



Bengang Steel Plates Co., Ltd.

Interim Report 2025

August 2025

I . Important Notice, Table of Contents, and Definitions

The Board of Directors, the Supervisory Committee and the Directors, members of the Supervisory Committee and senior management of the Company guarantee that there are no misrepresentations or misleading statements, or material omission in this report, and individually and collectively accept full responsibility for the authenticity, accuracy and integrity of the information contained in this report.

Huang Zuowei, the person in charge of the company, Zheng Zhengli, 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 interim report is true, accurate and complete.

All directors have attended the board meeting to review this report.

This report involves forward-looking statements such as future plans and does 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 text 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 are selected as the company's information disclosure media. All information about the company is subject to the information published in the above-mentioned designated media. Investors are kindly requested to pay attention to investment risks.

The Company plans not to pay cash dividends, issue bonus shares, or increase capital by converting reserves.

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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.

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	Huang Zuowei		

II. Contact Information

	Secretary of the Board	Representative of Stock Affairs
Name	Zheng Zhengli	Chen Liwen
Address	No1-1 Gangtie Road, Pingshan District, Benxi City, Liaoning Province	No1-1 Gangtie Road, Pingshan District, Benxi City, Liaoning Province
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III. Other Information

1. Contact Information of the Company

Whether the registered address, office address, postal code, company website and email address have changed

☐ Applicable ☒ Not applicable

The company's registered address, office address, postal code, company website, email address, and etc. have not changed during the reporting period. Please refer to Annual Report 2024 for details.

2. Place for information disclosure

Whether the information disclosure and place for consulting have changed

☐ Applicable ☒ Not applicable

Name of newspaper selected by the Company for information release, website appointed by CSRC for publishing interim report and lodging address of interim report of the Company have not changed during the reporting period.

Please refer to Annual Report 2024 for details

3. Other related information

Whether other related information have changed

☐ Applicable ☒ Not applicable

IV. Summary of Accounting Data and Financial Index

Whether the Company makes retroactive adjustments or restatement of the accounting data of the previous year

☒ Yes ☐ No

Reasons for retrospective adjustment or restatement

Business Combinations under Common Control

	Current reporting period	Previous reporting period		Increase or decrease in this reporting period over the previous period
		Before adjustment	After adjustment	After adjustment
Revenue (RMB yuan)	24,697,800,421.99	28,364,539,286.80	28,366,851,887.99	-12.93%
Net profit attributable to the shareholders of the listed company (RMB yuan)	-1,399,277,780.90	-1,550,950,137.71	-1,541,206,007.44	9.21%
Net profit attributable to the shareholders of listed company after deducting non-recurring gain/loss (RMB yuan)	-1,450,379,795.78	-1,621,652,605.92	-1,621,653,948.92	10.56%
Net cash flows generated by operating activities (RMB yuan)	371,629,764.04	1,095,091,396.54	1,080,815,690.40	-65.62%
Basic EPS(RMB/share)	-0.341	-0.378	-0.375	9.07%
Diluted EPS (RMB/share)	-0.341	-0.378	-0.375	9.07%
Weighted average return on equity	-12.50%	-9.55%	-9.38%	-3.12%
		At the end of previous year		Increase or decrease at the end of this

	At the end of the current reporting period			reporting period over the previous year
		Before adjustment	After adjustment	After adjustment
Total assets (RMB yuan)	45,758,090,259.38	45,815,896,140.58	45,815,896,140.58	-0.13%
Net assets attributable to shareholders of the listed company (RMB yuan)	10,503,320,759.53	11,887,217,861.48	11,887,217,861.48	-11.64%

V. Differences between Domestic and Foreign Accounting Standards

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

☐ Applicable ☒ Not applicable

There was no difference 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 overseas and Chinese accounting standards.

☐ Applicable ☒ Not applicable

There was no difference of net profit and net assets disclosed in financial reports prepared under overseas and Chinese accounting standards during the reporting period.

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

☒ Applicable ☐ Not applicable

Unit: yuan

Items	Amount	Notes
Profit or loss from disposal of non-current assets (including the write-off part for which assets impairment provision is made)	-31,536,907.02	
Details of government subsidies recorded into current profits and loss(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)	78,993,583.13	
Reversal of impairment provisions for individually tested receivables	10,820,884.61	
Gains or losses from debt restructuring	7,215.64	
Other non-operating revenue and expenditure other than above items	4,740,318.97	
Less: Impact of income tax	13,042,387.54	
Impact of non-controlling interests (after tax)	-1,119,307.09	
Total	51,102,014.88	--

Details of other profit and loss items that meet the definition of non-recurring profit and loss:

☐ Applicable ☒ Not applicable

Explanation for defining non-recurring gains and losses items according to the "Public Offering of Securities Information Disclosure Explanatory Notice No. 1 – Non-Recurring Gains and Losses", and reasons for defining non-recurring gains and losses items listed in the document as recurring items.

☐ Applicable ☒ Not applicable

There exists no situation of defining non-recurring gains and losses items listed in the document as recurring items.

III. Management Discussion and Analysis

I. The Company's main business during the reporting period

1. Industry development

In the first half of 2025, driven by falling prices for raw materials like iron ore and coking coal, the steel industry's operating performance continued to recover. However, the domestic steel industry still exhibits a "three highs and three lows" landscape: high production, high costs, high inventory, low demand, low prices, and low profitability. The overall market is in a bottoming-out phase. Downstream demand is weak, supply outstrips demand, and high raw material prices have resulted in a smaller downward shift in costs than in steel prices. Consequently, steel prices remain weak overall, and the steel market is caught between strong expectations and weak realities.

2. Main business, main products and their uses

During the reporting period, the company's principal businesses included steel smelting, rolling processing, power generation, coal chemical industry, special steel profiles, railways, import and export trade, scientific research, and product sales. The company has established a base for high-quality steel products, primarily automotive steel, with a product portfolio encompassing over 60 varieties and 7,500 specifications. High-value-added and high-tech products account for over 80% of the company's portfolio. Its leading products, such as automotive surface panels, home appliance panels, oil pipeline steel, container panels, and shipbuilding panels, are widely used in the automotive, home appliance, petrochemical, aerospace, machinery manufacturing, energy and transportation, construction and decoration, and metal products sectors, with exports to over 60 countries and regions. During the reporting period, the company's principal business remained unchanged.

3. Business model

Procurement model: The company's procurement model includes domestic and international procurement. Domestic procurement is conducted through centralized procurement, unified bidding, price comparison, and negotiation. International procurement is conducted through long-term contracts, direct procurement, open and invited bidding, price comparison, competitive negotiation, and negotiated procurement. This is primarily handled by Ansteel International Trade Benxi Branch.

Sales model: The company's sales are divided into domestic sales and export sales. Domestic sales mainly adopt the direct sales model. The company sells directly to large customers, and other small and medium-sized customers are sold to them through regional sales subsidiaries. Export sales mainly utilize the powerful marketing network accumulated by Ansteel International Trade Benxi Branch in international trade over the years. Its agent exports the company's products and pays the agency fee to Ansteel International Trade Benxi Branch.

4. Main performance drivers

During the reporting period, the company achieved the following main operating indicators: pig iron production of 5.1997 million tons, crude steel production of 5.4165 million tons, and steel production of 8.1616 million tons. Looking back on the work in the first half of the year, it is mainly reflected in the following aspects:

- (1) Focusing on the important requirement of "continuing efforts to make up for shortcomings and optimize the structure", the core competitiveness has been improved. The plate company continues to deepen the "lean + double base" and strengthen penetrating management, promote the transformation from production-oriented to operation-oriented, and resolutely tackle the hard bone of "efficiency improvement". Through the implementation of comprehensive budget management, cost reduction and efficiency improvement throughout the process, and all-round sales to increase profits, the pig iron cost has achieved a breakthrough, the production and sales coordination has become more efficient, the low-cost, moderately high-strength, thin-gauge specialized production has been continuously optimized, and the operating efficiency has gradually improved.

- (2) Focusing on the key requirements of "adhering to high-end, intelligent, and green development, and continuously improving the technological content and added value of products," the company has made new progress in its transformation and upgrading. Focusing on "high-end, precision, and specialty," the company deepened scientific and technological research, resulting in a 31% year-on-year increase in the share of key products, an 89% year-on-year increase in sales of thermoformed products, and a 27.37 million yuan increase in profits from new high-value-added products. The 2300 production line rolled 2190mm ultra-wide hot-rolled plate for the first time, filling a domestic gap in wide-width plate production, and achieving internationally leading technical indicators. Focusing on "intelligent transformation and digital transformation," the company is optimizing management and manufacturing, promoting industrial digitization, digital industrialization, and data value creation, raising its intelligence index to 82.67. Focusing on "pursuing innovation and greening," the company continues to advance ultra-low emission upgrades and upgrade energy-consuming equipment. Focusing on improving management, improving production processes, and optimizing the energy structure in five key processes: coking, sintering, ironmaking, steelmaking, and rolling, the company has significantly reduced emissions of major pollutants and overall energy consumption per ton of steel. Bengang Plate and Bengang POSCO were recognized as municipal green factories; their ultimate energy efficiency completed on-site acceptance by the China Iron and Steel Association; their hot-rolled, cold-rolled, galvanized, and electro-galvanized low-carbon emission automotive steels completed industrial experiments, passed certifications from FAW, Toyota, Sony, etc., and are in the process of advancing BMW certification; their hot-rolled products passed the China Iron and Steel Association's "low-carbon emission steel" certification, with a carbon efficiency rating of E.
- (3) Focusing on the key requirement of "further focusing on issues, highlighting key points, and resolving difficult problems in reform efforts," we are taking new steps to deepen reform. We will establish a model for "human-chain integration" reform at the Cold Rolling Mill and promote the development of "micro-unit" profit centers for electrogalvanizing, playing a leading role in demonstration and driving reform to a deeper level. With greater reform momentum, we will push the special steel industry to resolve deep-seated conflicts and improve production and operational efficiency.
- (4) Focusing on the crucial requirement of "unwaveringly upholding and strengthening Party leadership and unwaveringly exercising strict Party discipline," the political and organizational functions of Party organizations have been continuously enhanced. We consistently integrate learning and education with the comprehensive strengthening of Party organizations and the in-depth promotion of Party conduct, clean governance, and high-quality Party building to guide and ensure high-quality development. Party building innovation and the promotion of clean enterprise practices are simultaneously improving, and the development of corporate culture and employee morale are projecting a new image.
- (5) Adhere to bottom-line thinking and strictly adhere to safety and environmental protection red lines. Regularly carry out "four no's and two direct" safety inspections; strengthen safety supervision of relevant parties, strictly control the "five checkpoints", and implement the "four unifications". Strengthen environmental protection management, increase environmental protection assessment efforts, and strictly implement the "three simultaneous" requirements.

II. Analysis on Core Competitiveness

The company adheres to the innovation-driven and "quality plus service" development model, with the strategic goal of building an internationally competitive high-quality plate base, a domestic first-class special steel base and a comprehensive service provider, and exerts a strategic leading role, focusing on improving quality and efficiency. In terms of product upgrades, technological innovation, green and intelligent manufacturing, we will innovate management ideas, enhance the core competitiveness of enterprises, and promote the realization of high-quality, green and intelligent development of enterprises.

1. Manufacturing capacity. Production and manufacturing capabilities. The company prioritizes quality, focusing on adjusting its product mix to improve quality and efficiency. Following the principle of process compliance, the company strengthens quality management. Capitalizing on the production of high-quality steel, the company strengthens its consistent quality management system, strictly prohibiting the release of substandard products into the market, and truly enhancing its market reputation. The company will intensify brand development for automotive and appliance steel to enhance product premiums. The company will continuously advance technological breakthroughs in pipeline steel, container steel, and specialized steel, providing high-quality products for major national projects and special projects.

2. Equipment renovation and upgrades. The company has allocated RMB 1.36 billion for fixed asset investment in 2025. A new round of large-scale technological and environmental renovations has been implemented, including ultra-low emissions from the coke oven system at the Ironmaking Plant, VOCS collection and material transportation in the chemical production area of the Ironmaking Plant, rainwater and sewage diversion treatment in the coking process at the Ironmaking Plant, quality and efficiency improvement of the 2300 line at the hot rolling mill, and upgrades to the 1780 skin-pass mill unit. Currently, ultra-low emissions from the coke oven system at the Ironmaking Plant and VOCS collection and material transportation in the chemical production area are underway.
3. New product development capabilities. 36 new product development projects were completed, generating orders of 174,000 tons. The company promoted the serialization of hot-formed steel products and completed the first contract delivery of rolled martensitic steel (EF1900-MS). The company also developed B780NP steel for gas storage support structures in new energy commercial vehicles, securing orders of 350 tons and achieving positive user experience. L415MH hydrogen pipeline steel received certification from Liaoyang Steel Pipe Plant. The company also developed high-quality gear steel 22CrMoH(ZQ), which was successfully introduced to China National Heavy Duty Truck Group.
4. Technological innovation capabilities. The company has strengthened university-enterprise collaboration, signing three international technical cooperation projects with Northeastern University and Shanghai University to promote the transfer of mature scientific and technological achievements from universities and research institutes to enterprises. Regarding standards, the company has presided over the development of two national standards, participated in the development of nine national standards, presided over the development of one industry standard, participated in the development of three industry standards, and participated in the development of seven group standards. Regarding intellectual property, the company has received 139 patent applications, including five overseas patents, and has authorized 79 patents, including 30 invention patents. Regarding scientific and technological achievements, the company has won four provincial and ministerial-level science and technology progress awards. Among them, "Research and Application of Key Technologies for High-Performance Hydraulic Iron Moulding Machines" won first prize in the Invention and Entrepreneurship Award of the China Invention Association. "Research on the World's First Coating-Free Hot-Formed Steel and Its Application in the Front Dash Assembly of FAW Hongqi Models" and "Research and Application of Key Technologies for Hot-Rolling Processes for Wide and Thin High-Strength Automotive Structural Steel for Wide and Thin Gauges" won first and second prizes, respectively, in the "Spark" Innovation and Creativity Competition for State-Owned Enterprises in the Northeast "Three Provinces and One Region" (Liaoning Division). The "Method for Producing Hot Stamping Steel with Controlled Oxide Scale Shedding without Coating" won the China Patent Award for Excellence.
5. Green development capabilities. The company has focused on green factory registration, developing a carbon management plan for its plate company, compiling a low-carbon development plan for the 15th Five-Year Plan, trial production of green steel products, certification of low-carbon steel products, collection and reporting of greenhouse gas emissions accounting data, and development of a carbon stewardship platform. The company continues to advance testing of low-carbon products for semi-steel process paths, achieving a comprehensive reduction of carbon emissions by 27-40%.
6. Intelligent manufacturing capabilities. By 2025, investments will be made in intelligent projects such as the construction of a smart factory in the three cooling areas, the second phase of the consistent quality data management platform, and the autonomous and controllable adaptation and transformation of the plate information system. Led by the "Intelligence Index," intelligent manufacturing will be implemented with the digitalization of process processes. Driven by digital and intelligent technology innovation, the data assetization rate has reached 88%. 26 robots have been deployed in 3D operations such as blast furnace inspection, ironmaking temperature measurement and sampling, and slag removal, increasing the replacement rate from 9% to 32%. The Intelligence Index has reached 82.67, moving from the integration level to the optimization level, a 19.36% increase from the previous 69.26, demonstrating the acceleration of intelligent plate manufacturing.

III. Analysis on Main Business

Please refer to the relevant content of "I. Main Business Engaged in the Reporting Period".

Year-on-year changes in major financial data.

Unit: Yuan

	Current Period	Previous Period	Year-on-year percentage	Reason
Operating income	24,697,800,421.99	28,366,851,887.99	-12.93%	
Operating cost	25,441,217,248.92	29,168,175,176.89	-12.78%	
Selling and distribution expenses	61,464,166.53	71,977,059.91	-14.61%	
General and administrative expenses	285,764,896.43	359,904,698.96	-20.60%	
Financial expenses	208,340,955.08	134,726,043.87	54.64%	Due to the increase in interest on interest-bearing liabilities and exchange losses.
Income tax expenses	19,976,028.30	37,458,939.66	-46.67%	Due to decrease in profits of subsidiaries.
Research and development investment	947,389,590.00	970,755,841.00	-2.41%	
Net cash flows from operating activities	371,629,764.04	1,080,815,690.40	-65.62%	Due to decrease in cash received from sale of goods and bill discount.
Net cash flows from investing activities	-948,969,224.56	-508,780,925.04	-86.52%	Due to increase in the purchase and construction of long-term assets and foreign exchange paid for investment.
Net cash flows from financing activities	93,464,711.63	-611,953,198.81	115.27%	Due to decrease in repayment of borrowings
Net increase in cash and cash equivalents	-471,693,191.36	-17,040,213.03	-2,668.12%	Due to decrease in cash received from sale of goods and bill discount and increase in the purchase and construction of long-term assets.

Significant changes in the company's profit composition or source of profit during the reporting period

☐ Applicable ☒ Not applicable

There was no major change in the company's profit composition or source of profit during the reporting period.

Operating income composition

Unit: Yuan

	Current period		Previous period		Change over previous period
	Amount	Proportion	Amount	Proportion	
Total operating income	24,697,800,421.99	100%	28,366,851,887.99	100%	-12.93%
By industries					
Industry	24,697,800,421.99	100.00%	28,366,851,887.99	100.00%	-12.93%
By products					
Steel plate	24,054,500,828.87	97.40%	27,723,284,169.08	97.73%	-13.23%
Others	643,299,593.12	2.60%	643,567,718.91	2.27%	-0.04%
By region					
Domestic	20,437,177,010.22	82.75%	23,407,233,984.72	82.52%	-12.69%
Abroad	4,260,623,411.77	17.25%	4,959,617,903.27	17.48%	-14.09%

Industry, Product and Regions Accounting for the Company's Operating Income or Profit over 10%

√ Applicable □ Not applicable

Unit: Yuan

	Operating income	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	24,697,800,421.99	25,441,217,248.92	-3.01%	-12.93%	-12.78%	-0.19%
By products						
Steel plate	24,054,500,828.87	24,798,941,152.72	-3.09%	-13.23%	-13.03%	-0.25%
Others	643,299,593.12	642,276,096.20	0.16%	-0.04%	-1.95%	1.95%
By regions						
Domestic	20,437,177,010.22	21,121,339,329.27	-3.35%	-12.69%	-12.59%	-0.12%
Abroad	4,260,623,411.77	4,319,877,919.65	-1.39%	-14.09%	-13.70%	-0.46%

When the statistical caliber of the company's main business data is adjusted during the reporting period, the company's main business data adjusted according to the caliber at the end of the reporting period in the most recent period

□ Applicable √ Not applicable

IV. Analysis of Non-core Business

√ Applicable □ Not applicable

Unit: Yuan

	Amount	Proportion in total profit	Causes	Recurring or non-recurring
Other income	109,012,246.69	-8.09%	Due to receiving government subsidies	No
Income on investment ("-" for losses)	-17,631,847.31	1.31%	Due to bank bill discount	No
Credit impairment losses ("-" for losses)	-9,308,109.96	0.69%	Due to increase in account receivable impairment provision	No
Asset impairment losses ("-" for losses)	36,671,170.60	-2.72%	Due to reversal of inventory impairment provision	No
Non-operating income	9,723,769.21	-0.72%	Due to the gain from scarp of non-current assets and other incomes	No
Non-operating expenses	36,523,366.11	-2.71%	Due to scrap of non-current assets and other expenses	No

V. Assets and Liabilities

1. Significant Change of Assets Components

Unit: Yuan

	At the end of this reporting period		At the end of the Same period in previous year		Proportion change	Notes to significant changes
	Amount	Proportion in the total assets	Amount	Proportion in the total assets		

Cash at bank and on hand	2,119,971,644.73	4.63%	2,453,888,470.48	5.36%	-0.73%	
Accounts receivable	933,243,164.81	2.04%	501,484,081.73	1.09%	0.95%	
Inventories	7,049,937,599.37	15.41%	7,333,084,694.27	16.01%	-0.60%	
Long-term equity investments	45,413,221.72	0.10%	45,413,221.72	0.10%	0.00%	
Fixed assets	26,050,690,523.41	56.93%	26,426,320,453.57	57.68%	-0.75%	
Construction in progress	4,537,520,033.00	9.92%	3,934,442,501.50	8.59%	1.33%	
Right-of-use assets	1,646,483,647.30	3.60%	1,685,925,710.14	3.68%	-0.08%	
Short-term loans	771,932,029.09	1.69%	371,055,490.50	0.81%	0.88%	
Contract liabilities	2,720,427,152.25	5.95%	2,908,598,425.73	6.35%	-0.40%	
Long-term loans	3,544,759,075.31	7.75%	2,891,941,462.40	6.31%	1.44%	
Lease liabilities	1,615,827,405.83	3.53%	1,633,911,586.51	3.57%	-0.04%	

2. Main overseas assets

☐ Applicable ☒ Not applicable

3. Assets and liabilities measured at fair value

☒ Applicable ☐ Not applicable

Unit: yuan

Items	Beginning balance	Profit and loss from changes in fair value in the current period	Accumulated fair value changes recognized in equity	Impairment accrued in the current period	Purchase amount during the current period	Sales amount during the current period	Other changes	Ending balance
Financial assets								
4. Other equity instrument investments	933,426,254.63		-122,613,267.37					933,426,254.63
Subtotal of financial assets	933,426,254.63		-122,613,267.37					933,426,254.63
Total	933,426,254.63		-122,613,267.37					933,426,254.63
Financial liabilities	0.00		0.00					0.00

Other changes

Whether there are significant changes in the measurement attributes of the company's main assets during the reporting period

☐ Applicable ☒ Not applicable

4. Restricted Assets by the End of the Period

Items	Jun 30, 2025			
	Gross carrying amount	Book value	Reason of restriction	Situation
Cash at bank and on hand	1,001,459,617.18	1,001,459,617.18	Deposit for notes and L/C	Deposit for notes and L/C
Notes receivable	67,041,187.99	67,041,187.99	Pledged	Pledged
Total	1,068,500,805.17	1,068,500,805.17		

VI. Analysis of investment status

1. Overall situation

☐ Applicable ☒ Not applicable

2. Major equity investments obtained during the reporting period

☒ Applicable ☐ Not applicable

Unit: yuan

Investee	Principal business	Investment method	Investment amount	Shareholding ratio	Funding	Partners	Investment duration	Product Type	Progress as of the balance sheet date	Expected revenue	Investment profit or loss for this period	Whether involved in litigation	Disclosure date (if any)	Disclosure index (if any)
Green Gold (Benxi) Renewable Resources Co., Ltd.	Licensed Items: Road Freight Transport (excluding dangerous goods); Road Freight Transport (online freight); Dismantling of scrapped motor vehicles. (For	Newly established	30,600,000.00	51.00%	Own	Ansteel Green Gold Industry Development Co., Ltd.	Long term	Equity investment	Complete business registration	0.00	832,701.21	No	Mar. 29, 2025	No.2025-011

items requiring approval according to law, business activities may only be carried out after approval by relevant departments. Specific business items are subject to the approval documents or licenses issued by relevant departments.) General Items: Processing of renewable resources; Sales of renewable resources; Recycling of renewable resources (excluding production scrap metal); Recycling of production scrap metal; Processing of non-metallic waste and debris; Processing													
--	--	--	--	--	--	--	--	--	--	--	--	--	--

	g of metal waste and debris; Sales of non-ferrous metal alloys; General cargo warehousing services (excluding items requiring approval, such as hazardous chemicals). (Except for items requiring approval according to law, business activities may be carried out independently in accordance with the law with a business license.)													
Total	--	--	30,600,000.00	--	--	--	--	--	--	0.00	832,701.21	--	--	--

3. Significant non-equity investment in progress during the reporting period

☐ Applicable ☒ Not applicable

4. Financial asset investment**(1) Securities investment**

☐ Applicable ☒ Not applicable

There was no securities investment in the company during the reporting period.

(2) Investment in derivatives

☐ Applicable ☒ Not applicable

There was no derivative investment in the company 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	400.5	487,823.87	72.17%	0	0	0.00%	188,096.13	Not applicable	101,479
Total	--	--	680,000	675,920	400.5	487,823.87	72.17%	0	0	0.00%	188,096.13	--	101,479
Explanation of the overall use of raised funds													
1. Use of Funds Raised for Investment Projects													
The actual use of the funds raised in Jan. to Jun., 2025 is detailed in the attached table "Comparison Table of the Use of Funds Raised by Public Issuance of Convertible Bonds."													
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.

4. Using idle raised funds to temporarily supplement working capital

During the reporting period, according to the construction progress of the company's raised funds investment projects and the plan for the use of raised funds, part of the funds raised by the company's non-public offering is temporarily idle. According to the provisions of the China Securities Regulatory Commission's "Guidelines for the Supervision of Listed Companies No. 2 - Regulatory Requirements for the Management and Use of Raised Funds by Listed Companies (Revised in 2022)" (CSRC Announcement [2022] No. 15) and other regulatory documents, in line with the principle of maximizing shareholder interests, on the premise of ensuring the capital demand of the raised funds investment projects and the normal progress of the raised funds investment projects, in order to improve the efficiency of the use of raised funds, further reduce the company's financial costs, reduce financial expenditures, and protect the interests of the majority of investors, the company intends to use idle raised funds to temporarily supplement working capital, and the use period shall not exceed 12 months from the date of approval by the board of directors. Supplementing working capital will save financial expenses for the company.

(1) The funds raised from the public issuance of convertible corporate bonds in July 2020 will temporarily supplement working capital

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 of RMB 4,180,000,000.00 used to temporarily supplement working capital to the Company's special account for raised funds.

(2) The funds raised from the public issuance of convertible corporate bonds in July 2021 will temporarily supplement working capital

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 December 31, 2021, the Company has returned all of the idle raised funds of RMB3,030,000,000.00 used to temporarily supplement working capital to the Company's special account for raised funds.

(3) The funds raised from the public issuance of convertible corporate bonds in July 2022 will temporarily supplement working capital

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".

- (4) The funds raised from the public issuance of convertible corporate bonds in July 2023 will temporarily supplement working capital.

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 CAPP 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".

- (5) The funds raised from the public issuance of convertible corporate bonds in July 2024 will temporarily supplement working capital.

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, RMB 120,000,000.00 for the special steel electric furnace upgrade and renovation project, RMB 397,000,000.00 for the CAPP 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 April 1, 2025, the Company has returned all of the idle raised funds of RMB 845,000,000.00 used to temporarily supplement working capital to the Company's special account for raised funds.

As of June 30, 2025, the company used idle funds raised from the public issuance of convertible corporate bonds to temporarily supplement the balance of RMB 1,015,000,000.00 in working capital.

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 "CAPP 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 RMB870,176,200 (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. Utilization of excess funds

The company does not have any situation of over-using raised funds.

8. Purpose and destination of unused raised funds

As of June 30, 2025, except for the advance investment and replacement of investment projects with raised funds and the temporary supplement of working capital with idle raised funds as described in "3. Initial investment and replacement of raised funds investment projects" and "4. Using idle raised funds to temporarily supplement working capital", the remaining raised funds will be temporarily deposited in the special account for raised funds.

9. Other Situations Regarding the Use of Raised Funds

The company did not have any other situations regarding the use of 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 Predefined 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-	Manufacturing construction	No	101,620	101,620	0	141	0.14%		0	0	Not applicable	No

		orient ed silico n steel proje ct												
BenG ang Conv ertibl e Bond s	Augu st 4, 2020	Steel plant No. 8 castin g mach ine proje ct	Manu factur ing const ructio n	No	33,50 0	33,50 0	30.1 9	22,7 56.1 9	67.9 3%	Octo ber 31, 2020	— 14,7 75.2 8	— 34,4 04.3 5	No	No
BenG ang Conv ertibl e Bond s	Augu st 4, 2020	Blast furna ce No. 5 capac ity repla ceme nt proje ct	Manu factur ing const ructio n	No	96,00 0	96,00 0	275	81,1 87.5 2	84.5 7%	Nove mber 30, 2020	— 15,0 02.6 9	— 20,6 92.4 5	No	No
BenG ang Conv ertibl e Bond s	Augu st 4, 2020	Speci al steel electr ic furna ce upgra de proje ct	Manu factur ing const ructio n	No	141,6 00	141,6 00	0	129, 042. 92	91.1 3%		0	0	Not appli cable	No
BenG ang Conv ertibl e Bond s	Augu st 4, 2020	CCP P powe r gener ation proje ct	Manu factur ing const ructio n	No	83,30 0	83,30 0	76.3	43,4 99.0 8	52.2 2%	Dece mber 31, 2022	15,7 77.8	66,3 03.1 9	Yes	No
BenG ang Conv ertibl e Bond s	Augu st 4, 2020	Steel plant No. 4-6 conv erter envir onme ntal transf ormat	Manu factur ing const ructio n	No	19,90 0	19,90 0	19.0 1	11,1 97.1 6	56.2 7%	Dece mber 31, 2020	0	0	Not appli cable	No

		ion proje ct												
BenG ang Conv ertibl e Bond s	Augu st 4, 2020	Repa ymen t of bank loans	Repa ymen t of bank loans	No	200,0 00	200,0 00	0	200,0 00	100.0 0%		0	0	Not appli cable	No
Subtotal of Committed Investment Projects				--	675,9 20	675,9 20	400. 5	487, 823. 87	--	--	14,0 00.1 7	11,2 06.3 9	--	--
Use of Over-Raised Funds														
None	Augu st 4, 2020	None	Not appli cable	No	0	0	0	0	0.00 %		0	0	Not appli cable	No
Total				--	675, 920	675, 920	400. 5	487, 823. 87	--	--	14,0 00.1 7	11,2 06.3 9	--	--
Explanation of Project Delays, Expected Returns, and Reasons (Including Reasons for Selecting "Not Applicable" for Expected Returns)		The high-grade high-magnetic-induction non-oriented silicon steel project is greatly affected by market factors. The company has adjusted its development strategy and continues to monitor market changes.												
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 occupying raised funds		Not applicable												
Changes in the Implementatio n Location of		Not applicable												

Fundraising Investment Projects	
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), which is not applicable.
Use of Idle raised Funds for Temporary Supplementati on 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 Implementatio n	<p>Applicable</p> <p>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.</p>
Purpose and Destination of Unused raised Funds	The unused raised funds are deposited in a designated account for raised funds.
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 in Reporting Period**1. Significant Assets Sold**

☐ Applicable ☒ Not applicable

2. Substantial Equity Sold

☐ Applicable ☒ Not applicable

VIII. Analysis on Main Subsidiaries and Share Participating Companies

☒ Applicable ☐ Not applicable

Main subsidiaries and the joint-stock companies influencing over 10% net profit of the Company

Unit: Yuan

Company Name	Company type	Main business	Registered capital	Total assets	Net assets	Turnover	Operating profit	Net Profit
Bengang POSCO Cold Rolled Sheet Co., Ltd.	Subsidiary	Processing and sales of steel	1,920,000.00	5,495,628,297.35	2,482,555,227.53	4,625,594,944.57	208,259,632.58	175,927,445.95

Acquirement and disposal of subsidiaries during the reporting period

☒ Applicable ☐ Not applicable

Company name	Methods of acquiring and disposing of subsidiaries during the reporting period	Impact on overall production, operation and performance
Green Gold (Benxi) Renewable Resources Co., Ltd.	Newly established	It is conducive to reducing related-party transactions and increasing company profits.

IX. Structured Entities controlled by the Company

☐ Applicable ☒ Not applicable

X. Risks and countermeasures for the Company**1. Raw Material Price Fluctuation Risk**

The raw material market is volatile and subject to significant fluctuations. Coking coal and coke are significantly impacted by safety, environmental protection, and geopolitical factors. Market price fluctuations impact corporate profits, placing significant pressure on the company's cost control.

Countermeasures: Strengthen market analysis and assessment, ensure rational raw material procurement, and manage procurement cycles. Purchase at low points, and ensure inventory increases and decreases align with market trends to avoid potential inventory losses. Continue to strengthen benchmarking and tap potential, optimize coal and ore blending,

and further reduce production costs. Expand annual long-term raw material procurement partnerships, leveraging long-term partnerships to secure preferential prices below market prices.

2. Market risk

China's steel industry faces multiple challenges. The industry as a whole is undergoing a period of deep adjustment, shifting from incremental expansion to stock optimization, and the contradiction between supply and demand continues to intensify. China is implementing policies to stabilize growth, but investment growth is slowing, and it will take time for the policies to be implemented before actual downstream demand recovers. Growth in downstream steel demand remains uncertain, and market competition among homogeneous steel products is intensifying.

