

1. Recognition methods and criteria of contract assets

When either party to a contract has performed, the Company shall present the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the Company's performance and the customer's payment. If the Company have the rights to receive consideration (the right is conditioned on factors other than the passage of time) by transferring goods or services to a customer, the entity shall present the contract as a contract asset. Contract assets and contract liabilities under the same contract are disclosed in net amount. An entity shall present any unconditional rights to consideration (only the passage of time is required) separately as a receivable.

2. Expected credit loss of contract assets

For the accounting policy of the expected credit loss of contract assets, please refer to Note (10) 6. Impairment provision of the financial assets under "3. Significant accounting policies and accounting estimates"

(14) Long-term equity investment

1. Criteria of joint control and significant influence

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. If the Company and other joint venture have joint control of the investee and have rights to the net assets of the investee, the investee is a joint venture of the Company.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or join control of those policies. If the Company could exert significant influence over the investee, the investee is the associate of the Company.

2. The initial cost of long-term equity investment from business acquisition

(1) Long-term equity investment from business acquisition

For a business combination under common control, the initial investment cost of the long-term equity investment shall be the absorbing party's share of the carrying amount of the owner's equity of the party being absorbed in the consolidated financial statements of the ultimate controlling party at combination date. The difference between the initial investment cost and the carrying amount of the previously held equity investment, together with the additional investment cost for new shares at combination date, shall be adjusted to the capital reserve. If the balance of capital reserve is not sufficient, any excess shall be adjusted to retained earnings. When an investor becomes capable of exercising control over an investee due to additional investment or other reasons, the difference between the initial investment cost recognized in accordance with the above principles and the sum of the book value of the long-term equity investment before the merger plus the book value of the cost for the further shares acquired on the merger date, shall be adjusted to the capital reserve. If the balance of capital reserve is not sufficient, any excess shall be adjusted to retained earnings.

For a business combination not under common control, the initial investment cost of the long-term equity investment shall be the acquisition cost at the acquisition date. When an investor becomes capable of exercising control over an investee due to additional investment or other reasons, the initial investment cost under the cost method shall be the carrying amount of previously held equity investment together with the additional investment cost.

(2) The initial cost of the long-term equity investment other than from business acquisition

The initial cost of a long-term equity investment obtained by making payment in cash shall be the purchase cost which is actually paid.

The initial cost of a long-term equity investment obtained on the basis of issuing equity securities shall be the fair value of the equity securities issued.

3. Subsequent measurement and profit or loss recognition

(1) Cost method

The Company adopts cost method for the long term investment in subsidiary company unless the investment qualifies as held for sale. An investing enterprise shall, in accordance with the attributable share of the net profits or losses of the invested entity, recognize the investment profits or losses except the dividend declared but unpaid, which is included in the payment when acquiring the investment.

(2) Equity method

A long-term equity investment in an associate or a joint venture shall be accounted for using the equity method. Where the initial investment cost of a long-term equity investment exceeds investor's interest in the fair values of an investee's identifiable net assets at the acquisition date, no adjustment shall be made to the initial investment cost. Where the initial cost is less than the investor's interest in the fair values of the investee's identifiable net assets at the acquisition date, the difference shall be credited to profit or loss for the current period, and the cost of long-term equity investment shall be adjusted accordingly.

The Company shall recognize its share of the investee's net profits or losses, as well as its share of the investee's other comprehensive income, as investment income or losses and other comprehensive income, and adjust the carrying amount of the investment accordingly. The carrying amount of the investment shall be reduced by the portion of any profit distributions or cash dividends declared by the investee that is attributable to the investor. The investor's share of the investee's owners' equity changes, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution, and the carrying amount of the long-term equity investment shall be adjusted accordingly.

During the holding period, if the investee makes consolidated financial statements, the Company shall calculate its share based on the investee's net profit, other comprehensive income and the amount of other owners' equity attribute to the investee in the consolidated financial statements. The investor shall recognize its share of the investee's net profits or losses after making appropriate adjustments according to the Company's accounting principles and operating period based on the fair values of the investee's identifiable net assets.

The unrealized profits or losses resulting from transactions between the investor and its associate or joint venture shall be eliminated in proportion to the investor's equity interest in the investee, based on which investment income or losses shall be recognized, except the transaction of investment or sale of assets is a business. Any losses resulting from transactions between the investor and investee which are attributable to asset impairment shall be recognized in full.

The company’s net losses incurred by joint ventures or associates, in addition to assuming additional loss obligations, are limited to the book value of long-term equity investments and other long-term equity that essentially constitutes net investment in joint ventures or associates. If a joint venture or associated enterprise realizes net profits in the future, the company resumes recognizing its share of profits after the share of profits makes up for the share of unrecognized losses.

(3) Disposal of long-term equity investment

When disposing long-term equity investment, the difference between the proceeds actually received and the carrying amount shall be recognized in profit or loss for the current period.

Partial disposal of long-term equity investments accounted for by the equity method, and the remaining equity is still accounted for by the equity method, the other comprehensive income recognized by the original equity method shall be carried forward according to the same basis as the direct disposal of related assets or liabilities by the investee. All other changes in the interests of the holders are carried forward to the current profit and loss on a pro rata basis.

When an investor can no longer exercise joint control of or significant influence over an investee due to disposal of equity investment or other reasons, any other comprehensive income previously recognized shall be accounted for on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities for the current period upon discontinuation of the equity method. Other owner's equity change shall be transferred into profit or loss of current period in full when the Company cease to adopt the equity method.

When an investor can no longer control the investee due to partial disposal, when the individual financial statements are prepared, the remaining equity can exercise joint control or significant influence on the investee, the equity method shall be used to account for the remaining equity. It is deemed that the equity method is adopted for adjustment since the acquisition, and the other comprehensive income recognized before the control of the investee is obtained is carried forward on the same basis as the direct disposal of related assets or liabilities by the investee, because the equity method is used for accounting. The confirmed changes in other owners’ equity are carried forward to the current profit and loss on a pro rata basis. If the remaining equity cannot exercise joint control or exert significant influence on the investee, it shall be recognized as a financial asset, and the difference between its fair value and book value on the date when control is lost shall be included in the current profit and loss, and other comprehensive income and other owner's interests previously recognized shall be transferred to profit or loss in full.

If the equity investment of a subsidiary is disposed through multiple transactions until it loses control, which is a package transaction, each transaction shall be accounted as a transaction that disposes of the equity investment of the subsidiary and loses control. Each transaction before the loss of control, the difference between the disposal price and the book value of the corresponding disposed part of long-term equity investment is firstly recognized as other comprehensive income in individual financial statements, and then transferred to the current profit and loss when the control is lost. If it is not a package transaction, each transaction shall be accounted separately.

(15) Fixed assets

1. Recognition of Fixed assets

The term "fixed assets" refers to the tangible assets held for the sake of producing commodities, rendering labor service, renting or business management and of which useful life is in excess of one fiscal year. No fixed asset may be recognized unless it simultaneously meets the conditions as follows:

(1) The economic benefits pertinent to the fixed asset are likely to flow into the enterprise; and

(2) The cost of the fixed asset can be measured reliably.

Fixed assets are initially measured at cost (and considering the impact of expected dismantling cost factors).

Subsequent expenditures related to fixed assets are included in the cost of fixed assets when the related economic benefits are likely to flow in and their costs can be reliably measured; the book value of the replaced part is derecognized; all other subsequent expenditures are incurred shall be included in the current profit and loss.

2. Fixed assets depreciation

Fixed assets are depreciated under the straight line method. The depreciation rate is determined according to the category of assets, the useful life and the expected residual rate. If the components of the fixed assets have different useful lives or provide the economic benefits in a different way, then different depreciation rate or method shall be applied and the depreciation of the components shall be calculated separately.

Details of classification, depreciation period, residual value rate and annual depreciation rate are as follows:

Category	Depreciation method	Depreciation Period	Residual Value Rate (%)	Depreciation Rate (%)
Plants and Buildings	straight line method	40 years	5.00	2.38
Machinery	straight line method	17-24 years	5.00	3.96-5.59
Transportation and other equipment	straight line method	5-12 years	5.00	7.92-19.00

3. Disposal of fixed assets

When a fixed asset is disposed, or it is expected that no economic benefits will be generated through use or disposal, the recognition of fixed asset shall be de terminated. The amount of disposal income of fixed assets raising from sell, transfer, scrapping or damage shall be included in the current profit and loss after deducting its book value and related taxes.

(16) Construction in progress

Construction in progress is measured at the actual cost incurred. The actual cost includes construction costs, installation costs, borrowing costs that meet the capitalization conditions, and other necessary expenditures incurred before the construction in progress reaches its intended use status. Construction in progress is transferred to fixed asset when it has reached its working condition for its intended use and depreciation will be accrued from the next month.

(17) Borrowing costs

1. Principle of the recognition of capitalized borrowing costs

Where the borrowing costs incurred to an enterprise can be directly attributable to the acquisition and construction or production of assets eligible for capitalization, it shall be capitalized and recorded into the costs of relevant assets. Other borrowing costs shall be recognized as expenses on the basis of the actual amount incurred, and shall be recorded into the current profits and losses.

Assets eligible for capitalization refer to the fixed assets, investment property, inventories and other assets, of which the acquisition and construction or production may take quite a long time to get ready for its intended use or for sale.

2. The capitalization period of borrowing costs

The capitalization period shall refer to the period from the commencement to the cessation of capitalization of the borrowing costs, excluding the period of suspension of capitalization of the borrowing costs.

The borrowing costs shall not be capitalized unless they simultaneously meet the following requirements:
(1) The asset disbursements have already incurred, which shall include cash, transferred non-cash assets or interest bearing debts paid for the acquisition and construction or production activities for preparing assets eligible for capitalization;
(2) The borrowing costs has already incurred; and
(3) The acquisition and construction or production activities which are necessary to prepare the asset for its intended use or sale have already started.

When the qualified asset under acquisition and construction or production is ready for the intended use or sale, the capitalization of the borrowing costs shall be ceased.

3. The suspension of capitalization of borrowing costs
Where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended. If the interruption is a necessary step for making the qualified asset under acquisition and construction or production ready for the intended use or sale, the capitalization of the borrowing costs shall continue. The borrowing costs incurred during such period shall be recognized as expenses, and shall be recorded into the profits and losses of the current period, till the acquisition and construction or production of the asset restarts.

4. Method of calculating the capitalization rate and capitalized amount of borrowing costs
For interest expense (minus the income of interests earned on the unused borrowing loans as a deposit in the bank or investment income earned on the loan as a temporary investment) and the ancillary expense incurred to a specifically borrowed loan, those incurred before a qualified asset under acquisition, construction or production is ready for the intended use or sale shall be capitalized at the incurred amount when they are incurred, and shall be recorded into the costs of the asset eligible for capitalization.

The Company shall calculate and determine the to-be-capitalized amount of interests on the general borrowing by multiplying the weighted average asset disbursement of the part of the accumulative asset disbursements minus the general borrowing by the capitalization rate of the general borrowing used. The capitalization rate shall be calculated and determined in light of the weighted average interest rate of the general borrowing.

During the capitalization period, the exchange difference between the principal and interest of the foreign currency special loan is capitalized and included in the cost of the assets that meet the capitalization conditions. Exchange differences arising from the principal and interest of foreign currency borrowings other than foreign currency special borrowings are included in the current profits and losses.

(18) Intangible Assets

1. Measurement of Intangible Assets

(1) Initial measurement is based on cost upon acquisition

The cost of an intangible asset on acquisition include the purchase price, relevant taxes and other necessary disbursements which may be directly attributable to bringing the intangible asset to the conditions for the expected purpose.

(2) Subsequent Measurement

The Company shall analyze and judge the beneficial period of intangible assets upon acquisition.

Intangible assets with finite beneficial period shall be amortized under the straight-line method during the period when the intangible asset can bring economic benefits to the enterprise. If it is unable to estimate the beneficial period of the intangible asset, it shall be regarded as an intangible asset with uncertain service life and shall not be amortized.

2. Estimated useful lives of intangible assets with limited useful lives

Item	Estimated useful life	Amortization method	Residual value (%)	Criteria
Land use right	50 years	Straight line method		Land use right certificate
Software	10 years	Straight line method		Estimated useful life

3. Classification criteria for internal research phase and development phase

The expenditures for its internal research and development projects of an enterprise shall be classified into research expenditures and development expenditures.

Research phase refers to the phase of creative and planned investigation to acquire and study to acquire and understand new scientific or technological knowledge.

Development phase refers to the phase during which the result of research phase or other knowledge is applied into certain projects or designs for the manufacturing of new or substantially improved material, device and product before commercial manufacturing and use.

4. Criteria of capitalization of development phase expenditures

Expenditures incurred during the research phase are recognized in profit or loss for the period when incurred. Expenditures incurred during the research phase shall be capitalized if they meet the following conditions at the same time. If the expenditures incurred during the development phase do not meet the following conditions, they shall be included in the current period's profit and loss.

(1) It is technically feasible to complete the intangible asset so that it can be used or sold.

(2) The Company intent to complete the intangible asset and use or sell it.

(3) The way intangible assets generate economic benefits, including being able to prove that there is a market for the products produced by using the intangible assets or the intangible assets themselves has market. If the intangible assets will be used internally, it should be able to prove that the intangible assets will be useful.

(4) The company has sufficient technical, financial and other resources to complete the development of the intangible asset and is able to use or sell the intangible asset.

(5) The expenditure attributable to the development phase of the intangible asset can be measured reliably.

If it is impossible to distinguish between expenditures in the research phase and expenditures in the development phase, all research and development expenditures incurred shall be included in the current period's profit and loss.

(19) Impairment of long-term assets

For long-term assets such as long-term equity investments, investment property under the cost model, fixed assets, construction in progress, right-of-use assets, intangible assets with limited useful lives and oil gas assets etc., the Company shall perform impairment tests at the period end if there is clear indication of impairment. If the recoverable amounts of long-term assets are less than their carrying amounts, the carrying amounts of the assets shall be written down to their recoverable amounts. The write-downs are recognized as impairment losses and charged to current profit and loss. The recoverable amounts of long-term assets are the higher of their fair values less costs to sell and the present values of the future cash flows expected to be derived from the assets. The Company shall estimate its recoverable amount on an individual basis. Where it is difficult to do so, it shall determine the recoverable amount of the assets on the basis of the asset group to which the asset belongs. The term "assets group” refers to a minimum combination of assets by which the cash flows could be generated independently

The goodwill, intangible assets with uncertain useful life and intangible assets not meeting the expected condition for use shall be subject to an impairment test at least at the end of each year.

When the Company makes an impairment test of assets, it shall, as of the purchasing day, apportion the carrying value of the business reputation formed by merger of enterprises to the relevant asset groups by a reasonable method. Where it is difficult to do so, it shall be apportioned to the relevant combinations of asset groups. A related group of assets or combination of asset groups is an asset group or combination of asset groups that can benefit from the synergy effect of a business combination.

When making an impairment test on the relevant asset groups or combination of asset groups containing business reputation, if any evidence shows that the impairment of asset groups or combinations of asset groups is possible, the Company shall first make an impairment test on the asset groups or combinations of asset groups not containing business reputation, calculate the recoverable amount, compare it with the relevant carrying value and recognize the corresponding impairment loss. Then the Company shall make an impairment test of the asset groups or combinations of asset groups containing business reputation, and compare the carrying value of these asset groups or combinations of asset groups (including the carrying value of the business reputation apportioned thereto) with the recoverable amount. Where the recoverable amount of the relevant assets or combinations of the asset groups is lower than the carrying value thereof, it shall recognize the impairment loss of the business reputation.

Impairment losses on long-term assets shall not be reversed in subsequent accounting periods once recognized.

(20) Long-term deferred expense

The long-term deferred expense refers to the expenses incurred but shall be borne by current and subsequent accounting period, which is more than one year.

(21) Contract liability

When either party to a contract has performed, the Company shall present the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the Company's performance and the customer's payment. If a customer pays consideration, or the Company has a right to an amount of consideration before the

Company transfers a good or service to the customer, the Company shall present the contract as a contract liability. Contract assets and contract liabilities under the same contract are disclosed in net amount.

(22) Employee benefits

1. Accounting treatment for short employee benefit

The Company shall recognise, in the accounting period in which an employee provides service, actually occurred short-term employee benefits as a liability, with a corresponding charge to the profit or loss or cost of an asset for the current period.

Payments made by an enterprise of social security contributions for employees, payments of housing funds, and union running costs employee education costs provided in accordance with relevant requirements shall, in the accounting period in which employees provide services, be calculated according to prescribed bases and percentages in determining the amount of employee benefits.

The employee welfare expenses incurred by the company are included in the current profit and loss or related asset costs based on the actual amount when they actually occur. Among them, non-monetary benefits are measured at fair value.

2. Accounting treatment of post-employment benefits

(1) Defined contribution plan

The Company shall recognize, in the accounting period in which an employee provides service, pension fund and unemployment fund for employees as a liability according to the local government regulations. The amount shall be calculated according to local prescribed bases and percentages in determining the amount of employee benefits, with a corresponding charge to the profit or loss or cost of an asset for the current period. In addition, the Company also participates in the enterprise annuity plan/supplementary pension insurance fund approved by relevant state departments. The Company pays a certain proportion of the total salary of employees to the annuity plan/local social insurance agency, and the corresponding expenses are included in the current profit and loss or related asset cost.

(2) Defined benefit plan

In accordance with the formula determined by the Projected Unit Credit Method, the Company attributes the benefit obligations arising from defined benefit plans to the periods during which employees render services, and records them in current profit or loss or as part of the cost of relevant assets.

The deficit or surplus resulting from the present value of the defined benefit plan obligations less the fair value of the defined benefit plan assets is recognized as a net defined benefit liability or net defined benefit asset. Where a defined benefit plan has a surplus, the Company measures the net defined benefit asset at the lower of the plan surplus and the asset ceiling.

All defined benefit obligations—including those expected to be settled within twelve months after the end of the reporting period in which employees render the related service—are discounted using market yields at the balance sheet date on government bonds or high-quality corporate bonds in an active market that match the currency and term of the defined benefit obligations.

Service costs arising from defined benefit plans, as well as the net interest on the net defined benefit liability or asset, are recognized in current profit or loss or included in the cost of relevant assets. Changes arising from the remeasurement of the net defined benefit liability or asset are recognized in other comprehensive income and are not subsequently reclassified to profit or loss in future accounting periods; upon the termination of the defined benefit plan, the amounts originally recognized in other comprehensive income are transferred in full within equity to retained earnings.

Upon the settlement of a defined benefit plan, a settlement gain or loss is recognized based on the difference between the present value of the defined benefit obligation and the settlement price, both determined as of the settlement date.

3. Accounting treatment of termination benefits

The Company shall recognize an employee benefits liability for termination benefits, with a corresponding charge to the profit or loss for the current period, at the earlier of the following dates: when the Company cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; or when the Company recognizes costs or expenses related to a restructuring that involves the payment of termination benefits.

(23) Estimated liabilities

The obligation pertinent to a contingency shall be recognized as an estimated liability when the following conditions are satisfied simultaneously:

(1) That obligation is a current obligation of the enterprise;

(2) It is likely to cause any economic benefit to flow out of the enterprise as a result of performance of the obligation; and

(3) The amount of the obligation can be measured in a reliable way.

The estimated debts shall be initially measured in accordance with the best estimate of the necessary expenses for the performance of the current obligation.

To determine the best estimate, an enterprise shall take into full consideration of the risks, uncertainty, time value of money, and other factors pertinent to the Contingencies. If the time value of money is of great significance, the best estimate shall be determined after discounting the relevant future outflow of cash.

When all or some of the expenses necessary for the liquidation of an estimated debts of an enterprise is expected to be compensated by a third party, the compensation shall be separately recognized as an asset only when it is virtually certain that the reimbursement will be obtained. The amount recognized for the reimbursement shall not exceed the book value of the estimated debts.

The company reviews the book value of the estimated liabilities on the balance sheet date. If there is conclusive evidence that the book value does not reflect the current best estimate, the book value will be adjusted according to the current best estimate.

(24) Revenue

(1) The general principle of revenue recognition and measurement

The company shall recognise revenue when (or as) the company satisfies a performance obligation when (or as) the customer obtains control of a promised good or service. Control of a promised good or service refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from it.

If the contract contains two or more performance obligations, the company shall allocate the transaction price to each individual performance obligation based on the relative proportion of the stand-alone selling price of the goods or services promised by each individual performance obligation on the date of the contract. The company measures revenue based on the transaction price allocated to each individual performance obligation.

The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties or amounts expected to be returned to customers. The company shall consider the terms of the contract and its customary business practices to determine the transaction price. When determining the transaction price, the company shall consider the effects of all of the following: variable consideration, the existence of a significant financing component in the contract, non-cash consideration, and consideration payable to a customer. The company determines the transaction price that includes variable consideration at an amount that does not exceed the amount of accumulated recognized revenue that is unlikely to be materially reversed when the relevant uncertainty is eliminated. If there is a significant financing component in the contract, the company shall recognise revenue at an amount that reflects the price that a customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they transfer to the customer, and use the effective interest method to amortize the difference between the transaction price and the contract consideration during the contract period.

The company transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met. Otherwise, the company satisfies the performance obligation at a point in time.
(a) the customer simultaneously receives and consumes the benefits provided by the company's performance as the company performs;
(b) the company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
(c) the company's performance does not create an asset with an alternative use to the company and the company has an enforceable right to payment for performance completed to date.
The company shall recognise revenue over time by measuring the progress towards complete satisfaction of that performance obligation, except where the performance progress cannot be reasonably determined. The company considers the nature of the goods or services and adopts the output method or the input method to determine the progress of performance. Where the performance progress cannot be reasonable determined, but the company expects to recover the costs incurred in satisfying the performance obligation, the company shall recognise revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.
For performance obligations satisfied at a certain point in time, the company shall recognises revenue at the point when the customer obtains control of the relevant goods or services. To determine the point in time at which a customer obtains control of a promised goods or services, the company shall consider requirements as follows:
(a) The company has a present right to payment for the promised goods or services and the customer is presently obliged to pay for that;
(b) The company has transferred the legal title of the goods to the customer, that is, the customer has the legal title to the goods;
(c) The company has transferred physical possession of the goods to the customer, that is, the customer has taken possession of the goods;

(d) The company has transferred the significant risks and rewards of ownership of the goods to the customer, that is, the customer has the significant risks and rewards of ownership of the goods;
(e) The customer has accepted the promised goods or services.

The Company determines whether it is the principal or agent when engaging in a transaction based on whether it has control over the goods or services before transferring them to the customer. If the Company is able to control the goods or services before transferring them to the customer, the Company is the principal and recognizes revenue based on the total consideration received or receivable; otherwise, the Company is the agent and recognizes revenue based on the amount of commissions or fees it expects to be entitled to receive.

(2) The specific criteria of revenue recognition and measurement

Commodity sales contracts between companies and customers usually only include performance obligations for the transfer of steel and other commodities. This type of performance obligation is a performance obligation performed at a certain point in time. The Company recognizes revenue when the customer obtains control of the relevant goods or services. When judging whether the customer has obtained control of goods or services, the company considers the following signs:
The company obtains the current right of collection of receivables, the legal ownership of the goods is transferred to the customer, the physical assets of the goods are transferred to the customer, the company transfers the main risks and rewards of the ownership of the goods to the customer, and the customer has accepted the goods.

(25) Contract costs

Contract costs include costs to fulfill a contract and incremental costs of obtaining a contract.

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard, for example, Inventories, Property, Plant and Equipment or Intangible Assets, the company shall recognise an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

(a) the costs relate directly to a contract or to an expected contract;

(b) the costs generate or enhance resources of the Company that will be used in satisfying performance obligations in the future; and

(c) the costs are expected to be recovered.

The company shall recognise as an asset the incremental costs of obtaining a contract with a customer if the company expects to recover those costs.

An asset recognised in accordance with contract costs shall be amortised in consistent with the transfer to the customer of the goods or services to which the asset relates. The company may recognise the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset is one year or less.

The company shall recognise an impairment loss in profit or loss to the extent that the carrying amount of an asset related to contract assets exceeds:

(a) the remaining amount of consideration that the company expects to receive in exchange for the goods or services to which the asset relates; less

(b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

The company shall recognise in profit or loss a reversal of some or all of an impairment loss previously recognised when the impairment conditions no longer exist or have improved. The increased carrying amount of the asset shall not exceed the carrying amount that if no impairment loss had been recognised previously.

(26) Government Subsidies

1. Types

A government subsidy means the monetary or non-monetary assets obtained free of charge by the Company from the government. Government subsidies consist of the government subsidies pertinent to assets and government subsidies pertinent to income.

Government subsidies related to assets are government subsidies whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. The government subsidies related to incomes refers to government subsidies other than those related to assets.

2. Recognition

Government subsidies are recognized when the Company is able to meet the conditions attached to them and is able to receive them.

3. Accounting treatment

Government subsidies related to assets shall be recognized by deducting the subsidies at the carrying amount of the assets or recognized as deferred income. Subsidies that recognized as deferred income shall be recognized in profit or loss on a systematic basis over the periods during the useful lives of the relevant assets (Subsidies related to daily activities should be recorded in Other Income. Subsidies that unrelated to daily activities should be recorded in Non-operating Income).

The government subsidies related to incomes to compensate future expenses, shall be recognized as deferred income and transferred to current profit or loss (Subsidies related to daily activities should be recorded in Other Income. Subsidies that unrelated to daily activities should be recorded in Non-operating Income) in the period during which the expenses compensation is recognized or deduct relevant cost or loss. Government subsidies to compensate expenses or losses already incurred shall be recognized in current profit and loss (Subsidies related to daily activities should be recorded in Other Income. Subsidies unrelated to daily activities should be recorded in Non-operating Income) or deduct relevant cost or loss.

The policy discount loans obtained by the company are divided into the following two situations and are separately accounted for:
(a) The government allocates discounted funds to the loan bank, and the loan bank provides loans to the company at a policy preferential interest rate. The preferential interest rate is used to calculate the relevant borrowing costs.
(b) If the government directly allocates the discounted funds to the company, the company will offset the relevant borrowing costs with the corresponding discounts, directly accounted for the current profit or loss or recognized as deferred income.

(27) Deferred tax assets and deferred tax liabilities

Income tax includes current income tax and deferred income tax. Except for income tax arising from business combinations and transactions or events directly recorded in owners' equity (including other comprehensive income), the Company records current income tax and deferred income tax in current profit or loss.

Deferred income tax assets and deferred income tax liabilities are calculated and confirmed based on the difference (temporary difference) between the tax base of assets and liabilities and their book value.

An enterprise shall recognize the deferred income tax assets arising from a deductible temporary difference to the extent of the amount of the taxable income which it is most likely to be obtained and which can be deducted from the deductible temporary difference. As for any deductible loss or tax deduction that can be carried forward to the next year, the corresponding deferred income tax assets shall be determined to the extent that the amount of future taxable income to be offset by the deductible loss or tax deduction to be likely obtained.

All taxable temporary differences shall be recognized as deferred tax liabilities with certain limited exceptions.

Exceptions when deferred tax assets and deferred tax liabilities are not recognized include:

- Initial recognition of goodwill;
- A transaction or event that is neither a business combination nor affects accounting profit and taxable income (or deductible loss) when it occurs, and the assets and liabilities initially recognized do not result in equal taxable temporary differences and deductible temporary differences.

For taxable temporary differences related to investments in subsidiaries, associates and joint ventures, deferred income tax liabilities are recognized, unless the company can control the timing of the reversal of the temporary differences and the temporary differences are likely not to be transferred back in the foreseeable future. For deductible temporary differences related to investments in subsidiaries, associates and joint ventures, when the temporary differences are likely to be reversed in the foreseeable future and are likely to be used to deduct the taxable income of deductible temporary differences in the future, income tax assets are recognized.
At the balance sheet date, deferred income tax assets and deferred income tax liabilities are measured at the applicable tax rate during the period when the relevant assets are expected to be recovered or the relevant liabilities are expected to be recovered in accordance with the provisions of the tax law.

