

Bengang Steel Plates Co., Ltd.

**AUDITORS' REPORT
AND FINANCIAL STATEMENTS**

For the year ended 31 December 2025

PCPAR [2026] No. ZG10394

Bengang Steel Plates Co., Ltd.

AUDITORS' REPORT AND FINANCIAL STATEMENTS

(From 1 January 2025 to 31 December 2025)

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Auditors' Report

PCPAR [2025] No. ZG10394

To All Shareholders of Bengang Steel Plates Co., Ltd.:

Auditor's Opinion

We have audited the accompanying financial statements of Bengang Steel Plates Co., Ltd. (hereinafter referred to as "the Company") which comprise the consolidated statement of financial position and statement of financial position as at 31 December 2025, the consolidated statement of comprehensive income and statement of comprehensive income, the consolidated statement of changes in equity and statement of changes in equity, the consolidated statement of cash flows and statement of cash flows for the year then ended, and notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position and financial position of the Company as at 31 December 2025, and the consolidated results of operations and results of operations and the consolidated cash flows and cash flows of the Company for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises.

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the China Code of Ethics for Certified Public Accountants No. 1 Independence Requirements for Audit and Review Engagements, and we have fulfilled our other ethical responsibilities in accordance with China Code of Ethics for Certified Public Accountants. We have complied with the independence requirements applicable to audits of public interest entities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

The key audit matters are matters that we consider to be the most important for the audit of the current financial statements based on professional judgment. The response to these matters is based on the overall audit of the financial statements and the formation of audit opinions. We do not express a separate opinion on these matters.

We have identified the following items as key audit matters that need to be disclosed in the audit report.

Key Audit Matters	Audit Procedure
1. Revenue Recognition	
Please refer to the Note (20) under "3.	The main audit procedures we performed are

<p>Significant accounting policies and accounting estimates” and Note (30) under “5. Notes to consolidated financial statements”.</p> <p>In 2025, the amount of operating income recognized in the consolidated financial statements is RMB 46,392.25 million. Since revenue is a key performance indicator of the Company, the management of the Company may have a significant risk of misstatement in revenue recognition. Therefore, we consider revenue recognition as a key audit matter.</p>	<p>as follows:</p> <p>(1) Understand and test the key internal controls related to revenue, and evaluate whether the relevant controls are appropriate and effectively implemented; (2) We performed analytical procedures on revenue, including comparison of the gross profit of the current period of revenue of major products with that of the previous period, analysis of revenue fluctuations, and checking whether there are any abnormalities;</p> <p>(3) Obtain the detailed sales records for the current year, select samples of revenue transactions recorded in the current year, check the supporting documents such as sales contracts, invoices, yard sheets, customs declarations, and evaluate whether the relevant revenue recognition complies with the company's accounting policies;</p> <p>(4) Select samples to check sales contracts, identify the contract terms and conditions related to the transfer of control of goods, and evaluate whether the timing of revenue recognition of the Company complies with the requirements of Accounting Standards for Business Enterprises;</p> <p>(5) In combination with the accounts receivable audit procedures, perform confirmation procedures with sample customers for sales revenue during the reporting period;</p> <p>(6) Check the sales to related parties, review the fairness of the transaction prices of related parties, and perform confirmation procedures with related party customers;</p> <p>(7) Check whether information related to revenue has been properly reported and</p>
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	disclosed in the financial statements.
2. Impairment of Inventory	
<p>Please refer to the Note (12) under “3. Significant accounting policies and accounting estimates” and Note (7) under “5. Notes to consolidated financial statements”.</p> <p>As at December 31,2025, the carrying amount of inventory in consolidated statement is RMB 6,719.74 million, impairment of inventory is RMB 350.55 million, the book value of inventory is RMB 6,369.19 million. Inventory is measured at the lower of cost and net realizable value. The sufficiency of impairment for inventory will exert a great impact on the financial statement.</p> <p>The net realizable value of finished goods is determined by deducting the estimated selling expenses and related taxes from the estimated selling price.</p> <p>Management estimates the expected selling price based on the condition of inventory. It involves significant management judgement in the estimation process.</p> <p>As at December 31, 2025, the carrying amount of inventory was significant and involves the estimation of net realizable value. Therefore, we identified it as a key audit matter.</p>	<p>The main audit procedures we performed are as follows:</p> <p>(1) Evaluated the design and operation of internal control related to the impairment of inventory;</p> <p>(2) Supervise stocktaking and check the quantity and status of inventory, especially the aged inventory;</p> <p>(3) Obtain the calculation schedule of the impairment of inventory. Check whether it follows the requirements of related accounting standards of the Company, check the changes in the inventory impairment provision made in previous years, etc., and analyze whether the inventory impairment provision is sufficient;</p> <p>(4) Implement net realizable value testing of inventories and review the method of making provisions for inventory impairment, and test the integrity of the reports and data on which it is based.</p>

Other information

The management of the Company is responsible for the other information. The other information comprises information of the Company's annual report for the period of 2025 but excludes the financial statements and our auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit if there appears to be a material misstatement.

Based on the work we have performed, if we determine that there is a material misstatement of other information, we should report that fact. In this regard, we have nothing to report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with requirements of Accounting Standards for Business Enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management of the Company is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for supervising the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with China Standards on Auditing for Certified Public Accountants will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with accordance with Chinese Certified Public Accountants Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Bengang Steel Plate's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(6) Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for guiding, supervising and executing the group audit and assume full responsibility for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide a statement to those charged with governance on compliance with the ethical requirements associated with independence and communicate with those charged with governance all relationships and other matters that may reasonably be considered to affect our independence, and related precautions (if applicable).

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BDO CHINA SHU LUN PAN CERTIFIED
PUBLIC ACCOUNTANTS LLP

Certified Public Accountants of China
(Engagement Partner)

Certified Public Accountants of China

Shanghai, the People's Republic of China

2 April 2026

This auditor's report and the accompanying notes to the financial statement are English translation of the Chinese auditors' report. In case of doubt as to the presentation of these documents, the Chinese version shall prevail.

BENGANG STEEL PLATES CO., LTD.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2025
(Expressed in Renminbi unless otherwise indicated)

Assets	Notes	Dec 31, 2025	Dec 31, 2024
Current assets			
Cash at bank and on hand	5 (1)	1,127,390,675.15	2,453,888,470.48
Financial assets held for trading			
Derivative financial assets			
Notes receivable	5 (2)	399,759,776.83	607,279,481.42
Accounts receivable	5 (3)	1,178,780,456.77	501,484,081.73
Accounts receivable financing	5 (4)	331,321,177.27	64,399,942.70
Prepayments	5 (5)	314,825,894.06	391,823,135.87
Premium receivable			
Reinsurance accounts receivable			
Receivable deposit for reinsurance contract			
Other receivables	5 (6)	4,034,061.03	149,015,138.26
Redemptory financial assets for sale			
Inventories	5 (7)	6,369,194,886.12	7,333,084,694.27
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets	5 (8)	450,271,362.93	437,081,260.66
Total current assets		10,175,578,290.16	11,938,056,205.39
Non-current assets			
Loan and advances issued			
Debt Investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	5 (9)	43,269,884.04	45,413,221.72
Other equity instrument investments	5 (10)	890,420,831.77	933,426,254.63
Other non-current financial assets			
Investment property			
Fixed assets	5 (11)	28,412,673,622.89	26,426,320,453.57
Construction in progress	5 (12)	3,074,712,066.38	3,934,442,501.50
Productive biological assets			
Oil and gas assets			
Right-of-use assets	5 (13)	2,607,155,393.90	1,685,925,710.14
Intangible assets	5 (14)	383,659,012.77	394,780,068.68
Development expenditure	6 (2)	3,700,000.00	
Goodwill			
Long-term deferred expenses			
Deferred tax assets	5 (15)	124,211,917.95	371,234,449.79
Other non-current assets	5 (16)	54,632,516.72	86,297,275.16
Total non-current assets		35,594,435,246.42	33,877,839,935.19
Total assets		45,770,013,536.58	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 31 December 2025
(Expressed in Renminbi unless otherwise indicated)

Liabilities and equities	Notes	Dec 31, 2025	Dec 31, 2024
Current Liabilities			
Short-term loans	5 (18)	333,660,470.12	371,055,490.50
Loan from central bank			
Loan from other banks			
Financial liability held for trading			
Derivative financial liabilities			
Notes payable	5 (19)	12,962,287,642.88	12,982,703,669.86
Accounts payable	5 (20)	2,667,236,412.66	2,761,759,439.36
Advance from customers	5 (21)	49,541.35	59,327.21
Contract liabilities	5 (22)	2,736,697,947.25	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	5 (23)	2,586,883.29	1,773,068.35
Current tax liabilities	5 (24)	59,857,286.81	54,070,097.83
Other payables	5 (25)	2,775,544,196.11	2,354,694,200.01
Handling charges and commission payable			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	5 (26)	6,940,934,862.49	1,030,502,916.66
Other current liabilities	5 (27)	275,281,765.24	328,981,058.74
Total current liabilities		28,754,137,008.20	22,794,197,694.25
Non-current liabilities			
Provision for insurance contract			
Long-term loans	5 (28)	6,014,469,758.11	2,891,941,462.40
Bonds payable	5 (29)		5,569,899,459.53
Including: Preferred stock			
Perpetual bond			
Lease liabilities	5 (30)	2,239,436,105.64	1,633,911,586.51
Long-term payables			
Long-term employee benefits payable			
Estimated liabilities			
Deferred income	5 (31)	158,199,416.58	173,919,087.47
Deferred tax liabilities	5 (15)		252,893,530.26
Other non-current liabilities			
Total non-current liabilities		8,412,105,280.33	10,522,565,126.17
Total liabilities		37,166,242,288.53	33,316,762,820.42
Shareholders' equity:			
Share capital	5 (32)	4,108,236,253.00	4,108,228,157.00
Other equity instruments	5 (33)	947,843,680.82	947,850,195.03
Including: Preferred stock			
Perpetual bond			
Capital reserves	5 (34)	13,252,955,837.48	13,225,632,166.95
Less: treasury shares			
Other comprehensive income	5 (35)	-129,961,806.05	-93,407,196.62
Special reserves	5 (36)	881,502.23	809,649.65
Surplus reserves	5 (37)	1,195,116,522.37	1,195,116,522.37
General risk reserve			
Undistributed profits	5 (38)	-11,439,289,982.02	-7,497,011,632.90
Total equity attributable to equity holders of the parent company		7,935,782,007.83	11,887,217,861.48
Non-controlling interests		667,989,240.22	611,915,458.68
Total shareholder's equity		8,603,771,248.05	12,499,133,320.16
Total of liabilities and owners' equity		45,770,013,536.58	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 31 December 2025
(Expressed in Renminbi unless otherwise indicated)

Assets	Notes	Dec 31, 2025	Dec 31, 2024
Current assets			
Cash at bank and on hand		969,348,936.91	1,928,597,252.93
Financial assets held for trading			
Derivative financial assets			
Notes receivable		288,032,009.55	879,167,997.23
Accounts receivable	15 (1)	1,153,889,227.54	899,413,301.62
Accounts receivable financing		334,034,656.97	67,033,501.52
Prepayments		274,799,041.59	552,668,067.77
Other receivables	15 (2)	55,731,976.38	399,809,663.60
Inventories		5,607,342,964.33	6,510,049,399.94
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		417,408,930.19	401,232,007.64
Total current assets		9,100,587,743.46	11,637,971,192.25
Non-current assets			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	15 (3)	2,465,813,343.47	2,437,356,681.15
Other equity instrument investments		890,420,831.77	933,426,254.63
Other non-current financial assets			
Investment property			
Fixed assets		27,265,548,170.25	25,361,023,150.98
Construction in progress		2,965,847,309.52	3,813,480,844.57
Productive biological assets			
Oil and gas assets			
Right-of-use assets		2,607,155,393.90	1,685,925,710.14
Intangible assets		199,952,774.53	206,105,870.50
Including: data assets			
Development expenditure		3,700,000.00	
Including: data assets			
Goodwill			
Long-term deferred expenses			
Deferred tax assets		122,987,010.55	370,213,799.88
Other non-current assets		53,948,721.72	85,556,957.68
Total non-current assets		36,575,373,555.71	34,893,089,269.53
Total assets		45,675,961,299.17	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 31 December 2025
(Expressed in Renminbi unless otherwise indicated)