Countermeasures: Focus on innovation and leadership, promote "revitalizing the company through science and technology innovation," upgrade product mix to a high-end level, strengthen the high-end steel material service base, build high-end specialized and special-purpose product brands, and strive to develop more high-end and sophisticated steel grades. Optimize the benchmarking system, highlight benchmarking priorities, continuously promote lean production, improve and optimize the company's process technology upgrades, optimize technical indicators, adhere to extreme cost reduction measures, and explore potential process cost reduction solutions.

3. Environmental Risks

Under the national "carbon peak" and "carbon neutrality" goals, environmental protection authorities have stepped up their oversight of pollution control in the steel industry, placing increasingly stringent demands on the company to meet environmental emission standards and achieve energy conservation and emission reduction. This has increased the company's environmental investment and operating costs, exacerbating the environmental challenges it faces.

Countermeasures: Benchmark the carbon emission intensity of similar companies, explore carbon reduction potential, and establish a comprehensive carbon emission management system; strictly enforce environmental management responsibilities, leverage digital tools to strengthen full-process control, ensure the efficient operation of environmental protection facilities, and further improve resource and energy efficiency; increase research and development efforts in process innovation and green transformation technologies, focusing on the development and promotion of green and low-carbon products; improve the environmental emergency warning and risk prevention and control system, strengthen the operation and maintenance of existing environmental protection equipment and facilities, and standardize operational controls, with a focus on strengthening monitoring of air pollution sources.

XI. Development and implementation of market value management systems and valuation enhancement plans

Whether the company has established a market value management system

☐ Yes ☒ No

Whether the company has disclosed its valuation enhancement plan

☒ Yes ☐ No

On February 27, 2025, the company held the 33rd meeting of its ninth board of directors, which reviewed, approved, and disclosed the "Company Valuation Enhancement Plan." During the reporting period, the company focused on its core responsibilities and businesses, focusing on efficiency improvements to continuously break multiple historical records. It focused on enhancing the technological value-added content of high-end products, persisted in empowering technology to accelerate the upgrade and transformation of intelligent production lines, addressed shortcomings, adjusted its structure, and improved the level of quality and efficiency, while focusing on green transformation and accelerating the ultra-low emission certification process. These measures have helped improve operational efficiency and profitability. The company actively implemented its high-quality development goals, established a scrap steel company to improve both asset quality and efficient resource allocation, and continued to advance major asset restructuring. The company adhered to its investor service philosophy and expanded investor communication channels. It added an investor hotline and established an investor communication email address. The "Interactive e" platform achieved a 100% response rate. The company conducted nine investor communication activities, hosted 11 research organizations for research and visits, and held annual performance briefings, promoting regular performance briefings. Adhering to the principles of "truthful, accurate,

complete, timely, and fair" information disclosure, the company actively fulfilled its information disclosure obligations, completing 21 information disclosures in the first half of the year and disclosing 35 documents, including periodic reports and ESG reports. The company's stock price has risen and has temporarily escaped from the long-term negative net asset value.

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

Whether the company has disclosed the announcement of the "double improvement of quality and return" action plan

☐ Yes ☒ No

IV. Corporate Governance, Environment and Society

I. Change of Directors, Supervisors and Senior Executives

☒ Applicable ☐ Not applicable

Name	Position	Type of change	Date	Reason
Liu Zhangman	Deputy General Manager	Dismissed	28-Mar-25	Job transfer
Li Zhiwei	Deputy General Manager	Appointed	28-Mar-25	Job transfer
Wei Chunxin	Deputy General Manager	Appointed	28-Mar-25	Job transfer
Zhang Suxun	Independent Director	Resigned upon expiry of term	25-Apr-25	Re-election
Zhong Tianli	Independent Director	Resigned	25-Apr-25	Re-election
Zhang Guangning	Independent Director	Elected	25-Apr-25	Re-election
Wu Li	Independent Director	Elected	25-Apr-25	Re-election

II. Profit Distribution or Capital Reserve Conversion into Share Capital in the Reporting Period

☐ Applicable ☒ Not applicable

The company plans not to distribute cash dividends, issue bonus shares, or increase capital by converting reserves in the first half of the year.

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

☐ Applicable ☒ Not applicable

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

IV. Major environmental issues

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		12
Number	Company name	Link to environmental information disclosures
1	Benxi Iron & Steel Co., Ltd. Cold Rolling Mill (First Cold Rolling Area)	https://sthj.deing.cn:8180/home/public
2	Benxi Iron & Steel Co., Ltd. Cold Rolling Mill (Third Cold Rolling Area)	https://sthj.deing.cn:8180/home/public
3	Benxi Iron & Steel Co., Ltd. Steelmaking Plant	https://sthj.deing.cn:8180/home/public
4	Benxi Iron & Steel Co., Ltd. Ironmaking Plant	https://sthj.deing.cn:8180/home/public
5	Benxi Iron & Steel Co., Ltd. General Ironmaking Plant (Raw Material Branch)	https://sthj.deing.cn:8180/home/public

6	Benxi Iron & Steel Co., Ltd. Coking Plant (Main Plant Area)	https://sthj.deing.cn:8180/home/public
7	Benxi Iron & Steel Co., Ltd. Special Steel Plant	https://sthj.deing.cn:8180/home/public
8	Benxi Iron & Steel Co., Ltd. Energy Control Center (Power Generation Area)	https://sthj.deing.cn:8180/home/public
9	Benxi Iron & Steel Co., Ltd. Energy Control Center (General Energy Plant Area)	https://sthj.deing.cn:8180/home/public
10	Bengang Pohang Heading Steel Co., Ltd.	https://sthj.deing.cn:8180/home/public
11	Benxi Iron & Steel Co., Ltd. Coking Plant (Dongfeng Plant Area)	https://sthj.deing.cn:8180/home/public
12	Benxi Iron & Steel Co., Ltd. General Ironmaking Plant (Raw Material Branch)	https://sthj.deing.cn:8180/home/public

V. Social responsibility

In the first half of 2025, the Company organized 95 volunteer service activities, with a total of 760 volunteer participations. A total of 381 employees participated in voluntary blood donations, contributing 106,630 milliliters of blood and 10 therapeutic doses of platelets.

The Company's village-assigned cadres, closely aligned with the rural revitalization strategy, focused on industrial assistance as the core and livelihood improvement as the priority, and steadily advanced various support initiatives in Shihuizi Village, promoting the upgrading of the rice industry. In coordination with Yunhong Food Co., Ltd., the Company facilitated the purchase of 21 tons of rice from Shihuizi Village, helping villagers achieve sales revenue of RMB 71.4 thousand, effectively extending the agricultural product value chain. In partnership with provincial-level media, the Company carried out initiatives to support farmers, organizing the participation of the village's first secretary, the "two committees," and corporate representatives in the Liaoning Economic Radio live program *Treasure Liaoning*. The program promoted Shihuizi Village's specialty agricultural products such as rice and blueberries to audiences across the province, fully showcasing Benxi Steel's assistance achievements and the village's development journey, and effectively enhancing product recognition.

V. Important Events

I. Commitments Fulfilled During the Reporting Period and Commitments Overdue but Unfulfilled as of the End of the Reporting Period by the Company's Actual Controller, Shareholders, Related Parties, Acquirers, and Other Commitment-Related Parties

√ 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	Aug 20, 2021	Long term	In progress

			<p>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 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</p>			
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			<p>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</p>			
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			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 commitments	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. 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	Aug 20, 2021	Long term	In progress

			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 commitments	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 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	May 22, 2019	Long term	In progress

			<p>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</p>			
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			interests.			
	Bengang Group Co., Ltd. and Benxi Steel Group Co., Ltd.	Other commitments	<p>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 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 Beiyang 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</p>	July 24,2019	Long term	In progress

			<p>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.</p>			
	<p>Bengang Group Co., Ltd. and Benxi Steel Group Co., Ltd.</p>	<p>Other commitments</p>	<p>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 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</p>	<p>July 24, 2019</p>	<p>Long term</p>	<p>In progress</p>

			<p>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.</p>			
	Bengang Group Co., Ltd. and	Other commitments	Benxi Steel Group Co., Ltd. and Bengang Group Co., Ltd. (hereinafter collectively referred to as "the Group"), as	July 24, 2019	Long term	In progress

	Benxi Steel Group Co., Ltd.		<p>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 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</p>			
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			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 fulfilled on time or not	Yes					

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 controlling shareholders and other related parties.

III. Violation of external guarantees

☐ Applicable ☒ Not applicable

During the reporting period, the company had no violations of external guarantees.

IV. Appointment and Dismissal of Certified Accountant's Firm

Is the interim financial report audited?

☐ Yes ☒ No

The interim report has not been audited.

V. Illustrations of the Board of Directors and Supervisory Committee on the Modified Audit Report Issued by the CPAs

☐ Applicable ☒ Not applicable

VI. Illustrations of the Board of Directors on the Modified Audit Report Issued by the CPAs for Previous Reporting Period

☐ Applicable ☒ Not applicable

VII. Bankrupt and Reforming Events

☐ Applicable ☒ Not applicable

There was no bankrupt and reforming event during the reporting period.

VIII. Lawsuits and Arbitrations

Significant lawsuits and arbitrations

☐ Applicable ☒ Not applicable

There is no Significant lawsuits and arbitrations during the reporting period.

Other Lawsuits and Arbitrations

☒ Applicable ☐ Not applicable

Basic information of litigation (arbitration)	Amount involved (ten thousand yuan)	Whether estimated liability is formed	Progress in litigation (arbitration)	Results and effects of the litigation (arbitration) trial	Execution of the litigation (arbitration) judgment	Disclosure date	Disclosure index
Summary of matters that the company does not meet the disclosure standards of material litigation (arbitration)	754.56	No	In the trial	To be concluded	In accordance with the law		

IX. Punishment and Rectification

☐ Applicable ☒ Not applicable

The Company had no penalties or rectification cases during the reporting period.

X. Credit Status of the Company and its Controlling Shareholders and Actual Controllers

☐ Applicable ☒ Not applicable

XI. Major Related Party Transactions

1. Related party transactions relevant to daily operations

√ Applicable □ Not applicable

Related party	Relationship	Transaction 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
Ansteel Scrap Resources (Anshan) Co., Ltd	Also belong to Ansteel Group	Purchasing goods / provide services	Procurement of major raw materials	Market value	Related-Party Agreement Price	36,274.75	1.43%	309,360	No	According to the agreement	Yes	Dec 06, 2024	2024-067
Ansteel Group Mining Co., LTD	Also belong to Ansteel Group	Purchasing goods / provide services	Procurement of major raw materials	Market value	Related-Party Agreement Price	7,828.30	0.31%	83,850	No	According to the agreement	Yes	Dec 06, 2024	2024-067
Anshan Iron and Steel Group Co., Ltd	Also belong to Ansteel Group	Purchasing goods / provide services	Procurement of major raw materials	Market value	Related-Party Agreement Price	47.9	0.00%	228.3	No	According to the agreement	Yes	Dec 06, 2024	2024-067
Benxi Beiyi Iron and Steel (Group) Co., LTD	Also belong to Bengang Group	Purchasing goods / provide services	Procurement of major raw materials	Market value	Related-Party Agreement Price	657,672.33	25.85%	1,312,173.81	No	According to the agreement	Yes	Dec 06, 2024	2024-067
Benxi Iron and Steel (Group) Machinery	Same parent company	Purchasing goods / provide services	Procurement of major raw materials	Market value	Related-Party Agreement Price	345.86	0.01%	10,200	No	According to the agreement	Yes	Dec 06, 2024	2024-067

Manu facturi ng Co., Ltd.													
Benxi Iron and Steel (Grou p) Const ructio n Co., Ltd	Same parent comp any	Purch asing goods / provid e serv ices	Procu remen t of major raw materi als	Marke t value	Relate d- Party Agree ment Price	4,135 .57	0.16%	24,00 6.08	No	Accor ding to the agree ment	Yes	Dec 06, 2024	2024- 067
Benxi Iron and Steel (Grou p) Minin g Co., LTD	Same parent comp any	Purch asing goods / provid e serv ices	Procu remen t of major raw materi als	Marke t value	Relate d- Party Agree ment Price	325,6 55.66	12.80 %	745,2 44	No	Accor ding to the agree ment	Yes	Dec 06, 2024	2024- 067
Benxi Iron and Steel (Grou p) Equip ment Engin eering Co., LTD	Same parent comp any	Purch asing goods / provid e serv ices	Procu remen t of major raw materi als	Marke t value	Relate d- Party Agree ment Price	315.7 5	0.01%	1,000	No	Accor ding to the agree ment	Yes	Dec 06, 2024	2024- 067
Benxi Iron and Steel (Grou p) Indust rial Devel opme nt Co., LTD	Same parent comp any	Purch asing goods / provid e serv ices	Procu remen t of major raw materi als	Marke t value	Relate d- Party Agree ment Price	13,66 3.19	0.54%	37,40 0	No	Accor ding to the agree ment	Yes	Dec 06, 2024	2024- 067
Benxi Steel and Iron (Grou p) Co., Ltd.	Parent comp any	Purch asing goods / provid e serv ices	Procu remen t of major raw materi als	Marke t value	Relate d- Party Agree ment Price	38.97	0.00%	900	No	Accor ding to the agree ment	Yes	Dec 06, 2024	2024- 067
Anga ng Steel Comp	Also belon g to Anste	Purch asing goods / provid e serv ices	Procu remen t of auxili ary	Marke t value	Relate d- Party Agree ment Price	320.5 1	0.01%	2,500	No	Accor ding to the agree ment	Yes	Dec 06, 2024	2024- 067

any Limit ed	el Group	provid e servic es	ary materi als		ment Price					ment			
Anga ng Group Engin eering Techn ology Devel opme nt Co., LTD	Also belon g to Anste el Group	Purch asing goods / provid e servic es	Procu remen t of auxili ary materi als	Marke t value	Relate d- Party Agree ment Price	905.6 9	0.04%	1,957. 20	No	Accor ding to the agree ment	Yes	Dec 06, 2024	2024- 067
Benste eel Group Intern ationa l Econo mic and Trade Co., LTD	Also belon g to Anste el Group	Purch asing goods / provid e servic es	Procu remen t of auxili ary materi als	Marke t value	Relate d- Party Agree ment Price	58.27	0.00%	11,20 0	No	Accor ding to the agree ment	Yes	Dec 06, 2024	2024- 067
Anste el Group Zhong yuan Indust rial Devel opme nt Co., LTD	Also belon g to Anste el Group	Purch asing goods / provid e servic es	Procu remen t of auxili ary materi als	Marke t value	Relate d- Party Agree ment Price	706.1 3	0.03%	1,500	No	Accor ding to the agree ment	Yes	Dec 06, 2024	2024- 067
Ansha n Iron and Steel Group Co., Ltd	Also belon g to Anste el Group	Purch asing goods / provid e servic es	Procu remen t of auxili ary materi als	Marke t value	Relate d- Party Agree ment Price	15,86 5.46	0.62%	42,12 3.75	No	Accor ding to the agree ment	Yes	Dec 06, 2024	2024- 067
Benxi Beiyi ng Iron and Steel (Grou p) Co., LTD	Also belon g to Benga ng Group	Purch asing goods / provid e servic es	Procu remen t of auxili ary materi als	Marke t value	Relate d- Party Agree ment Price	492.9 7	0.02%	4,001. 54	No	Accor ding to the agree ment	Yes	Dec 06, 2024	2024- 067
Benxi Iron and	Same parent comp	Purch asing goods	Procu remen t of	Marke t value	Relate d- Party	18,62 7.70	0.73%	34,65 0.12	No	Accor ding to the	Yes	Dec 06, 2024	2024- 067

Steel (Group) Machinery Manufacturing Co., LTD	any	/ provide services	auxiliary materials		Agreement Price					agreement			
Benxi Iron and Steel (Group) Construction Co., Ltd	Same parent company	Purchasing goods / provide services	Procurement of auxiliary materials	Market value	Related-Party Agreement Price	785.8	0.03%	1,600	No	According to the agreement	Yes	Dec 06, 2024	2024-067
Benxi Iron and Steel (Group) Equipment Engineering Co., LTD	Same parent company	Purchasing goods / provide services	Procurement of auxiliary materials	Market value	Related-Party Agreement Price	4,829.21	0.19%	14,000	No	According to the agreement	Yes	Dec 06, 2024	2024-067
Benxi Iron and Steel (Group) Industrial Development Co., LTD	Same parent company	Purchasing goods / provide services	Procurement of auxiliary materials	Market value	Related-Party Agreement Price	9,165.36	0.36%	23,143.12	No	According to the agreement	Yes	Dec 06, 2024	2024-067
Benxi Steel and Iron (Group) Co., Ltd.	Parent company	Purchasing goods / provide services	Procurement of auxiliary materials	Market value	Related-Party Agreement Price	11,362.89	0.45%	23,571.90	No	According to the agreement	Yes	Dec 06, 2024	2024-067
Pangang Group Co., Ltd	Also belong to Ansteel Group	Purchasing goods / provide services	Procurement of auxiliary materials	Market value	Related-Party Agreement Price	347.42	0.01%	1,000	No	According to the agreement	Yes	Dec 06, 2024	2024-067

Other subsidiaries of Ansteel Group	Also belong to Ansteel Group	Purchasing goods / provide services	Procurement of auxiliary materials	Market value	Related-Party Agreement Price	13,287.71	0.52%	27,000	No	According to the agreement	Yes	Dec 06, 2024	2024-067
Benxi Beiyi Iron and Steel (Group) Co., LTD	Also belong to Bengang Group	Purchasing goods / provide services	Purchase energy power	Market value	Related-Party Agreement Price	35,667.28	1.40%	63,382.58	No	According to the agreement	Yes	Dec 06, 2024	2024-067
Benxi Steel and Iron (Group) Co., Ltd.	Parent company	Purchasing goods / provide services	Purchase energy power	Market value	Related-Party Agreement Price	11.29	0.00%	23	No	According to the agreement	Yes	Dec 06, 2024	2024-067
Angang Group Engineering Technology Development Co., LTD	Also belong to Ansteel Group	Purchasing goods / provide services	Accept supportive services	Market value	Related-Party Agreement Price	1,074.75	0.04%	5,200	No	According to the agreement	Yes	Dec 06, 2024	2024-067
Bensteel Group International Economic and Trade Co., LTD	Also belong to Ansteel Group	Purchasing goods / provide services	Accept supportive services	Market value	Related-Party Agreement Price	1,802.83	0.07%	3,900	No	According to the agreement	Yes	Dec 06, 2024	2024-067
Ansteel Group Zhongyuan Industrial Development Co.,	Also belong to Ansteel Group	Purchasing goods / provide services	Accept supportive services	Market value	Related-Party Agreement Price	814.44	0.03%	2,330	No	According to the agreement	Yes	Dec 06, 2024	2024-067

LTD													
Ansteel Automation Co., LTD	Also belong to Ansteel Group	Purchasing goods / provide services	Accept supportive services	Market value	Related-Party Agreement Price	160	0.01%	500	No	According to the agreement	Yes	Dec 06, 2024	2024-067
Anshan Iron and Steel Group Co., Ltd	Also belong to Ansteel Group	Purchasing goods / provide services	Accept supportive services	Market value	Related-Party Agreement Price	4,420.99	0.17%	26,577.47	No	According to the agreement	Yes	Dec 06, 2024	2024-067
Bensteel Group International Economic and Trade Co., LTD	Also belong to Bengang Group	Purchasing goods / provide services	Accept supportive services	Market value	Related-Party Agreement Price	344.14	0.01%	975.76	No	According to the agreement	Yes	Dec 06, 2024	2024-067
Ben Steel Group Co., Ltd	Controlling shareholder of the parent company	Purchasing goods / provide services	Accept supportive services	Market value	Related-Party Agreement Price	14,312.93	0.56%	32,000	No	According to the agreement	Yes	Dec 06, 2024	2024-067
Benxi Beiyi Iron and Steel (Group) Co., LTD	Also belong to Bengang Group	Purchasing goods / provide services	Accept supportive services	Market value	Related-Party Agreement Price	5,731.78	0.23%	12,294.20	No	According to the agreement	Yes	Dec 06, 2024	2024-067
Benxi Steel and Iron (Group) Tengda Co., Ltd.	Also belong to Ansteel Group	Purchasing goods / provide services	Accept supportive services	Market value	Related-Party Agreement Price	28,448.18	1.12%	60,000	No	According to the agreement	Yes	Dec 06, 2024	2024-067
Benxi Iron and Steel (Group)	Same parent company	Purchasing goods / provide	Accept supportive service	Market value	Related-Party Agreement	4,945.69	0.19%	13,320.43	No	According to the agreement	Yes	Dec 06, 2024	2024-067

p) Machinery Manufacturing Co., LTD		e services	es		Price								
Benxi Iron and Steel (Group) Construction Co., Ltd	Same parent company	Purchasing goods / provide services	Accept supportive services	Market value	Related- Party Agreement Price	15,79 9.52	0.62%	39,43 4.92	No	According to the agreement	Yes	Dec 06, 2024	2024- 067
Benxi Iron and Steel (Group) Equipment Engineering Co., LTD	Same parent company	Purchasing goods / provide services	Accept supportive services	Market value	Related- Party Agreement Price	31,89 6.44	1.25%	113,9 37.73	No	According to the agreement	Yes	Dec 06, 2024	2024- 067
Benxi Iron and Steel (Group) Industrial Development Co., LTD	Same parent company	Purchasing goods / provide services	Accept supportive services	Market value	Related- Party Agreement Price	782.9 4	0.03%	2,300	No	According to the agreement	Yes	Dec 06, 2024	2024- 067
Benxi Steel and Iron (Group) Co., Ltd.	Parent company	Purchasing goods / provide services	Accept supportive services	Market value	Related- Party Agreement Price	2,876 .63	0.11%	8,818. 12	No	According to the agreement	Yes	Dec 06, 2024	2024- 067
Delin Land Port Supply Chain Services Co., Ltd	Also belong to Ansteel Group	Purchasing goods / provide services	Accept supportive services	Market value	Related- Party Agreement Price	55.69	0.00%	627.4	No	According to the agreement	Yes	Dec 06, 2024	2024- 067

Pangan Group Co., Ltd	Also belong to Ansteel Group	Purch asing goods / provid e servic es	Accep t suppo rtive servic es	Marke t value	Relate d- Party Agree ment Price	30	0.00%	100	No	Accor ding to the agree ment	Yes	Dec 06, 2024	2024- 067
Other subsidi aries of Ansteel Group	Also belong to Ansteel Group	Purch asing goods / provid e servic es	Accep t suppo rtive servic es	Marke t value	Relate d- Party Agree ment Price	15,91 7.85	0.63%	29,43 3.12	No	Accor ding to the agree ment	Yes	Dec 06, 2024	2024- 067
Anga ng Steel Comp any Limit ed	Also belong to Ansteel Group	Sellin g goods / provid ing servic es	Sellin g goods	Marke t value	Relate d- Party Agree ment Price	396.7 8	0.02%	285,6 00	No	Accor ding to the agree ment	Yes	Dec 06, 2024	2024- 067
Anste el Chem ical Techn ology Co., Ltd	Also belong to Ansteel Group	Sellin g goods / provid ing servic es	Sellin g goods	Marke t value	Relate d- Party Agree ment Price	13,60 3.24	0.55%	30,00 0	No	Accor ding to the agree ment	Yes	Dec 06, 2024	2024- 067
Anga ng Group Engin eering Techn ology Devel opment Co., LTD	Also belong to Ansteel Group	Sellin g goods / provid ing servic es	Sellin g goods	Marke t value	Relate d- Party Agree ment Price	0.03	0.00%	500	No	Accor ding to the agree ment	Yes	Dec 06, 2024	2024- 067
Anste el Group Zhong yuan Indust rial Devel opment Co., LTD	Also belong to Ansteel Group	Sellin g goods / provid ing servic es	Sellin g goods	Marke t value	Relate d- Party Agree ment Price	519.3 9	0.02%	9,894. 17	No	Accor ding to the agree ment	Yes	Dec 06, 2024	2024- 067
Anste el Resou rces Co.,	Also belong to Ansteel	Sellin g goods / provid	Sellin g goods	Marke t value	Relate d- Party Agree ment	1,544 .30	0.06%	9,340	No	Accor ding to the agree ment	Yes	Dec 06, 2024	2024- 067

Ltd	Group	ing servic es			Price								
Ansha n Iron and Steel Group Co., Ltd	Also belon g to Anste el Group	Sellin g goods / provid ing servic es	Sellin g goods	Marke t value	Relate d- Party Agree ment Price	12,02 7.09	0.49%	48,06 0	No	Accor ding to the agree ment	Yes	Dec 06, 2024	2024- 067
Benxi Beiyi ng Iron and Steel (Grou p) Co., LTD	Also belon g to Benga ng Group	Sellin g goods / provid ing servic es	Sellin g goods	Marke t value	Relate d- Party Agree ment Price	29,62 3.20	1.20%	113,3 75.52	No	Accor ding to the agree ment	Yes	Dec 06, 2024	2024- 067
Benxi Iron and Steel (Grou p) Machi nery Manu facturi ng Co., LTD	Same parent comp any	Sellin g goods / provid ing servic es	Sellin g goods	Marke t value	Relate d- Party Agree ment Price	3,031 .30	0.12%	15,56 0.67	No	Accor ding to the agree ment	Yes	Dec 06, 2024	2024- 067
Benxi Iron and Steel (Grou p) Const ructio n Co., Ltd	Same parent comp any	Sellin g goods / provid ing servic es	Sellin g goods	Marke t value	Relate d- Party Agree ment Price	163.5 9	0.01%	782.7 3	No	Accor ding to the agree ment	Yes	Dec 06, 2024	2024- 067
Benxi Iron and Steel (Grou p) Minin g Co., LTD	Same parent comp any	Sellin g goods / provid ing servic es	Sellin g goods	Marke t value	Relate d- Party Agree ment Price	12,81 3.94	0.52%	30,45 8.89	No	Accor ding to the agree ment	Yes	Dec 06, 2024	2024- 067
Benxi Iron and Steel (Grou p) Equip ment	Same parent comp any	Sellin g goods / provid ing servic es	Sellin g goods	Marke t value	Relate d- Party Agree ment Price	163.1 2	0.01%	1,000	No	Accor ding to the agree ment	Yes	Dec 06, 2024	2024- 067

Engin eering Co., LTD													
Benxi Iron and Steel (Grou p) Indust rial Devel opme nt Co., LTD	Same parent comp any	Sellin g goods / provid ing servic es	Sellin g goods	Marke t value	Relate d- Party Agree ment Price	5,993 .20	0.24%	19,05 0	No	Accor ding to the agree ment	Yes	Dec 06, 2024	2024- 067
Benxi Steel and Iron (Grou p) Co., Ltd.	Parent comp any	Sellin g goods / provid ing servic es	Sellin g goods	Marke t value	Relate d- Party Agree ment Price	3,509 .33	0.14%	16,48 4.66	No	Accor ding to the agree ment	Yes	Dec 06, 2024	2024- 067
Delin Land Port Suppl y Chain Servic es Co., Ltd	Also belon g to Anstel Group	Sellin g goods / provid ing servic es	Sellin g goods	Marke t value	Relate d- Party Agree ment Price	163,8 27.08	6.63%	417,2 98.97	No	Accor ding to the agree ment	Yes	Dec 06, 2024	2024- 067
Panga ng Group Co., Ltd	Also belon g to Anstel Group	Sellin g goods / provid ing servic es	Sellin g goods	Marke t value	Relate d- Party Agree ment Price	1,559 .40	0.06%	27,30 0	No	Accor ding to the agree ment	Yes	Dec 06, 2024	2024- 067
Other subsidi aries of Anstel Group	Also belon g to Anstel Group	Sellin g goods / provid ing servic es	Sellin g goods	Marke t value	Relate d- Party Agree ment Price	229.7 4	0.01%	6,654. 92	No	Accor ding to the agree ment	Yes	Dec 06, 2024	2024- 067
Ansha n Iron and Steel Group Co., Ltd	Also belon g to Anstel Group	Sellin g goods / provid ing servic es	Provi de suppo rtive servic es	Marke t value	Relate d- Party Agree ment Price	1.03	0.00%	9,967. 20	No	Accor ding to the agree ment	Yes	Dec 06, 2024	2024- 067
Benxi Iron	Same parent	Sellin g	Provi de	Marke t	Relate d-	13.21	0.00%	26.7	No	Accor ding	Yes	Dec 06,	2024- 067

and Steel (Group) Machinery Manufacturing Co., LTD	company	goods / providing services	supportive services	value	Party Agreement Price					to the agreement		2024	
Benxi Iron and Steel (Group) Construction Co., Ltd	Same parent company	Selling goods / providing services	Provide supportive services	Market value	Related-Party Agreement Price	0.03	0.00%	0.2	No	According to the agreement	Yes	Dec 06, 2024	2024-067
Benxi Iron and Steel (Group) Mining Co., LTD	Same parent company	Selling goods / providing services	Provide supportive services	Market value	Related-Party Agreement Price	348.21	0.01%	543.5	No	According to the agreement	Yes	Dec 06, 2024	2024-067
Benxi Iron and Steel (Group) Industrial Development Co., LTD	Same parent company	Selling goods / providing services	Provide supportive services	Market value	Related-Party Agreement Price	2.17	0.00%	4.6	No	According to the agreement	Yes	Dec 06, 2024	2024-067
Benxi Steel and Iron (Group) Co., Ltd.	Parent company	Selling goods / providing services	Provide supportive services	Market value	Related-Party Agreement Price	2.45	0.00%	5	No	According to the agreement	Yes	Dec 06, 2024	2024-067
Total						1,537,198.6	--	4,169,672.28	--	--	--	--	--
Details of large sales returns							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						
Reason for any significant difference between the transaction price and the market price for reference (if							Not applicable						

applicable)

2. Related transactions relevant to asset acquisition or sold☐ Applicable ☒ Not applicable

There was no related transaction relevant to asset acquisition or sold during the reporting period.

3. Related transactions relevant to joint investments☐ Applicable ☒ Not applicable

There was no related transaction relevant to joint investments during the reporting period.

4. Credits and liabilities with related parties☐ Applicable ☒ Not applicable

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

5. Deals with related financial companies and financial companies controlled by the company☒ Applicable ☐ Not applicable

Deposit business

Related party	Relationship	Maximum daily deposit limit (10 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 deposit amount of the current period (10 thousand)	
Angang Group Finance Co., Ltd.	Belong to Ansteel Group	450,000	0.65%–2.25%	122,719.88	4,631,120.89	4,730,055.78	23,784.99

Credit or other financial services

Related party	Relationship	Business type	Amount (10 thousand)	Actual amount (10 thousand)
Angang Group Finance Co., Ltd.	Belong to Ansteel Group	Other financial services	41,181.88	41,181.88

6. Transactions with related financial companies and related parties☐ Applicable ☒ Not applicable

There are no deposits, loans, credit facilities, or other financial transactions between the related finance company and related parties.

7. Other significant related party transactions☐ Applicable ☒ Not applicable

The company has no other material related party transactions during the reporting period.

XII. Significant Contracts and Their Performance**1. Trusteeship, contracting, and leasing matters****(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) Lease

☒ Applicable ☐ Not applicable

Details of lease

The Company as lessor:

Name of lessee	Type of leased assets	Lease income recognized in current period	Lease Income Recognized in Prior Period
Benxi Iron and Steel (Group) Equipment Engineering Co., LTD	Plant and auxiliary equipment		670,802.00
Benxi New Business Development Co., Ltd	Plant and auxiliary equipment	24,500.00	

The Company as the lessee:

Name of lessor	Type of leased assets	Current period					Previous period				
		Rental fees for short-term leases and low-value assets	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities assumed	Increase in right-of-use assets	Rental fees for short-term leases and low-value assets	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities assumed	Increase in right-of-use assets
Benxi Iron and Steel (Group) Co., LTD	Land use right 7,669,068.17 square meters, land use right 42,920.00 square meters			27,638,772.06	18,502,019.80				27,638,772.06	19,500,054.00	
Benxi Iron and Steel (Group) Co., LTD	2300 hot rolling mill production line, related real estate			8,049,080.52	3,348,358.04				8,049,080.52	3,870,344.34	
Benxi Beiyong Iron and Steel (Group) Co., LTD	1780 hot rolling mill production line, related property			7,175,818.86	2,578,717.23				7,175,818.86	2,980,721.70	
Ben Steel Group Co., Ltd	Land use right is 728,282.30 square meters			4,972,711.56	756,809.43				4,972,711.56	1,224,959.40	

Ansteel Group Energy Saving Technology Service Co., LTD	Machinery equipment			828,571.67	1,400,598.59				12,063,482.04	119,211.50	
Benxi Iron and Steel (Group) Construction Co., Ltd	Transportation equipment	3,470,033.34									

For the company's profit and loss of the company to more than 10% of the total profit of the reporting period

☐ Applicable ☒ Not applicable

During the reporting period of the company, there is no leasing project that the profit and loss of the company reaches more than 10% of the total profit of the company during the reporting period.