At the balance sheet date, the company reviews the book value of deferred income tax assets. If it is probable that sufficient taxable income cannot be obtained in the future to offset the benefits of deferred income tax assets, the book value of the deferred income tax assets shall be written down. When it is possible to obtain sufficient taxable income, the reduced amount shall be reversed.
When the Company has the statutory right to offset and intend to offset or obtain assets and pay off liabilities at the same time, the current income tax assets and current income tax liabilities are presented at the net amount after offsetting.

An entity shall offset deferred tax assets and deferred tax liabilities if, and only if: (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and (b) deferred income tax assets and deferred income tax liabilities are related to income taxes levied by the same tax collection and administration department on the same taxpayer or to different taxpayers, but in each future period of significant deferred income tax assets and liabilities reversal, the taxpayers involved intend to settle the current income tax assets and liabilities on a net basis or to acquire assets and settle liabilities at the same time.

(28) Leases

Lease refers to a contract in which the lessor transfers the right to use the asset to the lessee within a certain period of time to obtain consideration.
On the starting date of the contract, the company assesses whether the contract is a lease or contains a lease. If the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, the contract is, or contains, a lease.
For a contract that contains a lease component and one or more additional lease or non-lease components, a lease shall allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

1. The company as the lessee

(1) Right-of-use assets

On the start date of the lease term, the company recognizes the right-of-use asset for leases other than short-term leases and low-value asset leases. Right-of-use assets are initially measured at cost.

This cost includes:

- The initial measurement amount of the lease liability;
- If there is a lease incentive for the lease payment paid on or before the start of the lease term, the relevant amount of the lease incentive already enjoyed shall be deducted;
- The initial direct expenses incurred by the company;
- The company expects to incur costs for dismantling and removing leased assets, restoring the site where leased assets are located, or restoring leased assets to the

state agreed upon in the lease terms, but does not include the costs incurred for the production of inventory.

The company uses the straight-line method to depreciate the right-of-use assets. If it can be reasonably determined that the ownership of the leased asset will be obtained at the end of the lease term, the company shall depreciate the leased asset during the remaining useful life; otherwise, the leased asset will be depreciated during the shorter period of the lease term and the remaining useful life of the leased asset .

The company determines whether the right-of-use asset has been impaired in accordance with the principles described in "3. (19) Long-term asset impairment" in this note, and conducts accounting treatment for the identified impairment loss.

(2) Lease liabilities

At the beginning of the lease term, the company recognizes lease liabilities for leases other than short-term leases and leases of low-value assets. Lease liabilities are initially measured based on the present value of the payments that are not paid at that date. Lease payments include:

1) Fixed payment (including in-substance fixed payment), less any lease incentives receivable;

2) Variable lease payments that depend on an index or a ratio;

3) Amounts expected to be payable by the lease under residual value guarantees;

4) The exercise price of the purchase option if the lease is reasonably certain to exercise that option;

5) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease;

The company uses the interest rate implicit in the lease as the discount rate, but if the interest rate implicit in the lease cannot be reasonably determined, the company's incremental borrowing interest rate is used as the discount rate.

The company calculates the interest expense of the lease liability during each period of the lease term according to a fixed periodic interest rate, and includes it in the current profit and loss or the cost of related assets.

Variable lease payments that are not included in the measurement of lease liabilities are included in the current profit and loss or the cost of related assets when they occur.

After the start of the lease term, if the following circumstances occur, the company re-measures the lease liability and adjusts the corresponding right-of-use asset. If the book value of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, the difference shall be included in the current profit and loss:

- When the evaluation result or actual exercise situation of the purchase option, renewal option or termination option changes, the company remeasures the lease liability based on the present value calculated by the lease payment after the change and the revised discount rate;
- When the actual fixed payment changes, the expected payable amount of the guarantee residual value changes, or the index or ratio used to determine the lease payment changes, the company calculates the present value based on the changed lease payment and the original discount rate to remeasure the lease liability. However, if changes in lease payments originate from changes in floating interest rates, the revised discount rate is used to calculate the present value.

(3) Short-term leases and low-value asset leases

The company chooses not to recognize right-of-use assets and lease liabilities for short-term leases and low-value asset leases, and calculates the relevant lease payments in the current profit and loss or related asset costs on a straight-line basis during each period of the lease term. Short-term lease refers to a lease that does not include purchase options for a lease period not exceeding 12 months at the beginning of the lease period. Low-value asset leasing refers to a lease with a lower value when a single leased asset is a new asset. If the company subleases or expects to sublease the leased assets, the original lease is not a low-value asset lease.

(4) Lease modifications

The lease shall account for a lease modification as a separate lease if both:

- The modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustment to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification a lessee shall allocate the consideration in the modified contract, determine the lease term of the modified lease and remeasure the lease liabilities by discounting the revised lease payments using a revised discount rate.

For a lease modification that is not accounted for as a separate lease, the lessee shall account for the remeasurement of the lease liabilities by decreasing the carrying amount of the right-of-use assets to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The lessee shall recognize in profit or loss any gain or loss relating to the partial or full termination of the lease; or by making a corresponding adjustment to the right-of-use asset for all other lease modifications.

2. The company as the lessor

On the commencement date of the lease, the company divides the lease into finance lease and operating lease. Finance lease refers to a lease in which almost all the risks and rewards related to the ownership of the leased asset are transferred regardless of whether the ownership is ultimately transferred. Operating leases refer to leases other than financial leases. When the company acts as a sublease lessor, it classifies subleases based on the right-of-use assets generated from the original lease.

(1) Accounting treatment of operating leases

The lease receipts of operating leases are recognized as rental income in each period of the lease term according to the straight-line method. The company capitalizes the initial direct costs incurred related to operating leases, and allocates them to the current profit and loss on the same basis as the recognition of rental income during the lease term. Variable lease payments that are not included in the lease receipts are included in the current profit and loss when they actually occur.

(2) Accounting treatment of finance leasing

On the start date of the lease, the company recognizes the finance lease receivables for the finance lease and terminates the recognition of the finance lease assets. When the company initially measures the finance lease receivables, the net lease investment is taken as the entry value of the financial lease receivables. The net lease investment is the sum of the unguaranteed residual value and the present value of the lease payment not yet received at the beginning of the lease term, discounted at the interest rate implicit in the lease.

The company calculates and recognizes the interest income for each period of the lease term based on a fixed periodic interest rate. The derecognition and impairment of finance lease receivables shall be accounted for in accordance with "3. (10) Financial Instruments" in this Note.

Variable lease payments that are not included in the measurement of the net lease investment are included in the current profit or loss when they actually occur.

A lessor shall account for a modification to a finance lease as a separate lease if both:

• The modification increases the scope of the lease by adding the right to use one or more underlying assets;

• The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a modification to a finance lease that is not accounted for as a separate lease, a lessor shall account for the modification as follows:

• If the lease would have been classified as an operating lease had the modification been in effect at the inception date, the lessor shall account for the lease modification as a new lease from the effective date of the modification; and measure the carrying amount of the underlying assets as the net investment in the lease immediately before the effective date of the lease modification.

• If the change takes effect on the lease start date, the lease will be classified as a financial lease, and the company will perform accounting treatment in accordance with the policy of “3. (10) Financial Instruments” in this Note on the modification or re-negotiation of the contract.

3. Sale and leaseback transaction

The company evaluates and determines whether the asset transfer in the sale and leaseback transaction is a sale in accordance with the principles described in "3. (24) Revenue" of this Note.

(1) As the lessee

If the transfer of an asset in the sale and leaseback transaction is a sale, the company as the lessee measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right-of-use retained by the lessee and recognize only the amount of any gain or loss that relates to the rights transferred to the lessor.

For details on the subsequent measurement of right-of-use assets and lease liabilities and lease changes after the commencement date of the lease term, please refer to Note 3 (28) Leases 1. The Company as Lessee. When subsequently measuring the lease liabilities arising from a sale and leaseback, the Company determines the lease payments or the modified lease payments in a manner that does not result in the recognition of gains or losses related to the right of use acquired through the leaseback.

If the asset transfer in the sale and leaseback transaction does not belong to the sale, the company as the lessee continues to recognize the transferred assets and at the same time recognize a financial liability equal to the transfer proceeds. For the accounting treatment of financial liabilities, please refer to "3. (10) Financial Instruments" in this note.

(2) As a lessor

If the asset transfer in the sale and leaseback transaction is a sale, the company acts as the lessor to account for the purchase of the asset, and the asset lease is accounted for in accordance with the aforementioned "2. The company as the lessor" policy; in the sale and leaseback transaction If the transfer of assets is not a sale, the company as the lessor does not recognize the transferred assets, but recognizes a financial asset equal to the transfer proceeds. For the accounting treatment of financial assets, please refer to "3. (10) Financial Instruments" in this note.

(29) Debt restructuring

1. The company as the creditor

The Company terminates the recognition of claims when the contractual right to collect cash flows from the claims terminates. If debt is restructured by using assets to pay off debts or by converting debts into equity instruments, the company will recognize the relevant assets when they meet their definition and recognition conditions.

If debt restructuring is carried out by repaying debts with assets, the transferred non-financial assets shall be measured at cost at initial recognition.

The Company shall recognize and measure the restructured claims in accordance with "3. (10) Financial Instruments" of this Note.

When multiple assets are used to settle debts or for debt restructuring, the Company shall first recognize and measure the financial assets acquired and the restructured claims in accordance with Note 3. (10) Financial Instruments. It shall then allocate the net amount of the fair value of the waived claims after deducting the recognized amounts of the acquired financial assets and the restructured claims in accordance with the fair value ratio of the various assets other than the acquired financial assets, and on this basis, determine the cost of each asset separately in accordance with the above method. The difference between the fair value and the carrying amount of the waived claim should be included in the current profit and loss.

2. The company as the debtor

The Company derecognizes a debt when the present obligation for the debt is discharged.

If debt restructuring is carried out by settling debts with assets, the Company shall terminate the recognition when the relevant assets and the debts settled meet the conditions for termination of recognition, and the difference between the book value of the debts settled and the book value of the transferred assets shall be included in the current profit and loss.

In case of debt restructuring by converting debt into equity instruments, the Company shall derecognize the debts paid when they meet the derecognition conditions. Equity instrument shall be measured at fair value at initial recognition. If the fair value of an equity instrument cannot be measured reliably, it is measured at the fair value of the debt settled. The difference between the carrying amount of the debt settled and the amount recognized as an equity instrument should be recognized in the current period's profit or loss.

If debt restructuring is carried out by modifying other terms, the Company shall recognize and measure the restructured debt in accordance with “3. (10) Financial Instruments” of this Note.

If multiple assets are used to repay debts or a combination is used to restructure debt, the company shall confirm and measure equity instruments and restructured debts in accordance with the aforementioned methods. The difference between the carrying amount of the debt settled and the sum of the carrying amount of the transferred assets and the recognized amount of the equity instruments and restructured debts is included in the current period's profit and loss.

(30) Other Significant Accounting Policies and Accounting Estimates

Major accounting estimates and judgments

When preparing financial statements, the Company's management needs to use estimates and assumptions, which will affect the application of accounting policies and the amount of assets, liabilities, income and expenses. Actual conditions may differ from these estimates. The management of the company continuously evaluates the judgment of key assumptions and uncertainties involved in the estimation, and the impact of changes in accounting estimates will be recognized in the current and future periods.

The main uncertainties in the estimated amount are as follows:

1. Measurement of expected credit losses

The company calculates the expected credit loss through the default risk exposure and the expected credit loss rate, and determines the expected credit loss rate based on the default probability and the default loss rate. When determining the expected credit loss rate, the company uses internal historical credit loss experience and other data, and adjusts the historical data in combination with current conditions and forward-looking information. When considering forward-looking information, the indicators used by the Company include the risk of economic downturn, the expected increase in unemployment rate, changes in the external market environment, technological environment and customer conditions. The Company regularly monitors and reviews assumptions related to the calculation of expected credit losses.

2. Inventory Impairment

As mentioned in note 3 (12) Inventory under “3 Significant accounting policies and accounting estimates”, the Company regularly estimates the net realizable value of the inventory, and recognizes the difference in inventory cost higher than the net realizable value. When estimating the net realizable value of inventory, the Company considers the purpose of holding the inventory and uses the available information as the basis for estimation, including the market price of the inventory and the Company's past operating costs. The actual selling price, completion cost, sales expenses and taxes of the inventory may change according to changes in market sales conditions, production technology, or the actual use of the inventory. Therefore, the amount of inventory depreciation reserve may change according to the above reasons. Adjustments to the inventory impairment will affect the current profit and loss.

3. Impairment of other assets except inventory and financial assets

As mentioned in note 3 (19) Long-term Asset Impairment, the company performs an impairment assessment on assets other than inventory and financial assets on the balance sheet date to determine whether the recoverable amount of the asset has fallen to a lower level than its book value. If the situation shows that the book value of the long-term assets may not be fully recovered, the relevant assets will be deemed to be impaired and the impairment loss will be recognized accordingly.

The recoverable amount is the higher of the net value of the fair value of the asset (or asset group) minus the disposal expenses and the present value of the asset (or asset group) 's expected future cash flow. Because the Company cannot reliably obtain the public market price of assets (or asset groups), and cannot reliably and accurately estimate the fair value of assets. Therefore, the Company regards the present value of the expected future cash flow as the recoverable amount. When estimating the present value of future cash flows, it is necessary to make a significant judgment on the output, selling price, related operating costs of the products produced by the asset (or asset group), and the discount rate used in calculating the present value. The Company will use all available relevant information when estimating the recoverable amount, including the prediction of output, selling price and related operating costs based on reasonable and supportable assumptions.

4. Depreciation and amortization of assets such as fixed assets and intangible assets

As described in note 3 (15) Fixed Assets and note 3 (18) Intangible Assets, the company shall accrue depreciation for the fixed assets and amortization for intangible assets within the useful life after considering their residual value. The company regularly reviews the useful life of related assets to determine the amount of depreciation and amortization expenses to be included in each reporting period. The useful life of assets is determined by the company based on past experience with similar assets and in combination with anticipated technological changes. If the previous estimates change significantly, the depreciation and amortization expenses will be adjusted in the future.

5. Deferred tax assets

When it is estimated that sufficient taxable income can be obtained in the future to use the unrecovered tax losses and deductible temporary differences, the relevant deferred tax assets are calculated and confirmed on the basis of the applicable income tax rate during the period when the asset is expected to be recovered and the amount of taxable income is limited to deductible tax losses and deductible temporary differences likely to be obtained by the Company. The Company needs to use judgment to estimate the time and amount of future taxable income, and make reasonable estimates and judgments on the future applicable income tax rate according to the current tax policy and other related policies to determine the deferred tax assets that should be recognized. If the time and amount of profits actually generated in the future period or the actual applicable income tax rate are different from the management's estimate, the difference will have an impact on the amount of deferred tax assets.

(31) Criteria of Materiality

Items	Materiality Criteria
Significant Receivables	The company considers accounts receivables exceeding RMB 5 million as significant accounts receivables.
Significant Accounts Payables	The company considers accounts payables exceeding RMB 5 million as significant accounts payables.
Significant Other Payables	The company considers other payables exceeding RMB 5 million as significant other payables.
Significant	The company regards the projects with the highest amount transferred to

Items	Materiality Criteria
Construction in Progress	fixed assets or the top 10 projects with the final balance of the current period and the amount exceeding RMB 50 million as significant construction in progress.
Significant Development Expenditure	The Company regards development expenditures exceeding RMB 5 million as significant development expenditures.
Significant Joint Ventures or Associated Companies	The company considers joint ventures or associated companies with an ending balance of more than RMB 100 million as important joint ventures or associated companies.
Significant Subsidiaries	Subsidiaries whose total assets/total revenue/total profit exceed 15% of the group's total assets/total revenue/total profit are considered as significant subsidiaries.

(32) Change of significant accounting policy and accounting estimate

1. Change of major accounting policy during this reporting period

(1) Implementation of Interpretation No. 19 of the Accounting Standards for Business Enterprises

On December 19, 2025, the Ministry of Finance issued the “Interpretation No. 19 of Accounting Standards for Business Enterprises” (Cai Kuai [2025] No. 32, hereinafter referred to as "Interpretation No. 19"), which became effective on January 1, 2026.

A. Accounting Treatment of Compensatory Assets in Business Combinations Not Under Common Control

As explained in Interpretation No. 19, in a business combination not involving enterprises under common control, the seller and the purchaser may enter into a contractual arrangement whereby the seller compensates the purchaser for certain contingencies of the acquiree or for uncertainties regarding specific assets or liabilities, resulting in the purchaser acquiring a compensatory asset.

At the same time the acquirer recognizes the indemnified item in its consolidated financial statements, it shall recognize an indemnification asset measured on the same basis as the indemnified item, subject to management's assessment of its recoverability, with any amount not expected to be recovered deducted from the carrying amount of the indemnification asset. At each subsequent reporting date, the acquirer shall measure the indemnification asset on the same basis as the indemnified item, taking into account any contractual limitations on the indemnified amount. If the carrying amount of the indemnified item changes, the carrying amount of the indemnification asset shall be adjusted accordingly, with the corresponding impact recognized in investment income. For an indemnification asset that is not subsequently measured at fair value, management's assessment of the recoverability of the indemnification asset shall be considered separately, and any amount not expected to be recovered shall be recognized in investment income. When the acquirer collects, sells, or otherwise loses the right to the indemnification asset, it shall derecognize the asset. Any difference between the proceeds received and the carrying amount of the indemnification asset shall be recognized in investment income.

In its separate financial statements, the acquirer shall recognize an indemnification asset only when the recognition criteria for a contingent asset are met (i.e., when the receipt of economic benefits is virtually certain and the amount can be measured reliably), and simultaneously reduce the initial investment cost of the long-term equity investment. At each subsequent balance sheet date, the acquirer shall measure the indemnification asset in accordance with Accounting Standards for Business Enterprises No. 13 — Contingencies, taking into account both contractual limitations on the indemnified amount and management's assessment of the recoverability of the indemnification asset, and recognize any amount not expected to be recovered in investment income.

Upon initial application, an enterprise shall make retrospective adjustments for indemnification assets existing on the effective date; for indemnification assets that had been recovered, sold, or for which rights were otherwise lost prior to the effective date, no retrospective adjustment is required.

The implementation of this interpretation had no material impact on the Company.

B. Accounting treatment of related capital reserve upon disposal of a subsidiary originally acquired through business combination under common control

Interpretation No. 19 stipulates that when an enterprise disposes of a subsidiary originally acquired through a business combination under common control and loses control, regardless of whether the counterparty is a related party or a non-related party, the capital reserve adjusted on the original combination date—arising from the difference between the initial investment cost of the long-term equity investment and the carrying amount of the combination consideration—shall not be reclassified to profit or loss for the current period or retained earnings in both the separate and consolidated financial statements.

The enterprise shall apply retrospective adjustment upon initial implementation. The adoption of this Interpretation had no significant impact on the Company.

C. Derecognition of financial liabilities settled through electronic payment systems

Interpretation No. 19 stipulates that when an enterprise settles a financial liability (or a part thereof) in cash using an electronic payment system, it may elect to derecognize the financial liability prior to the settlement date only if the enterprise has initiated a payment instruction and concurrently satisfies all of the following conditions: 1) The enterprise has no practical ability to withdraw, stop, or cancel the payment instruction; 2) The enterprise has no practical ability to access the cash to be used to settle the payment instruction; and 3) The settlement risk associated with the electronic payment system is insignificant. For example, the electronic payment system executes the payment instruction in accordance with standard administrative processes, and the time interval between meeting the aforementioned two conditions and delivering the cash to the counterparty is very short. If the execution of the payment instruction depends on the enterprise's ability to deliver cash on the settlement date, the settlement risk associated with the electronic payment system shall not be considered insignificant.

Upon initial implementation, an enterprise shall apply retrospective adjustment, recognizing the cumulative effect as an adjustment to retained earnings and other related financial statement line items as of January 1, 2026, without the need to restate comparative financial statements for prior periods. The Company has elected to adopt the aforementioned accounting policy and applies it to all settlements processed through the same electronic payment system. The adoption of this Interpretation had no significant impact on the Company.

D. Assessment and Related Disclosures of Contractual Cash Flow Characteristics of Financial Assets

Interpretation No. 19 stipulates that when an enterprise assesses whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement, it may need to consider the different elements of interest. The assessment of interest shall focus on what the enterprise is being compensated for, rather than the amount of compensation received, although the latter may indicate that the enterprise is receiving compensation for elements other than basic lending risks and costs. If the contractual cash flows are indexed to a variable that is not a basic lending risk or cost (such as the value of equity instruments or commodity prices), or if the contractual cash flows represent a share of the debtor’s revenue or profit, such contractual cash flows are inconsistent with a basic lending arrangement.

Where the contractual cash flows arising from a contingent feature are consistent with a basic lending arrangement both before and after the change in contractual cash flows (regardless of the probability of the change occurring), the enterprise is still required to assess the nature of the contingent event. If the nature of the contingent event is directly related to a change in basic lending risks and costs, and the direction of the change in contractual cash flows is the same as the direction of the change in basic lending risks and costs, the contractual cash flows generated by the relevant financial asset represent solely payments of principal and interest on the principal amount outstanding (SPPI).

If the nature of the contingent event is not directly related to a change in basic lending risks and costs (e.g., a loan where the interest rate is adjusted downward by a contractually specified number of basis points upon the borrower achieving contractually agreed carbon emission reductions), the contractual cash flows generated by the relevant financial asset represent solely payments of principal and interest on the principal amount outstanding only if, in all possible contractual scenarios, the resulting contractual cash flows are not significantly different from the contractual cash flows that would arise from a financial instrument with identical contractual terms but without such a contingent feature.

Upon initial implementation, an enterprise shall apply retrospective adjustment, recognizing the cumulative effect as an adjustment to retained earnings and other related financial statement line items as of January 1, 2026, without restating comparative financial statements for prior periods. The adoption of this Interpretation had no significant impact on the Company.

E. Disclosures of Equity Instruments Designated at Fair Value through Other Comprehensive Income

Interpretation No. 19 stipulates that an enterprise shall disclose, at a minimum by class, the fair value at the end of the reporting period of equity instrument investments designated as at fair value through other comprehensive income, as well as the changes in fair value during the reporting period. An enterprise may provide further disclosures, such as on an individual investment/item basis, in accordance with the principle of materiality and its actual circumstances. Among these, the fair value changes relating to investments derecognized during the reporting period and the fair value changes relating to investments held at the end of the reporting period shall be disclosed separately. The enterprise shall also disclose the transfer of cumulative gains or losses recognized in equity related to investments derecognized during the reporting period.

The Company discloses the relevant information of other equity instrument investments in accordance with these requirements. The adoption of this Interpretation had no significant impact on the Company's financial position and operating results.

(2) Implementation of Accounting Standards for Business Enterprises Interpretation No. 20

On June 17, 2026, the Ministry of Finance issued the Accounting Standards for Business Enterprises Interpretation No. 20 (Cai Kuai [2026] No. 7, hereinafter referred to as "Interpretation No. 20"), which came into effect on the date of promulgation.

A. Assessment of Contractual Cash Flow Characteristics of Financial Assets

Interpretation No. 20 sets forth specific classification requirements on whether "non-recourse financial assets" and "contractually linked instruments" satisfy the criterion that contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

For a financial asset, if an enterprise's ultimate contractual right to receive cash flows is restricted to the cash flows from specified assets, the financial asset possesses non-recourse characteristics, in which case the primary risk faced by the enterprise depends on the performance of the specified assets rather than the credit risk of the debtor. For non-recourse financial assets, when determining whether they satisfy the contractual cash flow characteristics of solely payments of principal and interest on the principal amount outstanding (hereinafter referred to as the "SPPI contractual cash flow characteristics"), the enterprise shall evaluate the connection between the specified underlying assets or their cash flows and the contractual cash flows of the financial asset (i.e., a "look-through" assessment), and consider how this connection is affected by other contractual arrangements, such as subordinated debt or equity instruments issued by the debtor. If the contractual terms of the financial asset give rise to any other cash flows or limit the cash flows in a manner inconsistent with payments representing principal and interest, the financial asset does not satisfy the SPPI contractual cash flow characteristics. Whether the underlying assets are financial or non-financial assets does not affect the assessment of the aforementioned contractual cash flow characteristics.

In certain non-recourse transactions, the issuer may use multiple contractually linked instruments (i.e., multiple tranches) to prioritize payments to holders of the financial assets. Each tranche has a specified subordination ranking that determines the order in which cash flows generated by the underlying pool of financial instruments are allocated to that tranche by the issuer, thereby creating a "waterfall payment structure." The prioritization of payments to different tranche holders established through such a "waterfall payment structure" creates credit risk concentration and results in a disproportionate allocation of cash shortfalls from the underlying assets among the different tranche holders; a holder of a given tranche is entitled to receive payments of principal and interest only if the issuer generates sufficient cash flows to satisfy payments on more senior tranches. In such transactions, holders of each tranche shall apply the classification requirements for contractually linked instruments rather than those for non-recourse financial assets. One of the conditions for a contractually linked instrument to meet the SPPI contractual cash flow characteristics is that its underlying pool must contain one or more instruments whose contractual cash flows represent solely payments of principal and interest. The aforementioned underlying assets may include financial instruments that are not subject to the classification requirements of *Accounting Standards for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments*, but whose contractual cash flows are equivalent to solely payments of principal and interest on the principal amount outstanding (e.g., certain lease receivables).

Upon initial implementation, an enterprise shall apply retrospective adjustment, recognizing the cumulative effect as an adjustment to retained earnings and other related financial statement line items as of January 1, 2026, without restating comparative financial statements for prior periods. The adoption of this Interpretation had no significant impact on the Company.

B. Accounting Treatment and Related Disclosures When a Currency Lacks Exchangeability

Interpretation No. 20 stipulates that a currency is exchangeable into another currency if an enterprise is able to exchange that currency into the other currency within a specified timeframe through a market or exchange mechanism that creates enforceable rights and obligations in the exchange transaction. An enterprise shall assess whether a currency is exchangeable into another currency on the measurement date for a specific purpose. If the enterprise is able to obtain no more than an insignificant amount of the other currency on the measurement date for the specific purpose, the currency is not exchangeable into the other currency. Even if the other currency can be exchanged back into that currency, the enterprise may still determine that the currency is not exchangeable into the other currency.

When a currency is not exchangeable into another currency (lacks exchangeability), the enterprise shall estimate the spot exchange rate at the measurement date so that it faithfully reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

Upon initial application, an enterprise is not required to restate comparative financial statements for prior periods and shall apply the following transition provisions:

(i) When an enterprise reports foreign currency transactions in its functional currency and determines that the relevant foreign currency lacks exchangeability into its functional currency, it shall translate affected foreign currency monetary items and non-monetary items measured at fair value in a foreign currency using the estimated spot exchange rate as at the date of initial application. The effect of initially applying this Interpretation shall be adjusted against opening retained earnings. The adoption of this Interpretation had no significant impact on the Company.

(ii) When the presentation currency used by an enterprise is different from its functional currency, or when an enterprise translates the financial position and operating results of a foreign operation, and it is determined that the enterprise's functional currency or the foreign operation's functional currency lacks exchangeability into the presentation currency, the enterprise shall translate the affected assets and liabilities using the estimated spot exchange rate as at the date of initial application; if the functional currency is the currency of a hyperinflationary economy, the affected equity items shall also be translated using the estimated spot exchange rate as at the date of initial application. The effect of initially applying this Interpretation shall be recognized as an adjustment to the cumulative amount of exchange differences on translation of financial statements (recognized as a separate component of equity). The adoption of this Interpretation had no significant impact on the Company.