Liabilities and shareholders' equities	Notes	Dec 31, 2025	Dec 31, 2024
Current liabilities			
Short-term loans		333,660,470.12	371,055,490.50
Financial liability held for trading			
Derivative financial liabilities			
Notes payable		10,945,673,752.38	11,915,812,506.01
Accounts payable		2,726,855,682.41	2,881,087,998.48
Prepayments			
Contract liabilities		6,807,101,441.62	6,637,545,634.05
Employee benefits payable		631,573.72	354,432.32
Current tax liabilities		31,524,009.09	28,685,832.43
Other payables		2,619,633,120.59	2,206,387,975.74
Liabilities held for sale			
Non-current liabilities due within one year		6,940,934,862.49	1,030,502,916.66
Other current liabilities		58,382,271.92	61,868,166.75
Total current liabilities		30,464,397,184.34	25,133,300,952.94
Non-current liabilities			
Long term loans		6,014,469,758.11	2,891,941,462.40
Bonds payable			5,569,899,459.53
Including: Preferred stock			
Perpetual bond			
Lease liabilities		2,239,436,105.64	1,633,911,586.51
Long-term payables			
Long-term employee benefits payable			
Estimated liabilities			
Deferred income		158,199,416.58	154,871,615.47
Deferred tax liabilities			252,893,530.26
Other non-current liabilities			
Total non-current liabilities		8,412,105,280.33	10,503,517,654.17
Total liabilities		38,876,502,464.67	35,636,818,607.11
Shareholder's equity:			
Share capital		4,108,236,253.00	4,108,228,157.00
Other equity instruments		947,843,680.82	947,850,195.03
Including: Preferred stock			
Perpetual bond			
Capital reserves		12,852,466,024.55	12,825,142,354.02
Less: Treasury shares			
Other comprehensive income		-129,961,806.05	-93,407,196.62
Special reserves		17,561.83	9,276.81
Surplus reserves		1,195,116,522.37	1,195,116,522.37
Undistributed Profits		-12,174,259,402.02	-8,088,697,453.94
Total shareholder's equity		6,799,458,834.50	10,894,241,854.67
Total liabilities and shareholder's equity		45,675,961,299.17	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 year ended 31 December 2025
(Expressed in Renminbi unless otherwise indicated)

Items	Notes	Current period	Previous period
1. Total operating income		46,392,250,494.48	51,266,361,501.22
Including: Operating income	5 (39)	46,392,250,494.48	51,266,361,501.22
Interest income			
Premium earned			
Income from handling charges and commission			
2. Total operating cost		49,974,287,269.50	56,068,974,028.50
Including: Operating cost	5 (39)	48,441,024,611.38	54,693,756,805.43
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	5 (40)	205,223,238.29	203,043,367.36
Selling and distribution expenses	5 (41)	136,838,793.14	142,638,617.77
General and administrative expenses	5 (42)	672,219,542.49	702,788,411.83
Research and development expenses	5 (43)	90,978,954.16	86,415,509.29
Financial expenses	5 (44)	428,002,130.04	240,331,316.82
Including: Interest expense		394,193,802.90	384,713,981.73
Interest income		32,518,614.84	43,019,766.05
Add: Other income	5 (45)	164,261,547.31	200,140,947.91
Income on investment (“-” for loss)	5 (46)	-10,956,792.93	-42,967,621.92
Including: Income from associates and joint ventures		-2,143,337.68	-1,497,124.69
Income from derecognition of financial assets measured at amortized cost		-3,911,446.37	-60,611.63
Exchange gains (“-” for loss)			
Net exposure hedge income (“-” for loss)			
Gains from change of fair value (“-” for loss)			
Credit impairment loss (“-” for loss)	5 (47)	-19,654,328.59	50,143,005.20
Asset impairment loss (“-” for loss)	5 (48)	-303,933,278.79	-278,486,334.42
Assets disposal gains (“-” for loss)	5 (49)	3,008.85	13,020,778.49
3. Operational profit (“-” for loss)		-3,752,316,619.17	-4,860,761,752.02
Add: Non-operating income	5 (50)	23,612,863.00	45,789,122.58
Less: Non-operating expenses	5 (51)	63,205,937.35	54,707,998.74
4. Total profit (“-” for loss)		-3,791,909,693.52	-4,869,680,628.18
Less: Income tax expenses	5 (52)	63,505,290.33	90,436,789.08
5. Net profit (“-” for loss)	5 (39)	-3,855,414,983.85	-4,960,117,417.26
1. Classification by continuing operating			
1. Net profit from continuing operation (“-” for loss)		-3,855,414,983.85	-4,960,117,417.26
2. Net profit from discontinued operation (“-” for loss)			
2. Classification by ownership			
1. Net profit attributable to the owners of parent company (“-” for loss)		-3,942,278,349.12	-5,037,271,398.28
2. Net profit attributable to non-controlling shareholders (“-” for loss)		86,863,365.27	77,153,981.02
6. Other comprehensive income		-36,554,609.43	-43,035,854.74
Other comprehensive income attributable to owners of the parent company after tax		-36,554,609.43	-43,035,854.74
1. Other comprehensive income items that will not be reclassified into gains/losses		-36,554,609.43	-43,035,854.74
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		-36,554,609.43	-43,035,854.74
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		-3,891,969,593.28	-5,003,153,272.00
Total comprehensive income attributable to the owner of the parent company		-3,978,832,958.55	-5,080,307,253.02
Total comprehensive income attributable to non-controlling shareholders		86,863,365.27	77,153,981.02
8. Earnings per share			
1) Basic earnings per share		-0.960	-1.226
2) Diluted earnings per share		-0.960	-1.226

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 year ended 31 December 2025
(Expressed in Renminbi unless otherwise indicated)

Items	Notes	Current period	Previous period
1. Total operating income	15 (4)	46,608,433,844.68	51,996,293,457.84
Less: Operating cost	15 (4)	49,052,494,863.75	55,850,177,739.34
Tax and surcharges		154,117,521.94	155,742,776.69
Selling and distribution expenses		206,212,620.79	175,678,966.90
General and administrative expenses		635,001,972.87	666,227,276.41
Research and development expenses		93,809,142.84	86,415,509.29
Financial expenses		427,387,218.08	260,257,651.32
Including: Interest expense		394,193,802.90	384,713,981.73
Interest income		28,799,233.97	36,704,884.79
Add: Other income		85,492,365.82	129,520,303.41
Income on investment (“-” for loss)	15 (5)	172,333,768.77	120,893,779.91
Including: Income from associates and joint ventures		-2,143,337.68	-1,497,124.69
Income from derecognition of financial assets measured at amortized cost		-1,112,684.35	-60,611.63
Net exposure hedge income (“-” for loss)			
Gains from change of fair value (“-” for loss)			
Credit impairment loss (“-” for loss)		-41,147,890.54	30,265,261.74
Assets impairment loss (“-” for loss)		-303,933,278.79	-278,486,334.42
Assets disposal gains (“-” for loss)		3,008.85	13,017,822.58
2. Operational profit (“-” for loss)		-4,047,841,521.48	-5,182,995,628.89
Add: Non-operating income		23,020,727.52	45,130,689.39
Less: Non-operating expenses		59,957,081.62	42,889,041.92
3. Total profit (“-” for loss)		-4,084,777,875.58	-5,180,753,981.42
Less: Income tax expenses		784,072.50	7,932,735.25
4. Net profit (“-” for loss)		-4,085,561,948.08	-5,188,686,716.67
1. Net profit from continuing operation (“-” for loss)		-4,085,561,948.08	-5,188,686,716.67
2. Net profit from discontinued operation (“-” for loss)			
5. Other comprehensive income		-36,554,609.43	-43,035,854.74
1. Other comprehensive income items that will not be reclassified into gains/losses		-36,554,609.43	-43,035,854.74
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		-36,554,609.43	-43,035,854.74
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		-4,122,116,557.51	-5,231,722,571.41
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 year ended 31 December 2025
(Expressed in Renminbi unless otherwise indicated)

Items	Notes	Current period	Previous period
1. Cash flow from operating activities			
Cash received from sale of goods or rendering of services		50,026,889,989.74	55,987,587,183.40
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		80,766,690.15	124,001,236.84
Other cash received relating to operating activities	5 (53)	211,451,415.77	243,342,089.30
Subtotal of cash inflows from operating activities		50,319,108,095.66	56,354,930,509.54
Cash paid for goods and services		49,271,145,124.19	52,271,670,593.20
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		2,052,215,880.51	2,136,471,168.09
Cash paid for all types of taxes		368,535,776.73	440,396,205.59
Other cash paid relating to operating activities	5 (53)	416,028,082.03	406,104,548.41
Subtotal of cash outflows from operating activities		52,107,924,863.46	55,254,642,515.29
Net cash flows from operating activities		-1,788,816,767.80	1,100,287,994.25
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		87,183,020.00	137,069,554.37
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		87,183,020.00	137,069,554.37
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		2,215,737,062.01	975,204,696.55
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		2,275,737,062.01	975,204,696.55
Net cash flows from investing activities		-2,188,554,042.01	-838,135,142.18
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		7,139,897,823.71	3,765,000,000.00
Other proceeds relating to financing activities	5 (53)	3,237,423,685.03	3,808,123,889.76
Subtotal of cash inflows from financing activities		10,406,721,508.74	7,573,123,889.76
Cash repayments of borrowings		4,065,389,832.66	2,283,590,268.00
Cash payments for distribution of dividends, profit or interest expenses		481,435,722.54	274,024,906.84
Including: Cash paid to non-controlling shareholders as dividend and profit by subsidiaries		109,257,912.53	
Other cash payments relating to financing activities	5 (53)	3,190,656,112.46	4,940,069,284.22
Subtotal of cash outflows from financing activities		7,737,481,667.66	7,497,684,459.06
Net cash flows from financing activities		2,669,239,841.08	75,439,430.70
4. Effect of foreign exchange rate changes on cash and cash equivalents		5,396,056.13	52,927,527.76
5. Net increase in cash and cash equivalents	5 (54)	-1,302,734,912.60	390,519,810.53
Add: Cash and cash equivalents at the beginning of the period	5 (54)	1,590,205,218.91	1,199,685,408.38
6. Cash and cash equivalents at the ending of the period	5 (54)	287,470,306.31	1,590,205,218.91

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 year ended 31 December 2025

(Expressed in Renminbi unless otherwise indicated)

Items	Notes	Current period	Previous period
1. Cash flow from operating activities			
Cash received from sale of goods or rendering of services		48,170,024,193.40	55,337,530,940.66
Tax rebate received		80,766,690.15	117,007,166.59
Other cash received relating to operating activities		687,293,202.21	214,590,835.88
Subtotal of cash inflows from operating activities		48,938,084,085.76	55,669,128,943.13
Cash paid for goods and services		47,784,396,245.98	52,556,437,895.34
Cash paid to and on behalf of employees		1,897,848,930.90	1,974,094,315.49
Cash paid for all types of taxes		229,932,897.98	280,573,222.50
Other cash paid relating to operating activities		840,031,988.11	365,386,433.69
Subtotal of cash outflows from operating activities		50,752,210,062.97	55,176,491,867.02
Net cash flows from operating activities		-1,814,125,977.21	492,637,076.11
2. Cash flows from investing activities			
Cash received from disposal of investments			
Cash received from return on investments		374,456,351.38	199,000,000.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		87,181,100.00	137,064,700.00
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		461,637,451.38	336,064,700.00
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		2,198,525,334.45	966,576,178.20
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		2,289,125,334.45	966,576,178.20
Net cash flows from investing activities		-1,827,487,883.07	-630,511,478.20
3. Cash flows from financing activities			
Proceeds from investment			
Cash received from borrowings		7,139,897,823.71	3,765,000,000.00
Other cash received relating to financing activities		3,237,423,685.03	3,808,123,889.76
Subtotal of cash inflows from financing activities		10,377,321,508.74	7,573,123,889.76
Cash repayments of borrowings		4,065,389,832.66	2,283,590,268.00
Cash payments for distribution of dividends, profit or interest		372,177,810.01	274,024,906.84
Other cash payments relating to financing activities		3,190,656,112.46	4,940,069,284.22
Subtotal of cash outflows from financing activities		7,628,223,755.13	7,497,684,459.06
Net cash flows from financing activities		2,749,097,753.61	75,439,430.70
4. Effect of foreign exchange rate changes on cash and cash equivalents		5,081,250.08	52,846,084.97
5. Net increase in cash and cash equivalents		-887,434,856.59	-9,588,886.42
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		177,479,144.77	1,064,914,001.36