2. Major Guarantee

☐ Applicable ☒ Not applicable

There was no guarantee during the reporting period.

3. Entrusted Finance

☐ Applicable ☒ Not applicable

There was no entrusted finance during the reporting period.

4. Other Major Contracts

☐ Applicable ☒ Not applicable

There was no other major contract during the reporting period.

XIII. 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.

XIV. Major Events of Subsidiaries

☒ Applicable ☐ Not applicable

On March 28, 2025, the Company held the 34th meeting of its Ninth Board of Directors, which reviewed and approved the "Proposal on Jointly Investing with Related Parties to Establish a Subsidiary." The Company and its related party, Ansteel Green Gold Industry Development Co., Ltd., jointly invested RMB 60 million to establish Green Gold (Benxi) Renewable Resources Co., Ltd. (hereinafter referred to as the "Joint Venture"). Of this, the Company invested RMB 30.6 million with its own funds, holding 51% shares in the Joint Venture, while Green Gold Co. invested RMB 29.4 million with its own funds, holding 49% shares. Upon completion of this joint investment, the Joint Venture will be included in the Company's consolidated financial statements and become a holding subsidiary of the Company.

Industrial and commercial registration was completed on April 9, 2025. For details, please refer to the "Announcement on Jointly Investing with Related Parties to Establish a Subsidiary and Related-Party Transactions" (Announcement No.: 2025-011) and the "Announcement on Progress of Jointly Investing with Related Parties to Establish a Subsidiary and Completion of Industrial and Commercial Registration" (Announcement No.: 2025-025), both disclosed by the Company on designated information disclosure media.

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-own 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	4,108,228,157	100.00%				4,048	4,048	4,108,232,205	100.00%
1. Common shares in RMB	3,708,228,157	90.26%				4,048	4,048	3,708,232,205	90.26%
2. Foreign shares in domestic market	400,000,000	9.74%						400,000,000	9.74%
3. Foreign shares in overseas market									
4. Others									
III. Total shares	4,108,228,157	100.00%				4,048	4,048	4,108,232,205	100.00%

Reason for share capital changes

√Applicable □Not applicable

During the reporting period, 160 of the company's publicly issued convertible corporate bonds were converted into shares, and the company's total share capital increased by 4,048 shares.

Approval of share capital changes

□ Applicable √ Not applicable

Status of registration process of transferred shares

□ Applicable √ Not applicable

Progress of Share Repurchase

□ Applicable √ Not applicable

Implementation Progress of Reducing Holdings of Repurchase Shares by 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 asset 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. Total Number of shareholders and shareholding

Unit: Shares

Total number of common shareholders at the end of the reporting period	46,250			The total number of preferred shareholders voting rights restored at the end of the reporting period (if any)(See Notes 8)		0		
Shareholdings of the top 10 shareholders (excluding shares loaned 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	0.68%	28,000,000	-213,600	0	28,000,000	Not applicable	0
Zhang Wenyou	Domestic natural person	0.43%	17,862,365	-300,000	0	17,862,365	Not applicable	0
China Merchants Securities (HK) Co., Ltd.	Foreign legal person	0.39%	16,011,907	4,243,100	0	16,011,907	Not applicable	0
Wu Tie	Domestic natural person	0.33%	13,592,351	12,392,351	0	13,592,351	Not applicable	0
Lyu Ruijun	Domestic natural person	0.30%	12,289,200	277,760	0	12,289,200	Not applicable	0
Gao Tao	Domestic natural person	0.26%	10,800,000	-4,700,000	0	10,800,000	Not applicable	0
Ma Yonghua	Domestic natural person	0.24%	10,033,357	10,900	0	10,033,357	Not applicable	0
Hong Kong Securities Clearing Company Limited	Foreign legal person	0.24%	10,021,142	-860,248	0	10,021,142	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		Benxi Steel & Iron (Group) Co., Ltd. has a related relationship with Bengang Group Co., Ltd..						

concert’ among the top 10 shareholders.	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 11)	None		
Shareholding of top 10 unrestricted shareholders (excluding shares loaned through refinancing and shares locked up 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	28,000,000	Common shares in RMB	28,000,000
Zhang Wenyou	17,862,365	Common shares in RMB	17,862,365
China Merchants Securities (HK) Co Ltd.	16,011,907	Foreign shares in domestic exchange	16,011,907
Wu Tie	13,592,351	Common shares in RMB	13,592,351
Lyu Ruijun	12,289,200	Foreign shares in domestic exchange	12,289,200
Gao Tao	10,800,000	Foreign shares in domestic exchange	10,800,000
Ma Yonghua	10,033,357	Foreign shares in domestic exchange	10,033,357
Hong Kong Securities Clearing Company Limited	10,021,142	Common shares in RMB	10,021,142
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 Steel & Iron (Group) Co., Ltd. has a related relationship with Bengang 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 28,000,000 shares of the Company's stock through an investor credit securities account. Zhang Wenyou holds 5,998 shares of the Company's stock through an investor general account, 17,856,367 shares of the Company's stock through an investor credit securities account. Wu Tie holds 7,000,000 shares of the Company's stock through an investor general account and 6,592,351 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. Change of controlling shareholder or actual controller

☐ Applicable ☒ Not Applicable

There was no change in the shareholding status of the company's directors, supervisors and senior management during the reporting period. Please refer to the 2024 annual report for details.

V. Change of controlling shareholder or actual controller

Change of controlling shareholder during the reporting period

☐ Applicable ☒ Not applicable

There was no change of holding shareholder in the report period.

Change of actual controller during the reporting period

☐ Applicable ☒ Not applicable

There was no change of substantial controller in the report period.

VIII. Status of Preferred Shares

☐ Applicable ☒ Not applicable

There were 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

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. The company's 6.8 billion yuan convertible corporate bonds were listed and traded on the Shenzhen Stock Exchange on August 4, 2020. The bonds are referred to as "Bengang convertible bonds" and the bond code is "127018".

2. Guarantors and top ten holders of convertible bonds

Convertible Bond Name		Bengang Convertible Bonds			
Number of convertible bond holders at the end of the period		19,148			
Guarantor of our convertible bonds		Bengang Group Co., Ltd.			
Major changes in the guarantor's profitability, asset status, and credit standing		None			
The top ten holders of convertible bonds:					
No.	Convertible bond holders	Nature of convertible bond holders	Number of convertible bonds held at the end of the reporting period (sheets)	Amount of convertible bonds held at the end of the reporting period (yuan)	Percentage of convertible bonds held at the end of the reporting period
1	Soochow Securities Co., Ltd.	State-owned Legal Person	3,317,717	331,771,700.00	5.89%

2	China Merchants Bank Co., Ltd - Bosera CSI Convertible Bond & Exchangeable Bond Index ETF	Others	2,480,660	248,066,000.00	4.41%
3	E Fund Peace of Mind Fixed Income Pension Product – China Construction Bank Corporation	Others	2,444,591	244,459,100.00	4.34%
4	Pacific Securities Co.	State-owned Legal Person	2,421,336	242,133,600.00	4.30%
5	Industrial and Commercial Bank of China Limited - Bosera Credit Bond Fund	Others	1,900,011	190,001,100.00	3.37%
6	Ping An Stable-Growth Allocation Series 3 Fixed-Income Pension Product - Industrial and Commercial Bank of China Limited	Others	1,619,639	161,963,900.00	2.88%
7	Deji Capital Management Company - DK MS FPI (Cayman) Ltd. - QFII	Foreign Legal Person	1,612,803	161,280,300.00	2.86%
8	China Guangfa Bank Co., Ltd. – GS Funds Anji Pure bond half-yearly open bond-type initiated securities investment fund	Others	1,029,532	102,953,200.00	1.83%
9	China CITIC Group Corporation Enterprise Annuity Plan - China CITIC Bank Corporation Limited	Others	1,015,606	101,560,600.00	1.80%
10	Industrial and Commercial Bank of China Limited – Huashang Convertible Bond Securities Investment Fund	Others	836,179	83,617,900.00	1.48%

3. Changes in convertible bonds during the reporting period

√ Applicable □ Not applicable

Unit: Yuan

Convertible Corporate Bond Name	Before Change	Increase/Decrease			After Change
		Conversion	Redemption	Repurchase	
Bengang Convertible Bond	5,630,985,100.00	16,000.00			5,630,969,100.00

4. Cumulative share conversion

√ Applicable □ Not applicable

Name of Convertible Bond	Start date and end date of conversion	Total issue quantity (sheet)	Total issue amount (Yuan)	Cumulative conversion amount (Yuan)	Cumulative conversion quantity (shares)	Proportion of converted shares to the total issue quantity	Amount of shares not converted (Yuan)	Proportion of unconverted amount to the total issue amount
Bengang Convertible Bond	4th Jan 2021 – 28th Jun 2026	68,000,000	6,800,000,000.00	1,169,030,900.00	232,860,673	6.01%	5,630,969,100.00	82.81%

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	3.95
Bengang Convertible Bond	October 13, 2021	4.55	September 28, 2021	Implementation of 2021 Interim Equity Distribution Plan	3.95
Bengang Convertible Bond	June 16, 2022	3.95	June 8, 2022	Implementation of 2021 Equity Distribution Plan	3.95

6. The Company's Debt Status, Changes in Creditworthiness, and Cash Arrangements for Future Debt Repayment at the End of the Reporting Period

☒ Applicable ☐ Not applicable

As of the end of the first half of 2025, the Company's total assets amounted to RMB 45,758.0903 million, with an debt asset ratio of 75.57%. In accordance with the China Securities Regulatory Commission's "Administrative Measures for the Issuance of Securities by Listed Companies" and the Shenzhen Stock Exchange's Corporate Bond Listing Rules, the Company commissioned the credit rating agency China Chengxin International Credit Rating Co., Ltd. (hereinafter referred to as "China Chengxin") to conduct a follow-up credit rating for the Bengang Convertible Bonds. On June 3, 2025, China Chengxin issued the "2025 Follow-up Rating Report on Bengang Plates Co., Ltd.", maintaining the Company's corporate credit rating at AA+ with a stable outlook and the credit rating of the Bengang Convertible Bonds at AAA. During the reporting period, the Company's corporate credit rating and the credit rating of the corporate bonds remained unchanged. Bengang Convertible Bonds will pay interest on each full year starting from the first day of issuance (June 29, 2020). The company paid the fifth year's interest on June 30, 2025, at an interest rate of 3.80%. Future repayments of principal and interest on the Bengang Convertible Bonds will primarily come from net operating cash flow, bank loans, and market financing.

V. The loss in the scope of consolidated statements during the reporting period exceeded 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 of 2025 RMB -1,540,142,881.67	Operational loss	The parent company's net profit in the first half of 2025 was RMB -1,540,142,881.67, which exceeded the net assets of the audited consolidated balance sheet at the end of the previous year by 10%, affecting the increase in the consolidated net profit loss and the increase in the debt-to-asset ratio in this period.

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

Unit: ten thousand yuan

Item	30 June 2025	31 December 2024	Changes over ending balance of last year
Current ratio	0.40	0.52	-23.08%
Debt-to-asset ratio	75.57%	72.72%	2.85%
Quick ratio	0.13	0.18	-27.78%
	Current period	Previous period	Changes over previous period
Net profit after deducting non-recurring gains and losses	-145,037.98	-162,165.39	-10.56%
EBITDA total debt ratio	-1.14%	-1.74%	0.60%
Interest Coverage ratio	-4.42	-5.48	-19.34%
Cash Interest Coverage ratio	1.44	4.68	-69.23%
EBITDA Interest Coverage ratio	-1.04	-1.72	-39.53%
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 not audited.

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 2025
(Expressed in Renminbi unless otherwise indicated)

Assets	Notes 5	Jun 30, 2025	Dec 31, 2024
Current assets			
Cash at bank and on hand	(1)	2,119,971,644.73	2,453,888,470.48
Settlement provisions			
Capital lent			
Financial assets held for trading			
Derivative financial assets			
Notes receivable	(2)	420,783,021.23	607,279,481.42
Accounts receivable	(3)	933,243,164.81	501,484,081.73
Accounts receivable financing	(4)	5,552,656.65	64,399,942.70
Prepayments	(5)	821,032,065.29	391,823,135.87
Premium receivable			
Reinsurance accounts receivable			
Receivable deposit for reinsurance contract			
Other receivables	(6)	16,354,769.47	149,015,138.26
Redemptory financial assets for sale			
Inventories	(7)	7,049,937,599.37	7,333,084,694.27
Including: data assets			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets	(8)	360,129,648.55	437,081,260.66
Total current assets		11,727,004,570.10	11,938,056,205.39
Non-current assets			
Loan and advances issued			
Debt Investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	(9)	45,413,221.72	45,413,221.72
Other equity instrument investments	(10)	933,426,254.63	933,426,254.63
Other non-current financial assets			
Investment property			
Fixed assets	(11)	26,050,690,523.41	26,426,320,453.57
Construction in progress	(12)	4,537,520,033.00	3,934,442,501.50
Productive biological assets			
Oil and gas assets			
Right-of-use assets	(13)	1,646,483,647.30	1,685,925,710.14
Intangible assets	(14)	389,207,571.30	394,780,068.68
Including: data assets			
Development expenditure			
Including: data assets			
Goodwill			
Long-term deferred expenses			
Deferred tax assets	(15)	365,101,631.17	371,234,449.79
Other non-current assets	(16)	63,242,806.75	86,297,275.16
Total non-current assets		34,031,085,689.28	33,877,839,935.19
Total assets		45,758,090,259.38	45,815,896,140.58

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 2025
(Expressed in Renminbi unless otherwise indicated)

Liabilities and equities	Notes 5	Jun 30, 2025	Dec 31, 2024
Current Liabilities			
Short-term loans	(18)	771,932,029.09	371,055,490.50
Loan from central bank			
Loan from other banks			
Financial liability held for trading			
Derivative financial liabilities			
Notes payable	(19)	13,242,519,960.72	12,982,703,669.86
Accounts payable	(20)	2,946,268,814.64	2,761,759,439.36
Advance from customers	(21)	60,550.47	59,327.21
Contract liabilities	(22)	2,720,427,152.25	2,908,598,425.73
Financial assets sold for repurchase			
Deposits from customers and interbank			
Receipt from vicariously traded securities			
Receipt from vicariously underwriting securities			
Employee benefits payable	(23)	9,580,745.39	1,773,068.35
Current tax liabilities	(24)	41,995,727.81	54,070,097.83
Other payables	(25)	2,712,614,915.79	2,354,694,200.01
Handling charges and commission payable			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	(26)	6,235,647,286.25	1,030,502,916.66
Other current liabilities	(27)	302,028,180.11	328,981,058.74
Total current liabilities		28,983,075,362.52	22,794,197,694.25
Non-current liabilities			
Provision for insurance contract			
Long-term loans	(28)	3,544,759,075.31	2,891,941,462.40
Bonds payable	(29)		5,569,899,459.53
Including: Preferred stock			
Perpetual bond			
Lease liabilities	(30)	1,615,827,405.83	1,633,911,586.51
Long-term payables			
Long-term employee benefits payable			
Estimated liabilities			
Deferred income	(31)	189,505,772.22	173,919,087.47
Deferred tax liabilities	(15)	246,977,220.84	252,893,530.26
Other non-current liabilities			
Total non-current liabilities		5,597,069,474.20	10,522,565,126.17
Total liabilities		34,580,144,836.72	33,316,762,820.42
Shareholders' equity:			
Share capital	(32)	4,108,232,205.00	4,108,228,157.00
Other equity instruments	(33)	947,846,937.93	947,850,195.03
Including: Preferred stock			
Perpetual bond			
Capital reserves	(34)	13,225,644,002.21	13,225,632,166.95
Less: treasury shares			
Other comprehensive income	(35)	-93,407,196.62	-93,407,196.62
Special reserves	(36)	16,177,702.44	809,649.65
Surplus reserves	(37)	1,195,116,522.37	1,195,116,522.37
General risk reserve			
Undistributed profits	(38)	-8,896,289,413.80	-7,497,011,632.90
Total equity attributable to equity holders of the parent company		10,503,320,759.53	11,887,217,861.48
Non-controlling interests		674,624,663.13	611,915,458.68
Total shareholder's equity		11,177,945,422.66	12,499,133,320.16
Total of liabilities and owners' equity		45,758,090,259.38	45,815,896,140.58

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 2025
(Expressed in Renminbi unless otherwise indicated)

Assets	Notes 15	Jun 30, 2025	Dec 31, 2024
Current assets			
Cash at bank and on hand		1,999,026,895.77	1,928,597,252.93
Financial assets held for trading			
Derivative financial assets			
Notes receivable		761,406,501.25	879,167,997.23
Accounts receivable	(1)	1,089,580,929.62	899,413,301.62
Accounts receivable financing		25,550,265.17	67,033,501.52
Prepayments		1,384,148,744.17	552,668,067.77
Other receivables	(2)	77,724,911.85	399,809,663.60
Inventories		6,218,522,624.32	6,510,049,399.94
Including: data assets			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		322,005,140.86	401,232,007.64
Total current assets		11,877,966,013.01	11,637,971,192.25
Non-current assets			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	(3)	2,467,956,681.15	2,437,356,681.15
Other equity instrument investments		933,426,254.63	933,426,254.63
Other non-current financial assets			
Investment property			
Fixed assets		25,007,974,186.47	25,361,023,150.98
Construction in progress		4,370,303,939.29	3,813,480,844.57
Productive biological assets			
Oil and gas assets			
Right-of-use assets		1,646,483,647.30	1,685,925,710.14
Intangible assets		203,017,353.08	206,105,870.50
Including: data assets			
Development expenditure			
Including: data assets			
Goodwill			
Long-term deferred expenses			
Deferred tax assets		364,151,295.05	370,213,799.88
Other non-current assets		62,502,489.27	85,556,957.68
Total non-current assets		35,055,815,846.24	34,893,089,269.53
Total assets		46,933,781,859.25	46,531,060,461.78

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 2025
(Expressed in Renminbi unless otherwise indicated)

Liabilities and shareholders' equities	Notes 15	Jun 30, 2025	Dec 31, 2024
Current liabilities			
Short-term loans		731,668,054.66	371,055,490.50
Financial liability held for trading			
Derivative financial liabilities			
Notes payable		12,073,496,699.72	11,915,812,506.01
Accounts payable		3,349,716,181.85	2,881,087,998.48
Prepayments			
Contract liabilities		6,734,994,549.72	6,637,545,634.05
Employee benefits payable		7,691,011.20	354,432.32
Current tax liabilities		24,999,888.62	28,685,832.43
Other payables		2,778,965,167.50	2,206,387,975.74
Liabilities held for sale			
Non-current liabilities due within one year		6,235,647,286.25	1,030,502,916.66
Other current liabilities		41,700,590.54	61,868,166.75
Total current liabilities		31,978,879,430.06	25,133,300,952.94
Non-current liabilities			
Long term loans		3,544,759,075.31	2,891,941,462.40
Bonds payable			5,569,899,459.53
Including: Preferred stock			
Perpetual bond			
Lease liabilities		1,615,827,405.83	1,633,911,586.51
Long-term payables			
Long-term employee benefits payable			
Estimated liabilities			
Deferred income		179,963,278.22	154,871,615.47
Deferred tax liabilities		246,977,220.84	252,893,530.26
Other non-current liabilities			
Total non-current liabilities		5,587,526,980.20	10,503,517,654.17
Total liabilities		37,566,406,410.26	35,636,818,607.11
Shareholder's equity:			
Share capital		4,108,232,205.00	4,108,228,157.00
Other equity instruments		947,846,937.93	947,850,195.03
Including: Preferred stock			
Perpetual bond			
Capital reserves		12,825,154,189.28	12,825,142,354.02
Less: Treasury shares			
Other comprehensive income		-93,407,196.62	-93,407,196.62
Special reserves		13,273,126.64	9,276.81
Surplus reserves		1,195,116,522.37	1,195,116,522.37
Undistributed Profits		-9,628,840,335.61	-8,088,697,453.94
Total shareholder's equity		9,367,375,448.99	10,894,241,854.67
Total liabilities and shareholder's equity		46,933,781,859.25	46,531,060,461.78

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 Jan.-Jun. 2025
(Expressed in Renminbi unless otherwise indicated)

Items	Notes 5	Current period	Previous period
1. Total operating income		24,697,800,421.99	28,366,851,887.99
Including: Operating income	(39)	24,697,800,421.99	28,366,851,887.99
Interest income			
Premium earned			
Income from handling charges and commission			
2. Total operating cost		26,136,426,924.70	29,878,230,529.33
Including: Operating cost	(39)	25,441,217,248.92	29,168,175,176.89
Interest expense			
Expenditure for handling charges and commission			
Surrender value			
Net expenditure for compensation			
Net provision for insurance contract appropriated			
Bonus payment for policy			
Reinsurance premium			
Tax and surcharges	(40)	108,022,323.47	106,481,289.07
Selling and distribution expenses	(41)	61,464,166.53	71,977,059.91
General and administrative expenses	(42)	285,764,896.43	359,904,698.96
Research and development expenses	(43)	31,617,334.27	36,966,260.63
Financial expenses	(44)	208,340,955.08	134,726,043.87
Including: Interest expense		207,308,249.73	192,939,391.68
Interest income		17,521,734.29	20,070,259.17
Add: Other income	(45)	109,012,246.69	90,719,972.37
Income on investment ("-" for loss)	(46)	-17,631,847.31	-31,605,308.28
Including: Income from associates and joint ventures			
Income from derecognition of financial assets measured at amortized cost		-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)	(47)	-9,308,109.96	16,164,459.46
Asset impairment loss ("-" for loss)	(48)	36,671,170.60	-14,313,228.28
Assets disposal gains ("-" for loss)	(49)	3,008.85	10,002,955.91
3. Operational profit ("-" for loss)		-1,319,880,033.84	-1,440,409,790.16
Add: Non-operating income	(50)	9,723,769.21	8,981,750.82
Less: Non-operating expenses	(51)	36,523,366.11	27,657,844.36
4. Total profit ("-" for loss)		-1,346,679,630.74	-1,459,085,883.70
Less: Income tax expenses	(52)	19,976,028.30	37,458,939.66
5. Net profit ("-" for loss)		-1,366,655,659.04	-1,496,544,823.36
1. Classification by continuing operating			
1. Net profit from continuing operation ("-" for loss)		-1,366,655,659.04	-1,496,544,823.36
2. Net profit from discontinued operation ("-" for loss)			
2. Classification by ownership			
1. Net profit attributable to the owners of parent company ("-" for loss)		-1,399,277,780.90	-1,541,206,007.44
2. Net profit attributable to non-controlling shareholders ("-" for loss)		32,622,121.86	44,661,184.08
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 investments in other equity instruments			
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 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) Others			
Other comprehensive income attributable to non-controlling shareholders' equity after tax			
7. Total comprehensive income		-1,366,655,659.04	-1,496,544,823.36
Total comprehensive income attributable to the owner of the parent company		-1,399,277,780.90	-1,541,206,007.44
Total comprehensive income attributable to non-controlling shareholders		32,622,121.86	44,661,184.08
8. Earnings per share			
1) Basic earnings per share		-0.341	-0.375
2) Diluted earnings per share		-0.341	-0.375

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 Jan.-Jun. 2025
(Expressed in Renminbi unless otherwise indicated)

Items	Notes 15	Current period	Previous period
1. Total operating income	(4)	24,843,114,408.22	28,760,149,571.95
Less: Operating cost	(4)	25,744,208,800.42	29,834,240,304.59
Tax and surcharges		77,033,502.59	78,312,309.36
Selling and distribution expenses		93,709,728.93	72,861,508.21
General and administrative expenses		270,944,864.54	340,794,236.88
Research and development expenses		31,617,334.27	36,966,260.63
Financial expenses		209,002,624.36	151,347,791.22
Including: Interest expense		207,308,249.73	192,939,391.68
Interest income		15,302,608.67	16,562,599.74
Add: Other income		68,822,256.72	58,511,958.86
Income on investment ("-" for loss)	(5)	-17,359,947.52	-31,605,308.28
Including: Income from associates and joint ventures			
Income from derecognition of financial assets measured at amortized cost		-332,016.58	
Net exposure hedge income ("-" for loss)			
Gains from change of fair value ("-" for loss)			
Credit impairment loss ("-" for loss)		-20,985,096.52	13,580,897.44
Assets impairment loss ("-" for loss)		36,671,170.60	-14,313,228.28
Assets disposal gains ("-" for loss)		3,008.85	10,000,000.00
2. Operational profit ("-" for loss)		-1,516,251,054.76	-1,718,198,519.20
Add: Non-operating income		9,650,019.10	8,866,515.98
Less: Non-operating expenses		33,395,650.60	27,207,319.92
3. Total profit ("-" for loss)		-1,539,996,686.26	-1,736,539,323.14
Less: Income tax expenses		146,195.41	-11,902,943.63
4. Net profit ("-" for loss)		-1,540,142,881.67	-1,724,636,379.51
1. Net profit from continuing operation ("-" for loss)		-1,540,142,881.67	-1,724,636,379.51
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 investments in other equity instruments			
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		-1,540,142,881.67	-1,724,636,379.51
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 Jan.-Jun. 2025
(Expressed in Renminbi unless otherwise indicated)

Items	Notes 5	Current period	Previous period
1. Cash flow from operating activities			
Cash received from sale of goods or rendering of services		26,352,011,964.12	29,554,576,980.10
Net increase of customers' deposit and interbank deposit			
Net increase of loan from central bank			
Net increase of loans from other financial institutions			
Cash received for premium of original insurance contract			
Net cash received for reinsurance business			
Net increase of deposit and investment of the insured			
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			77,037,466.40
Other cash received relating to operating activities	(53)	122,173,179.14	79,435,504.79
Subtotal of cash inflows from operating activities		26,474,185,143.26	29,711,049,951.29
Cash paid for goods and services		24,803,326,040.01	27,157,976,303.18
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 increase in capital lent			
Cash for payment of interest, handling charge and commission			
Cash for payment of policy bonus			
Cash paid to and on behalf of employees		942,556,803.50	1,039,547,406.66
Cash paid for all types of taxes		197,929,978.91	259,409,968.23
Other cash paid relating to operating activities	(53)	158,742,556.80	173,300,582.82
Subtotal of cash outflows from operating activities		26,102,555,379.22	28,630,234,260.89
Net cash flows from operating activities		371,629,764.04	1,080,815,690.40
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	4,854.37
Net cash received from disposal of subsidiary and other operating units			
Other cash paid relating to investing activities			
Subtotal of cash inflows from investing activities		87,181,100.00	4,854.37
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		976,150,324.56	508,785,779.41
Cash paid for acquisition of investments		60,000,000.00	
Net increase of mortgage loan			
Net cash received from subsidiary and other operating unit			
Other cash paid relating to investing activities			
Subtotal of cash outflows from investing activities		1,036,150,324.56	508,785,779.41
Net cash flows from investing activities		-948,969,224.56	-508,780,925.04
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		1,251,997,823.71	1,095,000,000.00
Other proceeds relating to financing activities	(53)	1,815,330,484.81	1,841,743,458.53
Subtotal of cash inflows from financing activities		3,096,728,308.52	2,936,743,458.53
Cash repayments of borrowings		703,625,752.00	1,657,310,516.00
Cash payments for distribution of dividends, profit or interest expenses		337,785,953.76	213,951,632.57
Including: Cash paid to non-controlling shareholders as dividend and profit by subsidiaries		51,908,524.27	
Other cash payments relating to financing activities	(53)	1,961,851,891.13	1,677,434,508.77
Subtotal of cash outflows from financing activities		3,003,263,596.89	3,548,696,657.34
Net cash flows from financing activities		93,464,711.63	-611,953,198.81
4. Effect of foreign exchange rate changes on cash and cash equivalents		12,181,557.53	22,878,220.42
5. Net increase in cash and cash equivalents	(54)	-471,693,191.36	-17,040,213.03
Add: Cash and cash equivalents at the beginning of the period	(54)	1,590,205,218.91	1,199,685,408.38
6. Cash and cash equivalents at the ending of the period	(54)	1,118,512,027.55	1,182,645,195.35

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 Jan.-Jun. 2025
(Expressed in Renminbi unless otherwise indicated)

Items	Notes 15	Current period	Previous period
1. Cash flow from operating activities			
Cash received from sale of goods or rendering of services		25,486,623,895.09	29,388,810,509.14
Tax rebate received			73,839,161.75
Other cash received relating to operating activities		359,517,948.34	65,515,228.78
Subtotal of cash inflows from operating activities		25,846,141,843.43	29,528,164,899.67
Cash paid for goods and services		24,109,950,616.59	27,619,248,120.78
Cash paid to and on behalf of employees		869,629,604.70	957,610,316.32
Cash paid for all types of taxes		126,265,175.99	160,249,664.86
Other cash paid relating to operating activities		144,527,255.02	150,081,370.56
Subtotal of cash outflows from operating activities		25,250,372,652.30	28,887,189,472.52
Net cash flows from operating activities		595,769,191.13	640,975,427.15
2. Cash flows from investing activities			
Cash received from disposal of investments			
Cash received from return on investments		184,898,383.95	137,000,000.00
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 subsidiary and other operating units			
Other cash received relating to investing activities			
Subtotal of cash inflows from investing activities		272,079,483.95	137,000,000.00
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		972,611,679.66	508,204,963.64
Cash paid for acquisition of investments		90,600,000.00	
Net cash paid for acquisition of subsidiary and other operating unit			
Other cash paid relating to investing activities			
Subtotal of cash outflows paid for investing activities		1,063,211,679.66	508,204,963.64
Net cash flows from investing activities		-791,132,195.71	-371,204,963.64
3. Cash flows from financing activities			
Proceeds from investment			
Cash received from borrowings		1,251,997,823.71	1,095,000,000.00
Other cash received relating to financing activities		1,815,330,484.81	1,841,743,458.53
Subtotal of cash inflows from financing activities		3,067,328,308.52	2,936,743,458.53
Cash repayments of borrowings		703,625,752.00	1,657,310,516.00
Cash payments for distribution of dividends, profit or interest		285,877,429.49	213,951,632.57
Other cash payments relating to financing activities		1,961,851,891.13	1,677,434,508.77
Subtotal of cash outflows from financing activities		2,951,355,072.62	3,548,696,657.34
Net cash flows from financing activities		115,973,235.90	-611,953,198.81
4. Effect of foreign exchange rate changes on cash and cash equivalents		12,043,045.91	22,844,423.74
5. Net increase in cash and cash equivalents		-67,346,722.77	-319,338,311.56
Add: Cash and cash equivalents at the beginning of the period		1,064,914,001.36	1,074,502,887.78
6. Ending balance of cash and cash equivalents		997,567,278.59	755,164,576.22

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 Jan.-Jun. 2025
(Expressed in Renminbi unless otherwise indicated)

Items	Current period												
	Owner's equity attributable to parent company												
	Share capital	Preference shares	Perpetual bond	Others	Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserve	Undistributed profit	Subtotal	Non-controlling interest
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
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
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) Total comprehensive income											-1,399,277,780.90	-1,399,277,780.90	32,622,121.86
2) Capital increase and decrease by shareholders	4,048.00			-3,257.10	11,835.26							12,626.16	29,400,000.00
(1) Common share invested by shareholders													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	
(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
(1) Provision of special reserves								32,080,601.70				32,080,601.70	2,253,924.06
(2) Use of special reserves								16,712,548.91				16,712,548.91	1,566,841.47
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

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 Jan.-Jun. 2025
(Expressed in Renminbi unless otherwise indicated)

Items	Previous period												
	Owner's equity attributable to parent company												Non-controlling interest
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserve	Undistributed profit	Subtotal	
		Preference shares	Perpetual bond	Others									Total of owner's equity
1. Ending balance of last year	4,108,219,302.00			947,858,134.16	13,422,225,870.92		-50,371,341.88	163,055.04	1,195,116,522.37		-2,414,685,928.92	17,208,525,613.69	589,070,286.60
Add: Change of accounting policies													
Correction of errors for last period													
Business consolidation under common control													
Others													
2. Beginning balance of current year	4,108,219,302.00			947,858,134.16	13,422,225,870.92		-50,371,341.88	163,055.04	1,195,116,522.37		-2,414,685,928.92	17,208,525,613.69	589,070,286.60
3. Changes in current year ("+" for increase)	8,855.00			-7,939.13	-196,593,703.97		-43,035,854.74	646,594.61			-5,082,325,703.98	-5,321,307,752.21	22,845,172.08
1) Total comprehensive income							-43,035,854.74				-5,037,271,398.28	-5,080,307,253.02	77,153,981.02
2) Capital increase and decrease by shareholders	8,855.00			-7,939.13	-196,593,703.97							-196,592,788.10	-196,592,788.10
(1) Common share invested by shareholders													
(2) Capital input by the holder of other equity instruments	8,855.00			-7,939.13	25,840.89							26,756.76	26,756.76
(3) Share-based payment attributable to owners' equity													
(4) Others					-196,619,544.86							-196,619,544.86	-196,619,544.86
3) Profit distribution											-45,054,305.70	-45,054,305.70	-54,632,794.65
(1) Appropriation to surplus reserves													
(2) Appropriation to general risk reserve													
(3) Profit distribution to shareholders											-45,054,305.70	-45,054,305.70	-54,632,794.65
(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								646,594.61				646,594.61	323,985.71
(1) Provision of special reserves								72,180,947.90				72,180,947.90	5,182,353.19
(2) Use of special reserves								71,534,353.29				71,534,353.29	4,858,367.48
(6) Others													
4. Ending 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

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 Jan.-Jun. 2025
(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	Perpet ual 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
(3) 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.
STATEMENT OF CHANGES IN EQUITY (Continued)
For the period Jan.-Jun. 2025
(Expressed in Renminbi unless otherwise indicated)

Items	(Expressed in Renminbi unless otherwise indicated)										
	Previous period	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total shareholder's equity
		Share capital	Preferen ce shares	Perpetual bond							
1. Ending balance of last year	4,108,219,302.00			947,858,134.16	12,852,074,188.80		-50,371,341.88	3,681.16	1,195,116,522.37	-2,900,010,737.27	16,152,889,749.34
Add: Change of accounting policies											
Correction of errors for last period											
Others											
2. Beginning balance of current year	4,108,219,302.00			947,858,134.16	12,852,074,188.80		-50,371,341.88	3,681.16	1,195,116,522.37	-2,900,010,737.27	16,152,889,749.34
3. Changes in current year ("-" for decrease)	8,855.00			-7,939.13	-26,931,834.78		-43,035,854.74	5,595.65		-5,188,686,716.67	-5,258,647,894.67
1) Total comprehensive income							-43,035,854.74			-5,188,686,716.67	-5,231,722,571.41
2) Capital increase and decrease by shareholders	8,855.00			-7,939.13	-26,931,834.78						-26,930,918.91
(1) Common share invested by shareholders											
(2) Capital input by the holder of other equity instruments	8,855.00			-7,939.13	25,840.89						26,756.76
(3) Share-based payment attributable to shareholders' equity											
(4) Others					-26,957,675.67						-26,957,675.67
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								5,595.65			5,595.65
(1) Provision of special reserves								57,316,980.35			57,316,980.35
(2) Use of special reserves								57,311,384.70			57,311,384.70
(6) Others											
4. Ending 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

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. 2025

(Expressed in Renminbi unless otherwise indicated)

1. Basic Information of the Company

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.