(3) Implementation of Accounting Standards for Business Enterprises No. 25 — Insurance Contracts (Revised in 2020)

On December 24, 2020, the Ministry of Finance issued the revised *Accounting Standards for Business Enterprises No. 25 — Insurance Contracts* (Cai Kuai [2020] No. 20, hereinafter referred to as the "New Insurance Contracts Standard"). Enterprises dually listed domestically and overseas, as well as enterprises listed overseas that prepare financial statements in accordance with International Financial Reporting Standards (IFRS) or Accounting Standards for Business Enterprises, have been required to adopt this standard since January 1, 2023; other enterprises applying Accounting Standards for Business Enterprises shall adopt it starting from January 1, 2026.

The New Insurance Contracts Standard stipulates that if the accounting treatment of insurance contracts prior to the date of initial application is inconsistent with the provisions of this standard, an enterprise shall apply the full retrospective approach. If applying the full retrospective approach to a group of insurance contracts is impracticable, the enterprise shall apply the modified retrospective approach or the fair value approach; if applying the modified retrospective approach to a group of insurance contracts is also impracticable, the enterprise shall apply the fair value approach. Where an enterprise applies retrospective adjustment, it is not required to disclose the adjustment amounts for affected financial statement line items and earnings per share for the current period and each prior period presented.

The Company has adopted the New Insurance Contracts Standard since January 1, 2026. The adoption of this standard had no significant impact on the Company's financial position and operating results.

2. Change of accounting estimate during the reporting period

There is no significant changes in accounting estimates during the reporting period.

4. Taxes

(1) Major type of taxes and corresponding tax rates

Tax	Taxation Method	Tax Rate
Value-added Tax (VAT)	The balance of output VAT calculated based on product sales and taxable services revenue in accordance with the tax laws after subtracting the deductible	6%, 9%, 13%

	input VAT of the period	
City maintenance and construction tax	Based on VAT and business tax actually paid	5%, 7%
Enterprise income tax	Based on taxable income	See the table below for details

Notes to taxpayers with different corporate income tax rates:

Name of the taxpayers	Income tax rate (%)
Bengang Steel Plates Co., Ltd	15
Shanghai Bengang Metallurgy Science and Technology Co., Ltd.	25
Benxi Bengang Steel Sales Co., Ltd.	25
Bengang Posco Cold-rolled Sheet Co., Ltd.	15
Tianjin Bengang Steel & Iron Trading Co., Ltd.	25
Green Gold (Benxi) Renewable Resources Co., Ltd.	25
Yantai Bengang Steel & Iron Sales Co., Ltd.	25
Guangzhou Bengang Steel & Iron Trading Co., Ltd.	25
Dalian Benruitong Automobile Material Technology Co., Ltd.	25
Shenyang Bengang Metallurgical Science and Technology Co., Ltd.	25
North Hengda Logistics Co., Ltd	25

(2) Tax Preference

1. The company has obtained the high-tech enterprise certificate, certificate number: GR202421001555; valid from November 27, 2024 to November 27, 2027. The company pays corporate income tax at a reduced rate of 15%.

2. Benxi Posco Cold-Rolled Sheet Co., Ltd., the subsidiary of the Company has obtained the High-tech Enterprise Certificate, certificate number: GR202321001624; valid from December 20, 2023 to December 20, 2026. Benxi Steel Posco Cold-Rolled Sheet Co., Ltd. pays corporate income tax at a reduced tax rate of 15%.

3. On December 30, 2021, the Ministry of Finance and the State Administration of Taxation issued the "Announcement on Improving the Value-Added Tax Policy for Comprehensive Utilization of Resources" (Announcement No. 40 of the Ministry of Finance and the State Administration of Taxation in 2021). The announcement will take effect on March 1, 2022. The original "Notice of the Ministry of Finance and the State Administration of Taxation on Issuing the "Catalogue of Value-Added Tax Preferential Policies for Comprehensive Utilization of Resources Products and Services" (Finance and Taxation [2015] No. 78) will be abolished at the same time except for "technical standards and related conditions". The electricity and heat produced and sold by the Energy Development Branch of Benxi Iron and Steel Co., Ltd., a branch of the Company, are items listed in the "Catalogue of

Value-Added Tax Preferential Terms for Comprehensive Resource Utilization Products and Services" and enjoy the value-added tax refund policy.

4. On December 30, 2021, the Ministry of Finance and the State Administration of Taxation issued the "Announcement on Improving the Value-Added Tax Policy for Comprehensive Utilization of Resources" (Announcement No. 40 of the Ministry of Finance and the State Administration of Taxation in 2021). The announcement will take effect on March 1, 2022. The original "Notice of the Ministry of Finance and the State Administration of Taxation on Issuing the "Catalogue of Value-Added Tax Preferential Policies for Comprehensive Utilization of Resources Products and Services" (Finance and Taxation [2015] No. 78) will be abolished at the same time except for "technical standards and related conditions". Scrap steel sold by the Company's subsidiary, Green Gold (Benxi) Renewable Resources Co., Ltd., is listed in the *Catalogue of Value-Added Tax Preferential Rates on Products and Labour Services Involving Comprehensive Utilisation of Goods and Resources*, and is entitled to the value-added tax (VAT) refund-upon-collection policy.

5. On September 3, 2023, the Ministry of Finance and the State Administration of Taxation issued the "Announcement on the VAT Surcharge Deduction Policy for Advanced Manufacturing Enterprises" (Announcement No. 43 of the Ministry of Finance and the State Administration of Taxation in 2023). From January 1, 2023 to December 31, 2027, the announcement allows advanced manufacturing enterprises to deduct the payable VAT by adding 5% to the current deductible input tax. Benxi Posco Cold Rolled Sheet Co., Ltd., a subsidiary of our company, belongs to the advanced manufacturing industry and enjoys the VAT surplus deduction policy.

5. Notes to the consolidated financial statements

(1) Cash at bank and on hand

Items	2026/06/30	2025/12/31
Cash on hand		
Digital Currency		
Cash at bank	780,123,506.77	92,723,863.54
Other monetary funds	840,931,894.73	839,920,368.84
Funds placed in a finance company account	180,060,156.04	194,746,442.77
Total	1,801,115,557.54	1,127,390,675.15
Including：Total amount deposited abroad		
Funds deposited overseas with restrictions on repatriation		

Notes: As at 30 June 2026, bank acceptance deposit of RMB 840,931,894.73 was not recognized as cash and cash equivalents in the cash flow statement.

(2) Notes receivable

1. **Notes receivable disclosed by category**

Items	2026/06/30	2025/12/31
Bank acceptance bill	251,214,825.03	236,004,720.54
Commercial acceptance bill	638,915.35	163,755,056.29
Total	251,853,740.38	399,759,776.83

2. Notes receivable disclosed by bad debt accrual method

Items	2026/06/30					2025/12/31				
	Carrying amount		Provision for bad debts		Book value	Carrying amount		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Bad debts ratio (%)		Amount	Percentage (%)	Amount	Bad debts ratio (%)	
Provision for bad debts individually										
Provision for bad debts based on portfolio of credit risk characteristics	251,853,740.38	100.00			251,853,740.38	399,759,776.83	100.00			399,759,776.83
Total	251,853,740.38	100.00			251,853,740.38	399,759,776.83	100.00			399,759,776.83

Provision for bad debts based on portfolio of credit risk characteristics

Portfolio items:

Items	2026/06/30		
	Notes receivable	Provision for bad debts	Bad debts ratio (%)
Bank acceptance bill	237,996,781.65		
Commercial acceptance bill	13,856,958.73		
Total	251,853,740.38		

3. The pledged acceptance bill at the year-end

Items	Notes receivable pledged at the end of period
Bank acceptance bill	3,000,000.00
Commercial acceptance bill	
Total	3,000,000.00

4. The amount of notes receivable endorsed over or discounted but not yet matured at the year-end

Items	Amount terminated at the end of the period	Amount was not terminated at the end of the period
Bank acceptance bill	2,687,140,545.57	107,070,828.39
Commercial acceptance bill	409,848,743.59	
Total	3,096,989,289.16	107,070,828.39

(3) Accounts receivable

1. **Accounts receivable disclosed by aging**

Items	2026/06/30	2025/12/31
Within 1 year (inclusive)	1,237,771,236.07	1,149,629,532.02
1-2 years (inclusive)	33,272,155.51	42,575,692.54
2-3 years (inclusive)	37,400,653.65	2,911,370.99
3-4 years (inclusive)	2,411,366.74	27,852,241.32
4-5 years (inclusive)	27,803,630.42	556,497.21

Items	2026/06/30	2025/12/31
over 5 years	85,595,623.69	88,417,222.29
Subtotal	1,424,254,666.08	1,311,942,556.37
Less: Provision for bad debts	139,280,081.57	133,162,099.60
Total	1,284,974,584.51	1,178,780,456.77

2. Accounts receivable disclosed by the bad debt accrual method

Items	2026/06/30					2025/12/31				
	Gross carrying amount		Provision for bad debts		Book value	Gross carrying amount		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Bad debts ratio (%)		Amount	Percentage (%)	Amount	Percentage (%)	
Tested for impairment individually	48,196,244.68	3.38	48,196,244.68	100.00		48,196,244.68	3.67	48,196,244.68	100.00	
Tested for impairment by portfolio	1,376,058,421.40	96.62	91,083,836.89	6.62	1,284,974,584.51	1,263,746,311.69	96.33	84,965,854.92	6.72	1,178,780,456.77
Including: Aging portfolio	1,376,058,421.40	96.62	91,083,836.89	6.62	1,284,974,584.51	1,263,746,311.69	96.33	84,965,854.92	6.72	1,178,780,456.77
Total	1,424,254,666.08	100.00	139,280,081.57	9.78	1,284,974,584.51	1,311,942,556.37	100.00	133,162,099.60	10.15	1,178,780,456.77

Significant accounts receivables tested for impairment individually:

Company	2026/06/30				2025/12/31	
	Carrying amount	Provision for bad debts	Bad debts ratio (%)	Reason	Carrying amount	Provision for bad debts
Benxi Nanfen Xinhe Metallurgical Furnace Material Co., Ltd	48,196,244.68	48,196,244.68	100.00	Discontinued	48,196,244.68	48,196,244.68
Total	48,196,244.68	48,196,244.68			48,196,244.68	48,196,244.68

Provision for bad debts based on portfolio of credit risk characteristics

Provision for bad debts by portfolio: Aging analysis

Items	2026/06/30		
	Account Receivable	Provision for bad debts	Bad debt ratio（%）
Within 1 year (inclusive)	1,237,771,236.07	12,662,114.44	89.94
1-2 years (inclusive)	33,272,155.51	3,327,215.55	2.42
2-3 years (inclusive)	37,400,653.65	7,480,130.73	2.72
3-4 years (inclusive)	2,411,366.74	2,411,366.74	0.18
4-5 years (inclusive)	27,803,630.42	27,803,630.42	2.02
over 5 years	37,399,379.01	37,399,379.01	2.72
Total	1,376,058,421.40	91,083,836.89	100.00

3. The provision for bad debts accrued, reversed or recovered in the current period

Items	2025/12/31	Changes during the current period				2026/06/30
		Accrued	Reversed or recovered	Write-off or Write-back	Other changes	
Provision for bad debts	133,162,099.60	9,408,509.78		3,290,527.81		139,280,081.57
Total	133,162,099.60	9,408,509.78		3,290,527.81		139,280,081.57

4. Accounts receivable has been written off this year

Item	Write-off amount
Actual write-off of accounts receivable	3,290,527.81

5. Top five debtors and contract assets at the end of the period

Company	Accounts receivable as at 2026/06/30	Contract assets at 2026/06/30	Total	Percentage (%)	Provision for bad debts
Angang Group International Economic & Trade Co., Ltd., Benxi Branch	849,139,404.55		849,139,404.55	59.62	8,491,394.05
China Construction Sixth Engineering Bureau Co., Ltd.	68,882,341.71		68,882,341.71	4.84	8,263,798.91
Taicang CIMC Container Manufacture Co., Ltd.	51,895,088.50		51,895,088.50	3.64	518,950.89
Liaoning Northern Coal Chemical (Group) Co., Ltd.	51,413,190.75		51,413,190.75	3.61	8,614,347.33
Benxi Nanfen Xinhe Metallurgical Refractories Co., Ltd.	48,196,244.68		48,196,244.68	3.38	48,196,244.68
Total	1,069,526,270.19		1,069,526,270.19	75.09	74,084,735.86

(4) Accounts receivable financing

1. Accounts receivable financing by category

Items	2026/06/30	2025/12/31
Notes Receivable	256,934,534.14	331,321,177.27
Total	256,934,534.14	331,321,177.27

2. Accounts Receivable Financing Pledged by the Company at Period-End

Item	Pledged amount as at the period-end
Notes Receivable	124,228,068.50
Total	124,228,068.50

(5) Prepayments

1. Prepayments disclosed by aging

Aging	2026/06/30		2025/12/31	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year (inclusive)	441,526,961.02	97.59	304,163,117.71	96.61
1-2 years (inclusive)	282,537.31	0.06	6,869,069.81	2.18
2-3 years (inclusive)	6,869,069.73	1.52	3,737,486.36	1.19
Over 3 years	3,738,170.25	0.83	56,220.18	0.02
Total	452,416,738.31	100.00	314,825,894.06	100.00

Notes: There were no outstanding prepayments over 1 year.

2. Top five prepaid companies at the end of the period

Name of the company	2026/06/30	Percentage (%)
Shanxi Coking Coal Group Coal & Coke Sales Co., Ltd.	73,939,247.66	16.34
Shenyang Railway Logistics Center, China Railway	70,579,051.25	15.60

Name of the company	2026/06/30	Percentage (%)
Shenyang Group Co., Ltd.		
Angang Group International Economic & Trading Co., Ltd.	50,890,155.65	11.25
Shanxi Coking Coal Group Co., Ltd.	47,441,001.20	10.49
Angang Group International Economic & Trade Co., Ltd., Benxi Branch	40,490,602.77	8.95
Total	283,340,058.53	62.63

(6) Other receivables

Items	2026/06/30	2025/12/31
Interest receivables		
Dividend receivables		
Other receivables	1,178,776.75	4,034,061.03
Total	1,178,776.75	4,034,061.03

1. Other receivables

(1) Other receivables disclosed by aging

Items	2026/06/30	2025/12/31
Within 1 year (inclusive)	856,734.33	1,219,878.37
1-2 years (inclusive)	209,403.23	1,320,621.74
2-3 years (inclusive)	59,754.59	4,483,668.45
3-4 years (inclusive)	3,015,068.45	12,609,103.20
4-5 years (inclusive)	9,055,306.42	3,237,069.03
over 5 years	49,149,280.91	52,360,468.13
Subtotal	62,345,547.93	75,230,808.92
Less: Provision for bad debts	61,166,771.18	71,196,747.89
Total	1,178,776.75	4,034,061.03

(2) Disclosed by bad debt accrual method

Items	2026/06/30					2025/12/31				
	Carrying amount		Provision for bad debts		Book value	Carrying amount		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Bad debts ratio (%)		Amount	Percentage (%)	Amount	Bad debts ratio (%)	
Provision for bad debts individually	18,192,317.00	29.18	18,192,317.00	100.00		18,192,317.00	24.18	18,192,317.00	100.00	
Provision for bad debts based on portfolio	44,153,230.93	70.82	42,974,454.18	97.33	1,178,776.75	57,038,491.92	75.82	53,004,430.89	92.93	4,034,061.03
Include: Aging portfolio	43,837,277.38	70.31	42,974,454.18	98.03	862,823.20	56,747,273.80	75.43	53,004,430.89	93.40	3,742,842.91
Risk-free portfolio	315,953.55	0.51			315,953.55	291,218.12	0.39			291,218.12
Total	62,345,547.93	100.00	61,166,771.18	98.11	1,178,776.75	75,230,808.92	100.00	71,196,747.89	94.64	4,034,061.03

Significant other receivables tested for impairment individually:

Company	2026/06/30				2025/12/31	
	Carrying amount	Provision for bad debts	Bad debts ratio (%)	Reason	Carrying amount	Provision for bad debts
Benxi Iron and Steel (Group) No. 3 Architectural Engineering Co., Ltd.	12,504,978.59	12,504,978.59	100	Bankrupt	12,504,978.59	12,504,978.59
Total	12,504,978.59	12,504,978.59			12,504,978.59	12,504,978.59

Provision for bad debt by portfolio of credit risk characteristics:

Portfolio accrual item: Aging portfolio

Items	2026/06/30		
	Amount	Provision for bad debts	Percentage（%）
Within 1 year (inclusive)	564,929.32	11,213.33	1.29
1-2 years (inclusive)	185,254.69	11,966.87	0.42
2-3 years (inclusive)	100,661.74	18,312.35	0.23
3-4 years (inclusive)	575,037.11	521,567.11	1.31
4-5 years (inclusive)	9,055,306.42	9,055,306.42	20.66
Over 5 years	33,356,088.10	33,356,088.10	76.09
Total	43,837,277.38	42,974,454.18	100.00

(3) Provision for Bad Debts

Provision for bad debts	Stage one	Stage two	Stage three	Total

	Expected Credit Losses for the Next 12 Months	Lifetime expected credit losses (credit impairment has not occurred)	Lifetime expected credit losses (credit impairment has already occurred)	
Beginning balance	9,286.60	540,789.59	70,646,671.70	71,196,747.89
Beginning balance during current period	-9,262.73	-278,255.83	287,518.56	
--Transfer to the second stage	-9,262.73	9,262.73		
--Transfer to the third stage		-287,518.56	287,518.56	
--Write-back to the second stage				
--Write-back to the first stage				
Accruals for the current period	11,189.46	-232,254.54	315,293.66	94,228.58
Reversal during the current period				
Write-back of the current period				
Write-off during the current period			-10,124,205.29	-10,124,205.29
Other changes				
Ending balance	11,213.33	30,279.22	61,125,278.63	61,166,771.18

(4) Details of Bad Debt Provisions Accrued, Reversed, or Recovered During the Current Period

Items	2025/12/31	Changes during the current period				2026/06/30
		Accrual	Reversal or recovered	Write-back or write-off	Others	
Bad debt provision for other receivables	71,196,747.89	94,228.58		10,124,205.29		61,166,771.18
Total	71,196,747.89	94,228.58		10,124,205.29		61,166,771.18

(5) Details of Other Receivables Actually Written Off During the Current Period

Item	Write-off amount
Actual write-off of other accounts receivable	10,124,205.29

(6) Other receivables disclosed by nature

Nature	2026/06/30	2025/12/31
Current Account	59,711,310.42	71,623,926.65
Others	2,634,237.51	3,606,882.27
Total	62,345,547.93	75,230,808.92

(7) Top five other receivables at the end of the period

Company	Nature or content	Amount	Aging	Percentage of total other receivables (%)	Provision for bad debts at 2026/06/30
Benxi Iron and Steel (Group) No. 3 Architectural Engineering Co., Ltd.	Current Account	12,504,978.59	over 5 years	20.06	12,504,978.59
Benxi Iron & Steel (Group) No. 1 Construction Engineering Co., Ltd.	Current Account	3,247,307.07	3-4 years	5.21	3,247,307.07
Liaoning Huawei Coal Preparation Co., Ltd.	Current Account	2,261,360.00	2-3 years, 3-4 years	3.63	2,261,360.00
Benxi Ganglian Slag Co., Ltd.	Current Account	1,916,960.24	4-5 years, over 5 years	3.07	1,916,960.24
Sandvik International Trading (Shanghai) Co., Ltd.	Current Account	331,704.79	Over 5 years	0.53	331,704.79
Total		20,262,310.69		32.50	20,262,310.69

(7) Inventories

1. Inventories disclosed by category

Items	2026/06/30			2025/12/31		
	Gross carrying amount	Inventory impairment/Impairment of contract fulfillment costs	Book value	Gross carrying amount	Inventory impairment/ Impairment of contract fulfillment costs	Book value
Raw material	3,192,817,502.91	256,207,419.31	2,936,610,083.60	3,171,263,464.65	256,207,419.31	2,915,056,045.34
Work in progress	2,255,821,458.21	50,094,355.14	2,205,727,103.07	2,473,710,024.54	64,533,859.33	2,409,176,165.21
Finished goods	954,152,630.90	24,980,139.07	929,172,491.83	1,074,768,310.11	29,805,634.54	1,044,962,675.57
Total	6,402,791,592.02	331,281,913.52	6,071,509,678.50	6,719,741,799.30	350,546,913.18	6,369,194,886.12

2. Impairment of inventory and contract fulfillment cost

Category	2025/12/31	Increase		Decrease		2026/06/30
		Provision	Others	Write-back or write-off	Others	
Raw material	256,207,419.31					256,207,419.31
Work in progress	64,533,859.33			14,439,504.19		50,094,355.14

Category	2025/12/31	Increase		Decrease		2026/06/30
		Provision	Others	Write-back or write-off	Others	
Finished goods	29,805,634.54	14,435,000.34		19,260,495.81		24,980,139.07
Total	350,546,913.18	14,435,000.34		33,700,000.00		331,281,913.52

(8) Other current assets

Items	2026/06/30	2025/12/31
VAT input tax	312,457,057.74	431,454,249.59
Others	11,113,647.88	18,817,113.34
Total	323,570,705.62	450,271,362.93

(9) Long-term equity investment

1. Long-term equity investment

Investees	2025/12/31 (Book value)	Impairment provision as of 2025/12/31	Increase/decrease								2026/06/30 (Book value)	Impairment provision as of 2026/06/30
			Addition of Investment	Reduction of Investment	Income or loss on investment recognized under the equity method	Other Comprehensive Income Adjustment	Other Equity Changes	Declaration of Cash Dividends or Profit	Provision of Impairment	Others		
1. Joint venture												
Subtotal												
2．Associated Enterprise												
Shenyang Xiangyu New Material Technology Co., Ltd.	43,269,884.04										43,269,884.04	
Subtotal	43,269,884.04										43,269,884.04	

Investees	2025/12/31 (Book value)	Impairment provision as of 2025/12/31	Increase/decrease								2026/06/30 (Book value)	Impairment provision as of 2026/06/30
			Addition of Investment	Reduction of Investment	Income or loss on investment recognized under the equity method	Other Comprehensive Income Adjustment	Other Equity Changes	Declaration of Cash Dividends or Profit	Provision of Impairment	Others		
Total	43,269,884.04										43,269,884.04	

(10) Other equity instrument investment

1. The information of other equity instrument investment

Items	2025/12/31	Accumulated gains or losses recognized in other comprehensive income as at 2025/12/31	Additions	Changes in fair value for the current period			Disposal during the current period	Other changes	2026/06/30	Accumulated gains or losses reclassified from other comprehensive income to retained earnings for the current period	Accumulated gains or losses recognized in other comprehensive income as at 2026/06/30	Reasons for Designation
				Changes related to investments held at the end of the period	Amount of change related to the investment derecognized in the current period	Subtotal						
Suzhou Longben Metal Materials Co.	3,975,243.87	86,263.87							3,975,243.87		86,263.87	Non-trading equity investments

Items	2025/12/31	Accumulated gains or losses recognized in other comprehensive income as at 2025/12/31	Additions	Changes in fair value for the current period			Disposal during the current period	Other changes	2026/06/30	Accumulated gains or losses reclassified from other comprehensive income to retained earnings for the current period	Accumulated gains or losses recognized in other comprehensive income as at 2026/06/30	Reasons for Designation
				Changes related to investments held at the end of the period	Amount of change related to the investment derecognized in the current period	Subtotal						
Ltd.												
Northeast Special Steel Group Co., Ltd.	886,445,587.90	-151,290,261.10							886,445,587.90		-151,290,261.10	Non-trading equity investments
Sinosteel Shanghai		-14,414,693.00									-14,414,693.00	Non-trading equity

Items	2025/12/31	Accumulated gains or losses recognized in other comprehensive income as at 2025/12/31	Additions	Changes in fair value for the current period			Disposal during the current period	Other changes	2026/06/30	Accumulated gains or losses reclassified from other comprehensive income to retained earnings for the current period	Accumulated gains or losses recognized in other comprehensive income as at 2026/06/30	Reasons for Designation
				Changes related to investments held at the end of the period	Amount of change related to the investment derecognized in the current period	Subtotal						
Steel Processing Co., Ltd.												investments
Total	890,420,831.77	-165,618,690.23							890,420,831.77		-165,618,690.23	

(11) Fixed assets

1. Fixed assets and Disposal of fixed assets

Items	2026/06/30	2025/12/31
Fixed assets	28,503,203,951.19	28,412,673,622.89
Disposal of fixed assets		
Total	28,503,203,951.19	28,412,673,622.89

2. Details of fixed assets

Items	Buildings	Machinery	Transportation equipment	Office equipment	Total
1．Gross carrying amount					
（1）31 December 2025	14,512,000,962.46	55,728,042,419.61	389,671,361.06	254,240,292.88	70,883,955,036.01
（2）Increase in current period	154,466,293.69	856,780,148.08	3,509,159.07	5,049,374.91	1,019,804,975.75
—Including: Purchase		1,210,256.64			1,210,256.64
—Transferred from construction in progress	154,466,293.69	855,569,891.44	3,509,159.07	5,049,374.91	1,018,594,719.11
—Increase in Business Combinations					
—Others					
（3）Decrease in current period	23,127,786.85	163,774,873.42	498,269.32	27,000.85	187,427,930.44
—Including: Disposal or scrapped	23,127,786.85	163,774,873.42	498,269.32	27,000.85	187,427,930.44
（4）30 June 2026	14,643,339,469.30	56,421,047,694.27	392,682,250.81	259,262,666.94	71,716,332,081.32
2．Total accumulated depreciation					
（1）31 December 2025	7,007,049,986.34	34,850,043,391.39	317,740,105.30	172,303,686.37	42,347,137,169.40
（2）Increase in current period	127,289,600.86	754,075,765.14	5,680,072.99	18,302,525.36	905,347,964.35

Items	Buildings	Machinery	Transportation equipment	Office equipment	Total
—Including: Provision	127,289,600.86	754,075,765.14	5,680,072.99	18,302,525.36	905,347,964.35
（3）Decrease in current period	19,909,460.83	142,892,888.97	451,164.05	26,190.82	163,279,704.67
—Including: Disposal or scrapped	19,909,460.83	142,892,888.97	451,164.05	26,190.82	163,279,704.67
（4）30 June 2026	7,114,430,126.37	35,461,226,267.56	322,969,014.24	190,580,020.91	43,089,205,429.08
3．Total impairment					
（1）31 December 2025	82,416,017.35	41,728,226.37			124,144,243.72
（2）Increase in current period					
—Including: Provision					
（3）Decrease in current period		221,542.67			221,542.67
—Including: Disposal or scrapped		221,542.67			221,542.67
（4）30 June 2026	82,416,017.35	41,506,683.70			123,922,701.05
4．Net book value					
（1）30 June 2026	7,446,493,325.58	20,918,314,743.01	69,713,236.57	68,682,646.03	28,503,203,951.19
（2）31 December 2025	7,422,534,958.77	20,836,270,801.85	71,931,255.76	81,936,606.51	28,412,673,622.89

3. **Fixed assets idled temporarily**

Items	Gross carrying amount	Accumulated depreciation	Impairment	Book value	Note
Buildings	112,715,295.87	68,447,346.38	41,943,853.74	2,324,095.75	
Machinery	3,081,592.21	2,444,779.24	74,824.18	561,988.79	
Transportation equipment	58,652.78	56,893.20		1,759.58	
Others	110,671.80	109,829.55	842.25		
Total	115,966,212.66	71,058,848.37	42,019,520.17	2,887,844.12	

4. **Fixed assets leased out by operating lease**

Items	Book value
Buildings	66,447,740.91
Machinery	51,788.34

5. **Fixed assets without property rights certificates at the end of the period**