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 year ended 31 December 2025
(Expressed in Renminbi unless otherwise indicated)

Items	Current period													
	Owner's equity attributable to parent company												Non-controlling interest	Total of owner's equity
	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											
1. Ending balance of last year	4,108,228,157.00			947,850,195.03	13,225,632,166.95		-93,407,196.62	809,649.65	1,195,116,522.37		-7,497,011,632.90	11,887,217,861.48	611,915,458.68	12,499,133,320.16
Add: Change of accounting policies														
Correction of errors for last period														
Business consolidation under common control														
Others														
2. Beginning balance of current year	4,108,228,157.00			947,850,195.03	13,225,632,166.95		-93,407,196.62	809,649.65	1,195,116,522.37		-7,497,011,632.90	11,887,217,861.48	611,915,458.68	12,499,133,320.16
3. Changes in current year ("-" for decrease)	8,096.00			-6,514.21	27,323,670.53		-36,554,609.43	71,852.58			-3,942,278,349.12	-3,951,435,853.65	56,073,781.54	-3,895,362,072.11
1) Total comprehensive income							-36,554,609.43				-3,942,278,349.12	-3,978,832,958.55	86,863,365.27	-3,891,969,593.28
2) Capital increase and decrease by shareholders	8,096.00			-6,514.21	27,323,670.53							27,325,252.32	29,400,000.00	56,725,252.32
(1) Common share invested by shareholders													29,400,000.00	29,400,000.00
(2) Capital input by the holder of other equity instruments	8,096.00			-6,514.21	23,670.53							25,252.32		25,252.32
(3) Share-based payment attributable to owners' equity														
(4) Others					27,300,000.00							27,300,000.00		27,300,000.00
3) Profit distribution													-60,185,989.14	-60,185,989.14
(1) Appropriation to surplus reserves														
(2) Appropriation to general risk reserve														
(3) Profit distribution to shareholders													-60,185,989.14	-60,185,989.14
(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								71,852.58				71,852.58	-3,594.59	68,257.99
(1) Provision of special reserves								64,166,383.03				64,166,383.03	4,513,102.89	68,679,485.92
(2) Use of special reserves								64,094,530.45				64,094,530.45	4,516,697.48	68,611,227.93
(6) Others														
4. Ending balance of current year	4,108,236,253.00			947,843,680.82	13,252,955,837.48		-129,961,806.05	881,502.23	1,195,116,522.37		-11,439,289,982.02	7,935,782,007.83	667,989,240.22	8,603,771,248.05

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 year ended 31 December 2025
(Expressed in Renminbi unless otherwise indicated)

Items	Previous period													
	Owner's equity attributable to parent company												Non-controlling interest	Total of owner's equity
	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											
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	17,797,595,900.29
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	17,797,595,900.29
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	-5,298,462,580.13
1) Total comprehensive income							-43,035,854.74				-5,037,271,398.28	-5,080,307,253.02	77,153,981.02	-5,003,153,272.00
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	-99,687,100.35
(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	-99,687,100.35
(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	970,580.32
(1) Provision of special reserves								72,180,947.90				72,180,947.90	5,182,353.19	77,363,301.09
(2) Use of special reserves								71,534,353.29				71,534,353.29	4,858,367.48	76,392,720.77
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	12,499,133,320.16

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 year ended 31 December 2025
(Expressed in Renminbi unless otherwise indicated)

Items	Current period										
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehen sive income	Special reserves	Surplus reserves	Undistributed profits	Total shareholder's equity
		Preference shares	Perpetual bond	Others							
1. Ending balance of last year	4,108,228,157.00			947,850,195.03	12,825,142,354.02		-93,407,196.62	9,276.81	1,195,116,522.37	-8,088,697,453.94	10,894,241,854.67
Add: Change of accounting policies											
Correction of errors for last period											
Others											
2. Beginning balance of current year	4,108,228,157.00			947,850,195.03	12,825,142,354.02		-93,407,196.62	9,276.81	1,195,116,522.37	-8,088,697,453.94	10,894,241,854.67
3. Changes in current year ("+" for increase)	8,096.00			-6,514.21	27,323,670.53		-36,554,609.43	8,285.02		-4,085,561,948.08	-4,094,783,020.17
1) Total comprehensive income							-36,554,609.43			-4,085,561,948.08	-4,122,116,557.51
2) Capital increase and decrease by shareholders	8,096.00			-6,514.21	27,323,670.53						27,325,252.32
(1) Common share invested by shareholders											
(2) Capital input by the holder of other equity instruments	8,096.00			-6,514.21	23,670.53						25,252.32
(3) Share-based payment attributable to shareholders' equity											
(4) Others					27,300,000.00						27,300,000.00
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								8,285.02			8,285.02
(1) Provision of special reserves								50,656,268.19			50,656,268.19
(2) Use of special reserves								50,647,983.17			50,647,983.17
(6) Others											
4. Ending balance of current year	4,108,236,253.00			947,843,680.82	12,852,466,024.55		-129,961,806.05	17,561.83	1,195,116,522.37	-12,174,259,402.02	6,799,458,834.50

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 year ended 31 December 2025
(Expressed in Renminbi unless otherwise indicated)

Items	Previous period										
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehen sive income	Special reserves	Surplus reserves	Undistributed profits	Total shareholder's equity
		Preference shares	Perpetual bond	Others							
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 year ended 31 December 2025

(Expressed in Renminbi unless otherwise indicated)

1. Basic Information of the Company

(1) Company profile

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

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

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

On July 6, 2006, the Company received Document No. Zhengjian Gongsi Zi (2006) 126, issued by the China Securities Regulatory Commission (CSRC) on June 30, 2006. This document approved the issuance by the Company of 2 billion RMB-denominated ordinary shares to Bengang Group for the purpose of acquiring relevant assets from Bengang Group. On the same day, Bengang Group received circular Zheng-Jian-Gong-Si-Zi [2006] No. 127

issued by China Securities Regulatory Committee, and were exempted for the liability of undertaking the purchase offer. The liability was caused by subscribing of the 2 billion new shares and the total shareholding was thus increased to 2.5752 billion shares (accounting for 82.12% of the total capital shares of the Company). On 28 August 2006, as approved by China Securities Depository & Clearing Corporation Ltd. Shenzhen Office, the registration and conditional placing procedures of the 2 billion new shares were completed. On 28 September 2006, the privately placed shares were approved by Shenzhen Stock Exchange to be placed in the stock market. The placing price was RMB4.6733 per share.

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

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

As at 31 December 2025, the capital shares were totaled to 4,108,236,253.00 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 2 April 2026.

2. Basis of preparation

(1) Basis of preparation

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

(2) Going concern

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

3. Significant accounting policies and accounting estimates

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

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

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

(2) Accounting year

The Accounting year is from 1 January to 31 December.

(3) Operating period

The operating period is twelve months.

(4) Functional currency

The Company’s functional currency is RMB.

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

Business combination under common control

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

Business combination not under common control

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

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

(6) Scope of consolidation and Consolidation of Financial Statements

1. Scope of consolidation

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

2. Procedure of consolidation

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

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

(1) Increasing new subsidiaries and businesses

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

When the Company becomes capable of exercising control over an investee under common control due to additional investment or other reasons, adjustment shall be made as if the reporting entity after the combination has been in existence since the date the ultimate controlling party first obtained control. The investment income recognized between date of previously obtaining equity investment and the date the acquiree and acquirer are under

common control, which is later, and the combining date, other comprehensive income and other changes of net assets arising from the equity investment previously held before obtaining the control the acquiree shall be adjusted against the prior retained earnings of the comparative financial statements and the current profit or loss respectively.

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

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

(2) Disposing subsidiaries or businesses

1. General treatment

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

(7) Classification of joint venture arrangements and accounting treatment

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

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

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

- a. Confirm the assets held by the company separately, and confirm the assets held jointly by the Company's share;
- b. Recognize the liabilities assumed by the Company separately and the liabilities jointly assumed by the company's share;
- c. Recognize the income generated by the sale of the Company's share of common operating output;
- d. Recognize the revenue generated from the sale of joint operations based on the Company's share;
- e. Confirm the expenses incurred separately and the expenses incurred in the joint operation according to the Company's share.

The Company's investment in joint ventures is accounted for using the equity method. For details, see Note (13) Long-term equity investments under “3. Significant accounting policies and accounting estimates”.

(8) Recognition of cash and cash equivalents

The term “cash” refers to the cash on hand and the unrestricted deposit. And the term “cash equivalents” refers to short-term (maturing within three months from acquisition) and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

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

1. Foreign currency transactions

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

The foreign currency monetary items shall be translated at the spot exchange rate on the balance sheet date. The balance of exchange arising from the difference between the spot

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

2. Translation of foreign currency financial statements

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

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

2. Recognition and measurement of financial instruments

(1) Financial assets measured at amortised cost

Financial assets measured at amortized cost include notes receivables, accounts receivables, other receivables, long-term receivables, debt investments, etc. At initial recognition, the Company shall measure a financial asset at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset. The Company shall measure account receivables at their transaction price if the account receivables do not

contain a significant financing component and accounts receivables that the company has decided not to consider for a financing component of no more than one year.

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

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

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

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

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

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

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

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

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

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

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

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

(6) Financial liabilities measured at amortised cost

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. Termination of recognition of financial liabilities

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

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

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

Where the Company buys back part of its financial liabilities, it shall distribute, on the date of repurchase, the carrying amount of the whole financial liabilities in light of the comparatively fair value of the part that continues to be recognized and the part whose

recognition has already been terminated. The gap between the carrying amount which is distributed to the part whose recognition has terminated and the considerations it has paid (including the noncash assets it has transferred out and the new financial liabilities it has assumed) shall be recorded into the profits and losses of the current period.

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

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

6. Impairment provision of the financial assets

The Company recognize the expected credit loss on financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income (debt instruments), financial guarantee contract, and so on, on the individual or portfolio basis.

The Company considers all reasonable and relevant information, including past events, current conditions, and forecasts of future economic conditions, and uses the risk of default as the weight to calculate the probability-weighted amount of present value of difference between the cash flow receivable from the contract and the cash flow expected to be received to confirm the expected credit loss.

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

For lease receivables recognized according to Accounting Standards for Business Enterprises No. 21 Lease, the Company shall always measure the loss allowance at an amount equal to lifetime expected credit losses.

For other financial instruments, the Company shall assess changes in the credit risk of the relevant financial instruments since initial recognition at each balance sheet date.

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

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

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

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

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

Portfolios	Basis for determining portfolios	Measurement methods for ECL
Accounts receivable – aging portfolio	Aging	Drawing upon historical credit loss experience and incorporating current conditions as well as forecasts of future economic conditions, a matrix correlating accounts receivable aging with expected credit loss rates is prepared to calculate expected credit losses.

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

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

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

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

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

(12) Inventory

1. Inventory classification and costs of inventory

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

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

2. Valuation method for inventory dispatched

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

3. Inventory system

The Company uses perpetual inventory system.