According to the approval document “Zheng-Jian-Gong-Si-Zi [2006] No. 126” by China Securities Regulatory Commission on 30 June 2006, the Company was approved to place 2 billion Renminbi common shares particularly to Bengang Group and the proceeds would be used to purchase the related assets of the 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 Anshan Iron and Steel Group Co., Ltd. (hereinafter referred to as Ansteel Group) 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 Anshan Iron and Steel Group for free. After the completion of this free transfer, Ansteel Group became the controlling shareholder of Bengang Group, and Ansteel Group indirectly hold 81.07% of the total share capital of Bengang Steel Plates.

As at 30 June 2025, the capital shares were totaled to 4,108,221,073.00 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: Huang Zuowei.

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 2025.

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, (11) Inventory, (14) Fixed assets, (17) Intangible assets, (23) 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 consolidated and parent company’s financial position as of June 30, 2025, and the consolidated and parent company’s operation results and cash flows from January to June 2025, in accordance with China Accounting Standards for Business Enterprises promulgated by the Ministry of Finance.

(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.

The intermediary costs and relevant fees for the business combination paid by the acquirer, including the expenses for audit, assessment and legal services, shall be recorded into the profits and losses at the current period. The transaction expenses for the issuance of equity securities for the business combination shall be recorded into the initial recognition amount of equity securities. 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.

2. Disposing subsidiaries by multiple transactions

Where the Company loses control of a subsidiary in multiple transactions in which it disposes of its subsidiary in stages, in determining whether to account for the multiple transactions as a single transaction, the Company shall consider all of the terms and

conditions of the transactions and their economic effects. One or more of the following may indicate that the Company shall account for the multiple arrangements as a single transaction:

- (a) Arrangements are entered into at the same time or in contemplation of each other;
- (b) Arrangements work together to achieve an overall commercial effect;
- (c) The occurrence of one arrangement is dependent on the occurrence of at least one other arrangement; and
- (d) One arrangement considered on its own is not economically justified, but it is economically justified when considered together with other arrangements.

If each of the multiple transactions forms part of a bundled transaction which eventually results in loss of control of the subsidiary, these multiple transactions shall be accounted for as a single transaction. In the consolidated financial statements, the difference between the consideration received and the corresponding proportion of the subsidiary's net assets in each transaction prior to the loss of control shall be recognized in other comprehensive income and transferred to the profit or loss when the Company eventually loses control of the subsidiary.

If each of the multiple transactions which eventually results in loss of control of the subsidiary do not form part of a bundled transaction, apply the treatment of disposing partial long-term equity investments in a subsidiary without loss of control prior to the loss of control. After the loss of control, apply the treatment of disposing the subsidiary in common cases.

(3) Acquiring the subsidiaries' equity interest held by non-controlling shareholders

Where the Company has acquired a subsidiary's equity interest held by non-controlling shareholders, the difference between the increase in the cost of long-term investments as a result of acquisition of non-controlling interests and the share of net assets of the subsidiary calculated continuously from the acquisition date or the combination date based on the new shareholding proportion shall be adjusted to the capital reserve(capital premium or share premium) in the consolidated financial statements. If the balance of the capital reserve is not sufficient, any excess shall be adjusted against retained earnings.

(4) Disposing portion of equity investments in subsidiaries without losing control

When the Company disposes of a portion of the long-term equity investments in a subsidiary without loss of control, the difference between the amount of the consideration received and the corresponding portion of the net assets of the subsidiary calculated continuously from the acquisition date or the combination date related to the disposal of the long-term equity investments shall be adjusted to the capital reserve (capital premium or share premium) in

the consolidated financial statements. If the balance of the capital reserve is not sufficient, any excess shall be adjusted against retained earnings.

(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 (13) Long-term equity investments under “3. Significant accounting policies and accounting estimates”.

(8) Recognition of cash and cash equivalents

Cash refers to the cash on hand and the unrestricted deposit. Cash equivalents are investments held by the Company that are short-term, highly liquid, readily convertible into known amounts of cash and subject to insignificant risk of changes in value.

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

1. Foreign currency transaction

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 overseas 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.

The Company may, at initial recognition, designate a financial liability as measured at fair value through profit or loss because either:

- (a) it eliminates or significantly reduces an accounting mismatch;
- (b) a group of financial liabilities or financial assets and financial liabilities is managed and its

performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity's key management personnel;

- (c) the financial liability contains embedded derivatives that need to be separated.

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 recognized 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 amortized cost

Financial liabilities measured at amortized 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 recognized 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, 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 terminate 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) Inventory

1. Inventory classification

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 calculate 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 upon issuance.
- (2) Packing materials shall be expensed in full upon 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 products, 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.

(12) 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"

(13) 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.

(14) 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

4. 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 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.

(15) 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.

(16) 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.

(17) 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	Criteria
Land use right	50 years	Land use right certificate
Software	10 years	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.

(18) 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.

(19) 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.

The long-term deferred expense shall be amortized over its beneficiary period evenly.

(20) 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.

(21) Employee benefits

1. Accounting treatment for short employee benefit

The Company shall recognize, 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

None

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.

(22) 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.

The best estimate shall be conducted in accordance with the following situations, respectively: If there is a continuous range for the necessary expenses and if all the outcomes within this range are equally likely to occur, the best estimate shall be determined in accordance with the average estimate within the range, that is, the average of the upper and lower limit.

If there is not a sequent range for the necessary expenses and if the outcomes within this range are not equally likely to occur, the best estimate shall be determined as follows:

- (1) If the Contingencies concern a single item, it shall be determined in the light of the most likely outcome.
- (2) If the Contingencies concern two or more items, the best estimate shall be calculated and determined in accordance with all possible outcomes and the relevant probabilities.

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.

(23) 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 reasonably 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 recognise 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.

(24) 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 recognize 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 recognized as expenses.

The company shall recognize in profit or loss a reversal of some or all of an impairment loss previously recognized 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 recognized previously.

(25) 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.

The standard of the Company recognizing the government subsidies related to assets is: an entity qualifying for them should purchase, construct or otherwise acquire long-term assets.

The standard of the Company recognizing the government subsidies related to income is: In addition to government subsidies related to assets, government subsidies that have been clearly targeted for subsidies.

2. Recognition

Government grants 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 caring 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.

(26) 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 tax assets and deferred tax liabilities are calculated based on the difference between the tax bases of assets and liabilities and their carrying amounts (temporary differences).

Income tax includes current income tax and deferred income tax. Except for income tax arising from business mergers and transactions or events that are directly included in owner's equity (including other comprehensive income), the company will include current income tax and deferred income tax in current profit and 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.

On 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.

On 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.

(27) 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. (18) 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:

- Fixed payment (including in-substance fixed payment), less any lease incentives receivable;
- Variable lease payments that depend on an index or a ratio;
- Amounts expected to be payable by the lease under residual value guarantees;
- The exercise price of the purchase option if the lease is reasonably certain to exercise that option;
- 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;
- 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-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. (23) 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 III. (27) 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.

(28) 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 cost of inventories includes the fair value of waived claims and other costs directly attributable to the asset incurred in bringing the

asset to its present location and condition, such as taxes, transportation, handling charges, insurance, etc. The cost of an investment in an associate or joint venture includes the fair value of waived claims and other costs such as taxes directly attributable to the asset. The cost of investment property includes the fair value of claims relinquished and other costs such as taxes directly attributable to the asset. The cost of fixed assets includes the fair value of waived claims and other costs directly attributable to the asset incurred before the asset is ready for its intended use, such as taxes, transportation costs, handling charges, installation costs, professional service fees, etc. The cost of biological assets includes the fair value of waived claims and other costs directly attributable to the asset, such as taxes, transportation costs, insurance premiums, etc. The cost of an intangible asset includes the fair value of claims waived and other costs, such as taxes, that are directly attributable to bringing the asset to its intended use. If a debt restructuring by converting debt into equity instruments results in the creditor converting its claims into equity investments in associates or joint ventures, the Company measures its initial investment cost at the fair value of the claims waived and other costs such as taxes directly attributable to the asset. The difference between the fair value and the book value of the waived claims is included in the current profit and loss. If the debt restructuring is carried out by modifying other terms, the Company shall recognize and measure the restructured claims in accordance with "III. (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 III. (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 “III. (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.

(29) 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 fluctuation, 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 (11) 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 (18) 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 (14) Fixed Assets and note 3 (17) 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.

(30) Methods for determining materiality standards and basis for selection

Items	Materiality Standards
Material Accounts receivable	The company considers accounts receivable exceeding RMB 5 million as material accounts receivable.
Material Accounts payable	The company considers accounts payable exceeding RMB 5 million as material accounts payable.
Material Other payables	The company considers other payables exceeding RMB 5 million as material other payables.
Material Construction in progress	The company considers the top 10 projects transferred to fixed assets during the current period or the top 10 projects with a balance at the end of the period and a total amount exceeding RMB 50 million as material construction in progress.
Material Joint ventures and associates	The company considers investments in joint ventures or associated enterprises with an ending balance of more than RMB 100 million as material joint ventures or associated enterprises.
Material Subsidiaries	Subsidiaries whose total assets/total revenue/total profit exceed 15% of the group's total assets/total revenue/total profit are considered as material subsidiaries.

(31) Change of significant accounting policy and accounting estimate

1. Change of major accounting policy during this reporting period

There is no change of major accounting policy during the reporting period.

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 output tax is calculated based on the sales of goods and taxable services calculated in accordance with the tax law. After deducting the input tax that is allowed to be deducted in the current period, the difference is the value-added tax payable.	6%, 9%, 13%
City maintenance and construction tax	Based on VAT and business tax actually paid	5%, 7%
Corporate 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
Changchun Bengang Steel & Iron Sales 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
Northern Hengda Logistics Co., Ltd.	25
Green Gold (Benxi) Renewable Resources Co., Ltd.	25

(2) Tax Preference

1. The company has obtained a High-Tech Enterprise Certificate, certificate number: GR202421001555, valid from November 27, 2024 to November 27, 2027. The company is subject to a reduced corporate income tax rate of 15%.
2. Bengang 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 took 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) was 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 September 3, 2023, the Ministry of Finance and the State Administration of Taxation issued the "Announcement on the VAT Additional 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, this announcement allows advanced manufacturing enterprises to deduct the payable VAT by adding 5% to the current deductible input tax. Bengang Posco Cold-Rolled Sheet Co., Ltd., a subsidiary of the Company, belongs to the advanced manufacturing industry and enjoys the VAT additional deduction policy.

5. Notes to the consolidated financial statements

(1) Cash at bank and on hand

Items	2025/06/30	2024/12/31
Cash on hand		
Digital Currency		
Cash at bank	880,662,131.03	363,006,448.43
Other monetary funds	1,001,459,617.18	863,683,251.57
Funds placed in a finance company account	237,849,896.52	1,227,198,770.48
Total	2,119,971,644.73	2,453,888,470.48
Including: Total amount deposited abroad		
Funds deposited overseas with restrictions on repatriation		

Notes: As at 30 June 2025, bank acceptance deposit of RMB 1,001,459,617.18 was not recognized as cash and cash equivalents in the cash flow statement.

(2) Notes receivable

1. Notes receivable disclosed by category

Items	2025/06/30	2024/12/31
Bank acceptance bill	114,107,007.89	241,529,481.42
Commercial acceptance bill	306,676,013.34	365,750,000.00
Total	420,783,021.23	607,279,481.42

2. Notes receivable disclosed by bad debt accrual method

Items	2025/06/30					2024/12/31				
	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	420,783,021.23	100.00			420,783,021.23	607,279,481.42	100.00			607,279,481.42
Total	420,783,021.23	100.00			420,783,021.23	607,279,481.42	100.00			607,279,481.42

Provision for bad debts based on portfolio of credit risk characteristics

Portfolio items:

Items	2025/06/30		
	Notes receivable	Provision for bad debts	Bad debts ratio (%)
Commercial acceptance bill	306,676,013.34		
Bank acceptance bill	114,107,007.89		
Total	420,783,021.23		

3. The pledged acceptance bill

Items	Notes receivable pledged at the end of period
Bank acceptance bill	67,041,187.99
Commercial acceptance bill	
Total	67,041,187.99

4. The amount of notes receivable endorsed over or discounted but not yet matured

Items	Amount terminated at the end of the period	Amount was not terminated at the end of the period
Bank acceptance bill	4,517,795,874.04	5,065,819.90
Commercial acceptance bill		306,676,013.34
Total	4,517,795,874.04	311,741,833.24

(3) Accounts receivable

1. Accounts receivable disclosed by aging

Items	2025/06/30	2024/12/31
Within 1 year (inclusive)	930,029,176.10	478,210,867.53
1-2 years (inclusive)	9,502,894.65	5,786,445.58
2-3 years (inclusive)	4,952,094.14	28,559,402.34
3-4 years (inclusive)	28,559,318.54	557,413.41
4-5 years (inclusive)	556,497.21	5,592,931.88
over 5 years	374,102,284.68	379,435,859.17

Items	2025/06/30	2024/12/31
Subtotal	1,347,702,265.32	898,142,919.91
Less: Provision for bad debts	414,459,100.51	396,658,838.18
Total	933,243,164.81	501,484,081.73

2. Accounts receivable disclosed by the bad debt accrual method

Items	2025/06/30					2024/12/31				
	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	324,142,239.74	24.05	324,142,239.74	100.00		334,963,124.35	37.30	334,963,124.35	100.00	
Tested for impairment by portfolio	1,023,560,025.58	75.95	90,316,860.77	8.82	933,243,164.81	563,179,795.56	62.70	61,695,713.83	10.95	501,484,081.73
Include:										
Aging portfolio	1,023,560,025.58	75.95	90,316,860.77	8.82	933,243,164.81	563,179,795.56	62.70	61,695,713.83	10.95	501,484,081.73
Risk-free portfolio										

Items	2025/06/30					2024/12/31				
	Gross carrying amount		Provision for bad debts		Book value	Gross carrying amount		Provision for bad debts		Book value
	Amount	Percentage	Amount	Bad		Amount	Percentage	Amount	Percentage	
		(%)		debts ratio (%)			(%)		(%)	
Total	1,347,702,265.32	100.00	414,459,100.51		933,243,164.81	898,142,919.91	100.00	396,658,838.18		501,484,081.73

Significant accounts receivables tested for impairment individually:

Company	2025/06/30				2024/12/31	
	Carrying amount	Provision for bad debts	Bad debt 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
Brilliance Automotive Group Holdings Co., Ltd.	275,945,995.06	275,945,995.06	100.00	Bankruptcy	286,766,879.67	286,766,879.67
Total	324,142,239.74	324,142,239.74			334,963,124.35	334,963,124.35

Provision for bad debts based on portfolio of credit risk characteristics

Provision for bad debts by portfolio: Aging analysis

Items	2025/06/30		
	Account Receivable	Provision for bad debts	Bad debt ratio (%)
Within 1 year (inclusive)	930,029,176.10	9,300,291.79	1.00
1-2 years (inclusive)	9,502,894.65	950,289.47	10.00
2-3 years (inclusive)	4,952,094.14	990,418.82	20.00
3-4 years (inclusive)	28,559,318.54	28,559,318.54	100.00
4-5 years (inclusive)	556,497.21	556,497.21	100.00
over 5 years	49,960,044.94	49,960,044.94	100.00
Total	1,023,560,025.58	90,316,860.77	

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

Items	2024/12/31	Changes during the current period				2025/06/30
		Accrued	Reversed or recovered	Write-off or Write-back	Other changes	
Provision for bad debts	396,658,838.18	28,621,146.94	10,820,884.61			414,459,100.51
Total	396,658,838.18	28,621,146.94	10,820,884.61			414,459,100.51

Significant amount of bad debt provision recovered or reversed during the period:

Company	Reversed or recovered amount	Reason	Recovered method	Basis for determining the original bad debt provision and its reasonableness
Brilliance Automotive Group Holdings Co., Ltd.	10,820,884.61	Repayment	Bank deposit	Debt restructuring agreements
Total	10,820,884.61			

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

Company	Accounts receivable at period end	Contract assets at period end	Total	Percentage(%) to Total amount	Provision for bad debts
Angang Group International Economic & Trade Co., Ltd. Benxi Branch	579,141,895.93		579,141,895.93	42.97	5,791,418.96
Brilliance Automotive Group Holdings Limited	275,945,995.06		275,945,995.06	20.48	275,945,995.06

Company	Accounts receivable at period end	Contract assets at period end	Total	Percentage(%) to Total amount	Provision for bad debts
Benxi Beiyang Iron and Steel (Group) Co., Ltd.	65,344,301.60		65,344,301.60	4.85	653,443.02
Liaoning North Coal Chemical Industry (Group) Co., Ltd.	56,241,715.67		56,241,715.67	4.17	5,241,185.70
Bengang Refractories Co., Ltd.	48,439,238.13		48,439,238.13	3.59	27,525,071.75
Total	1,025,113,146.39		1,025,113,146.39	76.06	315,157,114.49

(4) Accounts receivable financing

1. Accounts receivable financing by category

Items	2025/06/30	2024/12/31
Notes Receivable	5,552,656.65	64,399,942.70
Accounts Receivable		
Total	5,552,656.65	64,399,942.70

(5) Prepayments**1. Prepayments disclosed by aging**

Aging	2025/06/30		2024/12/31	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year (inclusive)	758,650,468.46	92.40	370,426,337.83	94.54
1-2 years (inclusive)	51,733,521.39	6.30	8,643,434.04	2.21
2-3 years (inclusive)	7,616,027.07	0.93	10,372,837.63	2.65
Over 3 years	3,032,048.37	0.37	2,380,526.37	0.61
Total	821,032,065.29	100.00	391,823,135.87	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	Ending balance	Percentage (%)
Angang Group International Economic & Trade Co., Ltd. Benxi Branch	386,757,348.18	47.11
China Railway Shenyang Bureau Group Co., Ltd. Shenyang Railway Logistics Center	64,189,262.35	7.82
Shanxi Coking Coal Energy Group Co., Ltd.	62,812,041.38	7.65
Hangzhou Hangyang Air Separation Spare Parts Co., Ltd.	56,204,279.00	6.85
State Grid Liaoning Electric Power Co., Ltd. Benxi Power Supply Company	50,000,000.00	6.09
Total	619,962,930.91	75.52

(6) Other receivables

Items	2025/06/30	2024/12/31
Interest receivables		
Dividend receivables		

Items	2025/06/30	2024/12/31
Other receivables	16,354,769.47	149,015,138.26
Total	16,354,769.47	149,015,138.26

1. Other receivables

(1) Other receivables disclosed by aging

Items	2025/06/30	2024/12/31
Within 1 year (inclusive)	2,389,539.78	58,452,918.98
1-2 years (inclusive)	2,612,106.55	91,693,078.45
2-3 years (inclusive)	16,979,176.66	13,520,953.62
3-4 years (inclusive)	784,068.83	3,962,574.01
4-5 years (inclusive)	3,717,335.08	842,882.51
over 5 years	52,979,511.11	52,141,851.60
Subtotal	79,461,738.01	220,614,259.17
Less: Provision for bad debts	63,106,968.54	71,599,120.91
Total	16,354,769.47	149,015,138.26

(2) Disclosed by bad debt accrual method

Items	2025/06/30					2024/12/31				
	Carrying amount		Provision for bad debts		Book value	Carrying amount		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Bad debt ratio (%)		Amount	Percentage (%)	Amount	Bad debt ratio (%)	
Provision for bad debts individually	18,192,317.00	22.89	18,192,317.00	100.00		18,192,317.00	8.25	18,192,317.00	100.00	
Provision for bad debts based on portfolio of credit risk characteristic	61,269,421.01	77.11	44,914,651.54	73.31	16,354,769.47	202,421,942.17	91.75	53,406,803.91	26.38	149,015,138.26
Include:										
Aging portfolio	60,872,327.09	76.61	44,914,651.54	73.79	15,957,675.55	202,194,971.97	91.65	53,406,803.91	26.41	148,788,168.06
Risk-free portfolio	397,093.92	0.50			397,093.92	226,970.20	0.10			226,970.20
Total	79,461,738.01	100.00	63,106,968.54		16,354,769.47	220,614,259.17	100.00	71,599,120.91		149,015,138.26

Significant other receivables tested for impairment individually:

Company	2025/06/30				2024/12/31	
	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	100.00	Discontinued	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	2025/06/30		
	Amount	Provision for bad debts	Percentage (%)
Within 1 year (inclusive)	2,025,134.70	20,251.35	1.00
1-2 year (inclusive)	2,579,417.71	257,941.77	10.00
2-3 year (inclusive)	14,539,145.32	2,907,829.06	20.00
3-4 year (inclusive)	784,068.83	784,068.83	100.00
4-5 year (inclusive)	3,072,337.08	3,072,337.08	100.00
Aver 5 years	37,872,223.45	37,872,223.45	100.00
Total	60,872,327.09	44,914,651.54	

(3) Information of provision for bad debts

Provision for bad debts	Stage one	Stage two	Stage three	Total
	12-month expected credit losses	lifetime expected credit losses (credit impairment has not occurred)	lifetime expected credit losses (credit impairment has already occurred)	
Balance at the end of the previous year	582,286.02	11,629,495.43	59,387,339.46	71,599,120.91
Beginning balance during current period				
--Transfer to the second stage	-515,883.54	515,883.54		
--Transfer to the third stage		-784,068.83	784,068.83	
--Write-back to the second stage				
--Write-back to the first stage				
Accrual for the current period	-46,151.13	-8,195,539.31	-250,461.93	-8,492,152.37
Reversal during the current period				
Write-back of the current period				
Write-off during the current period				
Other changes				
Ending balance	20,251.35	3,165,770.83	59,920,946.36	63,106,968.54

(4) Information of provision, reversal or recovery of bad debts of current period

Items	2024/12/31	Changes during the current period				2025/06/30
		Accrual	Reversal or recovered	Write-back or write-off	Others	
Bad debt provision for other receivables	71,599,120.91	-8,492,152.37				63,106,968.54
Total	71,599,120.91	-8,492,152.37				63,106,968.54

(5) Other receivables disclosed by nature

Nature	2025/06/30	2024/12/31
Compensation for the “Living Show Belt” project		87,177,700.00
Current Account	76,304,976.38	130,478,649.66
Others	3,156,761.63	2,957,909.51
Total	79,461,738.01	220,614,259.17

(6) 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 2025/06/30
Benxi Iron and Steel (Group) No. 3 Architectural Engineering Co., Ltd.	Current Account	12,504,978.59	4-5 years, over 5 years	15.74	12,504,978.59
Benxi Iron and Steel (Group) No. 1 Architectural Engineering Co., Ltd.	Current Account	3,247,307.07	over 5 years	4.09	3,247,307.07
Benxi Iron & Steel (Group) Co., Ltd..	Current Account	2,674,500.00	1-2 years, 2-3 years	3.37	413,000.00
Liaoning Huawei Coal Preparation Co., Ltd.	Current Account	2,261,360.00	over 5 years	2.85	2,261,360.00
Benxi Ganglian Slag Co., Ltd.	Current Account	1,916,960.24	3-4 years, 4-5 years, over 5 years	2.41	1,916,960.24
Total		22,605,105.90		28.46	20,343,605.90

(7) Inventories**1. Inventories disclosed by category**

Items	2025/06/30			2024/12/31		
	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	4,273,091,213.39	210,474,517.51	4,062,616,695.88	4,300,063,154.21	247,221,306.73	4,052,841,847.48
Work in progress	1,887,888,280.15	39,066,684.19	1,848,821,595.96	2,001,147,780.74	26,685,410.19	1,974,462,370.55
Finished goods	1,157,759,803.34	19,260,495.81	1,138,499,307.53	1,337,346,627.43	31,566,151.19	1,305,780,476.24
Total	7,318,739,296.88	268,801,697.51	7,049,937,599.37	7,638,557,562.38	305,472,868.11	7,333,084,694.27

2. Impairment of inventory and contract fulfillment cost

Category	2024/12/31	Increase		Decrease		2025/06/30
		Provision	Others	Write-back or write-off	Others	
Raw material	247,221,306.73	-36,746,789.22				210,474,517.51

Category	2024/12/31	Increase		Decrease		2025/06/30
		Provision	Others	Write-back write-off	or Others	
Work in progress	26,685,410.19	12,381,274.00				39,066,684.19
Finished goods	31,566,151.19	-12,305,655.38				19,260,495.81
Total	305,472,868.11	-36,671,170.60				268,801,697.51

(8) Other current assets

Items	2025/06/30	2024/12/31
VAT input tax	278,714,164.92	401,503,924.78
Others	81,415,483.63	35,577,335.88
Total	360,129,648.55	437,081,260.66

(9) Long-term equity investment

1. Long-term equity investment

Investees	2024/12/31	Impairment provision as of 2024/12/31	Increase/decrease								2025/06/30	Impairment provision as of 2025/06/30
			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	Others		
1. Joint Venture												
Subtotal												
2. Associated Enterprise	45,413,221.72										45,413,221.72	
Shenyang Xiangyu New Material	45,413,221.72										45,413,221.72	

			Increase/decrease									
			Impairment provision as of 2024/12/31	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		
Investees	2024/12/31										2025/06/30	Impairment provision as of 2025/06/30
Technology Co., Ltd.												
Subtotal	45,413,221.72										45,413,221.72	
Total	45,413,221.72										45,413,221.72	

(10) Other equity instrument investment**1. The information of other equity instrument investment**

Items	2025/06/30	2024/12/31	Gains recognized in other comprehensive income	Losses recognized in other comprehensive income	Accumulated gains in other comprehensive income	Accumulated losses in other comprehensive income	Dividend income	Reasons for designation as at fair value through other comprehensive income
Suzhou Longben Metal Materials Co. Ltd.	3,940,544.25	3,940,544.25			51,564.25			
Northeast Special Steel Group Co., Ltd.	929,485,710.38	929,485,710.38				108,250,138.62		
Sinosteel Shanghai Steel Processing Co., Ltd.						14,414,693.00		
Total	933,426,254.63	933,426,254.63			51,564.25	122,664,831.62		

(11) Fixed assets**1. Fixed assets and Disposal of fixed assets**

Items	2025/06/30	2024/12/31
Fixed assets	26,050,690,523.41	26,426,320,453.57
Disposal of fixed assets		
Total	26,050,690,523.41	26,426,320,453.57

2. Details of fixed assets

Items	Buildings	Machinery	Transportation equipment and others	Furniture and office equipment	Total
1. Gross carrying amount					
(1) 31 December 2024	14,262,023,176.62	52,705,897,283.61	400,985,732.35	242,916,091.60	67,611,822,284.18
(2) Increase in current period	10,541,517.86	469,603,686.13	1,635,014.37	363,347.27	482,143,565.63
—Including: Purchase		1,958,197.73	475,557.53		2,433,755.26
—Transferred from construction in progress	10,541,517.86	467,645,488.40	1,159,456.84	363,347.27	479,709,810.37
—Increase in corporate mergers					
—Transferred from sale and leaseback					
—Others					
(3) Decrease in current period	37,774,604.42	203,597,429.13	11,443,407.48		252,815,441.03
—Including: Disposal or scrapped	37,774,604.42	203,597,429.13	11,443,407.48		252,815,441.03
— transfer to sale and leaseback					

Items	Buildings	Machinery	Transportation equipment and others	Furniture and office equipment	Total
—Others					
(4) 30 June 2025	14,234,790,090.06	52,971,903,540.61	391,177,339.24	243,279,438.87	67,841,150,408.78
2. Total accumulated depreciation					
(1) 31 December 2024	6,843,827,644.40	33,772,852,695.68	320,082,643.21	137,437,495.66	41,074,200,478.95
(2) Increase in current period	121,452,679.21	681,517,928.15	5,527,218.35	17,337,579.61	825,835,405.32
—Including: Provision	121,452,679.21	681,517,928.15	5,527,218.35	17,337,579.61	825,835,405.32
—Increase in corporate mergers					
—Others					
(3) Decrease in current period	24,679,246.15	181,068,815.01	10,928,111.56		216,676,172.72
—Including: Disposal or scrapped	24,679,246.15	181,068,815.01	10,928,111.56		216,676,172.72
— transfer to sale and leaseback					
—Others					
(4) 30 June 2025	6,940,601,077.46	34,273,301,808.82	314,681,750.00	154,775,075.27	41,683,359,711.55
3. Total impairment					
(1) 31 December 2024	83,249,691.92	28,051,659.74			111,301,351.66

Items	Buildings	Machinery	Transportation equipment and others	Furniture and office equipment	Total
(2) Increase in current period					
—Including: Provision					
—Other					
(3) Decrease in current period	833,674.57	3,367,503.27			4,201,177.84
—Including: Disposal or scrapped	833,674.57	3,367,503.27			4,201,177.84
(4) 30 June 2025	82,416,017.35	24,684,156.47			107,100,173.82
4. Net book value					
(1) 30 June 2025	7,211,772,995.25	18,673,917,575.32	76,495,589.24	88,504,363.60	26,050,690,523.41
(2) 31 December 2024	7,334,945,840.30	18,904,992,928.19	80,903,089.14	105,478,595.94	26,426,320,453.57