Items	Book value	Reason
Buildings	2,523,010,854.83	In process

(12) Construction in progress

1. **Construction in progress and Construction materials**

Items	2026/06/30			2025/12/31		
	Gross carrying amount	Total impairment	Book value	Gross carrying amount	Total impairment	Book value
Construction in progress	2,621,834,772.76		2,621,834,772.76	3,074,712,066.38		3,074,712,066.38
Project materials						
Total	2,621,834,772.76		2,621,834,772.76	3,074,712,066.38		3,074,712,066.38

2. Details of construction in progress

Items	30/06/2026			31/12/2025		
	Gross carrying amount	Total impairment	Book value	Gross carrying amount	Total impairment	Book value
Cold Rolling Transformation Project	495,286,633.88		495,286,633.88	483,026,894.14		483,026,894.14
Environmental Protection Renovation of Plate Raw Material Plant	163,941,520.69		163,941,520.69	158,152,797.73		158,152,797.73
Environmental Upgrade of the No. 2 Sintering Stockyard at the Sheet Metal Ironmaking Plant	159,652,504.28		159,652,504.28	156,323,959.75		156,323,959.75
Renovation of the dust removal system in the No. 6 blast furnace area of the Iron and Steel Plant	97,577,974.12		97,577,974.12	96,061,655.94		96,061,655.94
Special Steel Electric Furnace Capacity Replacement Project	89,650,279.86		89,650,279.86	86,939,629.39		86,939,629.39
Grid Upgrade Project Supporting the Bancai Nengguan Centre Supercritical Power Generation Project	88,896,134.52		88,896,134.52	142,364,867.84		142,364,867.84
Bengang Plate intelligent factory Project	87,514,048.78		87,514,048.78	85,050,424.38		85,050,424.38
Steam Drum to Electric Drum Conversion Project of the Plate Energy Management Centre	85,408,927.97		85,408,927.97	118,526,373.67		118,526,373.67
Desulphurization Waste Liquor Acid Making Project in Plates Iron Making Plant	82,624,177.66		82,624,177.66	82,624,177.66		82,624,177.66
Retrofit of the Dust Removal System in the New No.1 Blast Furnace Area at	69,780,633.95		69,780,633.95	68,847,544.63		68,847,544.63

Items	30/06/2026			31/12/2025		
	Gross carrying amount	Total impairment	Book value	Gross carrying amount	Total impairment	Book value
the Ironmaking General Works						
Hazard Rectification of Taizi River Railway Bridge at Railway Transportation Company	57,703,408.27		57,703,408.27	51,796,370.22		51,796,370.22
Construction materials						
Others	1,143,798,528.78		1,143,798,528.78	1,544,997,371.03		1,544,997,371.03
Total	2,621,834,772.76		2,621,834,772.76	3,074,712,066.38		3,074,712,066.38

3. Changes in important construction projects in the current period

Items	Budget	2025/12/31	Increase during current period	Transferred to fixed asset during current period	Other decrease during current period	2026/06/30	Project cumulative investment accounted for the proportion of the budget (%)	Project progress (%)	Accumulated amount of interest capitalization	Including：Interest capitalization amount in current period	Interest capitalization rate in current period (%)	Sources of funds
Cold Rolling Transformation Project	843,640,000.00	483,026,894.14	12,259,739.74			495,286,633.88	97.1	97.1	52,224,686.79			Loan from financial institute
Environmental Protection Renovation of Plate Raw Material Plant	1,286,370,000.00	158,152,797.73	5,788,722.96			163,941,520.69	37.11	37.11	36,764,770.52			Own Funds and Loans
Environmental Protection Retrofit of the Second Sintering Stockyard at the Plate Ironmaking General Works	199,880,000.00	156,323,959.75	3,328,544.53			159,652,504.28	79.87	79.87	5,212,015.58	2,488,092.53	3.43	Own Funds and Loans
Renovation of the dust removal system in the No. 6 blast furnace area of the Iron and Steel Plant	99,970,000.00	96,061,655.94	1,516,318.18			97,577,974.12	97.61	97.61	2,922,501.88	1,516,318.18	3.43	Own Funds and Loans
Special Steel Electric Furnace Capacity Replacement Project	1,732,481,000.00	86,939,629.39	2,710,650.47			89,650,279.86	89.73	89.73	52,044,899.29			Own Funds

Items	Budget	2025/12/31	Increase during current period	Transferred to fixed asset during current period	Other decrease during current period	2026/06/30	Project cumulative investment accounted for the proportion of the budget (%)	Project progress (%)	Accumulated amount of interest capitalization	Including：Interest capitalization amount in current period	Interest capitalization rate in current period (%)	Sources of funds
Power Grid Upgrade for the Plate Energy Centre Supercritical Power Project	264,470,000.00	142,364,867.84	30,638,716.58	84,107,449.90		88,896,134.52	65.42	65.42	4,706,350.87	2,104,391.35	3.43	Own Funds and Loans
Bengang Plate intelligent factory Project	93,000,000.00	85,050,424.38	2,463,624.40			87,514,048.78	94.1	94.1	3,727,996.79	1,270,824.41	3.43	Own Funds and Loans
Steam Drum to Electric Drum Conversion Project of the Plate Energy Management Centre	187,900,000.00	118,526,373.67	2,125,765.42	35,243,211.12		85,408,927.97	64.21	64.21	6,071,287.62	2,125,765.42	3.43	Own Funds and Loans
Desulphurization Waste Liquor Acid Making Project in Plates Iron Making Plant	99,760,000.00	82,624,177.66				82,624,177.66	92.93	92.93				Own Funds
Retrofit of the Dust Removal System in the New No.1 Blast Furnace Area at the Ironmaking General Works	71,850,000.00	68,847,544.63	933,089.32			69,780,633.95	97.12	97.12	1,908,292.71	972,527.32	3.43	Own Funds and Loans
Total		1,477,918,325.13	61,765,171.60	119,350,661.02		1,420,332,835.71			165,582,802.05	10,477,919.21		

(13) Right of use assets

1. Right of use assets

Items	Land	Buildings	Machinery	Total
1. Gross carrying amount				
(1) 31 December 2025	1,132,274,415.17	368,465,367.56	1,459,378,563.11	2,960,118,345.84
(2) Increase in current period			327,506,878.59	327,506,878.59
— Addition			327,506,878.59	327,506,878.59
— Increase due to business combinations				
— Others				
(3) Decrease in current period				
— Transfer to Fixed Assets				
— Disposal				
— Others				
(4) 30 June 2026	1,132,274,415.17	368,465,367.56	1,786,885,441.70	3,287,625,224.43
2. Total accumulated depreciation				
(1) 31 December 2025	199,521,181.16	102,351,491.24	51,090,279.54	352,962,951.94
(2) Increase in current period	10,235,149.14	41,121,534.96	19,952,118.12	71,308,802.22
—Provision	10,235,149.14	41,121,534.96	19,952,118.12	71,308,802.22
(3) Decrease in current period				
— Transfer to Fixed Assets				
— Disposal				

Items	Land	Buildings	Machinery	Total
(4) 30 June 2026	209,756,330.30	143,473,026.20	71,042,397.66	424,271,754.16
3．Total impairment				
(1) 31 December 2025				
(2) Increase in current period				
—Provision				
(3) Decrease in current period				
— Transfer to Fixed Assets				
— Disposal				
(4) 30 June 2026				
4．Total net book value				
(1) 30 June 2026	922,518,084.87	224,992,341.36	1,715,843,044.04	2,863,353,470.27
(2) 31 December 2025	932,753,234.01	266,113,876.32	1,408,288,283.57	2,607,155,393.90

(14) Intangible assets

1. Details of intangible assets

Items	Software	Land use right	Total
1．Total of original value			
（1）31 December 2025	4,439,653.03	489,429,922.52	493,869,575.55
（2）Increase	6,699,940.00		6,699,940.00
—Purchase	6,699,940.00		6,699,940.00
—Internal R&D			
—Increase due to business combinations			
（3）Decrease			
—Disposal			

Items	Software	Land use right	Total
—The portion that has lapsed and been derecognized			
（4）30 June 2026	11,139,593.03	489,429,922.52	500,569,515.55
2. Total Accumulated Amortization			
（1）31 December 2025	1,850,912.67	108,359,650.11	110,210,562.78
（2）Increase	944,924.79	4,975,852.65	5,920,777.44
—Provision	944,924.79	4,975,852.65	5,920,777.44
（3）Decrease			
—Disposal			
— Portion that has become invalid and been derecognized			
（4）30 June 2026	2,795,837.46	113,335,502.76	116,131,340.22
3. Total of Impairment			
（1）31 December 2025			
（2）Increase			
—Provision			
（3）Decrease			
—Disposal			
— Portion that has become invalid and been derecognized			
（4）30 June 2026			
4. Total of Net book value			
（1）30 June 2026	8,343,755.57	376,094,419.76	384,438,175.33
（2）31 December 2025	2,588,740.36	381,070,272.41	383,659,012.77

2. Land use right without property rights certificates at the end of the period

Items	Book value	Reason
Land use right	34,984,913.58	In process
Total	34,984,913.58	

(15) Deferred tax asset and deferred tax liability

1. **Deferred tax assets before taking into consideration of the balance offsetting**

Items	2026/06/30		2025/12/31	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Asset impairment loss	655,581,198.97	98,801,529.86	678,979,736.04	102,311,312.63
Changes in fair value of other financial assets recognized in other comprehensive income	165,704,954.07	24,855,743.11	165,704,954.07	24,855,743.11
Tax-Accounting Differences under Lease Standards	2,665,147,479.60	399,772,121.94	2,587,520,333.13	388,128,049.97
Total	3,486,433,632.64	523,429,394.91	3,432,205,023.24	515,295,105.71

2. **Deferred tax liabilities before taking into consideration of the balance offsetting**

Items	2026/06/30		2025/12/31	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Changes in fair value of other financial assets recognized in other comprehensive income	65,857.87	9,878.68	65,857.87	9,878.68
Tax-Accounting Differences under Lease Standards	2,863,353,470.27	429,503,020.54	2,607,155,393.87	391,073,309.08
Total	2,863,419,328.14	429,512,899.22	2,607,221,251.74	391,083,187.76

3. **Deferred income tax assets or liabilities presented at net amounts after offsetting**

Items	2026/06/30		2025/12/31	
	Offset Amount of Deferred Income Tax Assets and Liabilities	Deferred Income Tax Asset or Liability Balance (Net of Offsetting)	Offset Amount of Deferred Income Tax Assets and Liabilities	Deferred Income Tax Asset or Liability Balance (Net of Offsetting)
Deferred tax assets	429,512,899.22	93,916,495.69	391,083,187.76	124,211,917.95
Deferred tax liabilities	429,512,899.22		391,083,187.76	

4. Unrecognized deferred tax assets

Items	2026/06/30	2025/12/31
Deductible temporary differences	70,268.35	70,268.35
Deductible losses	15,008,200,477.91	13,500,278,662.54
Total	15,008,270,746.26	13,500,348,930.89

5. The deductible loss of unrecognized deferred tax assets due in the following period

Year	2026/06/30	2025/12/31	Notes
Year 2025		2,512,631.86	
Year 2026		8,117,351.82	
Year 2027			
Year 2028			
Year 2029			
Year 2030			
Year 2031			
Year 2032	1,664,693,068.34	1,911,715,647.99	
Year 2033	2,192,634,808.94	2,367,541,315.76	
Year 2034	5,125,603,742.69	5,125,613,839.53	

Year	2026/06/30	2025/12/31	Notes
Year 2035	4,067,399,112.38	4,084,777,875.58	
Year 2036	1,957,869,745.56		
Total	15,008,200,477.91	13,500,278,662.54	

(16) Other non-current assets

Items	2026/06/30			2025/12/31		
	Gross carrying amount	Impairment	Book value	Gross carrying amount	Impairment	Book value
Prepayment for construction and equipment	51,426,835.78		51,426,835.78	54,632,516.72		54,632,516.72
Total	51,426,835.78		51,426,835.78	54,632,516.72		54,632,516.72

(17) Assets with restricted ownership or use rights

Items	2026/06/30				2025/12/31			
	Carrying amount	Book value	Type of restriction	Status	Carrying amount	Book value	Type of restriction	Status
Cash at bank and on hand	840,931,894.73	840,931,894.73	Margin for Notes receivable, Margin for letter of credit	Margin for Notes receivable, Margin for letter of credit	839,920,368.84	839,920,368.84	Margin for Notes receivable, Margin for letter of credit	Margin for Notes receivable, Margin for letter of credit
Notes receivable	3,000,000.00	3,000,000.00	Pledged	Pledged	6,182,721.01	6,182,721.01	Pledged	Pledged
Accounts receivable financing	124,228,068.50	124,228,068.50	Pledged	Pledged	120,290,859.64	120,290,859.64		
Total	968,159,963.23	968,159,963.23			966,393,949.49	966,393,949.49		

(18) Short-term loans

1. Classification of short-term loans

Items	2026/06/30	2025/12/31
Credit loans	4,500,500,000.00	200,000,000.00
Discounted unexpired bills	74,871,374.99	133,660,470.12
Total	4,575,371,374.99	333,660,470.12

(19) Notes payable

Items	2026/06/30	2025/12/31
Bank acceptance bill	11,323,422,620.99	10,925,339,515.71
Commercial acceptance bill	1,053,970,486.17	900,231,371.80
Letter of credit	1,296,446,679.86	1,136,716,755.37
Total	13,673,839,787.02	12,962,287,642.88

Note: The total amount of overdue but unpaid bills payable at the end of this period was RMB 48,559.99, and the reason for the overdue non-payment was that the holder did not submit a payment application.

(20) Accounts payable

1. Accounts payable

Items	2026/06/30	2025/12/31
Within 1 year (inclusive)	2,655,935,323.74	2,526,036,992.36
1-2 year (inclusive)	390,123,745.01	99,557,994.74
2-3 year (inclusive)	22,733,207.48	25,862,929.99
Over 3 years	32,273,400.50	15,778,495.57
Total	3,101,065,676.73	2,667,236,412.66

2. Significant accounts payable aging over one year or overdue

Items	2026/06/30	Reasons
Benxi Iron & Steel (Group) Information Automation Co., Ltd.	25,760,851.42	Not yet eligible for settlement

Items	2026/06/30	Reasons
Benxi Iron & Steel (Group) Co., Ltd.	19,070,663.16	Not yet eligible for settlement
Total	44,831,514.58	

(21) Prepayments

Items	2026/06/30	2025/12/31
Within 1 year (inclusive)	252,490.93	49,541.35
1-2 years (inclusive)		
2-3 years (inclusive)		
Over 3 years		
Total	252,490.93	49,541.35

(22) Contract liabilities

1. Details of contract liabilities

Items	2026/06/30	2025/12/31
Payment received in advance and labor costs	2,701,578,357.21	2,736,697,947.25
Total	2,701,578,357.21	2,736,697,947.25

(23) Employee benefits payable

1. Employee benefits payable

Items	2025/12/31	Increase	Decrease	2026/06/30
Short-term employee benefits	2,586,883.29	739,917,902.51	732,201,028.04	10,303,757.76
Post-employment benefits - defined contribution plans		124,590,568.16	124,590,568.16	
Termination benefits		35,678,608.84	35,678,608.84	
Other benefits due within one year				

Items	2025/12/31	Increase	Decrease	2026/06/30
Total	2,586,883.29	900,187,079.51	892,470,205.04	10,303,757.76

2. Short-term employee benefits

Items	2025/12/31	Increase	Decrease	2026/06/30
(1) Salary, bonus, allowance and subsidy		536,594,061.32	536,594,061.32	
(2) Employee welfare		52,197,484.88	52,197,484.88	
(3) Social Insurance		60,732,201.10	60,732,201.10	
Including: Medical insurance and maternity insurance		52,620,325.82	52,620,325.82	
Work injury insurance		8,111,875.28	8,111,875.28	
Others				
(4) Housing fund		65,257,056.60	65,257,056.60	
(5) Union funds and staff education fee	2,586,883.29	19,067,600.47	11,350,726.00	10,303,757.76
(6) Short-term compensated absences				
(7) Short-term profit - sharing scheme				
(8) Other short-term benefits		6,069,498.14	6,069,498.14	
Total	2,586,883.29	739,917,902.51	732,201,028.04	10,303,757.76

3. Defined contribution plans

Items	2025/12/31	Increase	Decrease	2026/06/30
Basic pension fund		100,014,077.94	100,014,077.94	
Unemployment insurance		3,127,107.02	3,127,107.02	
Annuity		21,449,383.20	21,449,383.20	

Items	2025/12/31	Increase	Decrease	2026/06/30
Total		124,590,568.16	124,590,568.16	

(24) Current tax liabilities

Items	2026/06/30	2025/12/31
Value-added tax	19,270,564.89	10,075,228.91
Resource Tax	1,983,931.52	1,965,703.36
Corporate income tax	7,989,360.98	14,251,204.39
City maintenance and construction tax	1,730,775.46	708,128.46
House property tax	7,544,121.03	6,967,050.05
Land use right tax	1,144,608.49	1,144,608.49
Individual income tax	385,476.32	8,351,507.38
Educational surcharges（including local Educational surcharges）	1,284,767.15	505,806.05
Others	12,383,913.36	15,888,049.72
Total	53,717,519.20	59,857,286.81

(25) Other payables

Items	2026/06/30	2025/12/31
Interest payables		
Dividends payables	45,054,305.70	45,054,305.70
Other payables	2,506,114,931.70	2,730,489,890.41
Total	2,551,169,237.40	2,775,544,196.11

1. Dividends payables

Items	2026/06/30	2025/12/31
Bengang Group Co., Ltd.	45,054,305.70	45,054,305.70
Total	45,054,305.70	45,054,305.70

2. Other payables

(1) Other payables disclosed by nature

Items	2026/06/30	2025/12/31
Current Accounts	2,114,625,828.39	2,344,273,165.96
Deposit	619,292.00	559,292.00
Margin	387,588,777.97	382,448,871.66
Others	3,281,033.34	3,208,560.79
Total	2,506,114,931.70	2,730,489,890.41

(2) Significant other payables aged over one year or overdue

Items	2026/06/30	Reasons
MCC Capital Engineering & Research Incorporation Limited	30,451,811.79	Settlement period not yet reached
Total	30,451,811.79	

(26) Non-current liabilities due within one year

Items	2026/06/30	2025/12/31
Long-term loans due within one year	1,107,725,768.90	927,300,000.00
Including: Pledged loans		
Mortgage loan		
Guaranteed loan		
Credit loan	1,107,725,768.90	927,300,000.00
Bond payables due within one year		5,665,550,635.00
Lease liabilities due within one year	350,078,751.34	348,084,227.49
Total	1,457,804,520.24	6,940,934,862.49

(27) Other current liabilities

Items	2026/06/30	2025/12/31
Output tax to be transferred	290,086,986.58	275,281,765.24
Total	290,086,986.58	275,281,765.24

(28) Long-term loans

Items	2026/06/30	2025/12/31
Pledged loans		
Mortgage loans		
Guaranteed loans		
Credit loans	10,335,711,376.76	6,941,769,758.11
Subtotal	10,335,711,376.76	6,941,769,758.11
Less: Non-current liabilities due within one year	1,107,725,768.90	927,300,000.00
Total	9,227,985,607.86	6,014,469,758.11

Notes: The interest rate of long-term loans is 2.39%-3.67%.

(29) Bonds payable

1. Changes in Bonds payables (Excluding other financial instruments such as preferred stocks and perpetual bonds classified as financial liabilities)

Items	Face value	Coupon rate	Issue date	Bond duration	Issuance amount	Balance at the end of the previous year	Current issue	Interest accrued at face value	Premium and discount amortization	Repayment in this period	Share conversion and repurchase this year	Balance at the end of the current period	Default or not
Bengang Convertible Bond (Bond code:127018)	6,800,000,000.00		29th June 2020	6 years	6,800,000,000.00	5,665,550,635.00		140,776,302.50	106,286,722.17	5,912,102,559.67	511,100.00		No
Less: amount due within one year						5,665,550,635.00		140,776,302.50	106,286,722.17	5,912,102,559.67	511,100.00		No
Total					6,800,000,000.00								

2. Description of corporate convertible bond:

Approved by Shenzhen Stock Exchange "Shen Zheng Shang [2020] No. 656", the Company's RMB 6.80 billion convertible corporate bonds were listed on the Shenzhen Stock Exchange on August 4, 2020, and the abbreviation is "Bengang Convertible Bonds". The bond code is "127018". The conversion period of the convertible corporate bonds issued this time is from the first trading day after six months of the issuance of the convertible corporate bonds (July 3, 2020) to the maturity date of the convertible corporate bonds, that is, from January 4, 2021 to June 28, 2026. The initial conversion price of the convertible bonds is RMB 5.03 per share. During the period from January 1, 2026, to June 30, 2026, a total of RMB 507,100.00 of the Company's A-share convertible bonds were converted into A-share common stock, resulting in the issuance of 153,879.00 shares; additionally, bonds amounting to RMB 4,180.84 were put back to the Company. Among them:

In the first quarter of 2026, the Bengang convertible bonds were reduced by RMB 14,000.00 (140 bonds) due to the conversion, and the number of shares converted was 4,247.00 shares, and the conversion price was RMB3.29 per share;

In the second quarter of 2026, the Bengang convertible bonds were reduced by RMB 493,100.00 (4,971 bonds) due to the conversion, and the number of shares converted was 149,602.00 shares, and the conversion price was RMB3.29 per share. Bengang Convertible Bonds decreased by RMB 4,180.84 (40 notes) due to put-back repurchases at a price of RMB 104.521 per note.

The company's convertible bonds matured on June 28, 2026; redemption was completed on June 29, and the bonds ceased conversion and were delisted from the Shenzhen Stock Exchange.

(30) Lease liabilities

Items	2026/06/30	2025/12/31
Lease payments	3,406,983,321.77	3,357,181,841.40
Less: Unrealized financing expenses	743,108,324.82	769,661,508.27
Reclassified to non-current liabilities within one year	350,078,751.34	348,084,227.49
Total	2,313,796,245.61	2,239,436,105.64

(31) Deferred income

Items	2025/12/31	Increase	Decrease	2026/06/30	Reason
Government subsidy	158,199,416.58	14,665,500.00	25,300,828.43	147,564,088.15	
Total	158,199,416.58	14,665,500.00	25,300,828.43	147,564,088.15	

The details of the government subsidy projects are as follows:

Related to assets or income	2025/12/31	Increase	Transfer to non-operating income	Transfer to other income	Offsetting cost or expenses	Other changes	2026/06/30
Related to assets	155,261,857.80	10,100,000.00		22,086,071.22			143,275,786.58
Related to income	2,937,558.78	4,565,500.00		3,214,757.21			4,288,301.57
Total	158,199,416.58	14,665,500.00		25,300,828.43			147,564,088.15

(32) Share capital

Items	2025/12/31	Increase/decrease (+ , -)					2026/06/30
		Issuing of new share	Bonus shares	Transferred from reserves	Others	Subtotal	
Total shares	4,108,236,253.00				153,849.00	153,849.00	4,108,390,102.00

Note: The increase during the current period resulted from the conversion of the Company's A-share convertible bonds into 153,849.00 A-share common shares; the bonds payable were fully redeemed on June 29, 2026.

(33) Other equity instruments

Changes in financial instruments such as preferred stocks and perpetual bonds issued at the end of the period

Items	2025/12/31		Increase		Decrease		2026/06/30	
	Number	Book value	Number	Book value	Number	Book value	Number	Book value
Convertible corporate bonds	56,309,531.00	947,843,680.82			56,309,531.00	947,843,680.82		
Total	56,309,531.00	947,843,680.82			56,309,531.00	947,843,680.82		

Notes: The decrease during the current period is attributable to the Company's A-share convertible bonds, which were fully redeemed on June 29, 2026.

(34) Capital reserves

Items	2025/12/31	Increase	Decrease	2026/06/30
Capital (share) premium	13,109,738,368.66	349,341.05		13,110,087,709.71
Other capital reserves	143,217,468.82			143,217,468.82
Including: Changes in Other Equity of the Investee				
Others	143,217,468.82			143,217,468.82
Total	13,252,955,837.48	349,341.05		13,253,305,178.53

Notes: The increase in capital premium (share premium) during the current period is attributable to the conversion of the Company's A-share convertible bonds into A-share ordinary shares.