4. Amortization of low-valued consumables and packing materials

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

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

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

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

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

(13) Contract asset

1. Recognition methods and criteria of contract assets

When either party to a contract has performed, the Company shall present the contract in the statement of financial position as a contract asset or a contract liability, depending on

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

2. Expected credit loss of contract assets

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

(14) Long-term equity investment

1. Criteria of joint control and significant influence

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

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

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

(1) Long-term equity investment from business acquisition

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

long-term equity investment before the merger plus the book value of the cost for the further shares acquired on the merger date, shall be adjusted to the capital reserve. If the balance of capital reserve is not sufficient, any excess shall be adjusted to retained earnings.

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

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

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

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

3. Subsequent measurement and profit or loss recognition

(1) Cost method

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

(2) Equity method

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

The Company shall recognize its share of the investee's net profits or losses, as well as its share of the investee's other comprehensive income, as investment income or losses and other

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

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

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

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

(15) Fixed assets

1. Recognition of Fixed assets

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

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

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

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

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

2. Fixed assets depreciation

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

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

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

3. Disposal of fixed assets

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

(16) Construction in progress

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

its working condition for its intended use and depreciation will be accrued from the next month.

(17) Borrowing costs

1. Principle of the recognition of capitalized borrowing costs

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

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

2. The capitalization period of borrowing costs

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

The borrowing costs shall not be capitalized unless they simultaneously meet the following requirements:

- (1) The asset disbursements have already incurred, which shall include cash, transferred non-cash assets or interest bearing debts paid for the acquisition and construction or production activities for preparing assets eligible for capitalization;
- (2) The borrowing costs has already incurred; and
- (3) The acquisition and construction or production activities which are necessary to prepare the asset for its intended use or sale have already started.

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

3. The suspension of capitalization of borrowing costs

Where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended. If the interruption is a necessary step for making the qualified asset under acquisition and construction or production ready for the intended use or

sale, the capitalization of the borrowing costs shall continue. The borrowing costs incurred during such period shall be recognized as expenses, and shall be recorded into the profits and losses of the current period, till the acquisition and construction or production of the asset restarts.

4. Method of calculating the capitalization rate and capitalized amount of borrowing costs

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

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

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

(18) Intangible Assets

1. Measurement of Intangible Assets

(1) Initial measurement is based on cost upon acquisition

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

(2) Subsequent Measurement

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

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

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

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

3. Classification criteria for internal research phase and development phase

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

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

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

4. Criteria of capitalization of development phase expenditures

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

- (1) It is technically feasible to complete the intangible asset so that it can be used or sold.
- (2) The Company intent to complete the intangible asset and use or sell it.
- (3) The way intangible assets generate economic benefits, including being able to prove that there is a market for the products produced by using the intangible assets or the intangible assets themselves has market. If the intangible assets will be used internally, it should be able to prove that the intangible assets will be useful.

- (4) The company has sufficient technical, financial and other resources to complete the development of the intangible asset and is able to use or sell the intangible asset.
- (5) The expenditure attributable to the development phase of the intangible asset can be measured reliably.

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

(19) Impairment of long-term assets

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

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

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

When making an impairment test on the relevant asset groups or combination of asset groups containing business reputation, if any evidence shows that the impairment of asset groups or combinations of asset groups is possible, the Company shall first make an impairment test on

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

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

(20) Long-term deferred expense

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

(21) Contract liability

When either party to a contract has performed, the Company shall present the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the Company's performance and the customer's payment. If a customer pays consideration, or the Company has a right to an amount of consideration before the Company transfers a good or service to the customer, the Company shall present the contract as a contract liability. Contract assets and contract liabilities under the same contract are disclosed in net amount.

(22) Employee benefits

1. Accounting treatment for short employee benefit

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

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

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

2. Accounting treatment of post-employment benefits

(1) Defined contribution plan

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

(2) Defined benefit plan

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

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

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

Service costs arising from defined benefit plans, as well as the net interest on the net defined benefit liability or asset, are recognized in current profit or loss or included in the cost of relevant assets. Changes arising from the remeasurement of the net defined benefit liability or asset are recognized in other comprehensive income and are not

subsequently reclassified to profit or loss in future accounting periods; upon the termination of the defined benefit plan, the amounts originally recognized in other comprehensive income are transferred in full within equity to retained earnings.

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

3. Accounting treatment of termination benefits

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

(23) Estimated liabilities

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

- (1) That obligation is a current obligation of the enterprise;
- (2) It is likely to cause any economic benefit to flow out of the enterprise as a result of performance of the obligation; and
- (3) The amount of the obligation can be measured in a reliable way.

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

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

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

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

(24) Revenue

(1) The general principle of revenue recognition and measurement

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

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

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

The company transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met. Otherwise, the company satisfies the performance obligation at a point in time.

- (a) the customer simultaneously receives and consumes the benefits provided by the company's performance as the company performs;
- (b) the company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the company's performance does not create an asset with an alternative use to the company and the company has an enforceable right to payment for performance completed to date.

The company shall recognise revenue over time by measuring the progress towards complete satisfaction of that performance obligation, except where the performance progress cannot be reasonably determined. The company considers the nature of the goods or services and adopts the output method or the input method to determine the progress of performance. Where the performance progress cannot be reasonable determined, but the company expects to recover the costs incurred in satisfying the performance obligation, the company shall recognise revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

For performance obligations satisfied at a certain point in time, the company shall recognises revenue at the point when the customer obtains control of the relevant goods or services. To determine the point in time at which a customer obtains control of a promised goods or services, the company shall consider requirements as follows:

- (a) The company has a present right to payment for the promised goods or services and the customer is presently obliged to pay for that;
- (b) The company has transferred the legal title of the goods to the customer, that is, the customer has the legal title to the goods;
- (c) The company has transferred physical possession of the goods to the customer, that is, the customer has taken possession of the goods;
- (d) The company has transferred the significant risks and rewards of ownership of the goods to the customer, that is, the customer has the significant risks and rewards of ownership of the goods;
- (e) The customer has accepted the promised goods or services.

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

(2) The specific criteria of revenue recognition and measurement

Commodity sales contracts between companies and customers usually only include performance obligations for the transfer of steel and other commodities. This type of performance obligation is a performance obligation performed at a certain point in time. The Company recognizes revenue when the customer obtains control of the relevant goods or services. When judging whether the customer has obtained control of goods or services, the company considers the following signs:

The company obtains the current right of collection of receivables, the legal ownership of the goods is transferred to the customer, the physical assets of the goods are transferred to the customer, the company transfers the main risks and rewards of the ownership of the goods to the customer, and the customer has accepted the goods.

(25) Contract costs

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

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

- (a) the costs relate directly to a contract or to an expected contract;
- (b) the costs generate or enhance resources of the Company that will be used in satisfying performance obligations in the future; and
- (c) the costs are expected to be recovered.

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

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

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

- (a) the remaining amount of consideration that the company expects to receive in exchange for the goods or services to which the asset relates; less
- (b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

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

(26) Government Subsidies

1. Types

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

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

2. Recognition

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

3. Accounting treatment

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

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

current profit and loss (Subsidies related to daily activities should be recorded in Other Income. Subsidies unrelated to daily activities should be recorded in Non-operating Income) or deduct relevant cost or loss.

The policy discount loans obtained by the company are divided into the following two situations and are separately accounted for:

(a) The government allocates discounted funds to the loan bank, and the loan bank provides loans to the company at a policy preferential interest rate. The preferential interest rate is used to calculate the relevant borrowing costs.

(b) If the government directly allocates the discounted funds to the company, the company will offset the relevant borrowing costs with the corresponding discounts, directly accounted for the current profit or loss or recognized as deferred income.

(27) Deferred tax assets and deferred tax liabilities

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

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

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

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

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

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

For taxable temporary differences related to investments in subsidiaries, associates and joint ventures, deferred income tax liabilities are recognized, unless the company can control the timing of the reversal of the temporary differences and the temporary differences are likely not to be transferred back in the foreseeable future. For deductible temporary differences related to investments in subsidiaries, associates and joint ventures, when the temporary differences are likely to be reversed in the foreseeable future and are likely to be used to deduct the taxable income of deductible temporary differences in the future, income tax assets are recognized.

At the balance sheet date, deferred income tax assets and deferred income tax liabilities are measured at the applicable tax rate during the period when the relevant assets are expected to be recovered or the relevant liabilities are expected to be recovered in accordance with the provisions of the tax law.

At the balance sheet date, the company reviews the book value of deferred income tax assets. If it is probable that sufficient taxable income cannot be obtained in the future to offset the benefits of deferred income tax assets, the book value of the deferred income tax assets shall be written down. When it is possible to obtain sufficient taxable income, the reduced amount shall be reversed.

When the Company has the statutory right to offset and intend to offset or obtain assets and pay off liabilities at the same time, the current income tax assets and current income tax liabilities are presented at the net amount after offsetting.

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

income tax assets and liabilities on a net basis or to acquire assets and settle liabilities at the same time.

(28) Leases

Lease refers to a contract in which the lessor transfers the right to use the asset to the lessee within a certain period of time to obtain consideration.

On the starting date of the contract, the company assesses whether the contract is a lease or contains a lease. If the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, the contract is, or contains, a lease.

For a contract that contains a lease component and one or more additional lease or non-lease components, a lease shall allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

1. The company as the lessee

(1) Right-of-use assets

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

This cost includes:

- The initial measurement amount of the lease liability;
- If there is a lease incentive for the lease payment paid on or before the start of the lease term, the relevant amount of the lease incentive already enjoyed shall be deducted;
- The initial direct expenses incurred by the company;
- The company expects to incur costs for dismantling and removing leased assets, restoring the site where leased assets are located, or restoring leased assets to the state agreed upon in the lease terms, but does not include the costs incurred for the production of inventory.

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

the remaining useful life of the leased asset .

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

(2) Lease liabilities

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

- 1) Fixed payment (including in-substance fixed payment), less any lease incentives receivable;
- 2) Variable lease payments that depend on an index or a ratio;
- 3) Amounts expected to be payable by the lease under residual value guarantees;
- 4) The exercise price of the purchase option if the lease is reasonably certain to exercise that option;
- 5) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease;

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

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

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

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

- When the evaluation result or actual exercise situation of the purchase option, renewal option or termination option changes, the company remeasures the lease liability based on the present value calculated by the lease payment after the change and the revised discount rate;

- When the actual fixed payment changes, the expected payable amount of the guarantee residual value changes, or the index or ratio used to determine the lease payment changes, the company calculates the present value based on the changed lease payment and the original discount rate to remeasure the lease liability. However, if changes in lease payments originate from changes in floating interest rates, the revised discount rate is used to calculate the present value.

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

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

(4) Lease modifications

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

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

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

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

loss relating to the partial or full termination of the lease; or by making a corresponding adjustment to the right-of-asset for all other lease modifications.

2. The company as the lessor

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

(1) Accounting treatment of operating leases

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

(2) Accounting treatment of finance leasing

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

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

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

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

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

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

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

- If the lease would have been classified as an operating lease had the modification been in effect at the inception date, the lessor shall account for the lease modification as a new lease from the effective date of the modification; and measure the carrying amount of the underlying assets as the net investment in the lease immediately before the effective date of the lease modification.
- If the change takes effect on the lease start date, the lease will be classified as a financial lease, and the company will perform accounting treatment in accordance with the policy of "3. (10) Financial Instruments" in this Note on the modification or re-negotiation of the contract.

3. Sale and leaseback transaction

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

(1) As the lessee

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

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

If the asset transfer in the sale and leaseback transaction does not belong to the sale, the company as the lessee continues to recognize the transferred assets and at the same time

recognize a financial liability equal to the transfer proceeds. For the accounting treatment of financial liabilities, please refer to "3. (10) Financial Instruments" in this note.

(2) As a lessor

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

(29) Debt restructuring

1. The company as the creditor

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

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

The Company shall recognize and measure the restructured claims in accordance with "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.

(30) Other Significant Accounting Policies and Accounting Estimates

Major accounting estimates and judgments

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

The main uncertainties in the estimated amount are as follows:

1. Measurement of expected credit losses

The company calculates the expected credit loss through the default risk exposure and the expected credit loss rate, and determines the expected credit loss rate based on the default probability and the default loss rate. When determining the expected credit loss rate, the

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

2. Inventory Impairment

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

3. Impairment of other assets except inventory and financial assets

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

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

calculating the present value. The Company will use all available relevant information when estimating the recoverable amount, including the prediction of output, selling price and related operating costs based on reasonable and supportable assumptions.