3. Temporarily idle Fixed assets

Items	Gross carrying amount	Accumulated depreciation	Impairment	Book value	Note
Buildings	112,751,517.87	68,351,097.47	41,943,853.74	2,456,566.66	
Machinery	3,034,473.01	2,434,878.60	75,666.43	523,927.98	
Total	115,785,990.88	70,785,976.07	42,019,520.17	2,980,494.64	

4. Fixed assets leased out by operating lease

Items	Amount as at 2025/06/30
Buildings	21,322,330.90
Machinery	493,275.96

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

Items	Book value	Reason
Buildings	2,293,774,311.90	In process

(12) Construction in progress**1. Construction in progress and Construction materials**

Items	2025/06/30			2024/12/31		
	Gross carrying amount	Total impairment	Book value	Gross carrying amount	Total impairment	Book value
Construction in progress	4,537,418,033.00		4,537,418,033.00	3,934,442,501.50		3,934,442,501.50
Project materials	102,000.00		102,000.00			
Total	4,537,520,033.00		4,537,520,033.00	3,934,442,501.50		3,934,442,501.50

2. Details of construction in progress

Items	2025/06/30			2024/12/31		
	Gross carrying amount	Total impairment	Book value	Gross carrying amount	Total impairment	Book value
Special Steel Electric Furnace Capacity Replacement Project	501,616,506.41		501,616,506.41	483,671,390.32		483,671,390.32
Desulphurization Waste Liquor Acid Making Project in Plates Iron Making Plant	82,436,988.98		82,436,988.98	79,335,324.68		79,335,324.68
CCPP Power Generation Project				40,983,279.77		40,983,279.77
Cold Rolling Transformation Project	527,591,479.48		527,591,479.48	492,919,655.40		492,919,655.40
Plate No.1 Dry Quenching System Boosting Modification and Unit No.34 New Construction	41,865,108.63		41,865,108.63	41,832,708.63		41,832,708.63
Environmental Protection Renovation of Plate Raw Material Plant	170,714,302.21		170,714,302.21	160,208,719.65		160,208,719.65

Items	2025/06/30			2024/12/31		
	Gross carrying amount	Total impairment	Book value	Gross carrying amount	Total impairment	Book value
Capacity Replacement Project of No. 5 Blast Furnace of Bensteel Ironmaking Plant (Energy-saving and Environmental Protection Renovation of No. 5 Blast Furnace of Ironmaking Plant)	59,158,434.85		59,158,434.85	55,645,429.58		55,645,429.58
Environmental Protection Renovation in No. 2 Coal Storage Field of Plates Raw Material Plant	129,712,436.30		129,712,436.30	119,656,230.22		119,656,230.22
Centralized Control Project before Ironmaking of Plates Iron Making Plant	95,347,372.59		95,347,372.59	80,258,847.34		80,258,847.34
1780 Production Line Upgrading	78,531,654.02		78,531,654.02	78,531,654.02		78,531,654.02

Items	2025/06/30			2024/12/31		
	Gross carrying amount	Total impairment	Book value	Gross carrying amount	Total impairment	Book value
Flue Gas Desulfurization and Denitrification Project of 4B and 5 Furnace Group in Bengang Plates and Iron Making General Plant	44,996,882.65		44,996,882.65	44,724,618.50		44,724,618.50
Plate Hot Rolling Mill 2300 Line Reheating Furnace Overhaul	40,082,001.71		40,082,001.71	15,500,355.74		15,500,355.74
Bengang Plate intelligent factory Project	70,802,016.40		70,802,016.40	53,198,819.53		53,198,819.53
Centralized Control Project before Ironmaking of Plates Iron Making Plant	118,866,661.12		118,866,661.12	107,816,471.12		107,816,471.12
Steam Drum to Electric Drum Conversion Project of the Plate Energy Management Center	101,052,630.63		101,052,630.63	48,987,269.15		48,987,269.15

Items	2025/06/30			2024/12/31		
	Gross carrying amount	Total impairment	Book value	Gross carrying amount	Total impairment	Book value
Retrofit of Dust Removal System in No.7 Blast Furnace Area at Ironmaking General Works	41,811,530.65		41,811,530.65	31,296,143.60		31,296,143.60
Environmental Treatment of Blast Furnace Ore Bins at Plate Ironmaking General Works	40,224,780.25		40,224,780.25	32,949,949.75		32,949,949.75
Retrofit of the Dust Removal System in the New No.1 Blast Furnace Area at the Ironmaking General Works	61,538,258.24		61,538,258.24	46,333,893.64		46,333,893.64
Renovation of the dust removal system in the No. 6 blast furnace area of the Iron and Steel Plant	85,659,983.64		85,659,983.64	64,377,725.64		64,377,725.64
Ultra-low emission transformation of the dust	68,764,255.19		68,764,255.19	68,740,566.29		68,740,566.29

Items	2025/06/30			2024/12/31		
	Gross carrying amount	Total impairment	Book value	Gross carrying amount	Total impairment	Book value
removal system in the original No.3 operation areas of the Iron and Steel Plant						
Fully Enclosed Belt Conveyor Gallery Project at Benxi Steel Plate Ironmaking General Works	41,066,754.90		41,066,754.90	34,238,770.60		34,238,770.60
Environmental Treatment of the First and Second Mixing Systems for Sinter Machine at Plate Ironmaking General Works	53,010,960.00		53,010,960.00	37,822,726.20		37,822,726.20
Environmental Protection Retrofit of the Second Sintering Stockyard at the Plate Ironmaking General Works	123,593,411.85		123,593,411.85	46,697,183.08		46,697,183.08

Items	2025/06/30			2024/12/31		
	Gross carrying amount	Total impairment	Book value	Gross carrying amount	Total impairment	Book value
Renovation of the Hot Blast Furnace and Heat Exchanger of the No.7 Blast Furnace in Plate Ironmaking Plant	18,011,658.51		18,011,658.51	120,538,633.05		120,538,633.05
Refractory Materials Retrofit for No.7 Blast Furnace at Plate Ironmaking General Works	42,452,368.58		42,452,368.58	30,936,881.22		30,936,881.22
Renovation of cooling equipment of No.7 blast furnace in Plate Ironmaking Plant	22,160,409.68		22,160,409.68	65,430,926.20		65,430,926.20
Power Grid Upgrade for the Plate Energy Center Supercritical Power Project	93,546,578.80		93,546,578.80			
Hazard Rectification of Taizi River Railway Bridge at	38,941,440.23		38,941,440.23	33,150,135.48		33,150,135.48

Items	2025/06/30			2024/12/31		
	Gross carrying amount	Total impairment	Book value	Gross carrying amount	Total impairment	Book value
Railway Transportation Company						
Special Steel Rolling Mill Renovation Project	66,788,087.90		66,788,087.90	59,562,329.18		59,562,329.18
Others	1,677,073,078.60		1,677,073,078.60	1,359,095,863.92		1,359,095,863.92
Total	4,537,418,033.00		4,537,418,033.00	3,934,442,501.50		3,934,442,501.50

3. Changes in important construction projects in the current period

Items	Budget	2024/12/31	Increase during current period	Transferred to fixed asset during current period	Other decrease during current period	2025/06/30	Project cumulative investment accounted for the proportion of the budget (%)	Project progresses (%)	Accumulated amount of interest capitalization	Including : Interest capitalization amount in current period	Interest capitalization rate in current period (%)	Sources of funds
Special Steel Electric Furnace Capacity Replacement Project	1,732,481,000.00	483,671,390.32	17,945,116.09			501,616,506.41	93.20	93.20	15,603,704.08	67,648,603.37	4.08	Fund raising
Cold Rolling Transformation Project	843,640,000.00	492,919,655.40	34,671,824.08			527,591,479.48	95.82	95.82	12,115,610.33	52,224,686.79	4.08	Loan from financial institute
Environmental Protection Renovation of Sheet Raw Material Plant	1,286,370,000.00	160,208,719.65	10,505,582.56			170,714,302.21	37.39	37.39	9,976,126.85	46,740,897.37	4.08	Loan from financial institute

Items	Budget	2024/12/31	Increase during current period	Transferred to fixed asset during current period	Other decrease during current period	2025/06/30	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
Environmental Protection and Intelligent Upgrading and Retrofit for Plate Material Yard – Environmental Protection Retrofit Project for No.2 Coal Storage Yard	310,000,000.00	119,656,230.22	10,056,206.08			129,712,436.30	96.76	96.76	5,027,425.08	14,120,324.33	4.08	Loan from financial institute
Plate energy centralized control project	119,730,000.00	80,258,847.34	15,088,525.25			95,347,372.59	79.64	79.64				Others
Centralized Control Project before Ironmaking of Plates Iron Making General Plant	162,000,000.00	107,816,471.12	11,050,190.00			118,866,661.12	73.37	73.37				Others

Items	Budget	2024/12/31	Increase during current period	Transferred to fixed asset during current period	Other decrease during current period	2025/06/30	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
Project of Converting Steam Drums to Electric Drums at the Plate Energy Management and Control Center	187,900,000.00	48,987,269.15	52,065,361.48			101,052,630.63	55.54	55.54				Others
Environmental Protection Retrofit of the Second Sintering Stockyard at the Plate Ironmaking General Works	199,880,000.00	46,697,183.08	76,896,228.77			123,593,411.85	61.83	61.83				Others
Renovation of the dust removal system in the No. 6 blast furnace area of	99,970,000.00	64,377,725.64	21,282,258.00			85,659,983.64	85.69	85.69				Others

Items	Budget	2024/12/31	Increase during current period	Transferred to fixed asset during current period	Other decrease during current period	2025/06/30	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
the Iron and Steel Plant												
Power Grid Upgrade for the Plate Energy Center Supercritical Power Project	264,470,000.00		93,546,578.80			93,546,578.80	35.37	35.37				Others
Total		1,604,593,491.92	343,107,871.11			1,947,701,363.03			42,722,866.34	180,734,511.86		

(13) Right of use assets**1. Right of use assets**

Items	Land	Buildings	Machinery	Total
1. Gross carrying amount				
(1) 31 December 2024	1,132,274,415.17	368,465,367.56	444,230,189.48	1,944,969,972.21
(2) Increase in current period				
—Addition				
—Others				
(3) Decrease in current period				
—Disposal or scrapping				
—Others				
(4) 30 June 2025	1,132,274,415.17	368,465,367.56	444,230,189.48	1,944,969,972.21
2. Total accumulated depreciation				
(1) 31 December 2024	159,616,944.92	81,881,192.96	17,546,124.19	259,044,262.07
(2) Increase in current period	19,952,118.12	10,235,149.14	9,254,795.58	39,442,062.84
—Provision	19,952,118.12	10,235,149.14	9,254,795.58	39,442,062.84
(3) Decrease in current period				
—Disposal or scrapping				
—Others				
(4) 30 June 2025	179,569,063.04	92,116,342.10	26,800,919.77	298,486,324.91
3. Total impairment				
(1) 31 December 2024				
(2) Increase in current period				
—provision				

Items	Land	Buildings	Machinery	Total
(3) Decrease in current period				
—Disposal or scrapping				
—Others				
(4) 30 June 2025				
4. Total net book value				
(1) 30 June 2025	952,705,352.13	276,349,025.46	417,429,269.71	1,646,483,647.30
(2) 31 December 2024	972,657,470.25	286,584,174.60	426,684,065.29	1,685,925,710.14

(14) Intangible assets**1. Details of intangible assets**

Items	Software	Land use right	Total
1. Total of original value			
(1) 31 December 2024	4,439,653.03	489,429,922.52	493,869,575.55
(2) Increase			
—Purchase			
—Internal R&D			
—Increase in Mergers			
—Others			
(3) Decrease			
—Disposal			
—Others			
(4) 30 June 2025	4,439,653.03	489,429,922.52	493,869,575.55
2. Total Accumulated Amortization			
(1) 31 December 2024	686,823.46	98,402,683.41	99,089,506.87
(2) Increase	591,383.33	4,981,114.05	5,572,497.38
—Provision	591,383.33	4,981,114.05	5,572,497.38
(3) Decrease			
—Disposal			
—Others			

Items	Software	Land use right	Total
(4) 30 June 2025	1,278,206.79	103,383,797.46	104,662,004.25
3. Total of Impairment			
(1) 31 December 2024			
(2) Increase			
—Provision			
(3) Decrease			
—Disposal			
—Others			
(4) 30 June 2025			
4. Net book value			
(1) 30 June 2025	3,161,446.24	386,046,125.06	389,207,571.30
(2) 31 December 2024	3,752,829.57	391,027,239.11	394,780,068.68

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

Items	Book value	Reason
Land use right	3,120,324.41	In process
Total	3,120,324.41	

(15) Deferred tax asset and deferred tax liability

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

Items	2025/06/30		2024/12/31	
	Deductible temporary differences	Deferred tax asset	Deductible temporary differences	Deferred tax asset
Deferred tax assets:				
Impairment	577,451,931.50	86,958,178.87	598,249,997.63	90,011,580.45
Changes in fair value of other financial assets recognized in other comprehensive income	122,664,831.62	18,399,724.74	122,664,831.62	18,399,724.74

Items	2025/06/30		2024/12/31	
	Deductible temporary differences	Deferred tax asset	Deductible temporary differences	Deferred tax asset
Lease liabilities	1,731,624,850.40	259,743,727.56	1,752,154,297.33	262,823,144.60
Total	2,431,741,613.52	365,101,631.17	2,473,069,126.58	371,234,449.79

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

Items	2025/06/30		2024/12/31	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Deferred tax liabilities:				
Changes in fair value of other financial assets recognized in other comprehensive income	31,158.29	4,673.74	31,158.29	4,673.74
Right-of-use assets	1,646,483,647.30	246,972,547.10	1,685,925,710.14	252,888,856.52
Total	1,646,514,805.59	246,977,220.84	1,685,956,868.43	252,893,530.26

3. Unrecognized deferred tax assets

Items	2025/06/30	2024/12/31
Deductible temporary differences	276,016,008.88	286,782,181.23
Deductible losses	11,135,387,057.05	9,484,867,801.78
Total	11,411,403,065.93	9,771,649,983.01

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

Year	30 June 2025	31 December 2024	Notes
Year 2025		9,940,190.02	
Year 2026	6,799,314.77	6,799,314.77	
Year 2027	8,117,351.82	8,117,351.82	
Year 2028			
Year 2029	221,316,382.16		
Year 2030			
Year 2031			
Year 2032	1,911,715,647.99	1,911,715,647.99	
Year 2033	2,367,541,315.76	2,367,541,315.76	
Year 2034	5,125,613,839.53	5,180,753,981.42	
Year 2035	1,494,283,205.02		
Total	11,135,387,057.05	9,484,867,801.78	

(16) Other non-current assets

Items	2025/06/30			2024/12/31		
	Gross carrying amount	Impairment	Book value	Gross carrying amount	Impairment	Book value
Prepayment for engineering equipment	63,242,806.75		63,242,806.75	86,297,275.16		86,297,275.16
Total	63,242,806.75		63,242,806.75	86,297,275.16		86,297,275.16

(17) Assets with restricted ownership or use rights

Items	2025/06/30				2024/12/31			
	Carrying amount	Book value	Type of restriction	Status	Carrying amount	Book value	Type of restriction	Status
Cash at bank and on hand	1,001,459,617.18	1,001,459,617.18	Margin for Notes receivable, Margin for letter of credit	Margin for Notes receivable, Margin for letter of credit	863,683,251.57	863,683,251.57	Margin for Notes receivable, Margin for letter of credit	Margin for Notes receivable, Margin for letter of credit
Notes receivable	67,041,187.99	67,041,187.99	Pledged	Pledged	165,968,800.17	165,968,800.17	Pledged	Pledged
Total	1,068,500,805.17	1,068,500,805.17			1,029,652,051.74	1,029,652,051.74		

(18) Short-term loans**1. Classification of short-term loans**

Items	2025/06/30	2024/12/31
Credit loans	570,000,000.00	370,000,000.00
Discounted unexpired bills	201,932,029.09	1,055,490.50
Total	771,932,029.09	371,055,490.50

(19) Notes payable

Items	2025/06/30	2024/12/31
Bank acceptance bill	10,612,143,986.30	10,412,029,417.45
Commercial acceptance bill	1,134,068,131.78	1,559,477,470.97
Letter of credit	1,496,307,842.64	1,011,196,781.44
Total	13,242,519,960.72	12,982,703,669.86

(20) Accounts payable**1. Accounts payable**

Items	2025/06/30	2024/12/31
Within 1 year (inclusive)	2,799,003,363.63	2,680,864,210.15
1-2 year (inclusive)	119,630,433.78	61,748,259.48
2-3 year (inclusive)	13,489,180.84	8,554,593.94
Over 3 years	14,145,836.39	10,592,375.79
Total	2,946,268,814.64	2,761,759,439.36

Note: No material accounts payable with ageing of over one year or overdue.

(21) Prepayments

Items	2025/06/30	2024/12/31
Within 1 year (inclusive)	60,550.47	611.60
1-2 year (inclusive)		58,715.61
2-3 year (inclusive)		
Over 3 years		

Items	2025/06/30	2024/12/31
Total	60,550.47	59,327.21

(22) Contract liabilities**1. Details of contract liabilities**

Items	2025/06/30	2024/12/31
Payment received in advance and labor costs	2,712,225,947.41	2,894,761,202.08
Others	8,201,204.84	13,837,223.65
Total	2,720,427,152.25	2,908,598,425.73

(23) Employee benefits payable**1. Employee benefits payable**

Items	2024/12/31	Increase	Decrease	2025/06/30
Short-term employee benefits	1,773,068.35	838,993,043.91	831,185,366.87	9,580,745.39
Post-employment benefits - defined contribution plans		117,412,488.73	117,412,488.73	
Termination benefits		9,178,565.95	9,178,565.95	
Other benefits due within one year				
Others				
Total	1,773,068.35	965,584,098.59	957,776,421.55	9,580,745.39

2. Short-term employee benefits

Items	2024/12/31	Increase	Decrease	2025/06/30
(1) Salary, bonus, allowance and subsidy		597,838,713.64	597,838,713.64	
(2) Employee welfare		77,970,134.07	77,970,134.07	
(3) Social Insurance		61,623,095.39	61,623,095.39	

Items	2024/12/31	Increase	Decrease	2025/06/30
Including: Medical insurance and maternity insurance		49,343,055.39	49,343,055.39	
Work injury insurance		9,991,880.00	9,991,880.00	
Others		2,288,160.00	2,288,160.00	
(4) Housing fund		73,504,046.00	73,504,046.00	
(5) Union funds and staff education fee	1,773,068.35	20,331,219.53	12,523,542.49	9,580,745.39
(6) Short-term compensated absences				
(7) Short-term profit - sharing scheme				
(8) Other short-term benefits		7,725,835.28	7,725,835.28	
Total	1,773,068.35	838,993,043.91	831,185,366.87	9,580,745.39

3. Defined contribution plans

Items	2024/12/31	Increase	Decrease	2025/06/30
Basic pension fund		94,092,330.06	94,092,330.06	
Unemployment insurance		2,940,640.96	2,940,640.96	
Annuity		20,379,517.71	20,379,517.71	
Total		117,412,488.73	117,412,488.73	

(24) Current tax liabilities

Items	2025/06/30	2024/12/31
Value-added tax	7,111,335.94	10,272,516.44
Resource Tax	2,479,178.56	750,000.00
Corporate income tax	9,620,928.92	16,029,179.78
City maintenance and construction tax	497,793.52	540,889.49
House property tax	7,576,279.53	7,370,656.33

Items	2025/06/30	2024/12/31
Land use right tax	1,144,608.49	1,088,809.99
Individual income tax	474,740.89	2,157,426.95
Educational surcharges (including local Educational surcharges)	355,566.80	386,769.92
Others	12,735,295.16	15,473,848.93
Total	41,995,727.81	54,070,097.83

(25) Other payables

Items	2025/06/30	2024/12/31
Interest payables		
Dividends payables	45,054,305.70	99,687,100.35
Other payables	2,667,560,610.09	2,255,007,099.66
Total	2,712,614,915.79	2,354,694,200.01

1. Dividends payables

Items	2025/06/30	2024/12/31
Bengang Group Co., Ltd.	45,054,305.70	45,054,305.70
Pohang Iron and Steel Co. Ltd (POSCO)		54,632,794.65
Total	45,054,305.70	99,687,100.35

2. Other payables**(1) Other payables disclosed by nature**

Items	2025/06/30	2024/12/31
Deposit	585,292.00	586,292.00
Margin	174,175,679.53	377,422,555.34
Current accounts	2,490,502,376.12	1,871,598,040.35
Others	2,297,262.44	5,400,211.97
Total	2,667,560,610.09	2,255,007,099.66

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

Items	2025/06/30	Reasons
MCC Jingcheng Engineering Technology Co., Ltd	9,677,280.00	The project is still in progress

(26) Non-current liabilities due within one year

Items	2025/06/30	2024/12/31
Long-term loans due within one year	501,112,572.40	805,270,731.20
Including: pledge loan		
Mortgage loan		
Guaranteed loan		
Credit loan	501,112,572.40	805,270,731.20
Bond payables due within one year	5,618,737,269.28	106,989,474.64
Other long-term payables due within one year	115,797,444.57	118,242,710.82
Total	6,235,647,286.25	1,030,502,916.66

(27) Other current liabilities

Items	2025/06/30	2024/12/31
Output tax to be transferred	302,028,180.11	328,981,058.74
Total	302,028,180.11	328,981,058.74

(28) Long-term loans

Items	2025/06/30	2024/12/31
Pledged loans		
Mortgage loan		
Guaranteed loans		
Credit loans	4,045,871,647.71	3,697,212,193.60
Subtotal	4,045,871,647.71	3,697,212,193.60
Less: due within one year	501,112,572.40	805,270,731.20

Items	2025/06/30	2024/12/31
Total	3,544,759,075.31	2,891,941,462.40

Notes: At the end of the period, interest rate of long-term loans ranges from 2.1%-3.28%.

(29) Bonds payable

1. Bonds payable disclosed by category

Items	2025/06/30	2024/12/31
Convertible Bond		5,569,899,459.53
Total		5,569,899,459.53

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

Items	Face value	Issue date	Bond duration	Issuance amount	Balance at the end of the previous year	Current issuance	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	5,676,888,934.17		106,998,050.00	48,853,809.75	213,987,524.64	16,000.00	5,618,737,269.28	No
Less: amount due within one year					106,989,474.64				106,989,474.64		5,618,737,269.28	No
Total					5,569,899,459.53		106,998,050.00	48,853,809.75	106,998,050.00	16,000.00		

3. 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. From January 1, 2025, to June 30, 2025, an aggregate of RMB16,000.00 of the convertible bonds were converted into 4,048.00 common stock. Among them:

In the first quarter of 2025, the Bengang Convertible Bonds were reduced by RMB 15,000.00 (150 bonds), resulting in a conversion quantity of 3,795.00 shares at a conversion price of RMB3.95 yuan per share; in the second quarter of 2025, the Bengang Convertible Bonds reduced by RMB 1,000.00 yuan (10 bonds), resulting in a conversion quantity of 253.00 shares at a conversion price of RMB3.95 yuan per share.

(30) Lease liabilities

Items	2025/06/30	2024/12/31
Lease payments	2,488,754,144.09	2,539,395,930.63
Less: Unrealized financing expenses	757,129,293.69	787,241,633.30
Reclassified to non-current liabilities within one year	115,797,444.57	118,242,710.82
Total	1,615,827,405.83	1,633,911,586.51

(31) Deferred income

Items	2024/12/31	Increase	Decrease	2025/06/30	Reason
Government subsidy	173,919,087.47	46,963,000.00	31,376,315.25	189,505,772.22	
Total	173,919,087.47	46,963,000.00	31,376,315.25	189,505,772.22	

The details of government subsidy projects are as follows:

Items	2024/12/31	Increase	Transfer to non-operating income	Transfer to other income	Offsetting cost or	Other changes	2025/06/30	Related to assets or income
Desulfurization and Denitrification Project of Coal-fired Boiler in High-	1,200,000.00			300,000.00			900,000.00	Assets
Advanced Treatment Project of Carbon Fiber Wastewater in Dongfeng Plant Area	1,900,000.00			950,000.00			950,000.00	Assets
Second Sintering Finishing Dust Removal Ultra-low Emission	410,000.00			205,000.00			205,000.00	Assets
Converter Gas Recovery Efficiency Improvement Project for Plate Material	7,260,000.00			1,210,000.00			6,050,000.00	Assets
Central environmental protection award fund	63,264,000.00			10,544,000.00			52,720,000.00	Assets
2021 Intellectual Manufacturing Strong	2,880,000.00			480,000.00			2,400,000.00	Assets
2020 Ecological Civilization Construction Special Project (Special	16,000,000.00			2,000,000.00			14,000,000.00	Assets
2021 Manufacturing Strong Province Special Fund Project	6,480,000.00			810,000.00			5,670,000.00	Assets
Bengang Automotive Sheet Engineering	745,133.80			228,047.25			517,086.55	Assets

Items	2024/12/31	Increase	Transfer to non-operating income	Transfer to other income	Offsetting cost or	Other changes	2025/06/30	Related to assets or income
Xingliao Talent Program Government	190,000.00						190,000.00	Income
2021 Benxi City Expert-Enterprise	5,000.00						5,000.00	Income
2022 Liaoning Provincial Natural Science Foundation Program Funds	28,400.00						28,400.00	Income
Design of Rare Earth Steel Metallurgical	302,173.50						302,173.50	Income
2021 Municipal Skilled Master Workstation Fee	20,764.57			20,764.57				Income
Study on the Mechanism and Control of the Effect of Rare Earth Oxysulfides on	52,020.20						52,020.20	Income
2019 Municipal Master Skill Workstation Fee	69,500.19						69,500.19	Income
2018 Municipal Master Skill Workstation Fee	58,766.34						58,766.34	Income
Liaoning Province "Hundred, Thousand, Thousand, Thousand Talents Project"	220,000.00						220,000.00	Income

Items	2024/12/31	Increase	Transfer to non-operating income	Transfer to other income	Offsetting cost or	Other changes	2025/06/30	Related to assets or income
Provincial Science and Technology Department National Natural Science	334,000.00						334,000.00	Income
2019 Provincial Skilled Master Workstation Fee	100,000.00						100,000.00	Income
2020 Provincial-level Skill Master Workstation Expenditure	36,200.84						36,200.84	Income
Fundamental Research on New Technology of Composite Iron Coke Low	168,000.00						168,000.00	Income
The Second Batch of 2021 Liaoning Funds on Central Government Guiding	300,000.00						300,000.00	Income
2022 Digital Liaoning Intellectual Manufacturing Strong Province	300,000.00						300,000.00	Income
Municipal Enterprise Operation Class Patent Navigation Project Funding Grant	200,000.00						200,000.00	Income

Items	2024/12/31	Increase	Transfer to non-operating income	Transfer to other income	Offsetting cost or	Other changes	2025/06/30	Related to assets or income
Genetic Engineering and Artificial Intelligence Design of Aviation Critical	376,000.00						376,000.00	Income
2022 Annual Provincial Skill Master Workshop Program	32,256.03			20,225.43			12,030.60	Income
Government Grants Received by Steel Products R&D Institute	525,000.00						525,000.00	Income
Steel Plant Blast Furnace #5 Group & 4B Coke Oven Flue Gas	16,368,000.00			2,046,000.00			14,322,000.00	Assets
Converter Roof Hood Tertiary Dust Removal Upgrade (BF #4/5/6)	11,688,000.00			1,461,000.00			10,227,000.00	Assets
Hot Metal Pretreatment Station Dust Control Retrofit (Converter Plant)	7,730,400.00			966,300.00			6,764,100.00	Assets
Hot Blast Stove Desulfurization-Denitrification System Installation	15,267,000.00						15,267,000.00	Assets

Items	2024/12/31	Increase	Transfer to non-operating income	Transfer to other income	Offsetting cost or	Other changes	2025/06/30	Related to assets or income
2024 Manufacturing Talent Development Support Initiative	250,000.00						250,000.00	Income
R&D on RE-Alloyed High-Strength Exhaustion-Resistant Wheel Steel	111,000.00						111,000.00	Income
Ultra-low Emission Projects for Mill Raw		18,680,000.00					18,680,000.00	Assets
Desulfurization & Denitrification Project for Blast Furnace Hot Stoves		27,653,000.00					27,653,000.00	Assets
Land subsidy for Hengda Logistics Park	19,047,472.00			9,504,978.00			9,542,494.00	Assets
Government Financial Support Funds		630,000.00		630,000.00				Income
Total	173,919,087.47	46,963,000.00		31,376,315.25			189,505,772.22	

(32) Share capital

Items	2024/12/31	Increase/decrease (+, -)					2025/06/30
		Issuing of new share	Bonus shares	Transferred from reserves	Others	Subtotal	
Total shares	4,108,228,157.00				4,048.00	4,048.00	4,108,232,205.00

Note: The increase was due to the convertible bonds issued by the Company were converted into 4,048.00 shares of common stock during the current period, and the remaining balance of the face value of the Company's convertible bonds as of June 30, 2025 was RMB5,630,969,100.00 Yuan (56,309,691.00 bonds). For details, please refer to Note 5. (29) Bonds payable.

(33) Other equity instruments

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

Items	2024/12/31		Increase		Decrease		2025/06/30	
	Number	Book value	Number	Book value	Number	Book value	Number	Book value
Convertible corporate bonds	56,309,851.00	947,850,195.03			160.00	3,257.10	56,309,691.00	947,846,937.93
Total	56,309,851.00	947,850,195.03			160.00	3,257.10	56,309,691.00	947,846,937.93

Notes: The decrease during the current period was due to convertible bonds issued by the Company have been partially converted into common stock for an aggregate of RMB16,000.00 (160 bonds), and the remaining balance of the face value of the convertible bonds as of June 30, 2025 was RMB5,630,969,100.00 Yuan (56,309,691.00 bonds). For details, please refer to Note 5. (29) Bonds payable.

(34) Capital reserves

Items	2024/12/31	Increase	Decrease	2025/06/30
a) Capital (share) premium	13,225,632,166.95	11,835.26		13,225,644,002.21
b) Other capital reserves				
Including: Other equity changes in investees				
Unexercised share-based payment				
Others				
c) Transfer of capital reserve under the original system				
Total	13,225,632,166.95	11,835.26		13,225,644,002.21

Notes:

- The increase was due to the conversion of A-share convertible bonds issued by the Company into A-share common stock during the current period, as described in Note 5 (29) Bonds payable.

(35) Other comprehensive income

Items	2024/12/31	Current period						2025/06/30
		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.	-93,407,196.62							-93,407,196.62
including: Changes in fair value of investments in other equity instruments								
Other comprehensive income under the equity method cannot be reclassified into profit or loss								

Items	2024/12/31	Current period						2025/06/30
		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	
Changes in fair value of investments in other equity instruments	-93,407,196.62							-93,407,196.62
Changes in fair value of company's credit risk								
Other								
2. Items can be reclassified into profit or loss								
Total	-93,407,196.62							-93,407,196.62

(36) Special Reserves

Items	2024/12/31	Increase	Decrease	2025/06/30
Safety production fee	809,649.65	32,080,601.70	16,712,548.91	16,177,702.44
Total	809,649.65	32,080,601.70	16,712,548.91	16,177,702.44

(37) Surplus Reserves

Items	2024/12/31	Increase	Decrease	2025/06/30
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	-7,497,011,632.90	-2,414,685,928.92
Adjustments of the beginning distributed profits (increase + / decrease -)		
After adjustments: undistributed profit at this year-beginning	-7,497,011,632.90	-2,414,685,928.92
Add: undistributed profit belonging to parent company	-1,399,277,780.90	-5,037,271,398.28
Less: Statutory surplus reserves		
Discretionary reserves		
General risk reserves		
Common shares dividend payable		45,054,305.70
Common shares dividend transferred to paid-in capital		
Ending balance of undistributed profits	-8,896,289,413.80	-7,497,011,632.90

(39) Operating income and operating cost

1. Operating income and operating cost

Items	Current period		Previous period	
	Revenue	Cost	Revenue	Cost
Principal business	24,299,027,360.17	25,043,467,684.02	27,944,182,578.61	28,733,996,982.52
Other business	398,773,061.82	397,749,564.90	422,669,309.38	434,178,194.37
Total	24,697,800,421.99	25,441,217,248.92	28,366,851,887.99	29,168,175,176.89

2. Details about operating income and operating cost

Item	Current period		Current period	
	Principal business Revenue	Principal business Cost	Other business Revenue	Other business Cost
Classification by the time of commodity transfer				
Including: recognize at a point in time	24,299,027,360.17	25,043,467,684.02	397,670,178.84	397,742,017.02
-Recognize over a certain period of time			1,102,882.98	7,547.88
Total	24,299,027,360.17	25,043,467,684.02	398,773,061.82	397,749,564.90
Classification by business area				
Including: Domestic	20,038,403,948.40	20,723,589,764.37	398,773,061.82	397,749,564.90
Abroad	4,260,623,411.77	4,319,877,919.65		
Total	24,299,027,360.17	25,043,467,684.02	398,773,061.82	397,749,564.90

(40) Tax and surcharges

Items	Current period	Previous period
Environmental tax	7,348,645.97	10,657,195.93
City maintenance and construction tax	3,841,954.40	7,179,465.72
Educational surcharge	2,814,781.46	5,141,768.24

Items	Current period	Previous period
Resource Tax	5,057,602.56	
Housing property tax	45,022,445.17	42,749,298.60
Land use right tax	7,107,861.82	7,609,446.76
Vehicle and vessel tax	10,711.44	26,361.04
Stamp duty	36,809,947.61	33,103,641.89
Others	8,373.04	14,110.89
Total	108,022,323.47	106,481,289.07

Note: The "Implementation Measures for the Pilot Water Resources Tax Reform" (Cai Shui [2024] No. 28) specifies that the pilot program of replacing water resource fees with taxes will be fully implemented starting 1 December 2024, with tax returns and payments required on a quarterly basis. According to the requirements in the appendix to the "Implementation Plan for the Pilot Reform of Water Resources Tax in Liaoning Province" (Liao Cai Shui [2024] No. 320), the Company will apply RMB 0.4 per cubic meter and RMB 1.2 per cubic meter respectively, resulting in an increase of RMB 5,057,602.56 in the current period.