(35) Other comprehensive income

Items	2025/12/31	Current period						2026/06/30
		Amounts before corporate income tax	Less: amount recognized in OCI in the previous period transfer to PL in current period	Less: income tax	Income after tax attributable to owners of the Company	Income after tax attributable to non-controlling interests	Less: transfer to retain earnings	
1．Items cannot be reclassified into profit or loss.	-129,961,806.05							-129,961,806.05
including: Remeasurement of defined benefit plan changes								
Other comprehensive income that cannot be reclassified to profit or loss under the equity method								
Changes in fair value of investments in other equity	-129,961,806.05							-129,961,806.05

Items	2025/12/31	Current period						2026/06/30
		Amounts before corporate income tax	Less: amount recognized in OCI in the previous period transfer to PL in current period	Less: income tax	Income after tax attributable to owners of the Company	Income after tax attributable to non-controlling interests	Less: transfer to retain earnings	
instruments								
Changes in the fair value of the entity's own credit risk								
2．Items can be reclassified into profit or loss								
Total	-129,961,806.05							-129,961,806.05

(36) Special Reserves

Items	2025/12/31	Increase	Decrease	2026/06/30
Safety production cost	881,502.23	30,136,206.94	15,006,629.82	16,011,079.35
Total	881,502.23	30,136,206.94	15,006,629.82	16,011,079.35

(37) Surplus Reserves

Items	2025/12/31	Increase	Decrease	2026/06/30
Statutory surplus reserves	1,195,116,522.37			1,195,116,522.37
Total	1,195,116,522.37			1,195,116,522.37

(38) Undistributed Profits

Items	Current period	Previous period
Before adjustments: undistributed profits at last year-end	-11,439,289,982.02	-7,497,011,632.90
Adjustments of the beginning distributed profits (increase + / decrease -)		
After adjustments: undistributed profit at this year-beginning	-11,439,289,982.02	-7,497,011,632.90
Add: undistributed profit belonging to parent company	-1,907,548,241.52	-3,942,278,349.12
Less: Statutory surplus reserves		
Discretionary reserves		
General risk reserves		
Common shares dividend payable		
Common shares dividend transferred to paid-in capital		
Ending balance of undistributed profits	-13,346,838,223.54	-11,439,289,982.02

(39) Operating income and operating cost

1. Operating income and operating cost

Items	Current period		Previous period	
	Revenue	Cost	Revenue	Cost
Principal business	22,089,025,198.72	23,176,105,693.79	24,299,027,360.17	25,043,467,684.02
Other business	246,615,745.68	241,001,893.26	398,773,061.82	397,749,564.90
Total	22,335,640,944.40	23,417,107,587.05	24,697,800,421.99	25,441,217,248.92

2. Details about operating income and operating cost

Item	Current period		Current period		Total	
	Principal business Revenue	Principal business Cost	Other business Revenue	Other business Cost	Operating income	Operating cost
Classification by the time of commodity transfer						
Including: recognize at a certain point in time	22,089,025,198.72	23,176,105,693.79	245,313,778.51	240,956,345.76	22,334,338,977.23	23,417,062,039.55
-Recognize over a certain period of time			1,301,967.17	45,547.50	1,301,967.17	45,547.50
Total	22,089,025,198.72	23,176,105,693.79	246,615,745.68	241,001,893.26	22,335,640,944.40	23,417,107,587.05
Classification by business area						
Including：Domestic	18,251,813,846.06	19,148,363,188.82	246,615,745.68	241,001,893.26	18,498,429,591.74	19,389,365,082.08
Abroad	3,837,211,352.66	4,027,742,504.97			3,837,211,352.66	4,027,742,504.97
Total	22,089,025,198.72	23,176,105,693.79	246,615,745.68	241,001,893.26	22,335,640,944.40	23,417,107,587.05

(40) Tax and surcharges

Items	Current period	Previous period
Environmental tax	4,233,454.78	7,348,645.97
City maintenance and construction tax	6,083,364.88	3,841,954.40
Educational surcharge	4,058,075.56	2,814,781.46
Resource Tax	4,405,854.90	5,057,602.56
Housing property tax	43,234,492.25	45,022,445.17
Land use right tax	7,108,043.20	7,107,861.82
Vehicle and vessel tax	11,025.84	10,711.44
Stamp duty	24,324,775.14	36,809,947.61
Others	335,681.03	8,373.04
Total	93,794,767.58	108,022,323.47

(41) Selling and distribution expenses

Items	Current period	Previous period
Sales service fee	9,881,438.94	1,132,435.68
Salary and benefits	27,856,422.67	28,922,500.81
Import and export agency fee	9,985,338.67	21,286,926.75
Others	10,124,051.70	10,122,303.29
Total	57,847,251.98	61,464,166.53

(42) General and administrative expenses

Items	Current period	Previous period
Salary and benefits	189,617,069.07	193,863,629.66
Insurance fee	7,295,986.60	11,836,395.97
Depreciation	31,211,373.54	31,277,381.76
Repair expense	10,131.10	629,075.86
Professional service expenses	5,282,245.18	4,108,796.48
Information System Service Fee	8,617,040.30	12,135,901.47
Safety Production Fee	14,770,561.25	13,329,362.22
Others	14,189,319.07	18,584,353.01

Items	Current period	Previous period
Total	270,993,726.11	285,764,896.43

(43) Research and development expenses

Items	Current period	Previous period
Depreciation, materials and compensation, etc.	31,891,802.98	31,617,334.27
Total	31,891,802.98	31,617,334.27

(44) Financial expenses

Items	Current period	Previous period
Interest expenses	245,361,416.02	207,308,249.73
including: Interest expenses for lease liabilities	44,906,304.86	30,112,339.61
Less: Interest income	28,085,562.37	17,521,734.29
Exchange gains or losses	38,852,209.36	12,771,216.88
Others	6,218,975.93	5,783,222.76
Total	262,347,038.94	208,340,955.08

(45) Other income

Items	Current period	Previous period
Environmental protection subsidies	17,957,966.67	17,682,300.00
Technology subsidies	3,245,311.76	1,559,037.25
Other subsidies	33,556,093.72	89,770,909.44
Total	54,759,372.15	109,012,246.69

(46) Investment income

Items	Current period	Previous period
Income on long-term equity investment by equity method		
Gain from debt restructuring	53,299.22	7,215.64
Others	-13,097,016.21	-17,639,062.95

Items	Current period	Previous period
Total	-13,043,716.99	-17,631,847.31

(47) Credit impairment loss

Items	Current period	Previous period
Loss from bad debts of account receivable	9,408,509.78	17,800,262.33
Loss from bad debts of other receivables	94,228.58	-8,492,152.37
Total	9,502,738.36	9,308,109.96

(48) Asset impairment loss

Items	Current period	Previous period
Inventory and contract fulfillment cost impairment loss	14,435,000.34	-36,671,170.60
Total	14,435,000.34	-36,671,170.60

(49) Assets disposal gains

Items	Current period	Previous period	The amount recognized in non-recurring profit
Fixed assets		3,008.85	
Total		3,008.85	

(50) Non-operating income

Items	Current period	Previous period	The amount recognized in non-recurring profit
Non-current assets scrapped gains	1,914,711.40	524,024.60	1,914,711.40
Compensation for breach of contract	3,688,228.72	6,638,865.70	3,688,228.72
Unpayable accounts payable		100.02	

Items	Current period	Previous period	The amount recognized in non-recurring profit
(Debt settlement income)			
Others	479,441.70	2,560,778.89	479,441.70
Total	6,082,381.82	9,723,769.21	6,082,381.82

(51) Non-operating expense

Items	Current period	Previous period	The amount recognized in non-recurring profit
Non-current assets scrapped loss	23,926,683.10	32,063,940.47	23,926,683.10
Administrative Fines and Late Payment Fees	30,000.00	43.94	30,000.00
Compensation, liquidated damages and fines	30,814.38	248,751.31	30,814.38
Others	10,772,522.01	4,210,630.39	10,772,522.01
Total	34,760,019.49	36,523,366.11	34,760,019.49

(52) Income tax expenses

1. Income tax expense

Items	Current period	Previous period
Income tax payable for the current year	37,776,935.19	19,759,519.10
Deferred income tax	30,295,422.26	216,509.20
Total	68,072,357.45	19,976,028.30

2. Accounting profit and income tax expense adjustment process

Items	**Current period**
Total profit	-1,809,240,951.45
Income tax expense calculated according to the official or applicable tax	-268,040,149.29

Items	**Current period**
rate	
Effect of different tax rates applied by subsidiaries	3,345,993.43
Effect of adjustment of the income tax expense of prior period	-2,534,261.94
Effect of non-taxable income	
Effect of non-deductible costs, expenses or losses	-506,520.94
Effect of use of deductible losses of unrecognized deferred tax asset of prior period	-1,794,136.82
Effect of deductible temporary differences or deductible losses of unrecognized deferred tax assets of current period	339,848,984.58
Others	-2,247,551.57
Income tax expenses	68,072,357.45

(53) Notes of statement of cash flows

1. Cash related to operating activities

（1）Cash received related to other operating activities

Items	Current period	Previous period
Collection of current accounts and advance payment on behalf	25,282,728.55	52,500,806.68
Interest income	29,605,569.10	18,463,234.45
Special subsidy income	13,472,160.98	47,191,156.54
Non-operating income	532,527.04	2,920,912.19
Others	137,471.63	1,097,069.28
Total	69,030,457.30	122,173,179.14

（2）Cash paid related to other operating activities

Items	Current period	Previous period
Current accounts	51,414,558.72	80,902,412.69
Administrative expenses	79,707,107.06	40,868,520.89
Selling expenses	2,777,907.31	2,753,734.36
Charges	11,488,070.41	18,292,702.08

Items	Current period	Previous period
Others	9,617,045.49	15,925,186.78
Total	155,004,688.99	158,742,556.80

2. Cash related to financing activities

（1）Other cash received in relation to financing activities

Item	Current period	Previous period
Notes, letter of guarantee, and letter of credit margins	921,460,041.20	1,815,330,484.81
Recovery of short-term borrowing funds for designated payments		
Total	921,460,041.20	1,815,330,484.81

（2）Other cash paid in relation to financing activities

Item	Current period	Previous period
Notes, letter of guarantee, and letter of credit margins	922,806,578.39	1,953,106,850.42
Lease payments	18,415,636.65	3,767,304.90
Financing fees	4,970,658.10	4,977,735.81
Total	946,192,873.14	1,961,851,891.13

(54) Supplementary details of statement of cash flows

1. Supplementary details for statement of cash flows

Items	Current period	Previous period
1. A reconciliation of net profit to cash flows from operating activities:		
Net profit	-1,877,313,308.90	-1,366,655,659.04
Add: Credit impairment loss	9,502,738.36	9,308,109.96
Asset impairment loss	14,435,000.34	-36,671,170.60
Depreciation of fixed assets	905,347,964.35	825,835,405.32
Depletion of oil and gas assets		
Depreciation of right of use assets	71,308,802.22	39,442,062.84
Amortization of intangible assets	5,920,777.44	5,572,497.38

Items	Current period	Previous period
Amortization of Long-term Deferred Expenses		
Losses proceeds from disposal of PPE, intangible assets and other long-term assets (Earnings marked "—")		-3,008.85
Scrapped losses from fixed assets (Earnings marked "—")	22,011,971.70	31,539,915.87
Losses in fair value changes (Earnings marked "—")		
Financial expenses (Earnings marked "—")	284,213,625.38	220,079,466.61
Investment losses (Earnings marked "—")	13,043,716.99	17,631,847.31
Deferred tax assets reduction (Addition marked "—")	-8,134,289.20	6,132,818.62
Deferred tax liabilities increased (Reduction marked "—")	38,429,711.46	-5,916,309.42
Reduction of inventory (Addition marked "—")	316,950,207.28	319,818,265.50
Operating receivable items reduction (Addition marked "—")	-89,111,656.52	-551,119,293.48
Operating payable items increase (Less marked"—")	984,837,107.51	841,266,763.23
Others	15,129,577.12	15,368,052.79
Net cash flows generated from operating activities	706,571,945.53	371,629,764.04
2. Payments of investing and financing activities not involving cash:		
Liabilities transferred to capital		
Convertible bonds due within one year		
Fixed assets financed by leasing		
3. The net increase in cash and cash equivalents:		
Ending balance of cash	960,183,662.81	1,118,512,027.55
Less: Beginning balance of cash	287,470,306.31	1,590,205,218.91
Add: Ending balance of cash equivalents		
Less: Opening balance of cash equivalents		
The net increase in cash and cash equivalents	672,713,356.50	-471,693,191.36

2. The structure of cash and cash equivalents

Items	Current period	Previous period
1. Cash	960,183,662.81	287,470,306.31
Including: Cash on hand		
Bank deposits available on demand	960,183,662.81	287,470,306.31
Other monetary funds available for immediate payment		
2. Cash equivalents		
Including: Bond investments maturing within three months		
3. Ending Balance of Cash and Cash Equivalents	960,183,662.81	287,470,306.31
Including: Cash and cash equivalents held but not available for use by the parent company or other subsidiaries within the group		

(55) Foreign currency monetary items

1. Foreign currency monetary items

Item	Ending balance in foreign currency	Exchange rate	Ending balance translated to RMB
Cash and cash equivalents			778,908,113.17
Including: USD	114,361,995.21	6.8109	778,908,113.17
Accounts receivable			849,139,404.55
Including: USD	124,673,597.40	6.8109	849,139,404.55
Accounts payable			103,031,832.45
Including: USD	15,127,491.59	6.8109	103,031,832.45
Non-current liabilities due within one year			974,434.92
Including: JPY	23,176,000.00	0.0421	974,434.92
Long-term loans			487,217.46
Including: JPY	11,588,000.00	0.0421	487,217.46

6. Research and Development Expenses

1. Presented by Nature of Expense

Items	Current period	Previous period
Depreciation, materials, salaries, etc.	31,891,802.98	31,617,334.27
Professional Service Fee		
Total	31,891,802.98	31,617,334.27
Including: Expensed R&D Expenditure	31,891,802.98	31,617,334.27
Capitalized R&D Expenditures		

2. Development expenditures for R&D projects that meet the criteria for capitalization

Item	2025/12/31	Increase during the current period	Decrease during the current period	2026/06/30
		Internal Development Expenditure	Recognized as Intangible assets	
Sheet Configuration-based CPK Analysis	3,700,000.00			3,700,000.00
Total	3,700,000.00			3,700,000.00

7. Interests in other entities

(1) Equity in subsidiaries

1. Constitution of enterprise group

Name of subsidiary	Registered Capital	Principal place of business	Registration place	Nature of Business	Shareholding ratio(%)		Acquisition method
					Direct	Indirect	
Guangzhou Bengang Steel & Iron Trading Co., Ltd	200 million	Guangzhou	Guangzhou	Sales	100		Establishment
Shanghai Bengang Metallurgy Science and Technology Co., Ltd	230 million	Shanghai	Shanghai	Sales	100		Establishment
Dalian Benruitong Automobile Material Technology Co., Ltd	100 million	Dalian	Dalian	Manufacturing	65		Establishment
Bengang POSCO Cold-rolled Sheet Co., Ltd.	1.92 billion	Benxi	Benxi	Manufacturing	75		Business combination under common control
Green Gold (Benxi) Renewable Resources Co., Ltd.	60 million	Benxi	Benxi	Manufacturing	51		Establishment
Yantai Bengang Steel Sales Co., Ltd.	200 million	Yantai	Yantai	Sales	100		Business combination under common control
Tianjin Bengang Steel Trading Co., Ltd.	200 million	Tianjin	Tianjin	Sales	100		Business combination under common control
Benxi Bengang Steel & Iron Sales Co., Ltd.	30 million	Benxi	Benxi	Sales	100		Establishment
Shenyang Bengang Metallurgy Science and Technology Co., Ltd	230 million	Shenyang	Shenyang	Sales	100		Establishment
North Hengda Logistics Co., Ltd.	150 million	Benxi	Benxi	Manufacturing	100		Business combination under

Name of subsidiary	Registered Capital	Principal place of business	Registration place	Nature of Business	Shareholding ratio(%)		Acquisition method
					Direct	Indirect	
							common control

2. Important non-wholly owned subsidiaries

Name of the subsidiaries	Proportion of non-controlling interests	Profits and losses attributing to non-controlling shareholders	Dividend declared to distribute to non-controlling shareholders	Ending balance of non-controlling interests
Bengang POSCO Cold-rolled Sheet Co., Ltd.	25.00%	25,124,611.93		639,905,811.08

3. Key financial information of significant but not wholly-owned subsidiaries

Name of the subsidiaries	2026/06/30						2025/12/31					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Bengang POSCO Cold-rolled Sheet Co., Ltd.	5,132,874,146.35	1,007,639,562.00	6,140,513,708.35	3,580,890,464.04		3,580,890,464.04	5,416,328,740.21	1,023,071,233.78	6,439,399,973.99	3,980,275,177.40		3,980,275,177.40

Name of the subsidiaries	Current period				Previous period			
	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities
Bengang POSCO Cold-rolled Sheet Co., Ltd.	3,655,467,369.27	100,498,447.72	100,498,447.72	-58,314,589.30	3,498,792,976.94	117,712,744.55	117,712,744.55	-206,369,040.92

(2) Interests in joint ventures or associated enterprises

1. **Summarized financial information of insignificant joint ventures and associates**

The Company has no material joint ventures or associates.

8. Government Subsidies

(1) Government grants included in current profit or loss

Accounting subjects	Current period	Previous period
Other income	52,916,603.16	78,772,057.75
Total	52,916,603.16	78,772,057.75

(2) Liabilities involving government subsidies

Liabilities	2025/12/31	Addition	Amounts recognized in non-operating income during the current period	Amounts recognized in other income during the current period	Offset costs or expenses during the current period	Other changes	2026/06/30	Asset-related/income-related
Deferred income	158,199,416.58	14,665,500.00		25,300,828.43			147,564,088.15	Asset-related/income-related

9. Risks associated with financial instruments

(1) Various risks arising from financial instruments

In the course of its operations, the Company is exposed to various financial risks: credit risk, liquidity risk, and market risk (including currency risk, interest rate risk, and other price risks). These financial risks and the risk management policies adopted by the Company to mitigate them are described below:

1. Credit Risk

Credit risk refers to the risk that a counterparty fails to discharge a contractual obligation, resulting in a financial loss to the Company.

2. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations on the maturity date.

The Company's policy is to ensure that it maintains sufficient cash to meet its maturing obligations. Liquidity risk is managed centrally by the Company's treasury department. By monitoring cash balances, highly liquid marketable securities, and rolling forecasts of cash flows for the next 12 months, the treasury department ensures the Company has adequate funds to settle its debts under all reasonably foreseeable circumstances. At the same time, the Company continuously monitors compliance with borrowing agreements and obtains commitments from major financial institutions to provide sufficient standby funding to meet both short-term and long-term capital requirements.

The Company's various financial liabilities are listed as follows by maturity date with undiscounted contractual cash flows:

Items	2026/06/30						
	Immediate repayment	Within 1 year	1-2 years	2-5 years	Over 5 years	Total undiscounted contract amount	Book value
Short-term loans		4,575,371,374.99				4,575,371,374.99	4,575,371,374.99
Notes payable		13,716,979,959.14				13,716,979,959.14	13,716,979,959.14
Accounts payable		3,101,065,676.73				3,101,065,676.73	3,101,065,676.73
Other payables		1,471,465,107.72	900,248,576.00	179,455,553.68		2,551,169,237.40	2,551,169,237.40
Long-term loans (including long-term loans due within one year)		1,107,725,768.90	9,227,985,607.86			10,335,711,376.76	10,335,711,376.76
Lease liabilities (including lease liabilities due within one year)		350,078,751.34	420,003,905.75	817,727,027.56	725,986,560.96	2,313,796,245.61	2,313,796,245.61
Total		24,322,686,638.82	10,548,238,089.61	997,182,581.24	725,986,560.96	36,594,093,870.63	36,594,093,870.63

Items	2025/12/31						
	Immediate repayment	Within 1 year	1-2 years	2-5 years	Over 5 years	Total undiscounted contract amount	Book value
Short-term loans		333,660,470.12				333,660,470.12	333,660,470.12
Notes payable		12,962,287,642.88				12,962,287,642.88	12,962,287,642.88
Accounts payable		2,667,236,412.66				2,667,236,412.66	2,667,236,412.66
Other payables		1,695,840,066.43	900,248,576.00	179,455,553.68		2,775,544,196.11	2,775,544,196.11
Long-term loans (including long-term loans due within one year)		927,300,000.00	2,326,771,934.40	3,687,697,823.71		6,941,769,758.11	6,941,769,758.11
Lease liabilities (including lease liabilities due within one year)		348,084,227.50	420,003,905.75	817,727,027.56	1,001,705,172.32	2,587,520,333.13	2,587,520,333.13
Bonds payable		5,665,550,635.00				5,665,550,635.00	5,665,550,635.00

Items	2025/12/31						
	Immediate repayment	Within 1 year	1-2 years	2-5 years	Over 5 years	Total undiscounted contract amount	Book value
Total		24,599,959,454.59	3,647,024,416.15	4,684,880,404.95	1,001,705,172.32	33,933,569,448.01	33,933,569,448.01

3. **Market Risk**

Market risk of financial instruments refers to the risk that the fair value or future cash flows of financial instruments fluctuate due to changes in market prices, including exchange rate risk, interest rate risk and other price risks.

（1）**Interest rate risk**

Interest rate risk refers to the risk that the fair value of a financial instrument or future cash flows will fluctuate due to changes in market interest rates.

Fixed-rate and floating-rate interest-bearing financial instruments expose the Company to fair value interest rate risk and cash flow interest rate risk, respectively. The Company determines the relative proportions of fixed-rate and floating-rate instruments based on prevailing market conditions and maintains an appropriate mix of these instruments through regular reviews and monitoring. When necessary, the Company utilizes interest rate swaps to hedge against interest rate risk.

（2）**Exchange rate risk**

Exchange rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates.

The exchange rate risk borne by the Company is mainly related to the US dollar, Hong Kong dollar, Japanese yen and euro. Except for the Company's small amount of raw material purchases and finished product sales settled in US dollars, Hong Kong dollars, Japanese yen and euros, the Company's other major business activities are settled in RMB. As of June 30, 2026, the assets or liabilities described in the following table are the balances of US dollars, Hong Kong dollars, Japanese yen and euros shown in the items:

Items	2026/06/30	2025/12/31
Cash and cash equivalents - USD	778,908,113.17	92,017,493.96
Cash and cash equivalents - HKD		
Non-current liabilities due within one year - JPY	974,434.92	1,038,284.80
Long-term loans - JPY	487,217.46	1,038,284.80
Accounts receivable – USD	849,139,404.55	663,734,936.95
Accounts payable - USD	103,031,832.45	42,678,053.96
Total	1,732,541,002.55	800,507,054.47

(2) Transfer of financial assets

1. **Transfer of financial assets**

Financial asset transfer method	Transferred financial assets		Information of derecognition	Basis of derecognition
	Nature	Amount		
Bill endorsement/bill discount	Notes Receivable	107,070,828.39	Not derecognized	Retains substantially all of its risks and rewards, including the default risk associated with it
Bill endorsement/bill discount	Accounts Receivable Financing	3,096,989,289.16	Derecognized	Almost all of its risks and rewards have been transferred
Total		3,204,060,117.55		

Notes to the basis of derecognition: As of June 30, 2026, the maturity date of accounts receivable financing is 1 to 12 months. According to the relevant provisions of the Bills of Exchange Law, if the accepting bank refuses to pay, the holder has the right to claim against the Company. The Company believes that the Company has transferred almost all its risks and rewards, and therefore, fully terminate the recognition of its and related settled accounts payable and confirm the discount fees.

2. Financial assets derecognized due to transfer

Items	Methods of transferring financial assets	Amount of derecognition	Gains or losses related to derecognition
Accounts receivable financing	Bill endorsement/bill discounting	3,096,989,289.16	13,097,016.21
Total		3,096,989,289.16	13,097,016.21

10. Disclosure of fair value

The input value used in fair value measurement is divided into three levels:

The input value of the first level is the unadjusted quotation of the same asset or liability that can be obtained on the measurement date in an active market.

The input value of the second level is the input value of the related assets or liabilities that is directly or indirectly observable except the input value of the first level.

The third level of input value is the unobservable input value of related assets or liabilities.

The level to which the fair value measurement result belongs is determined by the lowest level to which the input value that is important to the fair value measurement as a whole belongs.

(1) Fair value of assets and liabilities measured at fair value at the end of the period

Items	Fair value at the end of the period			
	First level fair value measurement	Second level fair value measurement	Third level fair value measurement	Total
1. **Continuous fair value measurement**				
Accounts receivable financing			256,934,534.14	256,934,534.14
Other equity instrument investments			890,420,831.77	890,420,831.77

11. Related parties and related transactions

(1) Details of parent company

Name of parent company	Place of Registry	Business nature	Registered capital	Share proportion (%)	Voting rights (%)
Benxi Steel & Iron (Group) Co., Ltd.	Benxi, Liaoning	Manufacturing	RMB 9.825 billion	58.65	58.65

The ultimate controlling party of the Company: Ansteel Group Co., Ltd.

(2) Details of the Company's subsidiaries

For details of the Company's subsidiaries, please refer to Note 7 "Equity in Other Entities".

(3) The company's joint ventures and associates

For details of the Company's important joint ventures or associates, please refer to Note 7 "Equity in Other Entities".

Other joint ventures or associates that had related-party transactions with the Company during the current period, or had balances resulting from related-party transactions with the Company in prior periods, are described below:

Name of joint venture or associated enterprise	**Relationship**
Shenyang Xiangyu New Materials Technology Co., Ltd.	Associate

(4) Other related parties

Name of other related parties	Relationship between other related parties and the Company
Bengang Group Co., Ltd.	Parent company's controlling shareholder
Benxi Iron and Steel (Group) Co., LTD	Parent company
Bengang Stainless Steel Cold Rolling Dandong Co., Ltd.	Same parent company
Bengang Gaoyuan Industrial Development Co., Ltd.	Same parent company
Bengang Group Dalian Refractory Materials Co., Ltd	Same parent company
Benxi Aike Hydraulic Sealing Co., Ltd.	Same parent company
Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Real Estate Development Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Engineering Construction Supervision Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Construction Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Mining Liaoyang Ma'erling Pellet Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Mining Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	Same parent company
Benxi Steel (Group) Equipment Engineering Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Industrial Development Co., Ltd.	Same parent company
Benxi Xihu Metallurgical Furnace Material Co., Ltd.	Same parent company
Benxi Weld Phosphate Overlay Manufacturing Co., Ltd.	Same parent company
Benxi New Industrial Development Co., Ltd.	Same parent company
Liaoning Hengtai Heavy Machinery Co., Ltd.	Same parent company
Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	Same parent company
Liaoning Metallurgical Technician College	Same parent company
Liaoning Metallurgical Vocational Technical College	Same parent company
Liaoning Yitong Machinery Manufacturing Co., Ltd.	Same parent company
Beijing Tianhongshan Hotel Co., Ltd.	Same parent company
Liaoning Slag Micro-powder Co., Ltd.	Same parent company
Bengang Group International Economic and Trade Co., Ltd.	Belongs to Bengang Group Co., Ltd.

Name of other related parties	Relationship between other related parties and the Company
Benxi Northern Iron Industry Co., Ltd.	Belongs to Bengang Group Co., Ltd.
Benxi Beiying Iron and Steel (Group) Co., Ltd.	Belongs to Bengang Group Co., Ltd.
Benxi Iron and Steel (Group) Mining Liaoyang Jiajiabao Iron Mine Co., Ltd.	Belongs to Bengang Group Co., Ltd.
Liaoning Hengyi Steel Trade Co., Ltd.	Belongs to Bengang Group Co., Ltd.
Liaoning Lide Internet of Things Co., Ltd.	Belongs to Bengang Group Co., Ltd.
Tianjin Bengang Plate Processing & Distribution Co., Ltd.	Belongs to Bengang Group Co., Ltd.
Benxi Beifang Steel Rolling Co.,Ltd.	Belongs to Bengang Group Co., Ltd.
Benxi Iron and Steel (Group) Mining Yanjia Valley Limestone Mine Co., Ltd.	Belongs to Bengang Group Co., Ltd.
Angang (Hangzhou) Automotive Materials Technology Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang (Liaoning) Materials Technology Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Electrical Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Scrap Resources (Anshan) Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Steel Processing & Distribution (Dalian) Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Steel Processing & Distribution (Changchun) Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Steel Distribution (Hefei) Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Steel Distribution (Wuhan) Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Steel Rope Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Engineering, Production, Operations & Maintenance (Anshan) Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Steel Company Limited	Belongs to Angang Group Co., Ltd.
Angang Chemical Technology Co., Ltd.	Belongs to Angang Group Co., Ltd.
Ansteel Group Railway Equipment Checking & Repairing Company	Belongs to Angang Group Co., Ltd.
Angang Group International Economic & Trade Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Group International Economic & Trade Co., Ltd. Benxi Branch	Belongs to Angang Group Co., Ltd.
Angang Group Mining Gongchangling Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Group Automation Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Construction Group Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Mining Machinery Manufacturing Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Green Resources Technology Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Energy Technology Co., Ltd.	Belongs to Angang Group Co., Ltd.
Ansteel Automobile Transportation Co.,Ltd.	Belongs to Angang Group Co., Ltd.

Name of other related parties	Relationship between other related parties and the Company
Angang Industrial Group Metallurgical Machinery Co., Ltd.	Belongs to Angang Group Co., Ltd.
Ansteel Shuangsheng (Anshan) Fan Co., Ltd	Belongs to Angang Group Co., Ltd.
Ansteel Water Technology (Liaoning) Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Heavy Machinery Design & Research Institute Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Heavy Machinery Co., Ltd.	Belongs to Angang Group Co., Ltd.
Anshan Angang International Travel Agency Co., Ltd.	Belongs to Angang Group Co., Ltd.
Anshan Iron & Steel Metallurgical Furnace Material Technology Co., Ltd.	Belongs to Angang Group Co., Ltd.
Anshan Jianbo Engineering Testing Co., Ltd.	Belongs to Angang Group Co., Ltd.
Benxi Steel and Iron (Group)Tengda Co., Ltd.	Belongs to Angang Group Co., Ltd.
Benxi Iron and Steel (Group) Information Automation Co., Ltd.	Belongs to Angang Group Co., Ltd.
DeLin Industrial Products Co., Ltd.	Belongs to Angang Group Co., Ltd.
DeLin Land Port Supply Chain Services Co., Ltd.	Belongs to Angang Group Co., Ltd.
Guangzhou Angang Steel Processing Co., Ltd.	Belongs to Angang Group Co., Ltd.
Lingyuan Iron & Steel Group Co., Ltd.	Belongs to Angang Group Co., Ltd.
Pangang Group Jiangyou Great Wall Special Steel Co., Ltd.	Belongs to Angang Group Co., Ltd.
Panzhong Yihong Metal Products (Chongqing) Co., Ltd.	Belongs to Angang Group Co., Ltd.
Shenyang Angang International Trade Co., Ltd.	Belongs to Angang Group Co., Ltd.
Tianjin Angang Steel Processing & Distribution Co., Ltd.	Belongs to Angang Group Co., Ltd.
Changchun FAW Angang Steel Processing & Distribution Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Steel Processing & Distribution (Zhengzhou) Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Group Beijing Research Institute Co., Ltd.	Belongs to Angang Group Co., Ltd.
Ansteel Group Mining Co., LTD	Belongs to Angang Group Co., Ltd.
Ansteel Group Co., Ltd	Belongs to Angang Group Co., Ltd.
Angang Green Gold Industry Development Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang ShenYang Steel Service Centre Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Industrial Group (Anshan) Equipment Operation & Maintenance Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Tendering Co., Ltd.	Belongs to Angang Group Co., Ltd.
Ansteel Cast Steel Co., Ltd.	Belongs to Angang Group Co., Ltd.
Anshan Iron and Steel Group Co., Ltd.	Belongs to Angang Group Co., Ltd.
Anshan Iron and Steel Labor Research Institute Technology Co., Ltd.	Belongs to Angang Group Co., Ltd.