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

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

5. Deferred tax assets

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

(31) Criteria of Materiality

Items	Materiality Criteria
Significant Receivables	The company considers accounts receivables exceeding RMB 5 million as significant accounts receivables.
Significant Accounts Payables	The company considers accounts payables exceeding RMB 5 million as significant accounts payables.
Significant Other Payables	The company considers other payables exceeding RMB 5 million as significant other payables.

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

(32) Change of significant accounting policy and accounting estimate

1. Change of major accounting policy during this reporting period

Implementing the Provisions of the "Q&A on the Implementation of Accounting Standards for Financial Instruments" Regarding Accounting Treatment for Standard Warehouse Receipt Trading

On July 8, 2025, the Ministry of Finance issued Implementation Questions and Answers regarding the Accounting Treatment of Standard Warehouse Receipt Trading. It explicitly stipulates that, in accordance with the Accounting Standards for Financial Instruments: Recognition and Measurement, if an enterprise frequently enters into contracts for the purchase and sale of standard warehouse receipts on a futures exchange—with the aim of earning price spreads and without taking physical delivery of the commodities underlying the receipts—this typically indicates that the enterprise has an established practice of reselling the subject matter of the contract shortly after receipt in order to profit from short-term price fluctuations. Consequently, the enterprise shall treat such contracts for the purchase and sale of standard warehouse receipts as financial instruments and apply the accounting treatment prescribed by the Accounting Standards for Financial Instruments: Recognition and Measurement. If an enterprise resells standard warehouse receipts shortly after acquiring them pursuant to the aforementioned contracts, it shall not recognize sales revenue; instead, the difference between the consideration received and the carrying amount of the sold warehouse receipts shall be recorded as investment income. Furthermore, if the

enterprise holds unsold standard warehouse receipts at the end of a reporting period, these holdings shall be presented as "other current assets."

In accordance with the requirements of *the Notice on Strictly Implementing Enterprise Accounting Standards and Effectively Conducting Enterprise Annual Reporting for 2025* (Caikuai [2025] No. 33), if an enterprise adjusts its accounting treatment methods as a result of implementing the aforementioned regulations regarding standard warehouse receipts, it shall adjust the information for comparable periods presented in its financial statements. This policy has no impact on the Company.

2. Change of accounting estimate during the reporting period

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

4. Taxes

(1) Major type of taxes and corresponding tax rates

Tax	Taxation Method	Tax Rate
Value-added Tax (VAT)	The balance of output VAT calculated based on product sales and taxable services revenue in accordance with the tax laws after subtracting the deductible input VAT of the period	6%, 9%, 13%
City maintenance and construction tax	Based on VAT and business tax actually paid	5%, 7%
Enterprise income tax	Based on taxable income	See the table below for details

Notes to taxpayers with different corporate income tax rates:

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

Name of the taxpayers	Income tax rate (%)
Guangzhou Bengang Steel & Iron Trading Co., Ltd.	25
Dalian Benruitong Automobile Material Technology Co., Ltd.	25
Shenyang Bengang Metallurgical Science and Technology Co., Ltd.	25
North Hengda Logistics Co., Ltd	25

(2) Tax Preference

1. The company has obtained the high-tech enterprise certificate, certificate number: GR202421001555; valid from November 27, 2024 to November 27, 2027. The company pays corporate income tax at a reduced rate of 15%.
2. Benxi Posco Cold-Rolled Sheet Co., Ltd., the subsidiary of the Company has obtained the High-tech Enterprise Certificate, certificate number: GR202321001624; valid from December 20, 2023 to December 20, 2026. Benxi Steel Posco Cold-Rolled Sheet Co., Ltd. pays corporate income tax at a reduced tax rate of 15%.
3. On December 30, 2021, the Ministry of Finance and the State Administration of Taxation issued the "Announcement on Improving the Value-Added Tax Policy for Comprehensive Utilization of Resources" (Announcement No. 40 of the Ministry of Finance and the State Administration of Taxation in 2021). The announcement will take effect on March 1, 2022. The original "Notice of the Ministry of Finance and the State Administration of Taxation on Issuing the "Catalogue of Value-Added Tax Preferential Policies for Comprehensive Utilization of Resources Products and Services" (Finance and Taxation [2015] No. 78) will be abolished at the same time except for "technical standards and related conditions". The electricity and heat produced and sold by the Energy Development Branch of Benxi Iron and Steel Co., Ltd., a branch of the Company, are items listed in the "Catalogue of Value-Added Tax Preferential Terms for Comprehensive Resource Utilization Products and Services" and enjoy the value-added tax refund policy.
4. On September 3, 2023, the Ministry of Finance and the State Administration of Taxation issued the "Announcement on the VAT Surcharge Deduction Policy for Advanced Manufacturing Enterprises" (Announcement No. 43 of the Ministry of Finance and the State Administration of Taxation in 2023). From January 1, 2023 to December 31, 2027, the announcement allows advanced manufacturing enterprises to deduct the payable VAT by adding 5% to the current deductible input tax. Benxi Posco Cold Rolled Sheet Co., Ltd., a subsidiary of our company, belongs to the advanced manufacturing industry and enjoys the VAT surplus deduction policy.

5. Notes to the consolidated financial statements

(1) Cash at bank and on hand

Items	2025/12/31	2024/12/31
Cash on hand		
Cash at bank	92,723,863.54	363,006,448.43
Other monetary funds	839,920,368.84	863,683,251.57
Funds placed in a finance company account	194,746,442.77	1,227,198,770.48
Total	1,127,390,675.15	2,453,888,470.48
Including: Total amount deposited abroad		
Funds deposited overseas with restrictions on repatriation		

Notes: As at 31 December 2025, bank acceptance deposit of RMB 839,920,368.84 was not recognized as cash and cash equivalents in the cash flow statement.

(2) Notes receivable

1. Notes receivable disclosed by category

Items	2025/12/31	2024/12/31
Bank acceptance bill	236,004,720.54	241,529,481.42
Commercial acceptance bill	163,755,056.29	365,750,000.00
Total	399,759,776.83	607,279,481.42

2. Notes receivable disclosed by bad debt accrual method

Items	2025/12/31					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	399,759,776.83	100.00			399,759,776.83	607,279,481.42	100.00			607,279,481.42
Total	399,759,776.83	100.00			399,759,776.83	607,279,481.42	100.00			607,279,481.42

Provision for bad debts based on portfolio of credit risk characteristics

Portfolio items:

Items	2025/12/31		
	Notes receivable	Provision for bad debts	Bad debts ratio (%)
Commercial acceptance bill	163,755,056.29		
Bank acceptance bill	236,004,720.54		
Total	399,759,776.83		

3. The pledged acceptance bill at the year-end

Items	Notes receivable pledged at the end of period
Bank acceptance bill	6,182,721.01
Total	6,182,721.01

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

Items	Amount terminated at the end of the period	Amount was not terminated at the end of the period
Bank acceptance bill	3,255,327,628.00	226,619,630.11
Commercial acceptance bill	1,326,790,375.79	
Total	4,582,118,003.79	226,619,630.11

(3) Accounts receivable

1. Accounts receivable disclosed by aging

Items	2025/12/31	2024/12/31
Within 1 year (inclusive)	1,149,629,532.02	478,210,867.53
1-2 years (inclusive)	42,575,692.54	5,786,445.58
2-3 years (inclusive)	2,911,370.99	28,559,402.34
3-4 years (inclusive)	27,852,241.32	557,413.41
4-5 years (inclusive)	556,497.21	5,592,931.88
over 5 years	88,417,222.29	379,435,859.17

Items	2025/12/31	2024/12/31
Subtotal	1,311,942,556.37	898,142,919.91
Less: Provision for bad debts	133,162,099.60	396,658,838.18
Total	1,178,780,456.77	501,484,081.73

2. Accounts receivable disclosed by the bad debt accrual method

Items	2025/12/31					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	48,196,244.68	3.67	48,196,244.68	100.00						
Tested for impairment by portfolio	1,263,746,311.69	96.33	84,965,854.92	6.72	1,178,780,456.77	563,179,795.56	62.70	61,695,713.83	10.95	501,484,081.73
Including: Aging portfolio	1,263,746,311.69		84,965,854.92		1,178,780,456.77	563,179,795.56		61,695,713.83		501,484,081.73
Total	1,311,942,556.37	100.00	133,162,099.60		1,178,780,456.77	898,142,919.91	100.00	396,658,838.18		501,484,081.73

Significant accounts receivables tested for impairment individually:

Company	2025/12/31			Reason	2024/12/31	
	Carrying amount	Provision for bad debts	Bad debts ratio (%)		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.					286,766,879.67	286,766,879.67
Total	48,196,244.68	48,196,244.68			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	2025/12/31		
	Account Receivable	Provision for bad debts	Bad debt ratio (%)
Within 1 year (inclusive)	1,149,629,532.02	11,496,295.33	1.00
1-2 years (inclusive)	42,575,692.54	4,257,569.25	10.00
2-3 years (inclusive)	2,911,370.99	582,274.20	20.00
3-4 years (inclusive)	27,852,241.32	27,852,241.32	100.00
4-5 years (inclusive)	556,497.21	556,497.21	100.00
over 5 years	40,220,977.61	40,220,977.61	100.00
Total	1,263,746,311.69	84,965,854.92	

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

Items	2024/12/31	Changes during the current period				2025/12/31
		Accrued	Reversed or recovered	Write-off or Write-back	Other changes	
Provision for bad	396,658,838.18	32,997,999.07	21,641,769.22	274,852,968.43		133,162,099.60

Items	2024/12/31	Changes during the current period				2025/12/31
		Accrued	Reversed or recovered	Write-off or Write-back	Other changes	
debts						
Total	396,658,838.18	32,997,999.07	21,641,769.22	274,852,968.43		133,162,099.60

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

Company	Reversed or recovered	Reason	Recovered method	Basis for determining the original bad debt provision and its reasonableness
Brilliance Automotive Group Holdings Co., Ltd.	21,641,769.22	Repayment	Bank deposit	Debt restructuring agreements
Total	21,641,769.22			

4. Accounts receivable has been written off this year.

Item	Write-off amount
Actual write-off of accounts receivable	274,852,968.43

Details regarding the write-off of significant accounts receivable:

Company	Nature	Write-off amount	Reason	Write-off Procedures Performed	Arising from Related-Party Transactions or not
Brilliance Automotive Group Holdings Co., Ltd.	Receivables from Products and Services	265,125,110.45	The restructuring agreement has been executed, and liquidation repayments	Legal Opinion and Minutes of Office Meeting	No

Company	Nature	Write-off amount	Reason	Write-off Procedures Performed	Arising from Related-Party Transactions or not
			have been completed.		