(41) Selling and distribution expenses

Items	Current period	Previous period
Import and export agency fee	1,132,435.68	1,016,910.24
Salary and benefits	28,922,500.81	36,058,846.27
Storage and warehousing fee	21,286,926.75	26,379,873.76
Others	10,122,303.29	8,521,429.64
Total	61,464,166.53	71,977,059.91

(42) General and administrative expenses

Items	Current period	Previous period
Salary and benefits	193,863,629.66	228,973,811.09
Insurance fee	11,836,395.97	12,068,301.43
Depreciation	31,277,381.76	25,703,238.52
Repair expense	629,075.86	3,893,853.72
Agency Fees	4,108,796.48	10,565,726.99
Information System Service Fees	12,135,901.47	21,186,116.66

Items	Current period	Previous period
Safety Production Fees	13,329,362.22	13,231,852.96
Others	18,584,353.01	44,281,797.59
Total	285,764,896.43	359,904,698.96

(43) Research and development expenses

Items	Current period	Previous period
Depreciation, materials and compensation, etc.	31,617,334.27	36,966,260.63
Total	31,617,334.27	36,966,260.63

(44) Financial expenses

Items	Current period	Previous period
Interest expenses	207,308,249.73	192,939,391.68
including: Interest expenses for lease liabilities	30,112,339.61	27,576,079.44
Less: Interest income	17,521,734.29	20,070,259.17
Exchange gains or losses	12,771,216.88	-43,562,831.57
Others	5,783,222.76	5,419,742.93
Total	208,340,955.08	134,726,043.87

(45) Other income

Items	Current period	Previous period
Withholding fee income	221,525.38	401,726.29
VAT tax relief	30,018,663.56	24,007,324.56
Tax refund	47,395,742.50	43,795,569.52
Desulfurization and Denitrification Project of Coal-fired Boiler in High-pressure Workshop of Bengang Power Plant	300,000.00	300,000.00

Items	Current period	Previous period
Advanced Treatment Project of Carbon Fiber Wastewater in Dongfeng Plant Area of Plate Coking Plant	950,000.00	950,000.00
Second Sintering Finishing Dust Removal Ultra-low Emission Reconstruction Project	205,000.00	205,000.00
Plate factory area converter Gas Recovery and Efficiency Improvement Project	1,210,000.00	1,210,000.00
Central Government Environmental Protection Award Fund	10,544,000.00	10,544,000.00
2021 Intellectual Manufacturing Strong Province Special Fund	870,000.00	480,000.00
2020 Ecological Civilization Construction Special Project (Special Steel EAF Upgrading Project)	2,000,000.00	
2021 Intellectual Manufacturing Strong Province Special Fund	420,000.00	390,000.00
Benxi Steel Automotive Sheet Engineering Laboratory Construction Project	228,047.25	
2021 Municipal-Level Skills Master Workstation Fee	40,990.00	
Flue Gas Desulfurization and Denitrification Project for No.5 Furnace Group & 4B Coke Oven at Plate Ironmaking Plant	2,046,000.00	
Triple Dust Removal Retrofit for Roof Hoods of No.4/5/6 Converters at Plate Steelmaking Plant	1,461,000.00	
Dust Removal Retrofit for Hot Metal Pretreatment Station of Steelmaking Converters	966,300.00	
Development of Gen-3 AHSS for Vehicles		290,000.00
Government Tax Rebates for Low-Growth Enterprises		724,200.00
Special Incentive Funds for Business Stable development Measures		785,500.00
Hengda Logistics Park Land Subsidy	9,504,978.00	6,636,652.00
Fiscal Support Funds	630,000.00	
Total	109,012,246.69	90,719,972.37

(46) Investment income

Items	Current period	Previous period
Income on long-term equity investment by equity method		
Income on long-term equity investment by cost method		
Income on disposal of long-term equity investment		
Gain from debt restructuring	7,215.64	
Others	-17,639,062.95	-31,605,308.28
Total	-17,631,847.31	-31,605,308.28

(47) Credit impairment loss

Items	Current period	Previous period
Loss from bad debts of account receivable	17,800,262.33	-18,084,169.13
Loss from bad debts of other receivables	-8,492,152.37	1,919,709.67
Total	9,308,109.96	-16,164,459.46

(48) Asset impairment loss

Items	Current period	Previous period
Inventory and contract fulfillment cost impairment loss	-36,671,170.60	14,313,228.28
Total	-36,671,170.60	14,313,228.28

(49) Assets disposal gains

Items	Current period	Previous period	The amount recognized in non-recurring profit
Fixed assets	3,008.85	10,002,955.91	3,008.85
Total	3,008.85	10,002,955.91	3,008.85

(50) Non-operating income

Items	Current period	Previous period	The amount recognized in non- recurring profit
Non-current assets scrapped gains	524,024.60	2,969,609.64	524,024.60
Donation			
Government grants unrelated to operational activities			
Compensation for breach of contract	6,638,865.70	2,257,723.46	6,638,865.70
Unable to pay (debt settlement income)	100.02		100.02
Inventory Surplus Gains			
Others	2,560,778.89	3,754,417.72	2,560,778.89
Total	9,723,769.21	8,981,750.82	9,723,769.21

(51) Non-operating expense

Items	Current period	Previous period	The amount recognized in non- recurring profit
Non-current assets scrapped loss	32,063,940.47	26,684,793.03	32,063,940.47
Donation			
Administrative Fines and Late Fees	43.94	81,657.85	43.94
Compensation, liquidated damages and fines	248,751.31	819,442.12	248,751.31
Others	4,210,630.39	71,951.36	4,210,630.39
Total	36,523,366.11	27,657,844.36	36,523,366.11

(52) Income tax expenses**1. Income tax expense**

Items	Current period	Previous period
Income tax payable for the current year	19,759,519.10	40,364,805.44
Deferred income tax	216,509.20	-2,905,865.78
Total	19,976,028.30	37,458,939.66

2. Accounting profit and income tax expense adjustment process

Items	Current period
Total profit	-1,346,679,630.74
Income tax expense calculated according to the official or applicable tax rate	-182,670,239.06
Effect of different tax rates applied by subsidiaries	5,859,548.03
Effect of adjustment of the income tax expense of prior period	-13,058,799.81
Effect of non-taxable income	93,845.69
Effect of undeductible costs, expenses or losses	-20,423,025.40
Effect of use of deductible losses of unrecognized deferred tax asset of prior period	-1,990,339.80
Effect of deductible temporary differences or deductible losses of unrecognized deferred tax assets of current period	238,016,466.19
Effect of tax rate changes on the opening balance of deferred tax assets/liabilities	
Others	-5,851,427.54
Income tax expenses	19,976,028.30

(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	52,500,806.68	42,591,304.64
Interest income	18,463,234.45	19,586,079.70
Special subsidy income	47,191,156.54	10,775,771.68

Items	Current period	Previous period
Non-operating income	2,920,912.19	3,960,212.67
Others	1,097,069.28	2,522,136.10
Total	122,173,179.14	79,435,504.79

(2) Cash paid related to other operating activities

Items	Current period	Previous period
Current accounts	80,902,412.69	67,015,177.96
Administrative expenses	40,868,520.89	46,903,144.20
Selling expenses	2,753,734.36	8,837,487.92
Charges	18,292,702.08	32,800,975.46
Others	15,925,186.78	17,743,797.28
Total	158,742,556.80	173,300,582.82

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	1,815,330,484.81	1,841,743,458.53
Withdrawal of term deposit		
Recovery of short-term borrowing funds for designated payments		
Total	1,815,330,484.81	1,841,743,458.53

(2) Other cash paid in relation to financing activities

Item	Current period	Previous period
Notes, letter of guarantee, and letter of credit margins	1,953,106,850.42	1,641,919,092.82
Lease payments	3,767,304.90	31,137,341.92
Short-term borrowing funds for designated payments	4,977,735.81	4,378,074.03
Total	1,961,851,891.13	1,677,434,508.77

(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	-1,366,655,659.04	-1,496,544,823.36
Add: Credit impairment loss	9,308,109.96	-16,164,459.46
Asset impairment loss	-36,671,170.60	14,313,228.28
Depreciation of fixed assets	825,835,405.32	832,107,573.45
Depletion of oil and gas assets		
Depreciation of right of use assets	39,442,062.84	33,231,654.57
Amortization of intangible assets	5,572,497.38	4,543,448.63
Long-term deferred expenses		
Losses proceeds from disposal of PPE, intangible assets and other long-term assets (Earnings marked“—”)	-3,008.85	-10,002,955.91
Scrapped losses from fixed assets (Earnings marked“—”)	31,539,915.87	23,715,183.39
Losses in fair value change (Earnings marked“—”)		
Financial expenses (Earnings marked“—”)	220,079,466.61	149,376,560.11
Investment losses (Earnings marked“—”)	17,631,847.31	31,605,308.28
Deferred tax assets reduction (Addition marked“—”)	6,132,818.62	-64,667,690.46
Deferred tax liabilities increased (Reduction marked“—”)	-5,916,309.42	61,761,824.68
Reduction of inventory (Addition marked“—”)	319,818,265.50	-182,101,204.14
Operating receivable items reduction (Addition marked“—”)	-551,119,293.48	506,901,128.60
Operating payable items increase (Less marked“—”)	841,266,763.23	1,189,615,665.97
Others	15,368,052.79	3,125,247.77
Net cash flows generated from operating activities	371,629,764.04	1,080,815,690.40
2. Payments of investing and financing activities not involving cash:		
Liabilities transferred to capital		

Items	Current period	Previous period
Convertible bonds due within one year		
Fixed assets financed by leasing		
3. The net increase in cash and cash equivalents:		
Ending balance of cash	1,118,512,027.55	1,182,645,195.35
Less: Beginning balance of cash	1,590,205,218.91	1,199,685,408.38
Add: Ending balance of cash equivalents		
Less: Opening balance of cash equivalents		
The net increase in cash and cash equivalents	-471,693,191.36	-17,040,213.03

2. The structure of cash and cash equivalents

Items	Current period	Previous period
1. Cash	1,118,512,027.55	1,590,205,218.91
Including: Cash on hand		
Digital cash available on demand		
Bank deposits available on demand	1,118,512,027.55	1,590,205,218.91
2. Ending balance of cash and cash equivalents	1,118,512,027.55	1,590,205,218.91
Including: Cash and cash equivalents limited to use by the parent company of other subsidiary in 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			875,365,279.59
Including: USD	122,281,630.43	7.1586	875,365,279.59
EUR			
HKD			
Non-current liabilities due within one year			1,149,529.60
Including: USD			

Item	Ending balance in foreign currency	Exchange rate	Ending balance translated to RMB
JPY	23,176,000.00	0.0496	1,149,529.60
Long-term loans			1,724,294.40
Including: USD			
JPY	34,764,000.00	0.0496	1,724,294.40

6. Changes in the Scope of Consolidation

(1) Changes in the Scope of Consolidation Due to Other Reasons

On April 9, 2025, the Company newly established Green Gold (Benxi) Renewable Resources Co., Ltd., and the Company holds 51.00% of the shares of the newly established company.

7. Equity in other entities

(1) Equity in subsidiaries

1. Constitution of enterprise group

Name of the subsidiary	Registered capital (in 10 thousand)	Principal place of business	Registration place	Nature of business	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
Guangzhou Bengang Steel & Iron Trading Co., Ltd	20,000	Guangzhou	Guangzhou	Sales	100		Establishment
Shanghai Bengang Metallurgy Science and Technology Co., Ltd	23,000	Shanghai	Shanghai	Sales	100		Establishment
Dalian Benruitong Automobile Material Technology Co., Ltd	10,000	Dalian	Dalian	Manufacturing	65		Establishment
Bengang POSCO Cold-rolled Sheet Co., Ltd.	192,000	Benxi	Benxi	Manufacturing	75		Business combination under common control
Changchun Bengang Steel & Iron Trading Co., Ltd.	3,000	Changchun	Changchun	Sales	100		Business combination under common control
Yantai Bengang	20,000	Yantai	Yantai	Sales	100		Business combination

Name of the subsidiary	Registered capital (in 10 thousand)	Principal place of business	Registration place	Nature of business	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
Steel Sales Co., Ltd.							under common control
Tianjin Bengang Steel Trading Co., Ltd.	20,000	Tianjin	Tianjin	Sales	100		Business combination under common control
Benxi Bengang Steel & Iron Sales Co., Ltd.	3,000	Benxi	Benxi	Sales	100		Establishment
Shenyang Bengang Metallurgy Science and Technology Co., Ltd.	20,000	Shenyang	Shenyang	Sales	100		Establishment
Northern Hengda Logistics Co., Ltd.	15,000	Benxi	Benxi	Manufacturing	100		Business combination under common control
Lujin (Benxi) Renewable Resources Co., Ltd.	6,000	Benxi	Benxi	Manufacturing	51		Establishment

2. Significant but not 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%	29,428,186.14		626,799,233.47

3. Financial information of significant but not wholly-owned subsidiaries

Name of the subsidiaries	30 June 2025						31 December 2024					
	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.	5,527,703,148.51	994,714,125.07	6,522,417,273.58	4,015,220,339.71		4,015,220,339.71	6,390,756,526.72	986,052,997.62	7,376,809,524.34	4,990,053,412.86		4,990,053,412.86

Name of the subsidiaries	Current period				Previous period			
	Operating income	Net profit	Total comprehensive income	Net cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Net cash flows from operating activities
Bengang Posco Cold-rolled Sheet Co., Ltd.	3,498,792,976.94	117,712,744.55	117,712,744.55	-206,369,040.92	4,625,594,944.57	175,927,445.95	175,927,445.95	321,389,844.86

(2) Interests in Joint Arrangements or Associates**1. Significant Joint Ventures or Associates**

The company has no significant joint ventures or associates.

8. Government grants**(1) Types, Amounts, and Presentation of Government Grants****1. Government Grants Recognized in Profit or Loss for the Current Period**

Accounting subjects	Current period	Previous period
Other income	78,772,057.75	66,310,921.52

2. Liabilities relating to government grants

Item	31 December 2024	Addition	Amounts recognized in non-operating income during the current period	Amounts recognized in other income during the current period	Amounts derecognized in other expense during the current period	Offset costs or expenses during the current period	30 June 2025	Related to assets/income
Deferred income	173,919,087.47	46,963,000.00		31,376,315.25			189,505,772.22	Assets/income

9. Risks associated with financial instruments

(1) Various types of risks arising from financial instruments

The Company's principal financial instruments include other equity instruments investments, borrowings, receivables, payables, etc. A detailed description of each financial instrument is set out in note VI. The risks associated with these financial instruments and the risk management policies adopted by the Company to mitigate these risks are described below. The Company's management manages and monitors these exposures to ensure that these risks are contained within defined limits.

The objective of the Company's risk management is to strike an appropriate balance between risk and return, minimize the negative impact of risk on the Company's operating results, and maximize the benefits of shareholders and other equity investors. Based on this risk management objective, the Company's basic risk management strategy is to determine and analyze the various risks faced by the company, establish an appropriate risk tolerance bottom line and risk management, and timely and reliable supervision of various risks, to control the risks within the limited scope.

1. Credit risk

As of June 30, 2025, the company's maximum exposure to credit risk, which could result in financial loss, mainly arises from the failure of counterparties to fulfill their obligations under contracts, leading to losses on the company's financial assets. This specifically includes the carrying amounts of financial assets recognized in the consolidated balance sheet. For financial instruments measured at fair value, the carrying amount reflects their risk exposure but does not represent the maximum exposure, as the maximum exposure will change with future fair value fluctuations.

To mitigate credit risk, the company has established a dedicated department to determine credit limits, conduct credit approvals, and implement other monitoring procedures to ensure that necessary measures are taken to recover overdue receivables. In addition, the company reviews the collectability of each individual receivable at each balance sheet date to ensure that adequate provisions for doubtful debts are made for amounts that are unrecoverable. Therefore, the management believes that the credit risk faced by the company has been substantially reduced.

The company's cash and cash equivalents are deposited with financial institutions with high credit ratings, and therefore, the credit risk of the company's cash is low.

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 manages liquidity risk by ensuring that it has sufficient liquidity to meet its obligations as they mature without causing unacceptable losses or damaging the reputation of the business. The Company regularly analyzes the structure and maturity of its liabilities to ensure that it has sufficient funds. The Company's management monitors the use of bank borrowings and ensures compliance with loan agreements. It also negotiates financing with financial institutions to maintain a certain credit line and reduce liquidity risk.

The company's financial liabilities are presented by maturity based on the undiscounted contractual cash flows as follows:

Item	30 June 2025						Carrying Amount
	Payable on demand	Within 1 Year	1–2 Years	2–5 Years	Over 5 Years	Total Undiscounted Contractual Amount	
Short-term borrowings		771,932,029.09				771,932,029.09	771,932,029.09
Notes payable		13,242,519,960.72				13,242,519,960.72	13,242,519,960.72
Accounts payable		2,799,003,363.63	119,630,433.78	27,635,017.23		2,946,268,814.64	2,946,268,814.64
Other payables		2,025,216,081.67	336,149,690.60	351,249,143.52		2,712,614,915.79	2,712,614,915.79
Long-term borrowings (including those due within one year)		501,112,572.40	920,699,529.60	2,624,059,545.71		4,045,871,647.71	4,045,871,647.71
Lease liabilities (including those due within one year)		115,797,444.57	123,826,116.47	758,085,723.57	733,915,565.79	1,731,624,850.40	1,731,624,850.40
Bonds payable (including those due within one year)		5,618,737,269.28				5,618,737,269.28	5,618,737,269.28
Total		25,074,318,721.36	1,500,305,770.45	3,761,029,430.03	733,915,565.79	31,069,569,487.63	31,069,569,487.63

Item	31 December 2024						Carrying Amount
	Payable on demand	Within 1 Year	1–2 Years	2–5 Years	Over 5 Years	Total Undiscounted Contractual Amount	
Short-term borrowings		371,055,490.50				371,055,490.50	371,055,490.50
Notes payable		12,982,703,669.86				12,982,703,669.86	12,982,703,669.86
Accounts payable		2,680,864,210.15	61,748,259.48	19,146,969.73		2,761,759,439.36	2,761,759,439.36

Item	31 December 2024						Carrying Amount
	Payable on demand	Within 1 Year	1–2 Years	2–5 Years	Over 5 Years	Total Undiscounted Contractual Amount	
Other payables		1,703,827,958.01	394,969,845.27	255,896,396.73		2,354,694,200.01	2,354,694,200.01
Long-term borrowings (including those due within one year)		805,270,731.20	922,270,731.20	1,969,670,731.20		3,697,212,193.60	3,697,212,193.60
Lease liabilities (including those due within one year)		118,242,710.82	109,583,860.29	782,383,488.53	741,944,237.69	1,752,154,297.33	1,752,154,297.33
Bonds payable (including those due within one year)		106,989,474.64	5,569,899,459.53			5,676,888,934.17	5,676,888,934.17
Total		18,768,954,245.18	7,058,472,155.77	3,027,097,586.19	741,944,237.69	29,596,468,224.83	29,596,468,224.83

3. Market risk

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

The interest rate risk faced by the Company mainly arises from floating interest rate bank deposits and floating interest rate loans, which expose the Company to cash flow interest rate risk. The Company has not yet established a policy to manage its interest rate risk, but management will carefully choose financing methods, a combination of fixed and floating interest rates, and a combination of short-term debt and long-term debt. Using effective interest rate risk management methods, the Company will closely monitor interest rate risk, control the amount of floating rate borrowings, and use interest rate swaps when necessary to achieve the desired interest rate structure.

(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 Company's exposure to exchange rate risk is mainly related to US dollars, Hong Kong dollars, Japanese yen and euros. Except for the Company's purchase of a small amount of raw materials and sales of finished products, which are settled in US dollars, Hong Kong dollars, Japanese yen and euros, the Company's other major business activities are settled in RMB. As at June 30, 2025, the assets or liabilities described in the following table were all balances in US dollars, Hong Kong dollars, Japanese yen and Euros:

Item	30 June 2025	31 December 2024
Cash and Cash Equivalents – USD	122,281,630.43	45,384,220.89
Cash and Cash Equivalents – HKD		207.73
Non-current Liabilities Due Within One Year – JPY	23,176,000.00	23,176,000.00
Long-term Borrowings – JPY	34,764,000.00	46,352,000.00

(2) Transfer of Financial Assets

1. Status of Financial Asset Transfers:

Method of Financial Asset Transfer	Transferred Financial Asset		Derecognition Status	Basis for Derecognition Assessment
	Nature	Amount		
Endorsement/Discount of Notes	Notes Receivable	311,741,833.24	Not derecognized	Retains substantially all risks and rewards, including the related credit risk
Endorsement/Discount of Notes	Accounts Receivable Financing	4,517,795,874.04	Derecognized	Substantially all risks and rewards have been transferred
Total		4,829,537,707.28		

Explanation of the Basis for Derecognition Assessment: As of June 30, 2025, the maturity of receivables financing ranges from 1 to 12 months. According to the relevant provisions of the Negotiable Instruments Law, if the accepting bank refuses payment, the holder of the bill has the right to claim against the company. The company believes that it has transferred substantially all the risks and rewards of these receivables. Therefore, the company fully derecognizes the receivables and the related settled accounts payable, and recognizes the discounting expense.

2. Financial Assets Derecognized Due to Transfer:

Items	Method of Financial Asset Transfer	Amount Derecognized	Gains or Losses Related to Derecognition
Accounts Receivable Financing	Endorsement/Discount of Notes	4,517,795,874.04	17,376,933.79
Total		4,517,795,874.04	17,376,933.79

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			Total
	First level fair value measurement	Second level fair value measurement	Third level fair value measurement	
1. Continuous fair value measurement				
Accounts receivable financing			5,552,656.65	5,552,656.65
Other equity instrument investments			933,426,254.63	933,426,254.63

11. Related party transactions

(1) Details of parent company

Name of parent company	Place of Registry	Notes of Business	Registered capital	Share proportion (%)	Voting rights (%)
Benxi Steel & Iron (Group) Co., Ltd.	Benxi, Liaoning	Manufacturing	8.00 billion	58.65	58.65

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

(2) Details of the subsidiaries

For details of subsidiaries of the Company please refer to Note 7 “Equity in other entities”.

(3) The company's joint ventures and associates

For details of joint ventures and associates of the Company 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 ventures and associates	Relationship
Shenyang Xiangyu New Materials Technology Co., Ltd.	Associate

(4) Details of other related parties

Name of Other related parties	Relationship
Bengang Group Co., Ltd.	Controlling shareholder of the parent company
Bengang Stainless Steel Cold Rolling Dandong Co., Ltd.	The same parent company
Benxi Iron and Steel (Group) Real Estate Development Co., Ltd.	The same parent company
Benxi Iron and Steel (Group) Engineering Construction Supervision Co., Ltd.	The same parent company

Name of Other related parties	Relationship
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	The same parent company
Benxi Iron and Steel (Group) Construction Co., Ltd.	The same parent company
Benxi Iron and Steel (Group) Mining Co., Ltd.	The same parent company
Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	The same parent company
Benxi Steel Group Equipment Engineering Co., Ltd.	The same parent company
Benxi Steel Group Industrial Development Co., Ltd.	The same parent company
Benxi Steel Group Information Automation Co., Ltd.	The same parent company
Benxi Steel Group Metallurgical Slag Co., Ltd.	The same parent company
Benxi Iron and Steel (Group) Mining Yanjia Valley Limestone Mine Co., Ltd.	The same parent company
Benxi Steel Group Mining Liaoyang Ma'ering Pelletizing Co., Ltd.	The same parent company
Benxi Steel Group Mining Liaoyang Jiajiaopu Iron Mine Co., Ltd.	The same parent company
Benxi Iron and Steel (Group) Mining Mineral Resources Development Co., Ltd.	The same parent company
Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	The same parent company
Benxi New Industrial Development Co., Ltd.	The same parent company
Dalian Bolore Steel Pipe Co., Ltd.	The same parent company
Liaoning Hengtai Heavy Machinery Co., Ltd.	The same parent company
Liaoning Metallurgical Technician College	The same parent company
Liaoning Metallurgical Vocational Technical College	The same parent company
Bengang Electrical Co., Ltd.	Associate of the parent company
Bengang Group International Economic and Trade Co., Ltd.	Belong to Bengang Group
Benxi Beiyang Iron and Steel (Group) Co., Ltd.	Belong to Bengang Group
Liaoning Hengyi Steel Trading Co., Ltd.	Belong to Bengang Group
Angang Electrical Co., Ltd.	Belong to Ansteel Group Co., Ltd.
Angang Scrap Resources (Anshan) Co., Ltd.	Belong to Ansteel Group Co., Ltd.
Angang Steel Processing & Distribution (Dalian) Co., Ltd.	Belong to Ansteel Group Co., Ltd.
Angang Steel Processing & Distribution (Changchun) Co., Ltd.	Belong to Ansteel Group Co., Ltd.
Angang Steel Distribution (Hefei) Co., Ltd.	Belong to Ansteel Group Co., Ltd.
Angang Steel Distribution (Wuhan) Co., Ltd.	Belong to Ansteel Group Co., Ltd.
Angang Steel Rope Co., Ltd.	Belong to Ansteel Group Co., Ltd.
Angang Steel Company Limited	Belong to Ansteel Group Co., Ltd.
Angang Chemical Technology Co., Ltd.	Belong to Ansteel Group Co., Ltd.
Angang Group International Economic & Trade Co., Ltd.	Belong to Ansteel Group Co., Ltd.
Angang Group Mining Gongchangling Co., Ltd.	Belong to Ansteel Group Co., Ltd.
Angang Group Automation Co., Ltd.	Belong to Ansteel Group Co., Ltd.
Angang Construction Group Co., Ltd.	Belong to Ansteel Group Co., Ltd.
Angang Metal Structure Co., Ltd.	Belong to Ansteel Group Co., Ltd.
Angang Mining Machinery Manufacturing Co., Ltd.	Belong to Ansteel Group Co., Ltd.
Angang Green Resources Technology Co., Ltd.	Belong to Ansteel Group Co., Ltd.
Angang Energy Technology Co., Ltd.	Belong to Ansteel Group Co., Ltd.
Angang Industrial Group (Anshan) Equipment Operation & Maintenance Co., Ltd.	Belong to Ansteel Group Co., Ltd.
Angang Industrial Group Metallurgical Machinery Co., Ltd.	Belong to Ansteel Group Co., Ltd.
Angang Heavy Machinery Design & Research Institute Co., Ltd.	Belong to Ansteel Group Co., Ltd.
Angang Heavy Machinery Co., Ltd.	Belong to Ansteel Group Co., Ltd.
Delin Industrial Products Co., Ltd.	Belong to Ansteel Group Co., Ltd.
Delin Land Port Supply Chain Services Co., Ltd.	Belong to Ansteel Group Co., Ltd.
Guangzhou Ansteel Steel Processing Co., Ltd.	Belong to Ansteel Group Co., Ltd.
Tianjin Angang Steel Processing & Distribution Co., Ltd.	Belong to Ansteel Group Co., Ltd.
Changchun FAW Angang Steel Processing & Distribution Co., Ltd.	Belong to Ansteel Group Co., Ltd.
Angang Group Engineering Technology Co., Ltd.	Belong to Ansteel Group Co., Ltd.