Name of other related parties	Relationship between other related parties and the Company
Anzi (Tianjin) Financial Leasing Co., Ltd.	Belongs to Angang Group Co., Ltd.
Chengdu Xingyun Smart Technology Co., Ltd.	Belongs to Angang Group Co., Ltd.
Pangang Group Chengdu Vanadium & Titanium Resources Development Co., Ltd.	Belongs to Angang Group Co., Ltd.
Yantai Angang International Trading Co., Ltd.	Belongs to Angang Group Co., Ltd.
Ansteel Guangzhou Automotive Steel Co., Ltd.	Associate of Ansteel Group
Angang Group Engineering Technology Co., Ltd.	Associate of Ansteel Group
Angang Mining Construction Co., Ltd.	Associate of Ansteel Group
Beijing Zhongliangang E-commerce Co., Ltd.	Associate of Ansteel Group
Bengang Electrical Co., Ltd.	Associate of Ansteel Group
Bengang Automotive Transport Co., Ltd.	Associate of Ansteel Group
Benxi Gaoxin Drilling Tools Manufacturing Co., Ltd.	Associate of Ansteel Group
Heilongjiang Longmei Mining Group Co., Ltd.	Associate of Ansteel Group
Hongda Engineering Technology (Liaoning) Co., Ltd.	Associate of Ansteel Group
Pangang Group Engineering Technology Consulting Co., Ltd.	Associate of Ansteel Group
Shenyang Xiangyu New Materials Technology Co., Ltd.	Associate of Ansteel Group
China Ordins Group Co.,Ltd.	Associate of Ansteel Group
MCC Northern Engineering & Technology Co., Ltd.	Associate of Ansteel Group
MCC South Engineering & Technology Co., Ltd.	Associate of Ansteel Group
MCC-CEI Engineering Technology Co., Ltd.	Associate of Ansteel Group
Ansteel Group Energy-Saving Technology Service Co., Ltd.	Associate of Ansteel Group
Angang Mining Resource Utilization (Anshan) Co., Ltd.	Associate of Ansteel Group
Benxi Yuneng Thermal Power Co., Ltd.	Joint Ventures of Ansteel Group

(5) Related-party transactions

1. Related party transactions of purchasing and selling goods and services

Purchasing goods and services

Related parties	Content of related transactions	Current period	Previous period
Angang (Liaoning) Materials Technology Co., Ltd.	Professional service fees	377,358.49	
Angang (Liaoning) Materials Technology Co., Ltd.	Engineering costs		218,000.00

Related parties	Content of related transactions	Current period	Previous period
Angang Electrical Co., Ltd.	Repair costs	530,400.00	756,800.00
Angang Scrap Resources (Anshan) Co., Ltd.	Scrap steel		340,185,980.44
Angang Scrap Resources (Anshan) Co., Ltd.	Raw material		22,561,474.22
Angang Steel Processing & Distribution (Dalian) Co., Ltd.	Steel products	498,216.10	441,290.28
Angang Steel Processing & Distribution (Dalian) Co., Ltd.	Processing fee	18,984.68	153,382.41
Angang Steel Processing & Distribution (Changchun) Co., Ltd.	Warehousing fees	5,364.32	
Angang Steel Processing & Distribution (Changchun) Co., Ltd.	Processing fee	529,511.42	680,768.33
Angang Steel Processing & Distribution (Zhengzhou) Co., Ltd.	Warehousing fees	847,612.34	
Angang Engineering Technology Survey and Design Institute (Anshan) Co., Ltd.	Auxiliary materials	797,914.39	
Angang Steel Company Limited	Auxiliary materials	2,795,871.00	3,205,093.05
Ansteel Group Railway Equipment Checking&Repairing Company	Spare parts		146,544.00
Ansteel Group Anqian Mining Co., Ltd.	Raw material	24,623,724.73	
Angang Group Beijing Research Institute Co., Ltd.	Professional service fees	1,650,943.40	
Angang Group Engineering Technology Co., Ltd.	Safety Production Fee	70,000.00	115,000.00
Angang Group Engineering Technology Co., Ltd.	Spare parts	13,537,248.04	132,877,141.50
Angang Group Engineering Technology Co., Ltd.	Engineering costs	48,169,057.57	154,988,539.06
Angang Group Engineering Technology Co., Ltd.	Repair costs	545,000.00	757,900.00
Angang Group Engineering Technology Co., Ltd.	Professional service fees	2,313,486.31	
Angang Group International Economic & Trade Co., Ltd.	Fuel	97,939,165.75	
Angang Group International Economic & Trade Co., Ltd.	Spare parts	75,963,959.03	582,749.35
Angang Group International Economic & Trade Co., Ltd.	Agency fee	784,232.81	18,028,337.20
Angang Group International Economic & Trade Co., Ltd.	Port miscellaneous charges	34,780,163.92	
Angang Group International Economic & Trade Co., Ltd.	Raw material	12,223,026.32	
Angang Group Energy-Saving Technology Services Co., Ltd.	Professional service fees	2,057,051.26	3,317,075.13
Angang Group Mining Gongchangling Co., Ltd.	Raw material	173,922,514.93	76,800,921.59
Ansteel Group Mining Co., LTD	Raw material	76,121,547.07	1,482,101.33
Ansteel Group Co., Ltd	Sales service fee	6,505,306.24	
Ansteel Group Co., Ltd	Administrative expenses	168,137.61	
Ansteel Group Co., Ltd	Training fees	5,094.34	
Angang Group Automation Co., Ltd.	Engineering costs	1,600,000.00	1,600,000.00
Angang Construction Group Co., Ltd.	Repair costs	268,000.00	
Angang Construction Group Co., Ltd.	Engineering costs		10,246,537.92
Angang Construction Group Co., Ltd.	Spare parts		5,653,200.00

Related parties	Content of related transactions	Current period	Previous period
Angang Mining Construction Co., Ltd.	Repair costs	7,059,723.44	
Angang Mining Resource Utilization (Anshan) Co., Ltd.	Raw material	169,024,309.37	
Angang Green Gold Industry Development Co., Ltd.	Professional service fees	413,590.02	
Angang Green Resources Technology Co., Ltd.	Shipping costs		4,744,570.38
Ansteel Automobile Transportation Co.,Ltd.	Shipping costs	3,796,782.87	1,442,670.52
Angang ShenYang Steel Service Centre Co.,Ltd.	Processing fee		6,261.54
Angang Industrial Group (Anshan) Equipment Operation & Maintenance Co., Ltd.	Professional service fees	3,729,392.58	2,780,930.40
Angang Industrial Group Metallurgical Machinery Co., Ltd.	Repair costs	321,820.00	607,165.00
Angang Industrial Group Metallurgical Machinery Co., Ltd.	Spare parts		5,449,100.31
Ansteel Shuangsheng (Anshan) Fan Co., Ltd	Repair costs		215,000.00
Ansteel Water Technology (Liaoning) Co., Ltd.	Professional service fees	53,721,329.80	
Ansteel Water Technology (Liaoning) Co., Ltd.	Auxiliary materials		1,612,185.98
Angang Modern Urban Services (Anshan) Co., Ltd. Anshan Dongshan Hotel Branch	Travel expenses	10,188.68	
Angang Heavy Machinery Co., Ltd.	Spare parts	1,657,222.00	3,257,110.00
Angang Heavy Machinery Co., Ltd.	Repair costs	721,236.00	286,000.00
Anshan Angang International Travel Agency Co., Ltd.	Business Travel Service Fee	84,348.98	11,721.71
Anshan Iron & Steel Metallurgical Furnace Material Technology Co., Ltd.	Auxiliary materials		1,526,938.87
Anshan Jianbo Engineering Testing Co., Ltd.	Engineering costs	170,000.00	
Anzi (Tianjin) Financial Leasing Co., Ltd.	Professional service fees	7,816,256.78	8,448,103.98
Bengang Stainless Steel Cold Rolling Dandong Co., Ltd.	Spare parts		836,410.79
Bengang Electrical Co., Ltd.	Raw material	82,676,012.07	97,672,744.51
Bengang Electrical Co., Ltd.	Repair costs	5,438,438.70	13,890,147.57
Bengang Gaoyuan Industrial Development Co., Ltd.	Repair costs	3,945,480.00	360,120.00
Bengang Gaoyuan Industrial Development Co., Ltd.	Information System Operation and Maintenance Fees	124,000.00	
Bengang Gaoyuan Industrial Development Co., Ltd.	Spare parts		2,471,880.00
Bengang Gaoyuan Industrial Development Co., Ltd.	Engineering costs		1,280,000.00
Bengang Group Dalian Refractory Materials Co., Ltd	Auxiliary materials		1,830,776.63
Bengang Group International Economic and Trade Co., Ltd.	Agency fee		3,258,589.55
Bengang Automotive Transport Co., Ltd.	Shipping costs	49,000,176.98	39,010,514.24
Bengang Automotive Transport Co., Ltd.	Spare parts	236,948.64	363,773.94

Related parties	Content of related transactions	Current period	Previous period
Benxi Aike Hydraulic Sealing Co., Ltd.	Spare parts	4,833,745.20	2,155,588.70
Benxi Northern Iron Industry Co., Ltd.	Raw material		5,770,319.12
Benxi Beiying Iron and Steel (Group) Co., Ltd.	Raw material	5,050,621,376.21	5,928,330,534.06
Benxi Beiying Iron and Steel (Group) Co., Ltd.	Fuel	824,135,668.44	642,622,442.63
Benxi Beiying Iron and Steel (Group) Co., Ltd.	Energy and Power	358,738,612.69	356,672,847.08
Benxi Beiying Iron and Steel (Group) Co., Ltd.	Total service contract fee	47,641,965.27	39,283,771.00
Benxi Beiying Iron and Steel (Group) Co., Ltd.	Steel products	23,261,661.77	
Benxi Beiying Iron and Steel (Group) Co., Ltd.	Heating fee	5,725,488.15	7,479,982.49
Benxi Beiying Iron and Steel (Group) Co., Ltd.	Shipping costs	3,120,254.03	3,158,081.08
Benxi Beiying Iron and Steel (Group) Co., Ltd.	Weighing fee	1,755,103.96	757,653.87
Benxi Beiying Iron and Steel (Group) Co., Ltd.	Chemical testing fees	1,440,438.00	701,444.94
Benxi Beiying Iron and Steel (Group) Co., Ltd.	Auxiliary materials	563,081.15	4,929,741.55
Benxi Beiying Iron and Steel (Group) Co., Ltd.	Repair costs		5,936,845.14
Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	Raw material	6,026,969.66	2,060,273.59
Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	Auxiliary materials	2,155,098.54	
Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	Scrap steel	141,062.60	4,390,797.95
Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	Fuel		2,832,492.90
Benxi Iron and Steel (Group) Engineering Construction Supervision Co., Ltd.	Engineering costs	731,081.00	885,990.00
Benxi Iron and Steel (Group) Engineering Construction Supervision Co., Ltd.	Repair costs	45,100.00	
Benxi Steel and Iron(Group)Tengda Co.,Ltd.	Shipping costs	256,198,377.77	265,344,221.52
Benxi Steel and Iron(Group)Tengda Co.,Ltd.	Port miscellaneous charges	15,001,336.44	19,137,576.17
Benxi Steel and Iron(Group)Tengda Co.,Ltd.	Fuel		37,694.33
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Spare parts	70,461,844.77	71,048,366.15
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Engineering costs	21,462,979.00	12,056,060.00
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Repair costs	8,482,403.92	14,497,730.01
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Auxiliary materials	4,564,057.74	19,201,582.27
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Shipping costs	2,861,626.42	
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Scrap steel	2,707,095.75	3,281,399.65
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Professional service fees	2,040,537.85	11,125,410.24
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Raw material	1,022,668.80	

Related parties	Content of related transactions	Current period	Previous period
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Processing fee	715,635.73	
Benxi Iron and Steel (Group) Construction Co., Ltd.	Engineering costs	50,890,047.99	98,463,744.89
Benxi Iron and Steel (Group) Construction Co., Ltd.	Spare parts	22,232,904.35	40,671,630.40
Benxi Iron and Steel (Group) Construction Co., Ltd.	Packaging materials	19,218,706.53	7,858,038.99
Benxi Iron and Steel (Group) Construction Co., Ltd.	Repair costs	15,558,550.00	25,127,019.56
Benxi Iron and Steel (Group) Construction Co., Ltd.	Professional service fees	13,193,186.86	2,129,290.66
Benxi Iron and Steel (Group) Construction Co., Ltd.	Auxiliary materials	10,421,070.46	
Benxi Iron and Steel (Group) Construction Co., Ltd.	Safety Production Fee	4,269,000.00	2,000,000.00
Benxi Iron and Steel (Group) Construction Co., Ltd.	Scrap steel	735,892.70	684,102.60
Benxi Iron and Steel (Group) Construction Co., Ltd.	Total service contract fee	337,500.00	9,485,344.02
Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	Repair costs	6,478,631.22	8,260,865.00
Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	Engineering costs	4,136,346.36	9,058,913.26
Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	Safety Production Fee	3,755,666.00	
Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	Spare parts	665,070.00	
Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	Security and Fire Safety Fees	150,000.00	
Benxi Steel Group Mining Liaoyang Jiajiapu Iron Mine Co., Ltd.	Scrap steel	109,337.00	152,672.10
Benxi Steel Group Mining Liaoyang Ma'erling Pelletizing Co., Ltd.	Raw material	798,319,446.15	1,103,428,540.37
Benxi Steel Group Mining Liaoyang Ma'erling Pelletizing Co., Ltd.	Scrap steel	295,225.20	279,470.60
Benxi Iron and Steel (Group) Mining Co., Ltd.	Raw material	1,998,989,751.39	1,955,904,869.50
Benxi Iron and Steel (Group) Mining Co., Ltd.	Auxiliary materials	176,166,421.58	190,158,542.30
Benxi Iron and Steel (Group) Mining Co., Ltd.	Energy and Power	8,333,348.83	
Benxi Iron and Steel (Group) Mining Co., Ltd.	Scrap steel	5,362,194.50	6,632,504.30
Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	Scrap steel	12,460.50	134,558.60
Benxi Steel Group Equipment Engineering Co., Ltd.	Repair costs	265,930,444.22	164,381,618.86
Benxi Steel Group Equipment Engineering Co., Ltd.	Engineering costs	29,902,270.69	151,358,466.41
Benxi Steel Group Equipment Engineering Co., Ltd.	Professional service fees	21,198,375.67	3,224,355.85
Benxi Steel Group Equipment Engineering Co., Ltd.	Spare parts	10,866,495.94	48,292,094.06
Benxi Steel Group Equipment Engineering Co., Ltd.	Environmental testing fees	2,450,000.00	
Benxi Steel (Group) Equipment Engineering Co., Ltd.	Scrap steel	1,027,804.70	3,157,479.46
Chengdu Pangang Hotel Co., Ltd.	Safety Production Fee	506,000.00	

Related parties	Content of related transactions	Current period	Previous period
Benxi Steel Group Industrial Development Co., Ltd.	Scrap steel	80,646,693.88	121,909,386.44
Benxi Steel Group Industrial Development Co., Ltd.	Raw material	5,433,479.31	5,438,923.10
Benxi Steel Group Industrial Development Co., Ltd.	Landscaping fee	970,000.00	3,526,920.00
Benxi Steel Group Industrial Development Co., Ltd.	Shipping costs	393,821.95	1,581,235.29
Benxi Steel Group Industrial Development Co., Ltd.	Repair costs	39,750.00	1,835,300.00
Benxi Steel Group Industrial Development Co., Ltd.	Auxiliary materials		10,345,140.58
Benxi Steel Group Information Automation Co., Ltd.	Information System Operation and Maintenance Fees	61,452,500.00	12,000,000.00
Benxi Steel Group Information Automation Co., Ltd.	Engineering costs	21,614,382.58	27,709,556.87
Benxi Steel Group Information Automation Co., Ltd.	Spare parts	7,192,635.00	121,702,123.12
Benxi Steel Group Information Automation Co., Ltd.	Repair costs	1,380,000.00	1,242,500.00
Benxi Steel Group Information Automation Co., Ltd.	Safety Production Fee	189,000.00	
Benxi Iron and Steel (Group) Co., LTD	Safety Production Fee	1,912,300.00	1,783,000.00
Benxi Iron and Steel (Group) Co., LTD	Professional service fees	720,000.00	10,109,583.40
Benxi Iron and Steel (Group) Co., LTD	Engineering costs	166,592.46	119,266.91
Benxi Iron and Steel (Group) Co., LTD	Waste materials	88,548.55	13,814.61
Benxi Iron and Steel (Group) Co., LTD	Energy and Power		112,938.29
Benxi Xihu Metallurgical Furnace Material Co., Ltd.	Raw material	146,301,805.63	81,308,481.29
Benxi New Industrial Development Co., Ltd.	Landscaping fee	3,498,468.00	
Benxi New Industrial Development Co., Ltd.	Administrative expenses	289,202.71	691,553.87
Benxi New Industrial Development Co., Ltd.	Auxiliary materials	258,896.84	
Benxi New Industrial Development Co., Ltd.	Property management fees	177,169.80	313,090.29
Benxi New Industrial Development Co., Ltd.	Business entertainment expenses	41,123.00	94,085.00
Benxi New Industrial Development Co., Ltd.	Scrap steel		22,295.00
Benxi Yuneng Thermal Power Co., Ltd.	Energy and Power	294,123,473.93	
DeLin Industrial Products Co., Ltd.	Spare parts	7,508,252.81	26,641,853.28
Delin Industrial Products Co., Ltd	Auxiliary materials	6,348,515.96	8,783,673.06
Delin Industrial Products Co., Ltd	Administrative expenses	2,019.61	
Delin Land Port Supply Chain Services Co., Ltd	Shipping costs	4,132,890.52	
Delin Land Port Supply Chain Services Co., Ltd	Sales service fee	881,937.88	183,674.08
Delin Land Port Supply Chain Services Co., Ltd	Steel products	530,739.05	

Related parties	Content of related transactions	Current period	Previous period
Delin Land Port Supply Chain Services Co., Ltd	Warehousing fees	215,212.55	373,238.29
Liaoning Hengtai Heavy Machinery Co., Ltd.	Repair costs	8,892,273.35	4,246,052.00
Liaoning Hengtai Heavy Machinery Co., Ltd.	Spare parts	8,245,711.94	16,778,600.48
Liaoning Hengtai Heavy Machinery Co., Ltd.	Processing fee	2,123,410.21	
Liaoning Hengtai Heavy Machinery Co., Ltd.	Professional service fees	2,073,068.34	322,275.00
Liaoning Hengtai Heavy Machinery Co., Ltd.	Engineering costs	972,000.00	
Liaoning Hengtai Heavy Machinery Co., Ltd.	Safety Production Fee	788,000.00	2,280,000.00
Liaoning Hengtai Heavy Machinery Co., Ltd.	Auxiliary materials	543,733.60	
Liaoning Hengtai Heavy Machinery Co., Ltd.	Shipping costs	125,692.32	115,957.00
Liaoning Hengtai Heavy Machinery Co., Ltd.	Scrap steel	29,170.80	177,158.80
Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	Spare parts	66,135,692.86	77,092,898.25
Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	Repair costs	5,606,450.00	4,394,740.00
Liaoning Lide Internet of Things Co., Ltd.	Logistics costs	83,961,151.49	87,600,249.58
Liaoning Lide Internet of Things Co., Ltd.	Shipping costs	47,886,659.50	55,529,050.22
Liaoning Yitong Machinery Manufacturing Co., Ltd.	Spare parts	13,645,329.95	10,817,042.15
Liaoning Yitong Machinery Manufacturing Co., Ltd.	Scrap steel	179,707.00	219,054.88
Liaoning Yitong Machinery Manufacturing Co., Ltd.	Repair costs	150,000.00	5,424.79
Lingyuan Iron & Steel Group Co., Ltd.	Fuel	14,228,106.98	
Pangang Group Chengdu Vanadium & Titanium Resources Development Co., Ltd.	Raw material	4,795,258.97	3,474,192.31
Pangang Group Engineering Technology Consulting Co., Ltd.	Engineering costs	102,759.25	300,000.00
Shenyang Angang International Trade Co., Ltd.	Steel products	55,314,087.87	
Shenyang Xiangyu New Materials Technology Co., Ltd.	Processing fee	7,169,116.15	8,001.22
Tianjin Bengang Plate Processing & Distribution Co., Ltd.	Sales service fee	2,187,972.19	
Tianjin Bengang Plate Processing & Distribution Co., Ltd.	Processing fee	26,748.97	177,897.21
Tianjin Bengang Plate Processing & Distribution Co., Ltd.	Warehousing fees	767.79	4,924.50
MCC South Engineering & Technology Co., Ltd.	Engineering costs	141,509.40	

Selling goods and services

Related parties	Content of related transactions	Current period	Previous period
Angang (Hangzhou) Automotive Materials Technology Co., Ltd.	Steel and steel products	51,301,661.00	9,368,825.32

Related parties	Content of related transactions	Current period	Previous period
Angang Steel Processing and Distribution (Dalian) Co., Ltd.	Logistics and transportation revenue	13,359.05	
Angang Steel Processing and Distribution (Dalian) Co., Ltd.	Steel and steel products	13,764,301.69	10,300,639.87
Angang Steel Processing and Distribution (Dalian) Co., Ltd.	Logistics and transportation revenue		6,572.87
Angang Steel Processing and Distribution (Changchun) Co., Ltd.	Processing income		709.9
Angang Steel Processing and Distribution (Zhengzhou) Co., Ltd.	Steel and steel products	218,163.51	1,009,155.91
Ansteel Steel Distribution (Hefei) Co., Ltd.	Steel and steel products	351,325.87	2,951,005.24
Ansteel Steel Distribution (Wuhan) Co., Ltd.	Steel and steel products	1,067,030.03	199,242.28
Angang Steel Company Limited	Steel and steel products	7,771,791.09	3,096,311.53
Ansteel Guangzhou Automotive Steel Co., Ltd.	Steel and steel products	2,164,778.94	3,967,763.31
Angang Chemical Technology Co., Ltd.	Chemicals and by-products	128,517,755.72	136,032,448.22
Angang Group Engineering & Technology Co., Ltd.	Energy and Power		16,447.08
Angang Group International Economic & Trading Co., Ltd.	Steel and steel products	81,038,222.93	
Angang Group International Economic & Trade Co., Ltd. — Benxi Branch	Energy and Power	3,038,017.82	2,164,597.81
Angang Group Energy-Saving Technology Services Co., Ltd.	Revenue from other labor services	1,351.70	
Ansteel Group Co., Ltd	Energy and Power	3,197.39	5,043.59
Angang Group Automation Co., Ltd.	Energy and Power	405.51	
Angang Construction Group Co., Ltd.	Energy and Power		279.46
Angang Mining Machinery Manufacturing Co., Ltd.	Steel and steel products	989,314.50	15,442,967.67
Angang Green Resources Technology Co., Ltd.	Revenue from sales of materials	22,342,277.15	5,193,872.81
Angang Energy Technology Co., Ltd.	Energy and Power	9,227,331.26	9,514,672.04
Angang ShenYang Steel Service Centre Co., Ltd.	Steel and steel products	997,494.65	
Angang Industrial Group Metallurgical Machinery Co., Ltd.	Steel and steel products	868,508.40	
Ansteel Water Technology (Liaoning) Co., Ltd.	Energy and Power	9,076,027.61	
Angang Tendering Co., Ltd. Benxi Branch	Energy and Power	11,799.68	10,309.54
Ansteel Cast Steel Co., Ltd.	Scrap steel	19,359,536.55	
Bengang Group Dalian Refractory Materials Co., Ltd	Steel and steel products		4,623,540.66
Bengang Group Co., Ltd.	Energy and Power	91,983.49	101,034.27
Bengang Automotive Transport Co., Ltd.	Energy and Power	33,231.55	37,763.43
Benxi Northern Iron Industry Co., Ltd.	Revenue from sales of materials	114,714,220.41	82,809,635.97

Related parties	Content of related transactions	Current period	Previous period
Benxi Northern Iron Industry Co., Ltd.	Steel and steel products		2,073,673.14
Benxi Beifang Steel Rolling Co., Ltd.	Steel and steel products		1,106,623.83
Benxi Beiying Iron and Steel (Group) Co., LTD	Scrap steel	62,100,724.34	116,769,194.64
Benxi Beiying Iron and Steel (Group) Co., LTD	Energy and Power	26,756,951.29	27,444,939.22
Benxi Beiying Iron and Steel (Group) Co., LTD	Revenue from sales of materials	19,457,887.20	60,577,878.51
Benxi Beiying Iron and Steel (Group) Co., LTD	Steel and steel products	9,647,090.80	5,450,040.45
Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	Energy and Power	2,134,873.10	2,119,069.66
Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	Revenue from sales of materials	1,129,055.31	938,696.51
Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	Chemicals and by-products		3,079,247.01
Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	Revenue from other labor services		21,698.11
Benxi Iron and Steel (Group) Real Estate Development Co., Ltd.	Energy and Power	1,606.30	1,599.21
Benxi Iron and Steel (Group) Engineering Construction Supervision Co., Ltd.	Energy and Power	462.3	874.86
Benxi Steel and Iron (Group)Tengda Co., Ltd.	Steel and steel products	35,448.81	
Benxi Iron and Steel (Group) Machinery Manufacturing Co., LTD	Energy and Power	5,944,739.52	5,016,994.98
Benxi Iron and Steel (Group) Machinery Manufacturing Co., LTD	Revenue from other labor services	281,169.82	69,556.60
Benxi Iron and Steel (Group) Machinery Manufacturing Co., LTD	Revenue from sales of materials	135,163.64	
Benxi Iron and Steel (Group) Machinery Manufacturing Co., LTD	Steel and steel products		8,921,510.61
Benxi Iron and Steel (Group) Machinery Manufacturing Co., LTD	Processing income		13,746.33
Benxi Iron and Steel (Group) Machinery Manufacturing Co., LTD	Logistics and transportation revenue		1,128.28
Benxi Iron and Steel (Group) Construction Co., Ltd	Energy and Power	462,423.52	1,456,705.56
Benxi Iron and Steel (Group) Construction Co., Ltd	Revenue from other labor services		337.92
Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	Energy and Power	50,561.78	83,862.76
Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	Revenue from other labor services	1,069.81	
Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	Steel and steel products		95,376.11
Benxi Iron and Steel (Group) Mining Liaoyang Jiajiabao Iron Mine Co., Ltd.	Energy and Power	8,170.56	12,131.93