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

Company	Accounts receivable as at 2025/12/31	Contract assets at 2025/12/31	Total	Percentage (%)	Provision for bad debts
Angang Group International Economic & Trade Co., Ltd., Benxi Branch	663,734,937.01		663,734,937.01	50.59	6,637,349.37
China Construction Sixth Engineering Bureau Co., Ltd.	82,637,989.08		82,637,989.08	6.30	8,263,798.91
Taicang CIMC Container Manufacture Co., Ltd.	60,592,424.45		60,592,424.45	4.62	605,924.24
Liaoning Northern Coal Chemical (Group) Co., Ltd.	53,085,518.70		53,085,518.70	4.05	4,246,806.95
Benxi Nanfen Xinhe Metallurgical Refractories Co.,	48,196,244.68		48,196,244.68	3.67	48,196,244.68

Company	Accounts receivable as at 2025/12/31	Contract assets at 2025/12/31	Total	Percentage (%)	Provision for bad debts
Ltd.					
Total	908,247,113.92		908,247,113.92	69.23	67,950,124.15

(4) Accounts receivable financing

1. Accounts receivable financing by category

Items	2025/12/31	2024/12/31
Notes Receivable	331,321,177.27	64,399,942.70
Total	331,321,177.27	64,399,942.70

2. Changes in Accounts Receivable Financing and Fair Value During the Period

Item	2024/12/31	Increase during the current period	Termination during the current period	Other changes	2025/12/31	Accumulated loss allowances recognized in other comprehensive income
Notes Receivable	64,399,942.70	12,537,773,155.70	12,270,851,921.13		331,321,177.27	
Total	64,399,942.70	12,537,773,155.70	12,270,851,921.13		331,321,177.27	

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

Item	Pledged amount as at the period-end
Notes Receivable	120,290,859.64
Total	120,290,859.64

(5) Prepayments

1. Prepayments disclosed by aging

Aging	2025/12/31		2024/12/31	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year (inclusive)	304,163,117.71	96.61	370,426,337.83	94.53
1-2 years (inclusive)	6,869,069.81	2.18	8,643,434.04	2.21
2-3 years (inclusive)	3,737,486.36	1.19	10,372,837.63	2.65
Over 3 years	56,220.18	0.02	2,380,526.37	0.61
Total	314,825,894.06	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	2025/12/31	Percentage (%)
Shanxi Coking Coal Energy Group Co., Ltd.	46,687,665.87	14.83
Angang Group International Economic & Trade Co., Ltd., Benxi Branch	44,117,532.53	14.01
Shanxi Coking Coal Group Coal & Coke Sales Co., Ltd.	36,858,044.46	11.71
Angang Group International Economic & Trading Co., Ltd.	35,372,892.55	11.24
Shanxi Coking Coal Group Co., Ltd.	30,356,971.68	9.64
Total	193,393,107.09	61.43

(6) Other receivables

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

Items	2025/12/31	2024/12/31
Other receivables	4,034,061.03	149,015,138.26
Total	4,034,061.03	149,015,138.26

1. Other receivables

(1) Other receivables disclosed by aging

Items	2025/12/31	2024/12/31
Within 1 year (inclusive)	1,219,878.37	58,452,918.98
1-2 years (inclusive)	1,320,621.74	91,693,078.45
2-3 years (inclusive)	4,483,668.45	13,520,953.62
3-4 years (inclusive)	12,609,103.20	3,962,574.01
4-5 years (inclusive)	3,237,069.03	842,882.51
over 5 years	52,360,468.13	52,141,851.60
Subtotal	75,230,808.92	220,614,259.17
Less: Provision for bad debts	71,196,747.89	71,599,120.91
Total	4,034,061.03	149,015,138.26

(2) Disclosed by bad debt accrual method

Items	2025/12/31					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	18,192,317.00	24.18	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	57,038,491.92	75.82	53,004,430.89	92.93	4,034,061.03	202,421,942.17	91.75	53,406,803.91	26.38	149,015,138.26
Include: Aging portfolio	56,747,273.80	75.43	53,004,430.89	93.40	3,742,842.91	202,194,971.97	91.65	53,406,803.91	26.41	148,788,168.06
Risk-free portfolio	291,218.12	0.39			291,218.12	226,970.20	0.10			226,970.20
Total	75,230,808.92	100.00	71,196,747.89		4,034,061.03	220,614,259.17	100.00	71,599,120.91		149,015,138.26

Significant other receivables tested for impairment individually:

Company	2025/12/31			Reason	2024/12/31	
	Carrying amount	Provision for bad debts	Bad debts ratio (%)		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	2025/12/31		
	Amount	Provision for bad debts	Percentage (%)
Within 1 year (inclusive)	928,660.25	9,286.60	1.00
1-2 year (inclusive)	1,320,621.74	132,062.17	10.00
2-3 year (inclusive)	2,043,637.11	408,727.42	20.00
3-4 year (inclusive)	12,609,103.20	12,609,103.20	100.00
4-5 year (inclusive)	3,237,069.03	3,237,069.03	100.00
Over 5 years	36,608,182.47	36,608,182.47	100.00
Total	56,747,273.80	53,004,430.89	

(3) Provision for Bad Debts

	Stage one	Stage two	Stage three	Total
Provision for bad debts				

	Expected Credit Losses for the Next 12 Months	Lifetime expected credit losses (credit impairment has not occurred)	Lifetime expected credit losses (credit impairment has already occurred)	
Beginning balance	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	-66,031.09	66,031.09		
--Transfer to the third stage		-6,304,551.60	6,304,551.60	
--Write-back to the second stage				
--Write-back to the first stage				
Accruals for the current period	-506,968.33	-4,850,185.33	13,655,252.40	8,298,098.74
Reversal during the current period				
Write-back of the current period				
Write-off during the current period			-8,700,471.76	-8,700,471.76
Other changes				
Ending balance	9,286.60	540,789.59	70,646,671.70	71,196,747.89

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

Items	2024/12/31	Changes during the current period			2025/12/31
		Accrual	Reversal or recovered	Write-back or write-off	
Bad debt provision for other receivables	71,599,120.91	8,298,098.74		8,700,471.76	71,196,747.89
Total	71,599,120.91	8,298,098.74		8,700,471.76	71,196,747.89

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

Item	Write-off amount
Actual write-off of other accounts receivable	8,700,471.76

(6) Other receivables disclosed by nature

Nature	2025/12/31	2024/12/31
Compensation for the “Living Show Belt” project		87,177,700.00
Current Account	71,623,926.65	130,478,649.66
Others	3,606,882.27	2,957,909.51
Total	75,230,808.92	220,614,259.17

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

Company	Nature or content	Amount	Aging	Percentage of total other receivables (%)	Provision for bad debts at 2025/12/31
Benxi Iron and Steel (Group) No. 3 Architectural Engineering Co., Ltd.	Current Account	12,504,978.59	over 5 years	16.62	12,504,978.59
Benxi Iron & Steel (Group) No. 1 Construction Engineering Co., Ltd.	Current Account	3,247,307.07	over 5 years	4.32	3,247,307.07
Benxi Iron & Steel (Group) Co., Ltd.	Current Account	2,674,500.00	1-2 years, 2-3 years	3.56	413,000.00
Liaoning Huawei Coal Preparation Co., Ltd.	Current Account	2,261,360.00	over 5 years	3.01	2,261,360.00
Benxi Ganglian Slag Co., Ltd.	Current Account	1,916,960.24	3-4 years, 4-5 years, over 5 years	2.55	1,916,960.24
Total		22,605,105.90		30.05	20,343,605.90

(7) Inventories

1. Inventories disclosed by category

Items	2025/12/31			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	3,171,263,464.65	256,207,419.31	2,915,056,045.34	4,300,063,154.21	247,221,306.73	4,052,841,847.48
Work in progress	2,473,710,024.54	64,533,859.33	2,409,176,165.21	2,001,147,780.74	26,685,410.19	1,974,462,370.55
Finished goods	1,074,768,310.11	29,805,634.54	1,044,962,675.57	1,337,346,627.43	31,566,151.19	1,305,780,476.24
Total	6,719,741,799.30	350,546,913.18	6,369,194,886.12	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		2025/12/31
		Provision	Others	Write-back or write-off	Others	
Raw material	247,221,306.73	194,505,777.63		185,519,665.05		256,207,419.31
Work in progress	26,685,410.19	74,883,452.10		37,035,002.96		64,533,859.33

Category	2024/12/31	Increase		Decrease		2025/12/31
		Provision	Others	Write-back or write-off	Others	
Finished goods	31,566,151.19	17,499,979.16		19,260,495.81		29,805,634.54
Total	305,472,868.11	286,889,208.89		241,815,163.82		350,546,913.18

(8) Other current assets

Items	2025/12/31	2024/12/31
VAT input tax	431,454,249.59	401,503,924.78
Others	18,817,113.34	35,577,335.88
Total	450,271,362.93	437,081,260.66

(9) Long-term equity investment

1. Long-term equity investment

Investees	2024/12/31 (Book value)	Impairment provision as of 2024/12/31	Increase/decrease								2025/12/31 (Book value)	Impairment provision as of 2025/12/31
			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 of Impairment	Others		
2. Associated Enterprise												
Shenyang Xiangyu New Material Technology Co., Ltd.	45,413,221.72				-2,143,337.68						43,269,884.04	
Subtotal	45,413,221.72				-2,143,337.68						43,269,884.04	
Total	45,413,221.72				-2,143,337.68						43,269,884.04	

(10) Other equity instrument investment

1. The information of other equity instrument investment

Item	2024/12/31	Changes During the Current Period					2025/12/31	Dividend income recognized during the current period	Accumulated gains recognized in other comprehensive income	Accumulated losses recognized in other comprehensive income	Reasons for Designation
		Addition of Investment	Reduction of Investment	Gains recognized in other comprehensive income during the period	Losses recognized in other comprehensive income during the period	Others					
Suzhou Longben Metal Materials Co. Ltd.	3,940,544.25			34,699.62			3,975,243.87	86,263.87			
Northeast Special Steel Group Co., Ltd.	929,485,710.38				-43,040,122.48		886,445,587.90		151,290,261.10		
Sinosteel									14,414,693.00		

Item	2024/12/31	Changes During the Current Period					2025/12/31	Dividend income recognized during the current period	Accumulated gains recognized in other comprehensive income	Accumulated losses recognized in other comprehensive income	Reasons for Designation
		Addition of Investment	Reduction of Investment	Gains recognized in other comprehensive income during the period	Losses recognized in other comprehensive income during the period	Others					
Shanghai Steel Processing Co., Ltd.											
Total	933,426,254.63			34,699.62	-43,040,122.48		890,420,831.77	86,263.87	165,704,954.10		

(11) Fixed assets

1. Fixed assets and Disposal of fixed assets

Items	2025/12/31	2024/12/31
Fixed assets	28,412,673,622.89	26,426,320,453.57
Disposal of fixed assets		
Total	28,412,673,622.89	26,426,320,453.57

2. Details of fixed assets

Items	Buildings	Machinery	Transportation equipment	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	345,083,211.93	3,371,864,157.56	2,675,114.60	11,543,279.05	3,731,165,763.14
—Including: Purchase		1,958,197.73	475,557.53		2,433,755.26
—Transferred from construction in progress	345,083,211.93	3,368,888,047.22	2,199,557.07	11,543,279.05	3,727,714,095.27
—Increase in Business Combinations					
—Others		1,017,912.61			1,017,912.61
(3) Decrease in current period	95,105,426.10	349,657,275.84	14,051,231.60	219,077.77	459,033,011.31
—Including: Disposal or scrapped	95,105,426.10	349,657,275.84	14,051,231.60	219,077.77	459,033,011.31
(4) 31 December 2025	14,512,000,962.45	55,728,104,165.33	389,609,615.35	254,240,292.88	70,883,955,036.01
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

Items	Buildings	Machinery	Transportation equipment	Office equipment	Total
(2) Increase in current period	243,268,845.62	1,391,369,035.62	11,026,034.11	35,084,066.74	1,680,747,982.09
—Including: Provision	243,268,845.62	1,391,369,035.62	11,026,034.11	35,084,066.74	1,680,747,982.09
(3) Decrease in current period	80,046,503.68	314,116,594.20	13,430,317.73	217,876.03	407,811,291.64
—Including: Disposal or scrapped	80,046,503.68	314,116,594.20	13,430,317.73	217,876.03	407,811,291.64
(4) 31 December 2025	7,007,049,986.34	34,850,105,137.10	317,678,359.59	172,303,686.37	42,347,137,169.40
3. Total impairment					
(1) 31 December 2024	83,249,691.92	28,051,659.74			111,301,351.66
(2) Increase in current period		17,044,069.90			17,044,069.90
—Including: Provision		17,044,069.90			17,044,069.90
(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) 31 December 2025	82,416,017.35	41,728,226.37			124,144,243.72
4. Total net book value of fixed assets					
(1) 31 December 2025	7,422,534,958.76	20,836,270,801.86	71,931,255.76	81,936,606.51	28,412,673,622.89