(5) Related Party Transactions

1.Related party transactions of purchasing goods and services

Details about purchasing goods and receiving services:

Name	The content of related party transactions	Current period	Previous period
Angang (Liaoning) Materials Technology Co., Ltd.	Engineering expenses	218,000.00	
Angang Electrical Co., Ltd.	Repair expenses	756,800.00	242,083.33
Angang Scrap Resources (Anshan) Co., Ltd.	Scrap steel	340,185,980.44	453,356,562.94
Angang Scrap Resources (Anshan) Co., Ltd.	Raw materials	22,561,474.22	30,067,060.36
Angang Steel Processing & Distribution (Dalian) Co., Ltd.	Processing fees	153,382.41	
Angang Steel Processing & Distribution (Dalian) Co., Ltd.	Raw materials	441,290.28	
Angang Steel Processing & Distribution (Changchun) Co., Ltd.	Processing fees	680,768.33	558,509.59
Angang Steel Processing & Distribution (Zhengzhou) Co., Ltd.	Steel products		231,977.35
Angang Steel Company Limited	Auxiliary materials	3,205,093.05	2,243,259.03
Ansteel Group Railway Equipment Checking&Repairing Company	Spare parts	146,544.00	
Angang Group Beijing Research Institute Co., Ltd.	Research and development expenses		420,000.00
Angang Group Engineering Technology Co., Ltd.	Work safety expenses	115,000.00	
Angang Group Engineering Technology Co., Ltd.	Engineering expenses	154,988,539.06	41,085,063.99
Angang Group Engineering Technology Co., Ltd.	Construction materials	132,877,141.50	11,399,010.00
Angang Group Engineering Technology Co., Ltd.	Repair expenses	757,900.00	440,000.00
Angang Group International Economic & Trade Co., Ltd.	Raw and fuel materials		107,305,564.26
Angang Group International Economic & Trade Co., Ltd. Benxi Branch	Spare parts	582,749.35	
Angang Group International Economic & Trade Co., Ltd. Benxi Branch	Agency service fees	18,028,337.20	
Angang Group Energy-Saving Technology Services Co., Ltd.	General contracting fees	3,317,075.13	
Angang Group Mining Gongchangling Co., Ltd.	Raw materials	76,800,921.59	283,959,301.79
Ansteel Group Mining Co., LTD	Raw materials	1,482,101.33	
Ansteel Group Co., Ltd	Other expenses		187,932.88
Angang Group Automation Co., Ltd.	Engineering expenses	1,600,000.00	51,010,000.00
Angang Construction Group Co., Ltd.	Engineering expenses	10,246,537.92	
Angang Construction Group Co., Ltd.	Construction	5,653,200.00	

Name	The content of related party transactions	Current period	Previous period
	materials		
Angang Mining Automotive Transportation Co., Ltd.	Transportation expenses		276,565.11
Angang Green Resources Technology Co., Ltd.	Transportation expenses	4,744,570.38	
Ansteel Automobile Transportation Co., Ltd.	Transportation expenses	1,442,670.52	
Angang ShenYang Steel Service Center Co., Ltd.	Processing fees	6,261.54	
Angang Industrial Group (Anshan) Equipment Operation & Maintenance Co., Ltd.	General contracting fees	2,780,930.40	5,186,262.40
Angang Industrial Group Metallurgical Machinery Co., Ltd.	Spare parts	5,449,100.31	5,171,074.60
Angang Industrial Group Metallurgical Machinery Co., Ltd.	Repair expenses	607,165.00	742,365.00
Angang Industrial Group Co., Ltd.	Other expenses		23,469.02
Ansteel Shuangsheng (Anshan) Fan Co., Ltd	Repair expenses	215,000.00	
Ansteel Water Technology (Liaoning) Co., Ltd.	Auxiliary materials	1,612,185.98	
Angang Heavy Machinery Design & Research Institute Co., Ltd.	Engineering expenses		15,865,600.00
Angang Heavy Machinery Co., Ltd.	Spare parts	3,257,110.00	2,420,723.73
Angang Heavy Machinery Co., Ltd.	Repair expenses	286,000.00	
Anshan Angang International Travel Agency Co., Ltd.	Business travel service fees	11,721.71	208,942.62
Anshan Iron & Steel Metallurgical Furnace Material Technology Co., Ltd.	Auxiliary materials	1,526,938.87	16,017,174.40
Anshan Jianbo Engineering Testing Co., Ltd.	Engineering expenses		238,000.00
Bengang Stainless Steel Cold Rolling Dandong Co., Ltd.	Spare parts	836,410.79	
Bengang Electrical Co., Ltd.	Auxiliary materials	97,672,744.51	92,154,394.59
Bengang Electrical Co., Ltd.	Repair expenses	13,890,147.57	5,501,414.12
Bengang Gaoyuan Industrial Development Co., Ltd.	Spare parts	11,880.00	953,010.00
Bengang Gaoyuan Industrial Development Co., Ltd.	Engineering expenses	1,280,000.00	282,880.00
Bengang Gaoyuan Industrial Development Co., Ltd.	Construction materials	2,460,000.00	3,446,194.70
Bengang Gaoyuan Industrial Development Co., Ltd.	Repair expenses	360,120.00	552,220.00
Bengang Group Dalian Refractory Materials Co., Ltd	Auxiliary materials	1,830,776.63	1,512,678.48
Bengang Group International Economic and Trade Co., Ltd.	Agency service fees	3,258,589.55	40,066,549.91
Bengang Group Co., Ltd.	Service fees		888,143.50

Name	The content of related party transactions	Current period	Previous period
Benxi Aike Hydraulic Sealing Co., Ltd.	Spare parts	2,155,588.70	4,523,499.37
Benxi Northern Iron Industry Co., Ltd.	Raw materials	5,770,319.12	
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Energy and power	356,672,847.08	317,250,973.21
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Auxiliary materials	4,929,741.55	4,527,949.56
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Fuel	642,622,442.63	590,246,360.58
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Raw materials	5,928,330,534.06	5,445,149,888.78
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Transportation expenses	3,158,081.08	3,175,834.38
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Weighing fees	757,653.87	2,084,326.89
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Heating expenses	7,479,982.49	1,320,665.34
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Chemical testing fees	701,444.94	1,000,000.00
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Repair expenses	5,936,845.14	5,423,067.78
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	General contracting fees	39,283,771.00	40,092,290.58
Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	Scrap steel	4,390,797.95	8,502,486.63
Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	Fuel	2,832,492.90	5,484,933.10
Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	Raw materials	2,060,273.59	3,989,582.04
Benxi Iron and Steel (Group) Real Estate Development Co., Ltd.	Raw materials		318,201.40
Benxi Iron and Steel (Group) Engineering Construction Supervision Co., Ltd.	Engineering expenses	885,990.00	694,500.00
Benxi Steel and Iron(Group)Tengda Co.,Ltd.	Port miscellaneous charges	19,137,576.17	50,679,877.49
Benxi Steel and Iron(Group)Tengda Co.,Ltd.	Fuel	37,694.33	154,788.70
Benxi Steel and Iron(Group)Tengda Co.,Ltd.	Transportation expenses	265,344,221.52	295,615,020.26
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Spare parts	50,983,076.15	55,121,052.81
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Scrap steel	3,281,399.65	6,677,925.78
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Auxiliary materials	19,201,582.27	39,076,843.69
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Engineering expenses	12,056,060.00	3,000,000.00
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Construction materials	20,065,290.00	3,094,489.62
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Repair expenses	14,497,730.01	2,320,841.09
Benxi Iron and Steel (Group) Machinery	Rental fees	418,680.00	299,057.14

Name	The content of related party transactions	Current period	Previous period
Manufacturing Co., Ltd.			
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Labor service fees	343,515.90	317,822.80
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	General contracting fees	10,781,894.34	6,975,467.86
Benxi Iron and Steel (Group) Construction Co., Ltd.	Work safety expenses	2,000,000.00	5,741,845.00
Benxi Iron and Steel (Group) Construction Co., Ltd.	Packaging materials	7,858,038.99	1,461,511.15
Benxi Iron and Steel (Group) Construction Co., Ltd.	Scrap steel	684,102.60	127,235.76
Benxi Iron and Steel (Group) Construction Co., Ltd.	Engineering expenses	98,463,744.89	22,631,700.36
Benxi Iron and Steel (Group) Construction Co., Ltd.	Construction materials	40,671,630.40	10,000,000.00
Benxi Iron and Steel (Group) Construction Co., Ltd.	Repair expenses	25,127,019.56	27,404,647.62
Benxi Iron and Steel (Group) Construction Co., Ltd.	Rental fees	3,470,033.34	
Benxi Iron and Steel (Group) Construction Co., Ltd.	Labor service fees	2,129,290.66	4,104,171.39
Benxi Iron and Steel (Group) Construction Co., Ltd.	General contracting fees	9,485,344.02	18,282,838.62
Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	Engineering expenses	9,058,913.26	8,862,434.50
Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	Repair expenses	8,260,865.00	10,010,650.00
Benxi Steel Group Mining Liaoyang Jiajiaopu Iron Mine Co., Ltd.	Scrap steel	152,672.10	
Benxi Steel Group Mining Liaoyang Ma'erling Pelletizing Co., Ltd.	Scrap steel	279,470.60	341,041.41
Benxi Steel Group Mining Liaoyang Ma'erling Pelletizing Co., Ltd.	Raw materials	1,103,428,540.37	1,346,527,431.40
Benxi Iron and Steel (Group) Mining Co., Ltd.	Auxiliary materials	190,158,542.30	
Benxi Iron and Steel (Group) Mining Co., Ltd.	Scrap steel	6,632,504.30	8,160,528.43
Benxi Iron and Steel (Group) Mining Co., Ltd.	Raw materials	1,955,904,869.50	2,406,514,429.03
Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	Scrap steel	134,558.60	45,088.60
Benxi Steel Group Equipment Engineering Co., Ltd.	Spare parts	11,707,144.31	8,650,212.00
Benxi Steel Group Equipment Engineering Co., Ltd.	Scrap steel	3,157,479.46	2,723,059.51
Benxi Steel Group Equipment Engineering Co., Ltd.	Engineering expenses	151,358,466.41	56,846,193.36
Benxi Steel Group Equipment Engineering Co., Ltd.	Construction materials	36,584,949.75	6,757,131.86
Benxi Steel Group Equipment Engineering Co., Ltd.	Repair expenses	164,381,618.86	253,153,105.08

Name	The content of related party transactions	Current period	Previous period
Benxi Steel Group Equipment Engineering Co., Ltd.	General contracting fees	3,224,355.85	1,024,685.00
Benxi Steel Group Industrial Development Co., Ltd.	Repair expenses	1,835,300.00	448,651.00
Benxi Steel Group Industrial Development Co., Ltd.	Greening expenses	3,526,920.00	320,360.00
Benxi Steel Group Industrial Development Co., Ltd.	Transportation expenses	1,581,235.29	2,339,298.23
Benxi Steel Group Industrial Development Co., Ltd.	Obsolete materials	154,732.70	1,260,519.35
Benxi Steel Group Industrial Development Co., Ltd.	Scrap steel	121,754,653.74	139,005,148.35
Benxi Steel Group Industrial Development Co., Ltd.	Raw materials	5,438,923.10	6,209,522.92
Benxi Steel Group Industrial Development Co., Ltd.	Auxiliary materials	10,345,140.58	17,015.07
Benxi Steel Group Information Automation Co., Ltd.	Engineering expenses	27,709,556.87	2,211,232.68
Benxi Steel Group Information Automation Co., Ltd.	Construction materials	121,702,123.12	106,449,785.65
Benxi Steel Group Information Automation Co., Ltd.	Information system operation and maintenance fees	12,000,000.00	2,000,000.00
Benxi Steel Group Information Automation Co., Ltd.	Repair expenses	1,242,500.00	1,141,141.90
Benxi Iron and Steel (Group) Co., LTD	Work safety expenses	1,783,000.00	3,947,340.00
Benxi Iron and Steel (Group) Co., LTD	Obsolete materials	13,814.61	415,855.29
Benxi Iron and Steel (Group) Co., LTD	Engineering expenses	119,266.91	3,506,228.82
Benxi Iron and Steel (Group) Co., LTD	Technical service fees	410,000.00	1,152,972.96
Benxi Iron and Steel (Group) Co., LTD	Security and fire protection fees	9,699,583.40	22,991,434.62
Benxi Iron and Steel (Group) Co., LTD	Energy and power	112,938.29	118,036.44
Benxi Xihu Metallurgical Furnace Material Co., Ltd.	Auxiliary materials	81,308,481.29	103,927,615.78
Benxi New Industrial Development Co., Ltd.	Office expenses	691,553.87	767,630.83
Benxi New Industrial Development Co., Ltd.	Scrap steel	22,295.00	
Benxi New Industrial Development Co., Ltd.	Business entertainment expenses	94,085.00	238,259.00
Benxi New Industrial Development Co., Ltd.	Rental fees	120,000.00	114,285.72
Benxi New Industrial Development Co., Ltd.	Other	313,090.29	468,194.98

Name	The content of related party transactions	Current period	Previous period
Ltd.	expenses		
Delin Industrial Products Co., Ltd	Spare parts	26,641,853.28	13,534,420.24
Delin Industrial Products Co., Ltd	Auxiliary materials	8,783,673.06	2,106,178.25
Delin Land Port Supply Chain Services Co., Ltd	Warehousing fees	373,238.29	241,754.80
Delin Land Port Supply Chain Services Co., Ltd	Sales service fees	183,674.08	725,223.98
Liaoning Hengtai Heavy Machinery Co., Ltd.	Work safety expenses	2,280,000.00	1,230,000.00
Liaoning Hengtai Heavy Machinery Co., Ltd.	Spare parts	5,900,800.48	4,281,433.80
Liaoning Hengtai Heavy Machinery Co., Ltd.	Scrap steel	177,158.80	49,347.00
Liaoning Hengtai Heavy Machinery Co., Ltd.	Construction materials	10,877,800.00	2,000,000.00
Liaoning Hengtai Heavy Machinery Co., Ltd.	Repair expenses	4,246,052.00	3,712,273.00
Liaoning Hengtai Heavy Machinery Co., Ltd.	General contracting fees	322,275.00	910,000.00
Liaoning Hengtai Heavy Machinery Co., Ltd.	Transportation expenses	115,957.00	
Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	Spare parts	77,092,898.25	89,753,179.51
Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	Repair expenses	4,394,740.00	2,835,275.00
Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	Raw materials		266,062.54
Liaoning Lide Internet of Things Co., Ltd.	Transportation expenses	55,529,050.22	5,920,776.67
Liaoning Lide Internet of Things Co., Ltd.	General contracting fees	87,600,249.58	95,680,438.16
Liaoning Yitong Machinery Manufacturing Co., Ltd.	Spare parts	10,496,578.78	6,562,573.96
Liaoning Yitong Machinery Manufacturing Co., Ltd.	Scrap steel	219,054.88	17,554.15
Liaoning Yitong Machinery Manufacturing Co., Ltd.	Construction materials	320,463.37	
Liaoning Yitong Machinery Manufacturing Co., Ltd.	Repair expenses	5,424.79	4,982.31
Pangang Group Chengdu Vanadium & Titanium Resources Development Co., Ltd.	Auxiliary materials	3,474,192.31	1,285,665.38
Pangang Group Engineering Technology Consulting Co., Ltd.	Engineering expenses	300,000.00	297,250.00
Shanxi Materials International Energy Co., Ltd.	Raw and fuel materials		15,942,888.02
Tianjin Bengang Plate Processing & Distribution Co., Ltd.	Warehousing fees	4,924.50	1,852.58
Tianjin Bengang Plate Processing & Distribution Co., Ltd.	Processing fees	177,897.21	680,936.34

Details of selling goods and rendering of services:

Name	The content of related party transactions	Current period	Previous period
Angang (Hangzhou) Automotive Materials Technology Co., Ltd.	Steel and steel products	9,368,825.32	962,303.04
Angang Steel Processing & Distribution (Dalian) Co., Ltd.	Warehousing income	6,572.87	10,000.00
Angang Steel Processing & Distribution (Dalian) Co., Ltd.	Processing income	709.90	9,210.40
Angang Steel Processing & Distribution (Dalian) Co., Ltd.	Raw materials	10,300,639.87	21,841,442.86
Angang Steel Processing & Distribution (Changchun) Co., Ltd.	Raw materials	1,009,155.91	2,607,666.46
Angang Steel Processing & Distribution (Zhengzhou) Co., Ltd.	Raw materials	2,951,005.24	
Angang Steel Distribution (Hefei) Co., Ltd.	Steel and steel products	199,242.28	
Angang Steel Distribution (Wuhan) Co., Ltd.	Raw materials	3,096,311.53	
ANGANG Steel Co., Ltd	Steel and steel products	3,967,763.31	698,731.41
Ansteel Chemical Technology Co., Ltd	Chemicals and by-products	136,032,448.22	127,769,839.46
Ansteel Group Engineering Technology Co. Ltd.	Energy and power	16,447.08	31,001.31
Bensteel Group International Economic and Trade Co., LTD	Steel and steel products		198,622,209.28
Angang Group Energy-Saving Technology Services Co., Ltd.	Chemicals and by-products	585,622.80	
Angang Group Energy-Saving Technology Services Co., Ltd.	Energy and power	1,578,975.01	41,054.20
Ansteel Group Co., Ltd	Energy and power	5,043.59	
Angang Construction Group Co., Ltd.	Energy and power	279.46	
Angang Mining Machinery Manufacturing Co., Ltd.	Steel and steel products	15,442,967.67	14,820,100.10
Angang Green Resources Technology Co., Ltd.	Raw and auxiliary materials	5,193,872.81	37,353,702.58
Angang Energy Technology Co., Ltd.	Chemicals and by-products	9,514,672.04	15,257,345.77
Ansteel Tendering Co., Ltd. Benxi Branch	Energy and power	10,309.54	
Bengang Electrical Co., Ltd.	Energy and power		107.35
Bengang Group Dalian Refractory Materials Co., Ltd	Steel and steel products	4,224,070.16	
Bengang Group Dalian Refractory Materials Co., Ltd	Raw materials	399,470.50	
Ben Steel Group Co., Ltd	Energy and power	101,034.27	112,893.51
Benxi Northern Iron Industry Co., Ltd.	Scrap steel	16,941,524.29	16,398,523.67
Benxi Northern Iron Industry Co., Ltd.	Raw and auxiliary materials	67,941,784.82	52,132,719.97
Benxi Beifang Steel Rolling Co.,Ltd.	Raw and auxiliary materials	1,106,623.83	
Benxi Beiyong Iron and Steel (Group)	Scrap steel	173,691,235.64	125,596,905.40

Name	The content of related party transactions	Current period	Previous period
Co., LTD			
Benxi Beiyang Iron and Steel (Group) Co., LTD	Steel and steel products	4,373,827.69	5,080,428.29
Benxi Beiyang Iron and Steel (Group) Co., LTD	Chemicals and by-products	2,489,180.71	
Benxi Beiyang Iron and Steel (Group) Co., LTD	Energy and power	24,955,758.51	28,512,393.64
Benxi Beiyang Iron and Steel (Group) Co., LTD	Raw and auxiliary materials	4,732,050.27	
Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	Chemicals and by-products	119,530.59	3,487,432.00
Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	Testing and chemical inspection	21,698.11	9,481.13
Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	Energy and power	1,999,539.07	2,624,235.81
Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	Raw and auxiliary materials	4,017,943.52	1,263,611.14
Benxi Iron and Steel (Group) Real Estate Development Co., Ltd.	Energy and power	1,599.21	13,728.04
Benxi Iron and Steel (Group) Engineering Construction Supervision Co., Ltd.	Energy and power	874.86	1,013.49
Benxi Iron and Steel (Group) Machinery Manufacturing Co., LTD	Warehousing income	1,128.28	
Benxi Iron and Steel (Group) Machinery Manufacturing Co., LTD	Testing and chemical inspection	69,556.60	
Benxi Iron and Steel (Group) Machinery Manufacturing Co., LTD	Steel and steel products	8,921,510.61	3,401,493.72
Benxi Iron and Steel (Group) Machinery Manufacturing Co., LTD	Chemicals and by-products	932,754.82	670,802.00
Benxi Iron and Steel (Group) Machinery Manufacturing Co., LTD	Processing income	13,746.33	33,801.89
Benxi Iron and Steel (Group) Machinery Manufacturing Co., LTD	Energy and power	4,084,240.16	6,007,102.33
Benxi Iron and Steel (Group) Construction Co., Ltd	Testing and chemical inspection	337.92	
Benxi Iron and Steel (Group) Construction Co., Ltd	Energy and power	1,456,705.56	1,316,916.78
Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	Steel and steel products	95,376.11	
Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	Energy and power	83,862.76	126,145.36
Benxi Steel Group Mining Liaoyang Jiajiaopu Iron Mine Co., Ltd.	Testing and chemical inspection	38,730.00	77,560.00
Benxi Steel Group Mining Liaoyang Jiajiaopu Iron Mine Co., Ltd.	Energy and power	12,131.93	13,732.39
Benxi Steel Group Mining Liaoyang Ma'erling Pelletizing Co., Ltd.	Energy and power	2,868.70	3,189.49
Benxi Steel Group Mining Liaoyang Ma'erling Pelletizing Co., Ltd.	Fuel	6,342,966.56	15,251,380.56
Benxi Iron and Steel (Group) Mining Co., LTD	Steel and steel products	5,421,571.34	5,117,925.32
Benxi Iron and Steel (Group) Mining Co., LTD	Chemicals and by-products	72,089,654.55	10,058,151.58
Benxi Iron and Steel (Group) Mining Co., LTD	Energy and power	15,535,086.96	86,736,810.96

Name	The content of related party transactions	Current period	Previous period
Benxi Iron and Steel (Group) Mining Co., LTD	Fuel	28,735,073.43	31,208,244.58
Benxi Iron and Steel (Group) Mining Co., LTD	Transportation income	3,443,385.04	4,095,412.97
Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	Chemicals and by-products	1,468,084.50	
Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	Energy and power	12,350,374.48	16,654,093.36
Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	Fuel	9,998,954.55	6,936,257.99
Benxi Iron and Steel (Group) Equipment Engineering Co., LTD	Steel and steel products	385,719.02	4,260,129.29
Benxi Iron and Steel (Group) Equipment Engineering Co., LTD	Energy and power	1,245,472.05	1,332,306.99
Benxi Iron and Steel (Group) Industrial Development Co., LTD	Obsolete materials	14,660,401.67	35,006,656.83
Benxi Iron and Steel (Group) Industrial Development Co., LTD	Energy and power	3,774,803.32	3,722,832.64
Benxi Iron and Steel (Group) Industrial Development Co., LTD	Chemicals and by-products	53,485.10	3,106.04
Benxi Iron and Steel (Group) Industrial Development Co., LTD	Raw auxiliary materials	35,043,228.00	35,000,000.00
Benxi Steel Group Information Automation Co., Ltd.	Energy and power	219,503.20	252,361.34
Benxi Iron and Steel (Group) Co., LTD	Auxiliary materials	410,792.54	597,621.68
Benxi Iron and Steel (Group) Co., LTD	Energy and power	5,656,233.48	4,386,101.97
Benxi Xihu Metallurgical Furnace Material Co., Ltd.	Energy and power	262,237.50	99,284.19
Benxi Weld Phosphate Overlay Manufacturing Co., Ltd.	Energy and power	19,480.21	27,999.71
Benxi New Industrial Development Co., Ltd.	Energy and power	142,545.86	105,194.07
Benxi New Industrial Development Co., Ltd.	Rental income	24,500.00	
Chengdu Xingyun Smart Technology Co., Ltd.	Information technology services		87,991.38
Dalian Bolore Steel Pipe Co., Ltd.	Steel and steel products	441,221.12	11,258,142.09
Delin Land Port Supply Chain Services Co., Ltd	Steel and steel products	818,452,693.36	235,925,970.25
Delin Land Port Supply Chain Services Co., Ltd	Raw materials	819,818,063.16	1,087,654,168.23
Guangzhou Ansteel Steel Processing Co., Ltd.	Raw materials	35,403,058.32	13,979,582.23
Liaoning Hengtai Heavy Machinery Co., Ltd.	Energy and power	697.03	
Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	Scrap steel	6,246,961.20	7,000,000.00
Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	Obsolete materials	10,107,394.89	10,826,996.90
Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	Testing and chemical inspection	47,688.68	
Pangang Group Jiangyou Great Wall Special Steel Co., Ltd.	Steel and steel products	15,594,024.81	12,193,696.16
Shenyang Angang International Trade Co., Ltd.	Raw materials	3,479,173.00	
Tianjin Angang Steel Processing &	Steel and steel	24,030,223.68	6,780,770.79

Name	The content of related party transactions	Current period	Previous period
Distribution Co., Ltd.	products		
Tianjin Angang Steel Processing & Distribution Co., Ltd.	Raw materials	4,611,840.10	8,460,616.32
Changchun FAW Angang Steel Processing & Distribution Co., Ltd.	Warehousing income	2,971.66	
Changchun FAW Angang Steel Processing & Distribution Co., Ltd.	Steel and steel products	658,879.52	
Changchun FAW Angang Steel Processing & Distribution Co., Ltd.	Raw materials	15,261,993.84	3,761,138.31
China Ordins Group Co.,Ltd.	Steel and steel products	166,331.79	

2. Lease information of related parties

Company as the lessor:

Lessee	Lease capital category	Lease income of current period	Lease income of previous period
Benxi Iron and Steel (Group) Equipment Engineering Co., LTD	Warehouse and machinery		670,802.00
Benxi New Industrial Development Co., Ltd.	Warehouse and machinery	24,500.00	

Company as the lessee:

Lessor	Lease assets category	Current period					Previous period				
		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 Iron and Steel (Group) Co., Ltd.	Land use right 7,669,068.17 square meter, Land use right 42,920.00 square meter			27,638,772.06	18,502,019.80				27,638,772.06	19,500,054.00	
Benxi Iron and Steel (Group) Co., Ltd.	2300 Hot rolling product line, related real estate			8,049,080.52	3,348,358.04				8,049,080.52	3,870,344.34	
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	1780 Hot rolling product line, related real estate			7,175,818.86	2,578,717.23				7,175,818.86	2,980,721.70	
Ben Steel Group Co., Ltd	Land use right 728,282.30			4,972,711.56	756,809.43				4,972,711.56	1,224,959.40	

Lessor	Lease assets category	Current period					Previous period				
		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
	square meter										
Angang Group Energy-Saving Technology Services Co., Ltd.	machinery and equipment			828,571.67	1,400,598.59				12,063,482.04	119,211.50	
Benxi Iron and Steel (Group) Construction Co., Ltd	Transportation equipment	3,470,033.34									

(6) Receivables and payables of related parties**1. Receivables of the Company**

Items	Name	30 June 2025		31 December 2024	
		Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
Accounts receivable	Angang Steel Processing & Distribution (Dalian) Co., Ltd.	4,990,133.72	49,901.34	17,280,685.82	172,806.86
Accounts receivable	ANGANG Steel Co., Ltd	299,204.69	2,992.05	519,491.94	5,194.92
Accounts receivable	Angang Group International Economic & Trade Co., Ltd. Benxi Branch	579,141,895.93	5,791,418.96		
Accounts receivable	Angang Construction Group Co., Ltd.	315.79	3.16		
Accounts receivable	Angang Energy Technology Co., Ltd.	4,246,220.21	42,462.20		
Accounts receivable	Ansteel Tendering Company Limited	3,791.96	37.92		
Accounts receivable	Bensteel Group International Economic and Trade Co., LTD	3,451,697.88	34,516.98	253,981,286.94	2,539,812.87
Accounts receivable	Ben Steel Group Co., Ltd	5,131.50	51.32		
Accounts receivable	Benxi Northern Iron Industry Co., Ltd.	9,023,749.23	90,237.49	8,268,156.18	82,681.56
Accounts receivable	Benxi Beifang Steel Rolling Co.,Ltd.	2,725,711.03	160,027.46	1,475,226.11	14,752.26
Accounts receivable	Benxi Beiying Iron and Steel (Group) Co., LTD	65,344,301.60	653,443.02	143,872.00	1,438.72
Accounts receivable	Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	366,159.82	3,661.60	454,258.02	4,542.58
Accounts receivable	Benxi Iron and Steel (Group) Machinery Manufacturing Co., LTD	739,002.67	7,390.03		
Accounts receivable	Benxi Iron and Steel (Group)	1,591,948.83	69,684.83	1,389,266.64	39,345.19

Items	Name	30 June 2025		31 December 2024	
		Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
	Construction Co., Ltd				
Accounts receivable	Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	598,269.04	155,187.48	607,729.23	63,193.36
Accounts receivable	Benxi Iron and Steel (Group) Mining Mineral Resources Development Co., Ltd.	88,983.85	17,796.77	88,983.85	8,898.39
Accounts receivable	Benxi Steel Group Mining Liaoyang Jiajiaopu Iron Mine Co., Ltd.	25,630.80	256.31	16,557.90	165.58
Accounts receivable	Benxi Steel Group Mining Liaoyang Ma'ering Pelletizing Co., Ltd.	501.11	5.01	921,521.39	67,911.03
Accounts receivable	Benxi Iron and Steel (Group) Mining Yanjia Valley Limestone Mine Co., Ltd.			13,714.00	137.14
Accounts receivable	Benxi Iron and Steel (Group) Mining Co., LTD	23,514,930.92	235,441.48	2,184,958.74	21,849.59
Accounts receivable	Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	9,490,225.04	885,802.55	6,744,686.82	246,075.39
Accounts receivable	Benxi Iron and Steel (Group) Equipment Engineering Co., LTD	1,634,125.24	49,646.38	1,903,696.41	39,634.20
Accounts receivable	Benxi Iron and Steel (Group) Industrial Development Co., LTD	7,084,369.26	70,843.69	6,964,699.57	69,647.00
Accounts receivable	Benxi Steel Group Information Automation Co., Ltd.	5,885.49	58.85	561.58	5.62
Accounts receivable	Benxi Iron and Steel (Group) Co., LTD	1,156,517.59	90,599.12	1,700,740.58	17,007.41
Accounts receivable	Benxi Xihu Metallurgical Furnace	66,717.46	667.17	49,833.00	498.33

Items	Name	30 June 2025		31 December 2024	
		Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
	Material Co., Ltd.				
Accounts receivable	Benxi Weld Phosphate Overlay Manufacturing Co., Ltd.	188,239.90	17,317.16	190,148.59	8,558.50
Accounts receivable	Guangzhou Ansteel Steel Processing Co., Ltd.	4,577,685.01	45,776.85		
Accounts receivable	Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.			54,010.30	540.10
Accounts receivable	Liaoning Slag Micro Powder Co., Ltd.			12,848.00	128.48
Accounts receivable	Pangang Group Jiangyou Great Wall Special Steel Co., Ltd.	6,990,483.45	69,904.83	5,864,196.39	58,641.96
Accounts receivable	Angang Steel Distribution (Wuhan) Co., Ltd.			343,341.92	3,433.42
Accounts receivable	Ansteel Group Engineering Technology Co. Ltd.			23,232.88	232.33
Other receivables	Ansteel Museum	345,160.00	3,451.60		
Other receivables	ANGANG Steel Co., Ltd	95,781.27	55,603.99	95,781.27	50,581.83
Other receivables	Anshan Education and Training Center of Ansteel Group Co., Ltd	6,706.00	670.60		
Other receivables	Bengang Stainless Steel Cold Rolling Dandong Co., Ltd.	709,548.62	70,954.86	1,030,000.00	10,300.00
Other receivables	Ben Steel Group Co., Ltd	426.94	4.27		
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 Iron and Steel (Group) Co., LTD	2,674,500.00	413,000.00	2,674,500.00	157,740.00
Other receivables	Liaoning Lide Internet of Things Co., Ltd.			1,881,016.00	18,810.16

Items	Name	30 June 2025		31 December 2024	
		Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
Other receivables	Ansteel Group Co., Ltd			13,906.00	139.06
Prepayments	Angang Steel Processing & Distribution (Changchun) Co., Ltd.	1,027.17		663.59	
Prepayments	Bengang Gaoyuan Industrial Development Co., Ltd.	11,817.51			
Prepayments	Benxi Beiyang Iron and Steel (Group) Co., LTD	1,832,466.75		7,880,500.42	
Prepayments	Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	11,600.01			
Prepayments	Benxi Iron and Steel (Group) Equipment Engineering Co., LTD	3,274,557.89		3,162,173.15	
Prepayments	Benxi Iron and Steel (Group) Industrial Development Co., LTD	4,305.30			
Prepayments	Benxi Steel Group Information Automation Co., Ltd.	581,838.17		575,313.17	
Prepayments	Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	62,100.00			
Prepayments	Benxi Iron and Steel (Group) Machinery Manufacturing Co., LTD			318,579.31	
Prepayments	ANGANG Steel Co., Ltd	411,660.66		484,808.79	
Prepayments	Bensteel Group International Economic and Trade Co., LTD	0.01		0.01	
Prepayments	Angang Group International Economic & Trade Co., Ltd. Benxi Branch	386,757,348.18			
Prepayments	Benxi New	7,196,737.50		7,196,737.50	

Items	Name	30 June 2025		31 December 2024	
		Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
	Industrial Development Co., Ltd.				
Other non-current assets	Bensteel Group International Economic and Trade Co., LTD	3,735,200.31			
Other non-current assets	Bengang Gaoyuan Industrial Development Co., Ltd.			542,400.00	
Other non-current assets	Benxi Iron and Steel (Group) Construction Co., Ltd	19,936,615.33		19,936,615.33	
Other non-current assets	Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	2,210,879.80		3,102,019.08	
Other non-current assets	Benxi Iron and Steel (Group) Equipment Engineering Co., LTD	11,987,515.98		12,686,042.92	
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.	3,332,204.39		7,692,252.35	
Other non-current assets	Liaoning Hengtai Heavy Machinery Co., Ltd.	37,496.00		5,895,416.00	
Other non-current assets	Ansteel Group Engineering Technology Co. Ltd.	1,968,632.21		1,968,632.21	

2. Payables of the Company

Items	Name	30 June 2025	31 December 2024
Contract liabilities	Angang (Hangzhou) Automotive Materials Technology Co., Ltd.	3,750,833.76	644,589.93
Contract liabilities	Angang Steel Processing & Distribution (Dalian) Co., Ltd.		1,018.12
Contract liabilities	Angang Steel Processing & Distribution (Changchun) Co., Ltd.	1,899,033.90	2,826,567.07
Contract	Angang Steel Processing & Distribution	892,279.74	