Related parties	Content of related transactions	Current period	Previous period
Benxi Iron and Steel (Group) Mining Liaoyang Jiajiabao Iron Mine Co., Ltd.	Revenue from other labor services		38,730.00
Benxi Steel Group Mining Liaoyang Ma'erling Pelletizing Co., Ltd.	Revenue from sales of materials	18,578,560.91	6,342,966.56
Benxi Steel Group Mining Liaoyang Ma'erling Pelletizing Co., Ltd.	Revenue from other labor services	91,792.45	
Benxi Steel Group Mining Liaoyang Ma'erling Pelletizing Co., Ltd.	Energy and Power	4,081.11	2,868.70
Benxi Iron and Steel (Group) Mining Co., LTD	Energy and Power	96,167,352.26	84,987,278.36
Benxi Iron and Steel (Group) Mining Co., LTD	Revenue from sales of materials	28,193,823.48	28,735,073.43
Benxi Iron and Steel (Group) Mining Co., LTD	Steel and steel products	4,757,281.05	5,421,571.34
Benxi Iron and Steel (Group) Mining Co., LTD	Logistics and transportation revenue	3,891,739.52	3,443,385.04
Benxi Iron and Steel (Group) Mining Co., LTD	Chemicals and by-products	2,334,051.65	2,637,463.15
Benxi Iron and Steel (Group) Mining Co., LTD	Revenue from other labor services	914,994.35	
Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	Energy and Power	15,815,766.52	13,818,458.98
Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	Revenue from sales of materials	2,742,978.35	9,998,954.55
Benxi Iron and Steel (Group) Equipment Engineering Co., LTD	Energy and Power	929,521.86	1,245,472.05
Benxi Iron and Steel (Group) Equipment Engineering Co., LTD	Revenue from other labor services	15,720.46	
Benxi Iron and Steel (Group) Equipment Engineering Co., LTD	Steel and steel products		385,719.02
Benxi Iron and Steel (Group) Industrial Development Co., LTD	Revenue from sales of materials	44,727,709.67	40,478,465.08
Benxi Iron and Steel (Group) Industrial Development Co., LTD	Energy and Power	4,854,064.86	3,828,288.42
Benxi Iron and Steel (Group) Industrial Development Co., LTD	Waste materials		9,225,164.59
Benxi Steel Group Information Automation Co., Ltd.	Energy and Power	152,790.58	219,503.20
Benxi Iron and Steel (Group) Co., LTD	Energy and Power	4,595,824.55	5,656,233.48
Benxi Iron and Steel (Group) Co., LTD	Revenue from other labor services	589,400.00	
Benxi Iron and Steel (Group) Co., LTD	Revenue from sales of materials	208,985.53	410,792.54
Benxi Xihu Metallurgical Furnace Material Co., Ltd.	Energy and Power	168,974.00	262,237.50
Benxi Weld Phosphate Overlay Manufacturing Co., Ltd.	Energy and Power		19,480.21
Benxi New Industrial Development Co., Ltd.	Energy and Power	256,518.45	142,545.86

Related parties	Content of related transactions	Current period	Previous period
Benxi New Industrial Development Co., Ltd.	Revenue from other labor services	2,757.74	
Benxi Yuneng Thermal Power Co., Ltd.	Energy and Power	265,735,931.04	
Chengdu Tianfu Huirong Information Technology Co., Ltd.	Revenue from other labor services	117,223.01	
Dalian Bolore Steel Pipe Co., Ltd.	Steel and steel products		441,221.12
Delin Land Port Supply Chain Services Co., Ltd	Steel and steel products	1,439,614,145.10	1,638,270,756.52
Guangzhou Ansteel Steel Processing Co., Ltd.	Steel and steel products	38,928,259.75	35,403,058.32
Liaoning Hengtai Heavy Machinery Co., Ltd.	Energy and Power		697.03
Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	Revenue from sales of materials	10,652,518.71	10,127,300.63
Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	Waste materials	4,568,305.20	6,227,055.46
Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	Revenue from other labor services	91,845.47	47,688.68
Liaoning Lide Internet of Things Co., Ltd.	Energy and Power	68,653.97	
Liaoning Yitong Machinery Manufacturing Co., Ltd.	Energy and Power	13,413.30	
Lingyuan Iron & Steel Co., Ltd.	Processing income	19,015,707.57	
Lingyuan Iron & Steel Co., Ltd.	Information technology service revenue	62,264.15	
Lingyuan Iron & Steel Co., Ltd.	Steel and steel products	246.84	
Pangang Group Jiangyou Great Wall Special Steel Co., Ltd.	Steel and steel products	10,735,619.88	15,594,024.81
Panzhong Yihong Metal Products (Chongqing) Co., Ltd.	Steel and steel products	583,915.93	
Shenyang Angang International Trade Co., Ltd.	Steel and steel products	62,293.20	3,479,173.00
Shenyang Xiangyu New Materials Technology Co., Ltd.	Revenue from sales of materials	7,235,311.41	
Shenyang Xiangyu New Materials Technology Co., Ltd.	Revenue from other labor services	164,739.04	
Tianjin Angang Steel Processing & Distribution Co., Ltd.	Steel and steel products	8,663,775.20	28,642,063.78
Tianjin Bengang Plate Processing & Distribution Co., Ltd.	Steel and steel products	278,908,612.03	
Tianjin Bengang Plate Processing & Distribution Co., Ltd.	Revenue from other labor services	530,126.98	
Yantai Angang International Trading Co., Ltd.	Steel and steel products	9,761,989.29	
Changchun FAW Angang Steel Processing & Distribution Co., Ltd.	Steel and steel products	9,099,871.53	15,920,873.36
Changchun FAW Angang Steel Processing & Distribution Co., Ltd.	Logistics and transportation revenue	364.61	2,971.66

Related parties	Content of related transactions	Current period	Previous period
China Ordins Group Co., Ltd.	Steel and steel products	297,207,796.00	166,331.79
China Ordnance Materials Shenyang Co., Ltd.	Steel and steel products	8,384,140.07	98,520,719.33
China Ordnance Materials West&South Co., Ltd.	Steel and steel products	844,767.93	2,002,438.54

2. Lease information of related parties

Company as the lessee：

Lessor Name	Leased Asset Type	Current period					Previous period amount				
		Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets	Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets
Benxi Steel & Iron (Group) Co., Ltd.	2300 Hot rolling product line, related real estate			8,049,080.52	3,160,255.47				8,049,080.52	3,348,358.04	
Benxi Steel & Iron (Group) Co., Ltd.	Land use right 7,669,068.17 square meter Land use right 42,920.00 square meter			27,638,772.06	18,142,807.59				27,638,772.06	18,502,019.80	
Benxi	1780 Hot			6,912,486.06	2,433,851.18				7,175,818.86	2,578,717.23	

Lessor Name	Leased Asset Type	Current period					Previous period amount				
		Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets	Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets
Beiying Steel & Iron (Group) Co., Ltd.	rolling product line, related real estate										
Bengang Group Co., Ltd.	Land use right 728,282.30 square meter			4,972,711.56	588,107.25				4,972,711.56	756,809.43	
Angang Group Energy-Saving Technology Services Co., Ltd.	Machinery and equipment			1,026,168.33	1,035,351.86				828,571.67	1,400,598.59	

Lessor Name	Leased Asset Type	Current period					Previous period amount				
		Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets	Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets
Benxi Yuneng Thermal Power Co., Ltd.	Plate Mill High-Pressure Area 2×135MW Waste Gas Resource Comprehensive Utilization Power Generation Project (BOT)			122,125,000.00	8,928,791.76						
Benxi Iron and Steel	Machinery and Equipment	7,313,667.92					3,470,033.34				

Lessor Name	Leased Asset Type	Current period					Previous period amount				
		Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets	Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets
(Group) Construction Co., Ltd.											
Benxi Iron & Steel (Group) Construction Co., Ltd.	Transport Equipment	5,687,307.26									
Benxi New Industrial Development Co., Ltd.	Land Lease	120,000.00									
Anzi (Tianjin)	Machinery and Equipment	7,238,081.98					1,369,970.85				

Lessor Name	Leased Asset Type	Current period					Previous period amount				
		Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets	Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets
Financial Leasing Co., Ltd.											

(6) Receivables and payables of the related parties

1. Receivables of the company

Items	Name	30/06/2026		31/12/2025	
		Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
Accounts receivable	Angang Steel Processing and Distribution (Dalian) Co., Ltd.	13,138,949.78	41,030.77	4,103,076.87	41,030.77
Accounts receivable	Angang Group Engineering & Technology Co., Ltd.			68,421.86	684.22
Accounts receivable	Angang Group International Economic & Trade Co., Ltd. Benxi Branch	849,139,404.55	8,491,394.05	663,734,937.01	6,637,349.37
Accounts receivable	Angang Group International Economic & Trade Co., Ltd. — Benxi Branch	2,683,805.19	26,838.05		
Accounts receivable	Ansteel Group Co., Ltd	523.61	5.24		
Accounts receivable	Angang Group International Economic & Trade Co., Ltd. — Benxi Branch	320,787.24	3,207.87	320,787.24	3,207.87
Accounts receivable	Angang Energy Technology Co., Ltd.			3,911,318.52	39,113.19
Accounts receivable	Ansteel Water Technology (Liaoning) Co., Ltd.	2,548,458.47	25,484.58	9,476,960.09	94,769.60
Accounts receivable	Ansteel Cast Steel Co., Ltd.	10,177,048.50			
Accounts receivable	Bengang Group International Economic and Trade Co., Ltd.	129.62	1.3		
Accounts receivable	Bengang Automotive Transport Co., Ltd.	1,397.05	13.97	5,425.66	54.26
Accounts receivable	Benxi Northern Iron Industry Co.,	9,367,491.47	93,674.91	20,750,535.50	207,505.36

	Ltd.				
Accounts receivable	Benxi Beiying Iron and Steel (Group) Co., LTD	15,294,803.04	104,955.50	19,945,828.68	199,458.29
Accounts receivable	Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	411,479.21	4,114.79	333,779.18	3,337.79
Accounts receivable	Benxi Iron and Steel (Group) Machinery Manufacturing Co., LTD	10,073,644.15	359,556.79	3,398,120.05	33,981.20
Accounts receivable	Benxi Iron and Steel (Group) Construction Co., Ltd	864,699.69	16,711.67	594,714.68	59,576.37
Accounts receivable	Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	583,118.98	440,763.48	596,201.51	155,166.81
Accounts receivable	Benxi Iron and Steel (Group) Mining Mineral Resources Development Co., Ltd.	88,983.85	88,983.85	88,983.85	17,796.77
Accounts receivable	Benxi Iron & Steel (Group) Mining & Mineral Resources Development Co., Ltd.			299,118.20	2,991.18
Accounts receivable	Benxi Steel Group Mining Liaoyang Ma'erling Pelletizing Co., Ltd.	1,994,418.14	19,944.18	3,739,637.59	37,396.38
Accounts receivable	Benxi Iron and Steel (Group) Mining Yanjia Valley Limestone Mine Co., Ltd.			36,864.00	368.64
Accounts receivable	Benxi Iron and Steel (Group) Mining Co., LTD	8,358,416.97	83,584.17	14,459,984.49	144,599.84
Accounts receivable	Benxi Iron and Steel (Group)	3,893,258.81	38,932.59	7,474,879.91	74,748.80

	Thermal Power Development Co., Ltd.				
Accounts receivable	Benxi Iron and Steel (Group) Equipment Engineering Co., LTD	264,357.73	2,643.58	439,269.47	37,697.79
Accounts receivable	Benxi Iron and Steel (Group) Industrial Development Co., LTD	7,404,904.76	74,049.05	5,815,109.99	58,151.10
Accounts receivable	Benxi Iron and Steel (Group) Co., LTD	987,815.52	9,878.16	197,118.63	1,971.19
Accounts receivable	Benxi Xihu Metallurgical Furnace Material Co., Ltd.	2,061.12	20.61	34,893.27	348.93
Accounts receivable	Benxi New Industrial Development Co., Ltd.	14,592.73	145.93	63,782.37	637.82
Accounts receivable	Delin Land Port Supply Chain Services Co., Ltd	295,731.38	2,957.31		
Accounts receivable	Guangzhou Ansteel Steel Processing Co., Ltd.	3,150,623.20		3,200,080.63	32,000.81
Accounts receivable	Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	69,806.20	698.06		
Accounts receivable	Liaoning Lide Internet of Things Co., Ltd.	9,613.62	96.14	12,039.75	120.4
Accounts receivable	Lingyuan Iron & Steel Co., Ltd.	13,333,236.96	133,332.37		
Accounts receivable	Pangang Group Jiangyou Great Wall Special Steel Co., Ltd.	6,340,200.63	63,402.01	5,423,048.21	54,230.48
Accounts receivable	MCC South Engineering & Technology Co., Ltd.	9,813.70	9,813.70	9,813.70	9,813.70
Prepayments	Angang Steel Processing and Distribution			317,756.00	

	(Dalian) Co., Ltd.				
Prepayments	MCC South Engineering & Technology Co., Ltd.	2,543.81		14,245.92	
Prepayments	Ansteel Guangzhou Automotive Steel Co., Ltd.	2,606,369.27		561,163.77	
Prepayments	Angang Group International Economic & Trading Co., Ltd.	50,890,155.65		35,372,892.55	
Prepayments	Angang Group International Economic & Trade Co., Ltd. Benxi Branch	40,490,602.77		44,117,532.53	
Prepayments	Bengang Gaoyuan Industrial Development Co., Ltd.	11,817.51			
Prepayments	Benxi Beiying Iron and Steel (Group) Co., LTD	2,726,760.51		29,562,250.68	
Prepayments	Benxi Iron and Steel (Group) Equipment Engineering Co., LTD	3,171,224.99		3,245,781.89	
Prepayments	Benxi Iron and Steel (Group) Industrial Development Co., LTD	4,305.30			
Prepayments	Benxi Steel Group Information Automation Co., Ltd.	581,838.17		581,838.17	
Prepayments	Benxi New Industrial Development Co., Ltd.	6,867,713.50		6,867,713.50	
Prepayments	Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	62,100.00			
Other receivables	Ansteel Guangzhou Automotive Steel Co., Ltd.	95,781.27	95,781.27	95,781.27	55,603.99
Other	Ansteel Group	6,706.00	1,341.20	6,706.00	670.6

receivables	Co., Ltd				
Other receivables	Bengang Stainless Steel Cold Rolling Dandong Co., Ltd.	84,855.74	16,971.15	84,855.74	8,485.57
Other receivables	Bengang Group Co., Ltd.			0.06	
Other receivables	Benxi Iron and Steel (Group) Construction Co., Ltd	250,679.61	250,679.61	250,679.61	250,679.61
Other receivables	Benxi Gaoxin Drilling Tools Manufacturing Co., Ltd.			2,674,500.00	413,000.00
Other receivables	Benxi Gaoxin Drilling Tools Manufacturing Co., Ltd.	10,800.00	10,800.00	10,800.00	10,800.00
Other non-current assets	Angang Group International Economic & Trade Co., Ltd. Benxi Branch	16,469,046.83		8,213,719.14	
Other non-current assets	Benxi Iron and Steel (Group) Construction Co., Ltd	19,602,615.33		19,602,615.33	
Other non-current assets	Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	2,210,879.80		2,210,879.80	
Other non-current assets	Benxi Iron and Steel (Group) Equipment Engineering Co., LTD	11,821,685.03		11,975,916.33	
Other non-current assets	Benxi Iron and Steel (Group) Industrial Development Co., LTD	562,392.14		562,392.14	
Other non-current assets	Benxi Steel Group Information Automation Co., Ltd.	192,822.60		647,592.46	
Other non-current assets	Liaoning Hengtai Heavy Machinery Co., Ltd.			37,496.00	

2. Payables of the company

Items	Related party	30/06/2026	31/12/2025
Account payables	Angang Electrical Co., Ltd.	477,905.20	542,993.20
Account payables	Angang Scrap Resources (Anshan) Co., Ltd.		2,018,855.66
Account payables	Angang Steel Processing & Distribution (Changchun) Co., Ltd.	150,009.87	103,452.29
Account payables	Angang Steel Rope Co., Ltd.	1,046,069.00	535,865.47
Account payables	Angang Steel Company Limited	1,801,613.40	417,943.15
Account payables	Ansteel Group Railway Equipment Checking&Repairing Company		248,392.08
Account payables	Angang Group Engineering Technology Co., Ltd.	3,392,339.56	221,880.02
Account payables	Angang Group International Economic & Trade Co., Ltd.	629,543.09	590,710.41
Account payables	Angang Group International Economic & Trade Co., Ltd. Benxi Branch	102,402,289.36	42,087,343.55
Account payables	Angang Group Mining Gongchangling Co., Ltd.	15,908,712.40	116,768,098.39
Account payables	Angang Construction Group Co., Ltd.	292,120.00	
Account payables	Angang Mining Construction Co., Ltd.	4,228,401.47	3,244,303.87
Account payables	Angang Mining Resource Utilization (Anshan) Co., Ltd.	41,883,189.06	
Account payables	Angang Green Resources Technology Co., Ltd.		1,525,088.24
Account payables	Angang Energy Technology Co., Ltd.	0.03	296,477.37
Account payables	Ansteel Automobile Transportation Co., Ltd.	5,342,545.78	4,409,095.38
Account payables	Angang Industrial Group (Anshan) Equipment Operation & Maintenance Co., Ltd.	868,600.74	
Account payables	Angang Industrial Group Metallurgical Machinery Co., Ltd.	496,996.60	3,701,643.08
Account payables	Ansteel Shuangsheng (Anshan) Fan Co., Ltd	24,295.00	24,295.00
Account payables	Ansteel Water Technology (Liaoning) Co., Ltd.	41,909,216.36	33,650,652.24
Account payables	Angang Heavy Machinery Co., Ltd.	3,034,715.14	1,760,278.00
Account payables	Anshan Iron & Steel Metallurgical Furnace Material Technology Co., Ltd.		524,299.30
Account payables	Anshan Jianbo Engineering Testing Co., Ltd.	187,620.00	187,620.00
Account payables	Bengang Stainless Steel Cold Rolling Dandong Co., Ltd.	124,679.90	109,338.10
Account payables	Bengang Electrical Co., Ltd.	8,570,978.85	6,590,441.02
Account payables	Bengang Gaoyuan Industrial Development Co., Ltd.	2,577,003.91	878,009.43
Account payables	Bengang Group Dalian Refractory Materials Co., Ltd	1,007,742.98	1,007,742.98

Items	Related party	30/06/2026	31/12/2025
Account payables	Bengang Group International Economic and Trade Co., Ltd.	56,469,490.78	55,290,633.89
Account payables	Bengang Group Co., Ltd.	4,688,239.05	4,688,239.05
Account payables	Bengang Automotive Transport Co., Ltd.	9,690,579.40	8,210,545.30
Account payables	Benxi Aike Hydraulic Sealing Co., Ltd.	1,214,644.68	1,854,069.53
Account payables	Benxi Northern Iron Industry Co., Ltd.	154,811.36	154,811.36
Account payables	Benxi Beiying Iron and Steel (Group) Co., Ltd.	103,713,014.11	1,722,301.48
Account payables	Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	3,092,852.22	1,738,248.20
Account payables	Benxi Iron and Steel (Group) Real Estate Development Co., Ltd.	1,000.00	89,735.06
Account payables	Benxi Iron and Steel (Group) Engineering Construction Supervision Co., Ltd.	47,806.00	97,970.00
Account payables	Benxi Iron & Steel (Group) Construction Advanced Decoration Co., Ltd.	77,530,508.24	61,267,825.22
Account payables	Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	37,377,560.41	41,328,266.38
Account payables	Benxi Steel (Group) Construction High-end Decoration Co., Ltd.	264,705.62	264,705.62
Account payables	Benxi Iron and Steel (Group) Construction Co., Ltd.	25,274,800.49	30,611,624.28
Account payables	Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	14,822,367.99	11,074,458.13
Account payables	Benxi Steel Group Mining Liaoyang Jiajiabao Iron Mine Co., Ltd.	61,564.16	29,642.17
Account payables	Benxi Steel Group Mining Liaoyang Ma'erling Pelletizing Co., Ltd.	209,004,375.26	4,166,130.41
Account payables	Benxi Iron and Steel (Group) Mining Co., Ltd.	83,797,247.68	116,498,925.34
Account payables	Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	3,097.44	200,647.49
Account payables	Benxi Steel Group Equipment Engineering Co., Ltd.	241,391,409.97	176,946,939.95
Account payables	Benxi Steel Group Industrial Development Co., Ltd.	34,430,034.87	45,976,044.04
Account payables	Benxi Iron and Steel (Group) Information Automation Co., Ltd.	28,931,476.42	27,951,632.92
Account payables	Benxi Iron and Steel (Group) Co., LTD	19,091,003.16	19,131,787.26
Account payables	Benxi Gaoxin Drilling Tools Manufacturing Co., Ltd.	0.03	0.03
Account payables	Benxi Xihu Metallurgical Furnace Material Co., Ltd.	32,512,530.95	26,922,238.21
Account payables	Benxi Weld Phosphate Overlay Manufacturing Co., Ltd.		37,542.84

Items	Related party	30/06/2026	31/12/2025
Account payables	Benxi New Industrial Development Co., Ltd.	184,926.37	2,564,586.37
Account payables	Benxi Yuneng Thermal Power Co., Ltd.	96,832,566.43	57,929,876.17
Account payables	DeLin Industrial Products Co., Ltd.	2,680,153.95	32,478,323.08
Account payables	DeLin Land Port Supply Chain Services Co., Ltd.	259,100.58	542,696.24
Account payables	Heilongjiang Longmei Mining Group Co., Ltd.	22,929.68	6,165.02
Account payables	Liaoning Hengtai Heavy Machinery Co., Ltd.	14,650,187.24	13,525,100.18
Account payables	Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	18,352,611.40	14,245,092.81
Account payables	Liaoning Lide Internet of Things Co., Ltd.	10,790,223.51	14,876,486.42
Account payables	Liaoning Metallurgical Vocational Technical College	341,428.00	341,428.00
Account payables	Liaoning Yitong Machinery Manufacturing Co., Ltd.	7,641,419.23	7,836,142.40
Account payables	Lingyuan Iron & Steel Group Co., Ltd.		158,290.35
Account payables	Shenyang Angang International Trade Co., Ltd.	48,244,662.31	52,157,190.42
Account payables	Shenyang Xiangyu New Materials Technology Co., Ltd.	8,101,101.26	5,321,326.65
Account payables	Tianjin Bengang Plate Processing & Distribution Co., Ltd.	351,870.34	
Contract liabilities	Angang (Hangzhou) Automotive Materials Technology Co., Ltd.	18,137,548.32	2,025,506.35
Contract liabilities	Ansteel ThyssenKrupp Automotive Steel Co., Ltd.	2,026,112.60	
Contract liabilities	Angang Steel Processing & Distribution (Dalian) Co., Ltd.	381.33	
Contract liabilities	Angang Steel Processing & Distribution (Changchun) Co., Ltd.	443,715.42	427,186.59
Contract liabilities	Angang Steel Processing & Distribution (Zhengzhou) Co., Ltd.	1,095,745.34	243,332.37
Contract liabilities	Angang Steel Distribution (Hefei) Co., Ltd.	970,686.30	1,889,663.02
Contract liabilities	Angang Steel Distribution (Wuhan) Co., Ltd.	860,550.35	717,523.80
Contract liabilities	Angang Steel Company Limited	875,239.95	248,811.04
Contract liabilities	Angang Metal Structure Co., Ltd.	17,679,021.32	12,924,085.33
Contract liabilities	Angang Group International Economic & Trade Co., Ltd.		1,671,004.51
Contract liabilities	Angang Mining Machinery Manufacturing Co., Ltd.	103,288.68	136.07
Contract liabilities	Angang Energy Technology Co., Ltd.	0.02	
Contract liabilities	Angang ShenYang Steel Service Centre Co., Ltd.	318,456.60	
Contract liabilities	Angang Industrial Group Metallurgical Machinery Co., Ltd.	22,025.49	12,992.52

Items	Related party	30/06/2026	31/12/2025
Contract liabilities	Bengang Group Dalian Refractory Materials Co., Ltd	798,522.40	798,522.40
Contract liabilities	Bengang Group International Economic and Trade Co., Ltd.	9,843,810.08	9,843,810.08
Contract liabilities	Benxi Beiying Iron and Steel (Group) Co., Ltd.	9,015,208.34	8,495,254.41
Contract liabilities	Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	2,762,280.58	4,038,112.95
Contract liabilities	Benxi Steel and Iron (Group)Tengda Co., Ltd.	190,255.10	190,255.10
Contract liabilities	Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	1,400,072.34	1,035,651.33
Contract liabilities	Benxi Iron and Steel (Group) Construction Co., Ltd.	39,135.82	39,135.82
Contract liabilities	Benxi Iron and Steel (Group) Mining Co., Ltd.	5,012,417.26	4,135,552.29
Contract liabilities	Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	2,783,571.30	49.23
Contract liabilities	Benxi Steel Group Industrial Development Co., Ltd.	8,281,190.00	8,514,062.43
Contract liabilities	Benxi Steel (Group) Metallurgical Slag Co., Ltd.	0.01	0.01
Contract liabilities	Benxi Xihu Metallurgical Furnace Material Co., Ltd.	20,000.00	20,000.00
Contract liabilities	Benxi Iron & Steel (Group) Inspection & Testing Co., Ltd.	322,711,703.08	520,753,057.71
Contract liabilities	Benxi Iron & Steel (Group) Construction Advanced Decoration Co., Ltd.	2,539,319.38	5,064,025.37
Contract liabilities	Liaoning Metallurgical Vocational Technical College	0.01	0.01
Contract liabilities	Panzhong Yihong Metal Products (Chongqing) Co., Ltd.	59,633.93	22,203.73
Contract liabilities	Benxi Iron & Steel (Group) Road & Bridge Construction Engineering Co., Ltd.	97,538.30	77,077.62
Contract liabilities	Tianjin Angang Steel Processing & Distribution Co., Ltd.	316,124.86	1,619,646.79
Contract liabilities	Tianjin Bengang Plate Processing & Distribution Co., Ltd.	24,201,532.07	6,576,579.15
Contract liabilities	Changchun FAW Angang Steel Processing & Distribution Co., Ltd.	7,574,101.63	5,486,624.22
Contract liabilities	China Ordins Group Co., Ltd.	196,559,036.41	151,750,367.82
Other payables	Angang (Liaoning) Materials Technology Co., Ltd.	406,080.00	231,080.00
Other payables	Angang Scrap Resources (Anshan) Co., Ltd.		500,000.00
Other payables	Angang Engineering, Production, Operations & Maintenance (Anshan) Co., Ltd.	10,000.00	10,000.00
Other payables	Angang Group Beijing Research Institute Co., Ltd.	1,750,000.00	

Items	Related party	30/06/2026	31/12/2025
Other payables	Angang Group Engineering Technology Co., Ltd.	325,830,180.39	328,323,471.32
Other payables	Angang Group International Economic & Trade Co., Ltd. Benxi Branch	9,608,566.29	19,873,739.81
Other payables	Angang Group Automation Co., Ltd.	15,874,000.00	14,175,000.00
Other payables	Angang Construction Group Co., Ltd.	41,909,547.82	63,085,702.32
Other payables	Angang Heavy Machinery Design & Research Institute Co., Ltd.	826,121.54	826,121.54
Other payables	Angang Heavy Machinery Co., Ltd.	2,116,712.56	1,040,012.56
Other payables	Anshan Angang International Travel Agency Co., Ltd.		1,175.00
Other payables	Anshan Iron & Steel Metallurgical Furnace Material Technology Co., Ltd.	50,000.00	50,000.00
Other payables	Anshan Jianbo Engineering Testing Co., Ltd.	180,200.00	21,200.00
Other payables	Beijing Zhongliangang E-commerce Co., Ltd.		10,000.00
Other payables	Bengang Electrical Co., Ltd.	4,436,730.79	4,436,730.79
Other payables	Bengang Gaoyuan Industrial Development Co., Ltd.	5,275,978.37	6,264,369.57
Other payables	Bengang Group International Economic and Trade Co., Ltd.	76,021,728.50	74,855,543.30
Other payables	Bengang Group Co., Ltd.	206,246,824.18	205,343,448.25
Other payables	Bengang Automotive Transport Co., Ltd.	947,028.25	1,141,388.25
Other payables	Benxi Aike Hydraulic Sealing Co., Ltd.	10,000.00	58,590.00
Other payables	Benxi Beiying Iron and Steel (Group) Co., Ltd.	7,875,346.55	7,282,312.51
Other payables	Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	210,000.00	210,000.00
Other payables	Benxi Iron and Steel (Group) Engineering Construction Supervision Co., Ltd.	3,603,735.64	4,357,143.03
Other payables	Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	52,888,727.90	47,825,817.72
Other payables	Benxi Steel (Group) Construction High-end Decoration Co., Ltd.	103,738.55	103,738.55
Other payables	Benxi Iron and Steel (Group) Construction Co., Ltd.	204,585,745.77	280,668,215.31
Other payables	Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	10,969,994.63	6,975,860.52
Other payables	Benxi Iron & Steel (Group) Road and Bridge Construction Engineering Co., Ltd.	318.66	318.66
Other payables	Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	4,788,431.04	5,939,555.04

Items	Related party	30/06/2026	31/12/2025
Other payables	Benxi Steel Group Equipment Engineering Co., Ltd.	300,229,993.02	578,263,720.60
Other payables	Benxi Steel Group Industrial Development Co., Ltd.	1,776,924.93	3,444,007.73
Other payables	Benxi Steel Group Information Automation Co., Ltd.	227,832,452.34	238,531,102.78
Other payables	Benxi Iron and Steel (Group) Co., LTD	60,451,690.96	40,544,440.05
Other payables	Benxi Xihu Metallurgical Furnace Material Co., Ltd.	100,000.00	100,000.00
Other payables	Benxi New Industrial Development Co., Ltd.	7,432,920.55	6,849,133.66
Other payables	DeLin Industrial Products Co., Ltd.		10,359.99
Other payables	Delin Land Port Supply Chain Services Co., Ltd	11,750,000.00	1,250,000.00
Other payables	Hongda Engineering Technology (Liaoning) Co., Ltd.	1,479.36	1,479.36
Other payables	Liaoning Hengtai Heavy Machinery Co., Ltd.	9,021,624.47	8,943,894.94
Other payables	Liaoning Hengyi Steel Trade Co., Ltd.	11,758,998.02	11,758,998.02
Other payables	Liaoning Metallurgical Technician College		20,561.00
Other payables	Benxi Iron & Steel (Group) Metallurgical Slag Co., Ltd.	390,110.00	390,110.00
Other payables	Liaoning Yitong Machinery Manufacturing Co., Ltd.	1,477,552.52	372,123.61
Other payables	Pangang Group Engineering Technology Consulting Co., Ltd.	594,897.27	517,972.47
Other payables	Changchun FAW Angang Steel Processing & Distribution Co., Ltd.	7,500.00	7,500.00
Other payables	China Ordins Group Co., Ltd.	850,000.00	700,000.00
Other payables	MCC Northern Engineering & Technology Co., Ltd.	200,000.00	200,000.00
Other payables	MCC South Engineering & Technology Co., Ltd.	8,976,046.86	8,826,046.90
Other payables	MCC-CEI Engineering Technology Co., Ltd.	393,250.01	393,250.01

(7) Centralized Fund Management

1. **The key elements of the centralized capital management arrangements in which the Company participates and operates are as follows:**

In December 2021, after negotiation with Anshan Iron & Steel Group Finance Company Limited (hereinafter referred to as Anshan Iron & Steel Finance Company), the "Financial Services Agreement (Years 2022-2024)" was entered into in order to agree on the terms of the relevant financial business and the upper limit of the amount of the relevant transactions between the Company and its subsidiaries and Anshan Iron & Steel Finance Company for the years 2022, 2023 and 2024. The agreement stipulates that in the next twelve months, the maximum daily deposit balance of the Company and its holding subsidiaries with Anshan Iron & Steel Finance Company will be RMB4.5 billion, the maximum credit limit of loans, bills and other forms of credit will be RMB5.0 billion, and the maximum entrusted loan to be provided by Anshan Iron & Steel Finance Company to the Company will be RMB2.0 billion.