Items	Buildings	Machinery	Transportation equipment	Office equipment	Total
(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. Fixed assets idled temporarily

Items	Gross carrying amount	Accumulated depreciation	Impairment	Book value	Note
Buildings	112,751,517.87	68,416,882.13	41,943,853.74	2,390,782.00	
Machinery	2,923,801.21	2,348,004.03	74,824.18	500,973.00	
Transportation equipment	58,652.78	56,893.20		1,759.58	
Others	110,671.80	109,829.55	842.25		
Total	115,844,643.66	70,931,608.91	42,019,520.17	2,893,514.58	

4. Fixed assets leased out by operating lease

Items	Book value
Buildings	84,583,912.78
Machinery	210,973.38

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

Items	Book value	Reason
Buildings	2,545,489,413.29	In process

(12) Construction in progress

1. Construction in progress and Construction materials

Items	2025/12/31			2024/12/31		
	Gross carrying amount	Total impairment	Book value	Gross carrying amount	Total impairment	Book value
Construction in progress	3,074,712,066.38		3,074,712,066.38	3,934,442,501.50		3,934,442,501.50
Project materials						
Total	3,074,712,066.38		3,074,712,066.38	3,934,442,501.50		3,934,442,501.50

2. Details of construction in progress

Items	2025/12/31			2024/12/31		
	Gross carrying amount	Total impairment	Book value	Gross carrying amount	Total impairment	Book value
Cold Rolling Transformation Project	483,026,894.14		483,026,894.14	492,919,655.40		492,919,655.40
Environmental Protection Renovation of Plate Raw Material Plant	158,152,797.73		158,152,797.73	160,208,719.65		160,208,719.65
Environmental Upgrade of the No. 2 Sintering Stockyard at the Sheet Metal Ironmaking Plant	156,323,959.75		156,323,959.75	46,697,183.08		46,697,183.08
Grid Upgrade Project Supporting the Bancai Nengguan Center Supercritical Power Generation Project	142,364,867.84		142,364,867.84			
Steam Drum to Electric Drum Conversion Project of the Plate Energy Management Center	118,526,373.67		118,526,373.67	48,987,269.15		48,987,269.15
Renovation of the dust removal system in the No. 6 blast furnace area of the Iron and Steel Plant	96,061,655.94		96,061,655.94	64,377,725.64		64,377,725.64
Special Steel Electric Furnace Capacity Replacement Project	86,939,629.39		86,939,629.39	483,671,390.32		483,671,390.32
Bengang Plate intelligent factory Project	85,050,424.38		85,050,424.38	53,198,819.53		53,198,819.53
Desulphurization Waste Liquor Acid Making Project in Plates Iron Making Plant	82,624,177.66		82,624,177.66	79,335,324.68		79,335,324.68
Retrofit of the Dust Removal System in the New No.1 Blast	68,847,544.63		68,847,544.63	46,333,893.64		46,333,893.64

Items	2025/12/31			2024/12/31		
	Gross carrying amount	Total impairment	Book value	Gross carrying amount	Total impairment	Book value
Furnace Area at the Ironmaking General Works						
Others	1,596,793,741.25		1,596,793,741.25	2,458,712,520.41		2,458,712,520.41
Total	3,074,712,066.38		3,074,712,066.38	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	2025/12/31	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
Special Steel Electric Furnace Capacity Replacement Project	1,732,481,000.00	483,671,390.32	7,086,387.35	403,818,148.28		86,939,629.39	89.57	89.57	52,044,899.29		4.08	Fund raising
Centralized Control Project before Ironmaking of Plates Iron Making Plant	162,000,000.00	107,816,471.12	41,244,457.15	146,571,536.82		2,489,391.45	88.51	88.51	5,675,347.29	5,675,347.29	4.08	Loan from financial institute
Renovation of the Hot Blast Furnace and Heat Exchanger of the No.7 Blast Furnace in Plate Ironmaking Plant	145,000,000.00	120,538,633.05	21,837,952.00	142,376,585.05			98.19	98.19				Own Funds
Cold Rolling Transformation Project	843,640,000.00	492,919,655.40	85,482,604.91	95,375,366.17		483,026,894.14	95.65	95.65	52,224,686.79	12,115,610.33	4.08	Loan from financial institute
Centralized Control Project before Ironmaking of Plates Iron Making Plant	80,258,847.34	80,258,847.34	15,088,525.25	95,347,372.59			79.64	79.64				Own Funds

Items	Budget	2024/12/31	Increase during current period	Transferred to fixed asset during current period	Other decrease during current period	2025/12/31	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
Ultra-low emission transformation of the dust removal system in the original No.3 operation areas of the Iron and Steel Plant	99,660,000.00	68,740,566.29	21,450,808.39	90,191,374.68			90.5	90.5				Own Funds
Renovation of cooling equipment of No.7 blast furnace in Plate Ironmaking Plant	90,800,000.00	65,430,926.20	23,876,974.79	89,307,900.99			98.36	98.36				Own Funds
Environmental Protection Renovation in No. 2 Coal Storage Field of Plates Raw Material Plant	310,000,000.00	119,656,230.22	5,489,481.00	83,574,769.65		41,570,941.57	92.36	92.36	9,092,899.25		4.08	Loan from financial institute
Sheet Metal Ironmaking Complex: Dust Removal Upgrade for the 265 Sintering System	99,200,000.00	81,580.00	78,808,585.50	78,890,165.50			79.53	79.53				Own Funds

Items	Budget	2024/12/31	Increase during current period	Transferred to fixed asset during current period	Other decrease during current period	2025/12/31	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
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)	1,106,230,000.00	55,645,429.58	16,367,092.34	72,012,521.92			87.89	87.89	31,410,224.04		4.08	Loan from financial institute
Environmental Treatment of the First and Second Mixing Systems for Sinter Machine at Plate Ironmaking General Works	61,030,000.00	37,822,726.20	15,248,233.80	53,070,960.00			86.96	86.96				Own Funds
Fully Enclosed Belt Conveyor Gallery Project at Benxi Steel Plate Ironmaking General Works	64,900,000.00	34,238,770.60	18,087,566.60	52,326,337.20			80.63	80.63				Own Funds

Bengang Steel Plates Co., Ltd.
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Notes to the financial statements

Items	Budget	2024/12/31	Increase during current period	Transferred to fixed asset during current period	Other decrease during current period	2025/12/31	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
Plate Rolling 2300 Reheating Furnace Overhaul Hot Mill Line	80,000,000.00	15,500,355.74	35,711,627.07	51,211,982.81			73.5	73.5	625,582.07	625,582.07	4.08	Loan from financial institute
Total		1,682,321,582.06	385,780,296.15	1,454,075,021.66		614,026,856.55			151,073,638.73	18,416,539.69		

(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			1,015,148,373.63	1,015,148,373.63
—Addition			1,015,148,373.63	1,015,148,373.63
(3) Decrease in current period				
— Transfer to Fixed Assets				
(4) 31 December 2025	1,132,274,415.17	368,465,367.56	1,459,378,563.11	2,960,118,345.84
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	39,904,236.24	20,470,298.28	33,544,155.35	93,918,689.87
—Provision	39,904,236.24	20,470,298.28	33,544,155.35	93,918,689.87
(3) Decrease in current period				
— Transfer to Fixed Assets				
(4) 31 December 2025	199,521,181.16	102,351,491.24	51,090,279.54	352,962,951.94
3. Total impairment				
(1) 31 December 2024				
(2) Increase in current period				
(3) Decrease in current period				
— Transfer to				

Items	Land	Buildings	Machinery	Total
Fixed Assets				
(4) 31 December 2025				
4. Total net book value				
(1) 31 December 2025	932,753,234.01	266,113,876.32	1,408,288,283.57	2,607,155,393.90
(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			
(3) Decrease			
—Disposal			
(4) 31 December 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	1,164,089.21	9,956,966.70	11,121,055.91
—Provision	1,164,089.21	9,956,966.70	11,121,055.91
(3) Decrease			
—Disposal			
— Portion that has become invalid and been derecognized			
(4) 31 December 2025	1,850,912.67	108,359,650.11	110,210,562.78
3. Total of Impairment			
(1) 31 December 2024			
(2) Increase			
—Provision			

Items	Software	Land use right	Total
(3) Decrease			
—Disposal			
— Portion that has become invalid and been derecognized			
(4) 31 December 2025			
4. Total of Net book value			
(1) 31 December 2025	2,588,740.36	381,070,272.41	383,659,012.77
(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	35,439,263.10	In process
Total	35,439,263.10	

(15) Deferred tax asset and deferred tax liability

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

Items	2025/12/31		2024/12/31	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Impairment	678,979,736.04	102,311,312.63	598,249,997.63	90,011,580.45
Changes in fair value of other financial assets recognized in other comprehensive income	165,704,954.07	24,855,743.11	122,664,831.62	18,399,724.74
Tax-Accounting Differences under Lease Standards	2,587,520,333.13	388,128,049.97	1,752,154,297.33	262,823,144.60
Total	3,432,205,023.24	515,295,105.71	2,473,069,126.58	371,234,449.79

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

Items	2025/12/31		2024/12/31	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Changes in fair value of other financial assets recognized in other comprehensive income	65,857.87	9,878.68	31,158.29	4,673.74
Tax-Accounting Differences under Lease Standards	2,607,155,393.87	391,073,309.08	1,685,925,710.14	252,888,856.52
Total	2,607,221,251.74	391,083,187.76	1,685,956,868.43	252,893,530.26

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

Item	2025/12/31		2024/12/31	
	Offset Amount of Deferred Income Tax Assets and Liabilities	Deferred Income Tax Asset or Liability Balance (Net of Offsetting)	Offset Amount of Deferred Income Tax Assets and Liabilities	Deferred Income Tax Asset or Liability Balance (Net of Offsetting)
Deferred tax assets	391,083,187.76	124,211,917.95		371,234,449.79
Deferred tax liabilities	391,083,187.76			252,893,530.26

4. Unrecognized deferred tax assets

Items	2025/12/31	2024/12/31
Deductible temporary differences	70,268.35	286,782,181.23
Deductible losses	13,500,278,662.54	9,483,185,444.74

Items	2025/12/31	2024/12/31
Total	13,500,348,930.89	9,769,967,625.97

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

Year	31 December 2025	31 December 2024	Notes
Year 2025		8,257,832.98	
Year 2026	2,512,631.86	6,799,314.77	
Year 2027	8,117,351.82	8,117,351.82	
Year 2028			
Year 2029			
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	4,084,777,875.58		
Total	13,500,278,662.54	9,483,185,444.74	

(16) Other non-current assets

Items	2025/12/31			2024/12/31		
	Gross carrying amount	Impairment	Book value	Gross carrying amount	Impairment	Book value
Prepayment for construction and equipment	54,632,516.72		54,632,516.72	86,297,275.16		86,297,275.16
Total	54,632,516.72		54,632,516.72	86,297,275.16		86,297,275.16

(17) Assets with restricted ownership or use rights

Items	2025/12/31				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	839,920,368.84	839,920,368.84	Margin for Notes receivable, Margin for letter of credit	Margin for Notes receivable, Margin for letter of credit	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	6,182,721.01	6,182,721.01	Pledged	Pledged	165,968,800.17	165,968,800.17	Pledged	Pledged
Accounts receivable financing	120,290,859.64	120,290,859.64	Pledged	Pledged				
Total	966,393,949.49	966,393,949.49			1,029,652,051.74	1,029,652,051.74		

(18) Short-term loans

1. Classification of short-term loans

Items	2025/12/31	2024/12/31
Credit loans	200,000,000.00	370,000,000.00
Discounted unexpired bills	133,660,470.12	1,055,490.50
Total	333,660,470.12	371,055,490.50

(19) Notes payable

Items	2025/12/31	2024/12/31
Bank acceptance bill	10,925,339,515.71	10,412,029,417.45
Commercial acceptance bill	900,231,371.80	1,559,477,470.97
Letter of credit	1,136,716,755.37	1,011,196,781.44
Total	12,962,287,642.88	12,982,703,669.86