Items	Name	30 June 2025	31 December 2024
liabilities	(Zhengzhou) Co., Ltd.		
Contract liabilities	Angang Steel Distribution (Hefei) Co., Ltd.	2,874,061.03	3,099,204.80
Contract liabilities	Angang Steel Distribution (Wuhan) Co., Ltd.	4,583,660.69	731,023.72
Contract liabilities	ANGANG Steel Co., Ltd		675,535.16
Contract liabilities	Ansteel Chemical Technology Co., Ltd	14,101,881.90	10,758,548.27
Contract liabilities	Bensteel Group International Economic and Trade Co., LTD	649,732.04	649,732.04
Contract liabilities	Angang Mining Machinery Manufacturing Co., Ltd.	1,229,420.59	354,001.32
Contract liabilities	Angang Green Resources Technology Co., Ltd.	725,412.26	477,418.26
Contract liabilities	Angang Energy Technology Co., Ltd.		0.02
Contract liabilities	Angang ShenYang Steel Service Center Co.,Ltd.	87,869.94	87,869.94
Contract liabilities	Angang Industrial Group Metallurgical Machinery Co., Ltd.	176,000.00	
Contract liabilities	Bengang Group Dalian Refractory Materials Co., Ltd	612,944.03	4,203,125.16
Contract liabilities	Bensteel Group International Economic and Trade Co., LTD	3,749,095.41	
Contract liabilities	Benxi Beiyang Iron and Steel (Group) Co., LTD	51,134.39	6,329,389.09
Contract liabilities	Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	4,117,146.33	4,881,014.65
Contract liabilities	Benxi Iron and Steel (Group) Machinery Manufacturing Co., LTD	3,011,498.83	5,552.80
Contract liabilities	Benxi Iron and Steel (Group) Construction Co., Ltd	39,135.82	39,135.82
Contract liabilities	Benxi Steel Group Mining Liaoyang Ma'erling Pelletizing Co., Ltd.	7,832,447.78	
Contract liabilities	Benxi Iron and Steel (Group) Mining Co., LTD	89,538.53	510,246.41
Contract liabilities	Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	13,580,550.16	8,620,006.55
Contract liabilities	Benxi Iron and Steel (Group) Industrial Development Co., LTD	5,391,048.35	10,393,122.80
Contract liabilities	Benxi Steel Group Metallurgical Slag Co., Ltd.	0.01	
Contract liabilities	Benxi Xihu Metallurgical Furnace Material Co., Ltd.	20,000.00	20,000.00
Contract liabilities	Dalian Bolore Steel Pipe Co., Ltd.	2,692,667.29	3,191,247.16
Contract liabilities	Delin Land Port Supply Chain Services Co., Ltd	298,456,859.46	305,864,435.81
Contract liabilities	Guangzhou Ansteel Steel Processing Co., Ltd.		500,000.00
Contract liabilities	Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	3,499,420.49	3,278,592.93
Contract liabilities	Liaoning Metallurgical Vocational Technical College	0.01	0.01
Contract liabilities	Shenyang Angang International Trade Co.,Ltd.	77,209.51	
Contract liabilities	Tianjin Angang Steel Processing & Distribution Co., Ltd.	4,041,076.85	4,824,582.32
Contract liabilities	Changchun FAW Angang Steel Processing & Distribution Co., Ltd.	3,558,838.98	8,200,175.36
Accounts payable	Angang Electrical Co., Ltd.	884,705.20	63,861.90

Items	Name	30 June 2025	31 December 2024
Accounts payable	Ansteel Scrap Resources (Anshan) Co., Ltd	32,581,323.59	90,856,997.04
Accounts payable	Angang Steel Processing & Distribution (Changchun) Co., Ltd.	218,356.00	108,462.46
Accounts payable	ANGANG Steel Co., Ltd	417,943.14	417,943.09
Accounts payable	Ansteel Group Railway Equipment Checking&Repairing Company	165,594.72	
Accounts payable	Bensteel Group International Economic and Trade Co., LTD	206,408,739.59	193,806.42
Accounts payable	Angang Group Mining Gongchangling Co., Ltd.		774,734.40
Accounts payable	Angang Mining Automotive Transportation Co., Ltd.		324,680.50
Accounts payable	Angang Green Resources Technology Co., Ltd.	519,297.58	
Accounts payable	Ansteel Automobile Transportation Co.,Ltd.	1,572,510.86	
Accounts payable	Angang Industrial Group (Anshan) Equipment Operation & Maintenance Co., Ltd.	837,559.85	
Accounts payable	Angang Industrial Group Metallurgical Machinery Co., Ltd.	4,261,107.71	3,048,409.40
Accounts payable	Ansteel Shuangsheng (Anshan) Fan Co., Ltd	24,295.00	
Accounts payable	Ansteel Water Technology (Liaoning) Co., Ltd.	3,931,587.73	
Accounts payable	Angang Heavy Machinery Co., Ltd.	2,860,106.84	2,480,080.39
Accounts payable	Anshan Iron & Steel Metallurgical Furnace Material Technology Co., Ltd.		2,641,730.70
Accounts payable	Bengang Stainless Steel Cold Rolling Dandong Co., Ltd.	624,692.88	
Accounts payable	Bengang Gaoyuan Industrial Development Co., Ltd.	208,135.93	3,969,044.08
Accounts payable	Bengang Group Dalian Refractory Materials Co., Ltd	1,517,561.11	1,487,446.42
Accounts payable	Bensteel Group International Economic and Trade Co., LTD	51,915,818.90	50,692,605.67
Accounts payable	Bengang Group Co., Ltd.	4,688,239.05	4,688,239.05
Accounts payable	Benxi Aike Hydraulic Sealing Co., Ltd.	614,044.95	2,778,115.83
Accounts payable	Benxi Northern Iron Industry Co., Ltd.	6,594,132.35	73,671.74
Accounts payable	Benxi Beiyang Iron and Steel (Group) Co., LTD	226,831,342.96	79,183,767.61
Accounts payable	Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	4,981,760.68	2,794,117.30
Accounts payable	Benxi Iron and Steel (Group) Real Estate Development Co., Ltd.	89,735.06	89,735.06
Accounts payable	Benxi Steel and Iron(Group)Tengda Co.,Ltd.	62,942,037.48	46,335,396.72
Accounts payable	Benxi Iron and Steel (Group) Machinery Manufacturing Co., LTD	35,572,416.20	10,659,752.69
Accounts payable	Benxi Iron and Steel (Group) Construction Advanced Decoration Co., Ltd.	264,705.62	264,705.62
Accounts payable	Benxi Iron and Steel (Group) Construction Co., Ltd	9,365,140.50	29,543,424.37
Accounts payable	Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	8,805,513.96	12,083,876.39
Accounts payable	Benxi Steel Group Mining Liaoyang Jiajiaopu Iron Mine Co., Ltd.	82,233.63	
Accounts	Benxi Steel Group Mining Liaoyang Ma'erling	47,399,676.59	10,282,360.99

Items	Name	30 June 2025	31 December 2024
payable	Pelletizing Co., Ltd.		
Accounts payable	Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	96,683.95	12,362.40
Accounts payable	Benxi Iron and Steel (Group) Equipment Engineering Co., LTD	80,117,560.04	92,630,122.46
Accounts payable	Benxi Iron and Steel (Group) Industrial Development Co., LTD	40,787,885.05	53,022,441.36
Accounts payable	Benxi Steel Group Information Automation Co., Ltd.	24,568,773.81	23,459,353.69
Accounts payable	Benxi Iron and Steel (Group) Co., LTD	14,518,359.64	28,808,379.76
Accounts payable	Benxi Xihu Metallurgical Furnace Material Co., Ltd.	16,417,935.42	17,171,380.52
Accounts payable	Benxi Weld Phosphate Overlay Manufacturing Co., Ltd.	234,112.13	234,112.13
Accounts payable	Benxi New Industrial Development Co., Ltd.	38,700.00	38,700.00
Accounts payable	Dalian Bolore Steel Pipe Co., Ltd.		1,007,742.98
Accounts payable	Delin Industrial Products Co., Ltd	14,644,619.26	11,409,283.88
Accounts payable	Delin Land Port Supply Chain Services Co., Ltd	445.65	7,713.30
Accounts payable	Liaoning Hengtai Heavy Machinery Co., Ltd.	8,918,144.56	13,479,975.49
Accounts payable	Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	13,456,405.96	7,166,704.73
Accounts payable	Liaoning Lide Internet of Things Co., Ltd.	10,816,631.56	7,230,457.06
Accounts payable	Liaoning Metallurgical Vocational Technical College	48,048.00	517,768.00
Accounts payable	Liaoning Yitong Machinery Manufacturing Co., Ltd.	7,816,893.90	4,599,719.45
Accounts payable	Tianjin Angang Steel Processing & Distribution Co., Ltd.	558.87	487.99
Accounts payable	Benxi Iron and Steel (Group) Mining Co., LTD	97,472,445.94	59,008,517.39
Accounts payable	Ansteel Group Engineering Technology Co. Ltd.	206,001.22	85,440.00
Accounts payable	Bengang Electrical Co., Ltd.		2,692,262.89
Other payables	Angang (Liaoning) Materials Technology Co., Ltd.	231,080.00	300,000.00
Other payables	Ansteel Scrap Resources (Anshan) Co., Ltd	500,000.00	500,000.00
Other payables	Angang Metal Structure Co., Ltd.	10,000.00	
Other payables	Bensteel Group International Economic and Trade Co., LTD	18,967,059.09	
Other payables	Anshan Education and Training Center of Ansteel Group Co., Ltd	4,640.00	
Other payables	Ansteel Automation Co., LTD	14,175,000.00	7,332,129.00
Other payables	Angang Construction Group Co., Ltd.	17,587,042.93	3,319,522.94
Other payables	Angang Metal Structure Co., Ltd.		10,000.00
Other payables	Angang Heavy Machinery Design & Research Institute Co., Ltd.	826,121.54	826,121.54
Other payables	Angang Heavy Machinery Co., Ltd.	1,040,012.56	1,040,012.56
Other payables	Anshan Iron & Steel Metallurgical Furnace Material Technology Co., Ltd.	50,000.00	50,000.00

Items	Name	30 June 2025	31 December 2024
Other payables	Bengang Electrical Co., Ltd.	776,394.34	776,394.34
Other payables	Bengang Gaoyuan Industrial Development Co., Ltd.	7,875,937.56	5,005,617.56
Other payables	Bensteel Group International Economic and Trade Co., LTD	60,972,214.65	66,120,363.96
Other payables	Ben Steel Group Co., Ltd	159,842,920.79	219,843,255.77
Other payables	Benxi Bengang Automobile Transport Co.,Ltd.	214,352.25	
Other payables	Benxi Aike Hydraulic Sealing Co., Ltd.	58,590.00	58,590.00
Other payables	Benxi Beiyong Iron and Steel (Group) Co., LTD	6,645,124.07	7,766,352.17
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.	1,745,527.83	1,488,917.43
Other payables	Benxi Iron and Steel (Group) Machinery Manufacturing Co., LTD	33,741,169.74	3,792,085.01
Other payables	Benxi Iron and Steel (Group) Inspection and Testing Co., Ltd.		735,280.00
Other payables	Benxi Iron and Steel (Group) Construction Advanced Decoration Co., Ltd.	123,738.55	123,738.55
Other payables	Benxi Iron and Steel (Group) Construction Co., Ltd	262,803,189.75	217,077,997.48
Other payables	Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	10,981,616.76	7,550,015.30
Other payables	Benxi Iron and Steel (Group) Road and Bridge Construction Engineering Co., Ltd.	318.66	
Other payables	Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	1,577,196.00	697,337.92
Other payables	Benxi Iron and Steel (Group) Equipment Engineering Co., LTD	761,976,791.64	724,514,695.24
Other payables	Benxi Iron and Steel (Group) Industrial Development Co., LTD	1,412,218.05	1,412,218.05
Other payables	Benxi Steel Group Information Automation Co., Ltd.	212,884,549.10	108,472,109.63
Other payables	Benxi Iron and Steel (Group) Co., LTD	14,940,076.44	52,720,523.82
Other payables	Benxi Xihu Metallurgical Furnace Material Co., Ltd.	100,000.00	100,000.00
Other payables	Benxi New Industrial Development Co., Ltd.	6,643,964.37	13,997,378.10
Other payables	Dalian Bolore Steel Pipe Co., Ltd.	20,000.00	20,000.00
Other payables	Liaoning Hengtai Heavy Machinery Co., Ltd.	9,464,878.94	5,024,204.94
Other payables	Liaoning Hengyi Steel Trading Co., Ltd	11,758,998.02	11,758,998.02
Other payables	Liaoning Metallurgical Vocational Technical College	353,630.00	353,630.00
Other payables	Liaoning Yitong Machinery Manufacturing Co., Ltd.	372,123.61	330,463.37
Other payables	Ansteel Group Engineering Technology Co. Ltd.	279,386,628.55	114,249,580.71
Other payables	Bengang Group Dalian Refractory Materials Co., Ltd		20,000.00
Dividends payable	Bengang Group Co., Ltd.	45,054,305.70	45,054,305.70

(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 2024, after negotiation with Ansteel Group Finance Co., Ltd. (hereinafter referred to as "Ansteel Finance Co."), 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 Ansteel Finance Co. for the years 2025, 2026 and 2027. The agreement stipulates that the maximum daily balance of funds deposited by Bengang Plates in Ansteel Finance Co. 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 Ansteel Finance Co. 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 Ansteel Finance Co. 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	30 June 2025		31 December 2024	
	Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
Cash at bank and on hand	237,849,896.52		1,227,198,770.48	
Total	237,849,896.52		1,227,198,770.48	
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 Right Leasing Contract" and subsequent supplementary agreements signed by the company and Benxi Steel (Group) on April 7, 1997 and December 30, 2005, the Company leases land from Bengang Group at a rate of 0.594 yuan per square meter per month. The total leased land area is 7,669,068.17 square meters, with an annual rent of 54.66 million yuan..

(2) On August 14, 2019, the Company signed the Building Lease Agreements with Benxi Steel (Group) Co., Ltd. and Benxi Beiyang 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 and 18 million yuan respectively. 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 parcels 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 lease charges need 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, 2025, the amount of unfulfilled irrevocable letters of credit was RMB 1.496 billion.

(2) Contingencies

As of June 30, 2025, the Company has no significant contingent matters that require disclosure.

13. Subsequent events

On July 22, 2025, the Company issued the "Announcement on the Progress of Major Asset Replacement and Related-Party Transactions". The company plans to conduct an asset replacement with its controlling shareholder, Benxi Iron and Steel (Group) Co., Ltd. The proposed asset to be placed in the company is 100% equity in Benxi Iron and Steel (Group) Mining Co., Ltd., and the proposed asset to be divested is all of the listed company's assets and liabilities, excluding retained assets and liabilities. The difference between the proposed assets to be placed in and the proposed assets to be divested will be made in cash by one party to the other. Currently, the specific scope of the transaction's target assets, transaction price, and other factors have not been finalized, and the two parties have not yet signed any agreement. The transaction plan still requires further discussion, communication, and negotiation, and is subject to the necessary decision-making and approval procedures in accordance with relevant laws, regulations, and the company's articles of association. Significant uncertainty remains regarding these matters.

14. Other significant events

(1) Correction of previous accounting errors

1. Retrospective Restatement Method

There were no corrections of prior period accounting errors using the retrospective restatement method during the current reporting period.

2. Prospective Application Method

There were no corrections of prior period accounting errors using the future application method in the current reporting period.

(2) Segment information

Since the Company's main product is steel, the sales volume of other products accounts for a relatively small proportion, and the main production base is in Liaoning Province, it is not applicable to disclose segment reports.

15. Notes to the financial statements of parent company

1. Accounts receivable

(1) Accounts receivable disclosed by aging

Items	30 June 2025	31 December 2024
Within 1 year (inclusive)	914,625,356.19	775,949,268.73
1-2 years (inclusive)	108,300,699.30	5,786,445.58
2-3 years (inclusive)	4,952,094.14	126,254,788.19
3-4 years (inclusive)	99,914,704.39	557,413.41
4-5 years (inclusive)	556,497.21	748,799.87
Over 5 years	98,134,252.64	97,491,074.53
Sub-total	1,226,483,603.87	1,006,787,790.31
Less: Provision for bad debts	136,902,674.25	107,374,488.69
Total:	1,089,580,929.62	899,413,301.62

(2) Accounts receivable disclosed by method of bad debt provision

Items	30 June 2025					31 December 2024				
	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	Bad debts ratio (%)	
Tested for impairment individually	48,196,244.68	3.93	48,196,244.68	100.00		48,196,244.68	4.79	48,196,244.68	100.00	
Tested for impairment by portfolio	1,178,287,359.19	96.07	88,706,429.57	7.53	1,089,580,929.62	958,591,545.63	95.21	59,178,244.01	6.17	899,413,301.62
Include:										
Aging portfolio	864,698,567.49	70.50	88,706,429.57	10.26	775,992,137.92	313,614,474.73	31.15	59,178,244.01	18.87	254,436,230.72
Risk-free portfolio	313,588,791.70	25.57			313,588,791.70	644,977,070.90	64.06			644,977,070.90
Total	1,226,483,603.87	100.00	136,902,674.25		1,089,580,929.62	1,006,787,790.31	100.00	107,374,488.69		899,413,301.62

Significant accounts receivables tested for impairment individually:

Name	30 June 2025				31 December 2024	
	Accounts receivable	Provision for bad debts	Bad debts ratio (%)	Reason	Accounts receivable	Provision for bad debts
Benxi Nanfen Xinhe Metallurgical 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	30 June 2025		
	Accounts receivable	Provision for bad debts	Bad debts ratio (%)
Within 1 year (inclusive)	771,189,754.99	7,711,897.57	1.00
1-2 years (inclusive)	9,502,894.65	950,289.47	10.00
2-3 years (inclusive)	4,952,094.14	990,418.82	20.00
3-4 years (inclusive)	28,559,318.54	28,559,318.54	100.00
4-5 years (inclusive)	556,497.21	556,497.21	100.00
Over 5 years	49,938,007.96	49,938,007.96	100.00
Total	864,698,567.49	88,706,429.57	

(3) Information of provision, reversal or recovery of bad debts in the current period

Items	31 December 2024	Increase/decrease				30 June 2025
		Accrued	Reversed or recovered	Write-off or Write-back	Other changes	
Provision for bad debts	107,374,488.69	29,528,185.56				136,902,674.25
Total	107,374,488.69	29,528,185.56				136,902,674.25

(4) Top five debtors and contract assets at the end of the period

Company	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Percentage (%)	Closing balance of provision for bad debts
Angang Group International Economic & Trade Co., Ltd. Benxi Branch	519,232,245.35		519,232,245.35	42.34	5,192,322.45
Benxi Bengang	120,738,345.20		120,738,345.20	9.84	

Company	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Percentage (%)	Closing balance of provision for bad debts
Steel Sales Co., Ltd.					
Bengang POSCO Cool Rolling Steel Sheet Co., Ltd.	73,909,761.19		73,909,761.19	6.03	
Liaoning North Coal Chemical Industry (Group) Co., Ltd.	56,241,715.67		56,241,715.67	4.59	5,241,185.70
Bengang Refractories Co., Ltd.	48,439,238.13		48,439,238.13	3.95	27,525,071.75
Total	818,561,305.54		818,561,305.54	66.75	37,958,579.90

2. Other receivables

Items	30 June 2025	31 December 2024
Interest receivables		
Dividend receivables	40,000,000.00	224,898,383.95
Other receivables	37,724,911.85	174,911,279.65
Total	77,724,911.85	399,809,663.60

1. Dividend receivables

(1) Details of dividends receivable

Items	30 June 2025	31 December 2024
BX Steel POSCO Cold Rolled Sheet Co., Ltd.		163,898,383.95
Changchun Bengang Steel Sales Co., Ltd.		3,000,000.00
Guangzhou Bengang Steel & Iron Trading Co., Ltd.	40,000,000.00	58,000,000.00
Sub-total	40,000,000.00	224,898,383.95
Less: Provision for bad debts		
Total	40,000,000.00	224,898,383.95

(2) Significant Dividends Receivable Aged Over One Year

Items	Ending Balance	Aging	Reason for Non-recovery	Impairment Assessment and Basis
Guangzhou Bengang Steel & Iron Trading Co., Ltd.	40,000,000.00	2-3years	Retained for business operations, recovered in the following	No

Items	Ending Balance	Aging	Reason for Non-recovery	Impairment Assessment and Basis
			year	
Total	40,000,000.00			

2. Other receivables

(1) Other receivables disclosed by aging

Items	30 June 2025	31 December 2024
Within 1 year (inclusive)	1,585,326.54	57,266,931.07
1-2 years (inclusive)	2,614,726.28	89,144,027.11
2-3 years (inclusive)	14,485,445.32	13,450,953.62
3-4 years (inclusive)	714,068.83	31,188,795.54
4-5 years (inclusive)	25,926,906.53	842,882.51
Over 5 years	52,979,511.11	52,141,851.60
Sub-total	98,305,984.61	244,035,441.45
Less: Provision for bad debts	60,581,072.76	69,124,161.80
Total	37,724,911.85	174,911,279.65

(2) Disclosed by bad debt accrual method

Items	30 June 2025					31 December 2024				
	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	Bad debts ratio (%)	
Provision for bad debts individually	15,752,285.66	16.02	15,752,285.66	100.00		15,752,285.66	6.45	15,752,285.66	100.00	
Provision for bad debts based on portfolio	82,553,698.95	83.98	44,828,787.10	54.30	37,724,911.85	228,283,155.79	93.55	53,371,876.14	23.38	174,911,279.65
Include:										
Aging portfolio	60,286,570.27	61.33	44,828,787.10	74.36	15,457,783.17	201,016,027.11	82.37	53,371,876.14	26.55	147,644,150.97
Risk-free portfolio	22,267,128.68	22.65			22,267,128.68	27,267,128.68	11.17			27,267,128.68
Total	98,305,984.61	100.00	60,581,072.76		37,724,911.85	244,035,441.45	100.00	69,124,161.80		174,911,279.65

Significant other receivables tested for impairment individually:

Items	30 June 2025				31 December 2024	
	Gross carrying amount	Provision for bad debts	Bad debts ratio (%)	Basis of accrual	Gross 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	100.00	Discontinued	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:

Provision for bad debts by portfolio: Aging analysis

Items	30 June 2025		
	Other receivables	Provision for bad debts	Bad debts ratio (%)
Within 1 year (inclusive)	1,568,676.46	15,686.77	1.00
1-2 years (inclusive)	2,573,819.13	257,381.91	10.00
2-3 years (inclusive)	14,485,445.32	2,897,089.06	20.00
3-4 years (inclusive)	714,068.83	714,068.83	100.00
4-5 years (inclusive)	3,072,337.08	3,072,337.08	100.00
Over 5 years	37,872,223.45	37,872,223.45	100.00
Total	60,286,570.27	44,828,787.10	

(3) Details of provision for bad debts

Provision for bad debts	Stage one	Stage two	Stage three	Total
	12-month expected credit losses	Lifetime expected credit losses (credit impairment has not occurred)	Lifetime expected credit losses (credit impairment has already occurred)	
Beginning balance	572,260.25	11,604,593.43	56,947,308.12	69,124,161.80
Beginning balance in current period				
--Transfer to Stage two	-514,763.83	514,763.83		
--Transfer to Stage three		-714,068.83	714,068.83	
--Reversal to Stage two				
--Reversal to Stage one				
Current period provision	-41,809.65	-8,250,817.46	-250,461.93	-8,543,089.04
Current period reversal				
Current period write-back				
Current period write-off				
Other change				
Ending balance	15,686.77	3,154,470.97	57,410,915.02	60,581,072.76

(4) Provision for bad debts accrued, reversed or recovered in the current period

Items	31 December 2024	Changes during the current period				30 June 2025
		Accrual	Reversal or recovered	Write-back or write-off	Others	
Provision for bad debts	69,124,161.80	-8,543,089.04				60,581,072.76
Total	69,124,161.80	-8,543,089.04				60,581,072.76

(5) Other receivables disclosed by nature

Nature	30 June 2025	31 December 2024
Compensation for the “Living Showbelt” project		87,177,700.00
Current account	95,149,222.98	153,899,831.94
Others	3,156,761.63	2,957,909.51
Total	98,305,984.61	244,035,441.45

(6) Top five debtors at the period end

Company	Nature	Amount	Aging	Percentage of total other receivables (%)	Provision for bad debts
Yantai Bengang Steel Sales Co., Ltd.	Current account	22,267,128.68	4-5 years	22.65	-
Benxi Iron and Steel (Group) No. 3 Architectural Engineering Co., Ltd.	Current account	12,504,978.59	4-5 years, over 5 years	12.72	12,504,978.59
Benxi Iron and Steel (Group) No. 1 Architectural Engineering Co., Ltd.	Current account	3,247,307.07	Over 5 years	3.30	3,247,307.07
Benxi Iron and Steel (Group) Co., LTD	Current account	2,674,500.00	1-2 years, 2-3 years	2.72	413,000.00
Liaoning Huawei Coal Preparation Co., Ltd.	Current account	2,261,360.00	Over 5 years	2.30	2,261,360.00
Total		42,955,274.34		43.69	18,426,645.66

3. Long-term equity investment

Items	30 June 2025			31 December 2024		
	Gross carrying amount	Impairment	Book value	Gross carrying amount	Impairment	Book value
Subsidiaries	2,422,543,459.43		2,422,543,459.43	2,391,943,459.43		2,391,943,459.43
Joint Ventures and Associates	45,413,221.72		45,413,221.72	45,413,221.72		45,413,221.72

Items	30 June 2025			31 December 2024		
	Gross carrying amount	Impairment	Book value	Gross carrying amount	Impairment	Book value
Total	2,467,956,681.15		2,467,956,681.15	2,437,356,681.15		2,437,356,681.15

(1) Details of investment in subsidiaries

Name of entity	Beginning balance	Beginning balance of impairment	Changes in the Current Period				Ending balance	Ending balance of impairment
			Additional Investment	Reduction in Investment	Provisions of Impairment of current period	Others		
Shanghai Bengang Metallurgy Science and Technology Co., Ltd.	229,936,718.57						229,936,718.57	
Benxi Bengang Steel Sales Co., Ltd.	30,000,000.00						30,000,000.00	
Bengang POSCO Cold Rolled Sheet Co., Ltd.	1,019,781,571.10						1,019,781,571.10	
Tianjin Bengang Steel & Iron Trading Co., Ltd.	230,318,095.80						230,318,095.80	
Changchun Bengang Steel Sales Co., Ltd.	28,144,875.36						28,144,875.36	
Yantai Bengang Steel & Iron Sales Co., Ltd.	219,100,329.41						219,100,329.41	
Guangzhou Bengang Steel & Iron Trading Co., Ltd.	200,000,000.00						200,000,000.00	
Dalian Benruitong Automotive Materials Technology Co., Ltd.	65,000,000.00						65,000,000.00	
Shenyang Bengang Metallurgical Science and Technology Co., Ltd.	200,000,000.00						200,000,000.00	
North Hengda Logistics Co., Ltd.	169,661,869.19		-				169,661,869.19	
Green Gold (Benxi) Renewable Resources Co., Ltd.			30,600,000.00				30,600,000.00	
Total	2,391,943,459.43		30,600,000.00				2,422,543,459.43	-

(2) Details of investment in Associates and Joint Ventures

For investments in associates and joint ventures, please refer to Note V (9) Long-term Equity Investments.

4. Operating Income and Operating Cost

(1) Operating income and operating cost

Items	Current period		Previous period	
	Revenue	Cost	Revenue	Cost
Principal business	24,194,919,372.80	25,098,732,350.98	28,086,225,442.07	29,148,262,789.55
Other business	648,195,035.42	645,476,449.44	673,924,129.88	685,977,515.04
Total	24,843,114,408.22	25,744,208,800.42	28,760,149,571.95	29,834,240,304.59

(2) Breakdown of operating income and operating cost

Item	Current period		Previous period	
	Revenue	Cost	Revenue	Cost
By Timing of Goods Transfer:				
Recognized at a point in time	24,194,919,372.80	25,098,732,350.98	644,628,717.14	645,468,901.56
Recognized over a period of time			3,566,318.28	7,547.88
Total	24,194,919,372.80	25,098,732,350.98	648,195,035.42	645,476,449.44
By Operating Region:				
Domestic	20,230,392,316.61	21,073,058,305.06	648,195,035.42	645,476,449.44
Overseas	3,964,527,056.19	4,025,674,045.92		
Total	24,194,919,372.80	25,098,732,350.98	648,195,035.42	645,476,449.44

5. Income on investment

Items	Current period	Previous period
Income on long-term equity investment by cost method		
Income on long-term equity investment by equity method		
Income arising from debt restructuring	6,934.05	
Others	-17,366,881.57	-31,605,308.28
Total	-17,359,947.52	-31,605,308.28

16. Supplementary Information

(1) Details of Non-recurring Gains and Losses for the Current Period

Item	Amount	Note
Gains or losses from disposal of non-current assets, including the reversal of previously recognized impairment losses	-31,536,907.02	
Government grants recognized in profit or loss for the period, except those closely related to the company's normal operations, in accordance with national policies, enjoyed according to determined standards, and having a continuous effect on the company's profit or loss	78,993,583.13	
Gains or losses arising from changes in fair value of financial assets and financial liabilities held by non-financial enterprises, and from disposal of such financial assets and liabilities, except for effective hedging related to the company's normal operations		
Fees for the occupation of funds charged to non-financial enterprises and recognized in profit or loss		

Item	Amount	Note
Gains or losses from entrusting others to invest or manage assets		
Gains or losses from entrusted loans to external parties		
Losses on assets due to force majeure, such as natural disasters		
Reversal of impairment provisions for individually tested receivables	10,820,884.61	
Gains arising when the cost of acquiring investments in subsidiaries, associates, or joint ventures is less than the fair value of identifiable net assets acquired		
Net profit or loss of subsidiaries from the beginning of the period to the date of business combination under common control		
Gains or losses from non-monetary asset exchanges		
Gains or losses from debt restructuring	7,215.64	
One-off expenses arising from discontinuation of related business activities, such as employee resettlement costs		
One-off impact on profit or loss due to adjustments in taxes, accounting, or other laws and regulations		
One-off recognition of share-based payment expenses due to cancellation or modification of equity incentive plans		
Gains or losses arising from fair value changes of cash-settled share-based payments after the vesting date		
Gains or losses from changes in fair value of investment properties measured using the fair value model		
Gains from transactions with manifestly unfair prices		
Gains or losses arising from contingent matters unrelated to the company's normal operations		
Trustee operation management fees		
Other non-operating income and expenses not included above	4,740,318.97	
Other gains and losses meeting the definition of non-recurring profit or loss		
Subtotal	63,025,095.33	
Impact of income tax	13,042,387.54	
Impact of minority interests (after tax)	-1,119,307.09	
Total	51,102,014.88	

(2) Return on equity and earnings per share

Profit in the Reporting Period	Weighted Average Return on Equity (%)	Earnings per Share (CNY)	
		Basic EPS	Diluted EPS
Net profit attributable to shareholders of the Company's ordinary shares	-12.50	-0.341	-0.341
Net profit attributable to shareholders of the Company's ordinary shares after deducting non-recurring gains and losses	-12.98	-0.353	-0.353

Note: Assuming that the company's convertible bonds are converted into ordinary shares, the number of outstanding ordinary shares for the period would increase by 1,422,465,070.11 shares, and net profit would increase by CNY 213,977,737.80, resulting in an increase in earnings per share of CNY 0.08 per share. This indicates that such potential ordinary shares are anti-dilutive rather than dilutive; therefore, they are not considered in the calculation of diluted earnings per share. Diluted earnings per share are determined based on basic earnings per share.

IX. Other Reported Data

1. Other major social security issues

Whether the listed company and its subsidiaries have other major social security issues

☐Yes ☐No ☒Not applicable

Whether administrative penalties were imposed during the reporting period

☐Yes ☐No ☒Not applicable

2. Researches, 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
Feb 12, 2025	Benxi	On-site research	Institution	Guotai Junan-Wei Yudi Fullgoal Fund – Xue Yang	Company's production and operational status	Investor Relations Activity Record on Feb 12, 2025
Feb 20, 2025	Benxi	On-site research	Institution	Tian Feng Securities-Wang Tao, Zhang Menghuan Pacific Securities-Wang Qili	Company's production and operational status	Investor Relations Activity Record on Feb 20, 2025
Feb 24, 2025	Benxi	Online Platform Exchange	Institution	Southern Asset Management-Yan Bixing	Company's production and operational status	Investor Relations Activity Record on Feb 24, 2025
Apr 16, 2025	Benxi	Online Platform Exchange	Others	Performance Presentation	Company's production and operational status	Investor Relations Activity Record on Apr 16, 2025
Apr 25, 2025	Benxi	On-site research	Individual	Liang Jun, Zhang Qiansheng	Company's production and operational status	Investor Relations Activity Record on Apr 25, 2025
Jun 5, 2025	Benxi	Online Platform Exchange	Individual	Zhang Yi	Company's production and operational status	Investor Relations Activity Record on Jun 5, 2025
Jun 6, 2025	Benxi	Online Platform Exchange	Institution	Zhongtai Securities-Ren Heng Bank of	Company's production and	Investor Relations

				Communication s Schroder - Zhuang Tongyun	operational status	Activity Record on Jun 6, 2025
Jun 13, 2025	Benxi	Online Platform Exchange	Institution	GF Securities - Chen Qiwei Taiping Pension Insurance - Qin Yuan	Company's production and operational status	Investor Relations Activity Record on Jun 13, 2025
Jun 25, 2025	Benxi	On-site research	Institution	Pacific Securities-Liu Yanfen Pacific Securities- Wang Qili	Company's production and operational status	Investor Relations Activity Record on Jun 25, 2025

3. Financial transactions between listed companies and controlling shareholders and other related parties

☐Applicable ☒Not applicable