In December 2024, after negotiation with Anshan Iron & Steel Group Finance Company Limited (hereinafter referred to as Anshan Iron & Steel Finance Company), the "Financial Services Agreement (Years 2025-2027)" was entered into in order to agree on the terms of the relevant financial business and the upper limit of the amount of the relevant transactions between the Company and its subsidiaries and Anshan Iron & Steel Finance Company for the years 2025, 2026 and 2027. The agreement stipulates that the maximum daily balance of funds deposited by Bengang Plates in Angang Financial Company for settlement shall not exceed RMB 4.5 billion each year, and the interest generated by the deposits shall not exceed RMB 100 million per year; the amount of loans, bills and other forms of credit provided by Angang Financial Company to Bengang Plates shall not exceed RMB 5 billion each year, and the loan interest shall not exceed RMB 250 million per year; the amount of entrusted loans provided by Angang Financial Company to Bengang Plate Group shall not exceed RMB 2 billion each year, and the entrusted loan interest shall not exceed RMB 100 million per year.

2. Funds pooled by the Company to the Group

Funds deposited directly into finance companies by the Company without being pooled into the accounts of the Group's parent company

Items	2026/06/30		2025/12/31	
	Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
Cash at bank and on hand	180,060,156.04		194,746,442.77	
Total	180,060,156.04		194,746,442.77	
Including: funds restricted due to centralized management of funds				

12. Commitments and Contingencies

（1） Significant Commitments

1. Significant Commitments Existing at the Balance Sheet Date

(1) According to the Land Use Rights Lease Agreement signed between the Company and Benxi Steel (Group) Co., Ltd. on April 7, 1997, December 30, 2005, and subsequent supplementary agreements, the Company leases land from Bengang Group at a rate of 0.594 yuan per square meter per month, with a lease term of 45 years. The total leased land area is 7,669,068.17 square meters, with an annual rent of 54.67 million yuan.

(2) On August 14, 2019, the Company signed the Building Lease Agreements with Benxi Steel (Group) Co., Ltd. and Benxi Beiying Steel (Group) Co., Ltd., leasing the buildings and auxiliary facilities occupied by the 2300 hot rolling mill production line and the 1780 hot rolling mill production line, respectively. The lease term extends until December 31, 2038. The lease fee is determined based on the depreciation of the original building value and national surtaxes, plus a reasonable profit margin through negotiation. The estimated maximum annual rent shall not exceed 20 million yuan for the 2300 hot rolling mill and 18 million yuan for the 1780 hot rolling mill. The rent is settled and paid on a monthly basis. This related-party transaction has been reviewed and approved by the Company’s 8th Board of Directors at its 4th meeting.

(3) On July 15, 2019, the Company signed Land Lease Agreements with Benxi Steel (Group) Co., Ltd. and Bengang Group, leasing a total of eight plots of land from both companies. The leased land areas are 42,920.00 square meters and 728,282.30 square meters, respectively. The lease term is 20 years, with a rental price of 1.138 yuan per square meter per month. After the agreement takes effect, every five years, an evaluation will be conducted based on national laws and policies and the pricing principles stipulated in Article 2 of the agreement to determine whether the rent needs to be adjusted. This related-party transaction has been reviewed and approved by the Company's 8th Board of Directors at its 3rd meeting.

(4) As of June 30, 2026, the amount of irrevocable letters of credit yet to be fulfilled is RMB 1.296 billion yuan.

（2） Contingencies

As of June 30, 2026, the Company has no significant contingent matters that require disclosure.

13. Subsequent events

On July 21, 2026, Bengang Steel Plates Co., Ltd. issued the "Progress Announcement on Major Asset Exchange and Related-Party Transaction." The Company plans to conduct an asset exchange with its controlling shareholder, Benxi Steel (Group) Co., Ltd. The proposed acquired asset is 100% equity interest in Benxi Steel & Iron (Group) Mining Co., Ltd. The proposed disposed assets include all assets and liabilities of the listed company, except for the retained assets and liabilities. Any difference in value between the acquired and disposed assets will be settled in cash by one party to the other. At present, the specific scope of the transaction assets, transaction price, and other key elements have not been finalized. No agreement has been signed between the parties, and the transaction plan requires further evaluation, discussion, and negotiation. Additionally, the transaction must undergo necessary decision-making and approval procedures in accordance with relevant laws, regulations, and the Company's Articles of Association. Therefore, there remains significant uncertainty regarding this transaction.

14. Other significant events

(1) Correction of previous accounting errors

1. Retrospective Restatement Method

No prior period accounting errors were corrected using the retrospective restatement method during this reporting period.

2. Prospective Application Method

No prior period accounting errors were corrected using the prospective application method during this reporting period.

(2) Segment information

Due to the fact that the Company's main product is steel, with other products accounting for a smaller proportion of sales, and the primary production base being located in the Liaoning region, it is not applicable to disclose segment reporting.

15. Notes to the financial statements of parent company

1. Accounts receivable

(1) Accounts receivable disclosed by aging

Items	2026/06/30	2025/12/31
Within 1 year (inclusive)	1,082,605,858.04	936,430,278.56
1-2 years (inclusive)	62,843,274.37	121,705,680.10
2-3 years (inclusive)	98,427,760.49	2,911,370.99

Items	2026/06/30	2025/12/31
3-4 years (inclusive)	2,411,366.74	125,547,627.17
4-5 years (inclusive)	55,369,786.45	556,497.21
Over 5 years	85,573,586.71	97,287,740.83
Subtotal	1,387,231,632.80	1,284,439,194.86
less：bad debt	135,935,077.68	130,549,967.32
Total:	1,251,296,555.12	1,153,889,227.54

(2) Accounts receivable disclosed by method of bad debt provision

Items	2026/06/30					2025/12/31				
	Carrying amount		Provision for bad debts		Book value	Carrying amount		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision Percentage (%)		Amount	Percentage (%)	Amount	Provision Percentage (%)	
Provision assessed individually	48,196,244.68	3.47	48,196,244.68	100.00		48,196,244.68	3.75	48,196,244.68	100.00	
Provision assessed by grouping credit risk characteristics	1,339,035,388.12	96.53	87,738,833.00	6.55	1,251,296,555.12	1,236,242,950.18	96.25	82,353,722.64	6.66	1,153,889,227.54
Including: By Aging portfolio	1,072,179,901.31	77.29	87,738,833.00	8.18	984,441,068.31	1,004,714,745.30	78.22	82,353,722.64	8.20	922,361,022.66
By Risk-free portfolio	266,855,486.81	19.24			266,855,486.81	231,528,204.88	18.03			231,528,204.88
Total	1,387,231,632.80	100.00	135,935,077.68	9.80	1,251,296,555.12	1,284,439,194.86	100.00	130,549,967.32	10.16	1,153,889,227.54

Significant Provision for bad debts assessed individually：

Item	2026/06/30				2025/12/31	
	Accounts receivable	Provision for bad debts	Bad debts ratio（%）	Basis for provision	Accounts receivable	Provision for bad debts
Benxi Nanfen Xinhe Metallurgical Co., Ltd.	48,196,244.68	48,196,244.68	100.00	Ceased production	48,196,244.68	48,196,244.68
Total	48,196,244.68	48,196,244.68			48,196,244.68	48,196,244.68

Accounts receivable tested for impairment by portfolio:

Aging portfolio

Items	2026/06/30		
	Carrying amount	Provision for bad debts	Bad debts ratio (%)
Within 1 year (Inclusive)	933,914,752.96	9,339,147.53	87.10
1-2 years (Inclusive)	33,272,155.51	3,327,215.55	3.10
2-3 years (Inclusive)	37,400,653.65	7,480,130.73	3.49
3-4 years (Inclusive)	2,411,366.74	2,411,366.74	0.22
4-5 years (Inclusive)	27,803,630.42	27,803,630.42	2.59
Over 5 years	37,377,342.03	37,377,342.03	3.49
Total	1,072,179,901.31	87,738,833.00	100.00

(3) Provision, reversal or recovery of bad debts of current period.

Items	2025/12/31	Change in the Current Period				2026/06/30
		Provision	Reversal or Recovery	Write-off or Cancellation	Other Changes	
Provision for accounts receivable bad debts	130,549,967.32	8,675,638.17		3,290,527.81		135,935,077.68
Total	130,549,967.32	8,675,638.17		3,290,527.81		135,935,077.68

(4) Accounts Receivable Written Off in the Current Period

Item	Write-off Amount
Accounts Receivable Written Off	3,290,527.81

(5) Top five debtors based on accounts receivable and contract assets at the year-end

Company	Accounts Receivable Ending Balance	Contract Asset Ending Balance	Accounts Receivable and Contract Asset Ending Balance	Percentage of total Accounts Receivable and Contract Asset (%)	Provision for doubtful debts for Accounts Receivable and Contract Asset Ending Balance
Angang Group International Economic & Trade Co., Ltd., Benxi Branch	735,761,396.65		735,761,396.65	53.04	7,357,613.97
Benxi Bengang Steel Sales Co., Ltd.	133,158,167.56		133,158,167.56	9.60	
Taicang CIMC Container Manufacture Co., Ltd.	51,895,088.50		51,895,088.50	3.74	518,950.89
Liaoning Northern Coal Chemical (Group) Co., Ltd.	51,413,190.75		51,413,190.75	3.71	8,614,347.33
Benxi Nanfen Xinhe Metallurgical Co., Ltd.	48,196,244.68		48,196,244.68	3.47	48,196,244.68
Total	1,020,424,088.14		1,020,424,088.14	73.56	64,687,156.87

2. Other receivables

Items	2026/06/30	2025/12/31
Interest receivable		
Dividends receivable	19,000,000.00	31,000,000.00

Items	2026/06/30	2025/12/31
Other receivables	20,937,108.19	24,731,976.38
Total	39,937,108.19	55,731,976.38

1. Dividends receivable

（1）Breakdown of Dividends receivable

Items（or company）	2026/06/30	2025/12/31
Guangzhou Bengang Steel & Iron Trading Co., Ltd.	19,000,000.00	31,000,000.00
Total	19,000,000.00	31,000,000.00
Less: Provision for bad debts		
Total	19,000,000.00	31,000,000.00

（2）Significant dividend receivable overdue for more than one year

Company	Ending Balance	Age	Reasons for uncollected dividends	Whether impairment has occurred and the basis for judgment
Guangzhou Bengang Steel & Iron Trading Co., Ltd.	19,000,000.00	2-3 years	Retained for operational use; recovered the following year.	Not Applicable
Total	19,000,000.00			

2. Other Receivables

(1) Other receivables disclosed by aging

Items	**2026/06/30**	**2025/12/31**
Within 1 year (inclusive)	295,005.96	718,602.46
1-2 years (inclusive)	116,304.69	1,352,428.89
2-3 years (inclusive)	91,561.74	1,966,327.11
3-4 years (inclusive)	510,827.11	12,539,103.20
4-5 years (inclusive)	8,985,306.42	24,463,290.56
Over 5 years	69,575,502.44	52,360,468.13

Items	2026/06/30	2025/12/31
Subtotal	79,574,508.36	93,400,220.35
Less: bad debts	58,637,400.17	68,668,243.97
Total:	20,937,108.19	24,731,976.38

(2) Other receivables disclosed by method of bad debt provision

Items	2026/06/30					2025/12/31				
	Carrying amount		Provision for bad debts		Book Value	Carrying amount		Provision for bad debts		Book Value
	Amount	Percentage （%）	Amount	Provision Percentage （%）		Amount	Percentage （%）	Provision Percentage （%）	Provision Percentage （%）	
Provision assessed individually	15,752,285.66	19.80	15,752,285.66	100.00		15,752,285.66	16.87	15,752,285.66	100.00	
Provision assessed by grouping credit risk characteristics	63,822,222.70	80.20	42,885,114.51	67.19	20,937,108.19	77,647,934.69	83.13	52,915,958.31	68.15	24,731,976.38
Including: Aging portfolio	43,355,094.02	54.48	42,885,114.51	98.92	469,979.51	56,380,806.01	60.36	52,915,958.31	93.85	3,464,847.70
Risk-free portfolio	20,467,128.68	25.72			20,467,128.68	21,267,128.68	22.77			21,267,128.68
Total	79,574,508.36	100.00	58,637,400.17	73.69	20,937,108.19	93,400,220.35	100.00	68,668,243.97	73.52	24,731,976.38

Significant Provision for bad debts assessed individually：

Item	2026/06/30				2025/12/31	
	Other receivables	Provision for bad debts	Bad debts ratio（%）	Basis for provision	Other receivables	Provision for bad debts
Benxi Steel (Group) Third Construction Engineering Co., Ltd.	12,504,978.59	12,504,978.59	100.00	Bankrupt	12,504,978.59	12,504,978.59
Total	12,504,978.59	12,504,978.59			12,504,978.59	12,504,978.59

Other receivables tested for impairment by portfolio:

Portfolio tested by aging

Items	2026/06/30		
	Carrying amount	Provision for bad debts	Bad debts ratio (%)
Within 1 year (inclusive)	295,005.96	2,950.06	0.68
1-2 years (inclusive)	116,304.69	11,630.47	0.27
2-3 years (inclusive)	91,561.74	18,312.35	0.21
3-4 years (inclusive)	510,827.11	510,827.11	1.18
4-5 years (inclusive)	8,985,306.42	8,985,306.42	20.72
Over 5 years	33,356,088.10	33,356,088.10	76.94
Total	43,355,094.02	42,885,114.51	100.00

(3) Provision for Bad Debts

Provision for bad debts	Stage one	Stage two	Stage three	Total
	12-month expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	
Beginning balance	7,186.02	524,417.59	68,136,640.36	68,668,243.97

Provision for bad debts	Stage one	Stage two	Stage three	Total
	12-month expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	
Beginning balance in current period	-23,260.94	-487,566.17	510,827.11	
--Transfer to Stage two	-23,260.94	23,260.94		
--Transfer to Stage three		-510,827.11	510,827.11	
--Reversal to Stage two				
--Reversal to Stage one				
Current period provision	19,024.98	-6,908.60	81,245.11	93,361.49
Current period reversal				
Current period write-back				
Current period write-off			-10,124,205.29	-10,124,205.29
Other changes				
Ending balance	2,950.06	29,942.82	58,604,507.29	58,637,400.17

(4) Provision, reversal or recovery of bad debts of current period

Items	2025/12/31	Change in the Current Period				2026/06/30
		Provision	Reversal or Recovery	Write-off or Cancellation	Other Changes	
Provision for other receivables bad debts	68,668,243.97	93,361.49		10,124,205.29		58,637,400.17
Total	68,668,243.97	93,361.49		10,124,205.29		58,637,400.17

(5) Written Off in the Current Period

Item	Write-off Amount
Other receivables written off	10,124,205.29

(6) Classification by Nature

Nature	2026/06/30	2025/12/31
Intercompany Balances	20,467,128.68	21,267,128.68
Current accounts	59,107,379.68	72,133,091.67
Total	79,574,508.36	93,400,220.35

(7) Top five debtors based on other receivables at the year-end

Company	Accounts Receivable Ending Balance	Contract Asset Ending Balance	Accounts Receivable and Contract Asset Ending Balance	Percentage of total Accounts Receivable and Contract Asset (%)	Provision for doubtful debts for Accounts Receivable and Contract Asset Ending Balance
Yantai Bengang Steel & Iron Sales Co., Ltd.	Current account	20,467,128.68	over 5 years	25.72	
Benxi Steel (Group) Third Construction Engineering Co., Ltd.	Current account	12,504,978.59	over 5 years	15.71	12,504,978.59
Benxi Steel (Group) First Construction Engineering Co., Ltd.	Current account	3,247,307.07	over 5 years	4.08	3,247,307.07
Liaoning Huawei Coal Preparation Co., Ltd.	Current account	2,261,360.00	over 5 years	2.84	2,261,360.00
Benxi Ganglian Slag Co., Ltd.	Current account	1,916,960.24	4-5 years, over 5 years	2.41	1,916,960.24
Total		40,397,734.58		50.76	19,930,605.90

3. Long-term Equity Investments

Item	2026/06/30			2025/12/31		
	Book Value	Provision for impairment	Carrying amount	Book Value	Provision for impairment	Carrying amount
Investment in Subsidiaries	2,422,543,459.43		2,422,543,459.43	2,422,543,459.43		2,422,543,459.43
Investment in Associates and Joint Ventures	43,269,884.04		43,269,884.04	43,269,884.04		43,269,884.04
Total	2,465,813,343.47		2,465,813,343.47	2,465,813,343.47		2,465,813,343.47

1. Investment in Subsidiaries

Name of entity	Beginning balance of investment	Beginning balance of Provision for impairment	Change in the Current Period				Ending balance of investment	Ending balance of Provision for impairment
			Additional Investment	Reduction in Investment	Provision for Impairment in the Current Period	Other		
Tianjin Bengang Steel Trading Co., Ltd.	230,318,095.80						230,318,095.80	
Benxi Bengang Steel Sales Co., Ltd.	30,000,000.00						30,000,000.00	
Guangzhou Bengang Steel Trading	200,000,000.00						200,000,000.00	

Name of entity	Beginning balance of investment	Beginning balance of Provision for impairment	Change in the Current Period				Ending balance of investment	Ending balance of Provision for impairment
			Additional Investment	Reduction in Investment	Provision for Impairment in the Current Period	Other		
Co., Ltd.								
North Hengda Logistics Co., Ltd.	169,661,869.19						169,661,869.19	
Yantai Bensteel Sales Co., Ltd.	219,100,329.41						219,100,329.41	
BenGang POSCO Cold Rolled Sheet Co., Ltd.	1,019,781,571.10						1,019,781,571.10	
Dalian Benruitong Automotive Materials Technology Co., Ltd.	65,000,000.00						65,000,000.00	
Shenyang Bengang Metallurgical Technology Co., Ltd.	228,144,875.36						228,144,875.36	
Shanghai Ben Gang Metallurgical Technology Co., Ltd.	229,936,718.57						229,936,718.57	
Green Gold (Benxi) Renewable Resources Co., Ltd.	30,600,000.00						30,600,000.00	

Name of entity	Beginning balance of investment	Beginning balance of Provision for impairment	Change in the Current Period				Ending balance of investment	Ending balance of Provision for impairment
			Additional Investment	Reduction in Investment	Provision for Impairment in the Current Period	Other		
Total	2,422,543,459.43						2,422,543,459.43	

2. Investment in Associates and Joint Ventures

Investees	2025/12/31 (Book value)	Impairment provision as of 2025/12/31	Increase/decrease								2026/06/30 (Book value)	Impairment provision as of 2026/06/30
			Addition of Investment	Reduction of Investment	Income or loss on investment recognized under the equity method	Other Comprehensive Income Adjustment	Other Equity Changes	Declaration of Cash Dividends or Profit	Provision of Impairment	Others		
1. Joint venture												

Investees	2025/12/31 (Book value)	Impairment provision as of 2025/12/31	Increase/decrease								2026/06/30 (Book value)	Impairment provision as of 2026/06/30
			Addition of Investment	Reduction of Investment	Income or loss on investment recognized under the equity method	Other Comprehensive Income Adjustment	Other Equity Changes	Declaration of Cash Dividends or Profit	Provision of Impairment	Others		
Subtotal												
2. Associated Enterprise												
Shenyang Xiangyu New Material Technology Co., Ltd.	43,269,884.04										43,269,884.04	
Subtotal	43,269,884.04										43,269,884.04	
Total	43,269,884.04										43,269,884.04	

4. Operating Revenue and Operating Costs

1. Operating Revenue and Operating Costs

Item	Current period		Previous period	
	Revenue	Cost	Revenue	Cost
Principal business	21,671,090,703.33	22,935,921,687.19	24,194,919,372.80	25,098,732,350.98
Other business	471,111,786.40	464,882,942.63	648,195,035.42	645,476,449.44
Total	22,142,202,489.73	23,400,804,629.82	24,843,114,408.22	25,744,208,800.42

2. Breakdown of Operating Revenue and Operating Costs

Item	Current period				Total	
	Principal business revenue	Principal business revenue	Other business revenue	Other business costs	Revenue	Cost
Classified by Time of Transfer of Goods:						
Recognized at a Point in Time	21,671,090,703.33	22,935,921,687.19	468,789,919.70	464,882,942.63	22,139,880,623.03	23,400,804,629.82
Recognized over a Period of Time			2,321,866.70		2,321,866.70	
Total	21,671,090,703.33	22,935,921,687.19	471,111,786.40	464,882,942.63	22,142,202,489.73	23,400,804,629.82
Classified by Operating Region:						
Domestic	18,222,841,492.11	19,291,667,862.66	471,111,786.40	464,882,942.63	18,693,953,278.51	19,756,550,805.29
Overseas	3,448,249,211.22	3,644,253,824.53			3,448,249,211.22	3,644,253,824.53
Total	21,671,090,703.33	22,935,921,687.19	471,111,786.40	464,882,942.63	22,142,202,489.73	23,400,804,629.82

5. Income on investment

Item	Current period	Previous period
Income from long-term equity investment (cost method)		
Income from long-term equity investment (equity method)		
Gains from Debt Restructuring	43,421.22	6,934.05
Other	-10,340,070.73	-17,366,881.57
Total	-10,296,649.51	-17,359,947.52

16. Supplementary information

(1) Details of non-recurring profit and loss

Items	Amount	Notes
Gains or Losses from the Disposal of Non-Current Assets, including the reversal of previously recognized impairment provisions.	-22,011,971.70	
Government Grants Recognized in Profit or Loss for the Period, except for those that are closely related to the company's normal business operations, comply with national policies, are granted based on predetermined standards, and have a continuous impact on the company's profit or loss.	52,916,603.16	
Fair Value Gains or Losses from Financial Assets and Liabilities Held by Non-Financial Enterprises, as well as disposal gains or losses from financial assets and liabilities, excluding effective hedging activities related to the company's normal operations.		
Funds Occupation Fees Charged to Non-Financial Enterprises, recognized in profit or loss for the period.		
Gains or Losses from Entrusted Investments or Asset Management by third parties.		
Gains or Losses from Loans Entrusted to External Parties.		
Losses from Asset Impairment Due to Force Majeure, such as natural disasters.		
Reversal of Impairment Provisions for Individually Tested Receivables.		
Gains from Acquiring Subsidiaries, Associates, or Joint Ventures, where the acquisition cost is lower than the acquirer's share of the investee's identifiable net assets at fair value.		
Net Profit or Loss of a Subsidiary from the Beginning of the Period to the Merger Date, in a business combination under common control.		
Gains or Losses from Non-Monetary Asset Exchanges.		
Gains or Losses from Debt Restructuring.	53,299.22	
One-Time Expenses Due to Discontinuation of Business Activities,		

Items	Amount	Notes
such as severance payments for employees.		
One-Time Impact on Profit or Loss Due to Changes in Tax, Accounting, or Other Legal and Regulatory Adjustments.		
One-Time Share-Based Payment Expenses Recognized Due to the Cancellation or Modification of an Equity Incentive Plan.		
Gains or Losses from Changes in Fair Value of Payable Employee Compensation for cash-settled share-based payments after the vesting date.		
Gains or Losses from Fair Value Changes of Investment Properties, measured using the fair value model.		
Gains from Transactions Conducted at Unfair Market Prices.		
Gains or Losses from Contingent Events Unrelated to the Company's Normal Business Operations.		
Management Fee Income from Entrusted Operations.		
Other Non-Operating Income and Expenses Not Included in the Above Categories.	-6,552,754.01	
Other Gains or Losses that Meet the Definition of Non-Recurring Gains and Losses.		
Subtotal	24,405,176.67	
Income Tax Effect	4,090,301.81	
Effect of Non-controlling Interests (After Tax)	1,275,325.80	
Total	19,039,549.06	

(2) Net asset yield and earnings per share

Profit in the Reporting Period	Weighted average net assets yield (%)	Earnings per share (Yuan)	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders	-27.29	-0.464	-0.464
Net profit attributable to ordinary shareholders after deducting non-recurring profit and loss	-27.60	-0.469	-0.469

(3) Differences between Domestic and Foreign Accounting Standards

1. The differences in net profit and net assets in financial reports disclosed under International Financial Reporting Standards and Chinese accounting standards

□ applicable √ not applicable

2. The difference between net profit and net assets in financial reports disclosed under overseas accounting standards and Chinese accounting standards

□ applicable √ not applicable

3. Explanation of the reasons for differences in accounting data under domestic and foreign accounting standards. If the data that has been audited by an overseas audit institution is adjusted for differences, the name of the overseas institution should be indicated.

(4) Others