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

(20) Accounts payable

1. Accounts payable

Items	2025/12/31	2024/12/31
Within 1 year (inclusive)	2,526,036,992.36	2,680,864,210.15
1-2 year (inclusive)	99,557,994.74	61,748,259.48
2-3 year (inclusive)	25,862,929.99	8,554,593.94
Over 3 years	15,778,495.57	10,592,375.79
Total	2,667,236,412.66	2,761,759,439.36

2. Significant accounts payable aging over one year or overdue

Items	2025/12/31	Reasons
Benxi Iron & Steel (Group) Information	12,971,075.23	Not yet eligible for

Items	2025/12/31	Reasons
Automation Co., Ltd.		settlement
Total	12,971,075.23	

(21) Prepayments

Items	2025/12/31	2024/12/31
Within 1 year (inclusive)	49,541.35	611.60
1-2 year (inclusive)		58,715.61
2-3 year (inclusive)		
Over 3 years		
Total	49,541.35	59,327.21

(22) Contract liabilities

1. Details of contract liabilities

Items	2025/12/31	2024/12/31
Payment received in advance and labor costs	2,736,697,947.25	2,894,761,202.08
Others		13,837,223.65
Total	2,736,697,947.25	2,908,598,425.73

(23) Employee benefits payable

1. Employee benefits payable

Items	2024/12/31	Increase	Decrease	2025/12/31
Short-term employee benefits	1,773,068.35	1,705,470,986.36	1,704,657,171.42	2,586,883.29
Post-employment benefits - defined contribution plans		230,401,591.11	230,401,591.11	
Termination benefits		117,157,117.98	117,157,117.98	
Other benefits due within one year				

Items	2024/12/31	Increase	Decrease	2025/12/31
Total	1,773,068.35	2,053,029,695.45	2,052,215,880.51	2,586,883.29

2. Short-term employee benefits

Items	2024/12/31	Increase	Decrease	2025/12/31
(1) Salary, bonus, allowance and subsidy		1,238,926,668.60	1,238,926,668.60	
(2) Employee welfare		158,989,619.31	158,989,619.31	
(3) Social Insurance		116,652,644.33	116,652,644.33	
Including: Medical insurance and maternity insurance		97,024,776.37	97,024,776.37	
Work injury insurance		19,627,867.96	19,627,867.96	
Others				
(4) Housing fund		140,031,949.00	140,031,949.00	
(5) Union funds and staff education fee	1,773,068.35	31,034,832.32	30,221,017.38	2,586,883.29
(6) Short-term compensated absences				
(7) Short-term profit - sharing scheme				
(8) Other short-term benefits		19,835,272.80	19,835,272.80	
Total	1,773,068.35	1,705,470,986.36	1,704,657,171.42	2,586,883.29

3. Defined contribution plans

Items	2024/12/31	Increase	Decrease	2025/12/31
Basic pension fund		184,768,778.80	184,768,778.80	
Unemployment insurance		5,774,655.52	5,774,655.52	
Annuity		39,858,156.79	39,858,156.79	

Items	2024/12/31	Increase	Decrease	2025/12/31
Total		230,401,591.11	230,401,591.11	

(24) Current tax liabilities

Items	2025/12/31	2024/12/31
Value-added tax	10,075,228.91	10,272,516.44
Resource Tax	1,965,703.36	750,000.00
Corporate income tax	14,251,204.39	16,029,179.78
Individual income tax	8,351,507.38	2,157,426.95
City maintenance and construction tax	708,128.46	540,889.49
Educational surcharges (including local Educational surcharges)	6,967,050.05	7,370,656.33
House property tax	505,806.05	386,769.92
Land use right tax	1,144,608.49	1,088,809.99
Others	15,888,049.72	15,473,848.93
Total	59,857,286.81	54,070,097.83

(25) Other payables

Items	2025/12/31	2024/12/31
Interest payables		
Dividends payables	45,054,305.70	99,687,100.35
Other payables	2,730,489,890.41	2,255,007,099.66
Total	2,775,544,196.11	2,354,694,200.01

1. Dividends payables

Items	2025/12/31	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	2025/12/31	2024/12/31
Current Accounts	2,344,273,165.96	1,871,598,040.35
Deposit	559,292.00	586,292.00
Margin	382,448,871.66	377,422,555.34
Others	3,208,560.79	5,400,211.97
Total	2,730,489,890.41	2,255,007,099.66

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

Items	2025/12/31	Reasons
Hunan MCC Changtian Energy Saving and Environmental Protection Technology Co., Ltd.	21,291,952.51	The project is still in progress
Shanghai Baosight Software Co., Ltd.	7,908,386.00	The project is still in progress
China Third Metallurgical Group Co., Ltd.	4,742,787.61	The project is still in progress
Total	33,943,126.12	

(26) Non-current liabilities due within one year

Items	2025/12/31	2024/12/31
Long-term loans due within one year	927,300,000.00	805,270,731.20
Bond payables due within one year	5,665,550,635.00	106,989,474.64
Lease liabilities due within one year	348,084,227.49	118,242,710.82
Total	6,940,934,862.49	1,030,502,916.66

(27) Other current liabilities

Items	2025/12/31	2024/12/31
Output tax to be transferred	275,281,765.24	328,981,058.74

Items	2025/12/31	2024/12/31
Total	275,281,765.24	328,981,058.74

(28) Long-term loans

Items	2025/12/31	2024/12/31
Pledged loans		
Mortgage loan		
Guaranteed loans		
Credit loans	6,941,769,758.11	3,697,212,193.60
Subtotal	6,941,769,758.11	3,697,212,193.60
Less: Non-current liabilities due within one year	927,300,000.00	805,270,731.20
Total	6,014,469,758.11	2,891,941,462.40

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

(29) Bonds payable

1. Bonds payable disclosed by category

Items	2025/12/31	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	Coupon rate	Issue date	Bond duration	Issuance amount	Balance at the end of the previous year	Current issue	Interest accrued at face value	Premium and discount amortization	Repayment in this period	Share conversion and repurchase this year	Balance at the end of the current period	Default or not
Bengang Convertible Bond (Bond code:127018)	6,800,000,000.00		29th June 2020	6 years	6,800,000,000.00	5,676,888,934.17		247,774,352.50	-45,093,127.03	213,987,524.64	32,000.00	5,665,550,635.00	No
Less: amount due within one year						106,989,474.64		247,774,352.50	-45,093,127.03	213,987,524.64	32,000.00	5,665,550,635.00	No
Total					6,800,000,000.00	5,569,899,459.53							

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 December 31, 2025, an aggregate of RMB32,000.00 of the convertible bonds were converted into 8,096.00 common stock. Among them:

In the first quarter of 2025, the Bengang convertible bonds were reduced by RMB 15,000.00 (150 bonds) due to the conversion, and the number of shares converted was 3,795.00 shares, and the conversion price was RMB3.95 per share;

In the second quarter of 2025, the Bengang convertible bonds were reduced by RMB 1,000.00 (10 bonds) due to the conversion, and the number of shares converted was 253.00 shares, and the conversion price was RMB3.95 per share;

In the third quarter of 2025, the Bengang convertible bonds were reduced by RMB13,000.00 (130 bonds) due to the conversion, and the number of shares converted was 3,036.00 shares, and the conversion price was RMB3.95 per share;

In the fourth quarter of 2025, the Bengang convertible bonds were reduced by RMB 4,000.00 (40 bonds) due to the conversion, and the number of shares converted was 1,012.00 shares, and the conversion price was RMB3.95 per share;

As of December 31, 2025, the remaining amount of the face value of the convertible bonds was RMB 5,630,953,100.00 Yuan (56,309,531.00 bonds).

(30) Lease liabilities

Items	2025/12/31	2024/12/31
Lease payments	3,357,181,841.40	2,539,395,930.63
Less: Unrealized financing expenses	769,661,508.27	787,241,633.30
Reclassified to non-current liabilities within one year	348,084,227.49	118,242,710.82
Total	2,239,436,105.64	1,633,911,586.51

(31) Deferred income

Items	2024/12/31	Increase	Decrease	2025/12/31	Reason
Government subsidy	173,919,087.47	47,760,050.00	63,479,720.89	158,199,416.58	
Total	173,919,087.47	47,760,050.00	63,479,720.89	158,199,416.58	

The details of the government subsidy projects are as follows:

Related to assets or income	2024/12/31	Increase	Transfer to non-operating income	Transfer to other income	Offsetting cost or expenses	Other changes	2025/12/31
Related to assets	167,930,005.80	46,333,000.00		59,001,148.00			155,261,857.80
Related to income	5,989,081.67	1,427,050.00		4,478,572.89			2,937,558.78
Total	173,919,087.47	47,760,050.00		63,479,720.89			158,199,416.58

(32) Share capital

Items	2024/12/31	Increase/decrease (+, -)					2025/12/31
		Issuing of new share	Bonus shares	Transferred from reserves	Others	Subtotal	
Total shares	4,108,228,157.00				8,096.00	8,096.00	4,108,236,253.00

Note: The decrease during the current period resulted from the conversion of 8,096.00 shares of the Company's A-share convertible bonds into the Company's A-share ordinary shares. As of December 31, 2025, the remaining face value balance of the Company's convertible bonds amounted to RMB 5,630,953,100.00 (comprising 56,309,531.00 bonds). For further 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		2025/12/31	
	Number	Book value	Number	Book value	Number	Book value	Number	Book value
Convertible corporate bonds	56,309,851.00	947,850,195.03			320.00	6,514.21	56,309,531.00	947,843,680.82
Total	56,309,851.00	947,850,195.03			320.00	6,514.21	56,309,531.00	947,843,680.82

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 RMB32,000.00 (320 bonds), and the remaining balance of the face value of the convertible bonds as of December 31, 2025 was RMB 5,630,953,100.00 Yuan (56,309,531.00 bonds). For details, please refer to Note 5. (29) Bonds payable.

(34) Capital reserves

Items	2024/12/31	Increase	Decrease	2025/12/31
Capital (share) premium	13,109,714,698.13	23,670.53		13,109,738,368.66
Other capital reserves	115,917,468.82	27,300,000.00		143,217,468.82
Including: Changes in Other Equity of the Investee				
Others	115,917,468.82	27,300,000.00		143,217,468.82
Total	13,225,632,166.95	27,323,670.53		13,252,955,837.48

Notes:

1. The increase was due to the conversion of A-share convertible bonds issued by the Company into A-share common stock during the period, as described in Note 5 (29) Bonds payable.
2. The increase in "Other Capital Reserves" during the current period resulted from the receipt of special funds from Angang Group, thereby increasing the entity's state-owned capital (specifically, State-owned Exclusive Capital Reserves).

(35) Other comprehensive income

Items	2024/12/31	Current period						2025/12/31
		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	-43,005,422.86		-6,450,813.43	-36,554,609.43			-129,961,806.05
including: Remeasurements of the Net Defined Benefit Liability (Asset)								
Changes in fair value of investments in other equity instruments	-43,035,854.74	-43,005,422.86		-6,450,813.43	-36,554,609.43			-79,590,464.17
2. Items can be reclassified into profit or loss								

Items	2024/12/31	Current period						2025/12/31
		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	
Total	-93,407,196.62	-43,005,422.86		-6,450,813.43	-36,554,609.43			-129,961,806.05

(36) Special Reserves

Items	2024/12/31	Increase	Decrease	2025/12/31
Safety production cost	809,649.65	64,166,383.03	64,094,530.45	881,502.23
Total	809,649.65	64,166,383.03	64,094,530.45	881,502.23

(37) Surplus Reserves

Items	2024/12/31	Increase	Decrease	2025/12/31
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	-3,942,278,349.12	-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	-11,439,289,982.02	-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	45,626,234,164.33	47,687,535,996.75	50,512,152,677.69	53,926,439,230.70
Other business	766,016,330.15	753,488,614.63	754,208,823.53	767,317,574.73
Total	46,392,250,494.48	48,441,024,611.38	51,266,361,501.22	54,693,756,805.43

2. Details about operating income and operating cost

Item	Current period		Current period		Total	
	Principal business Revenue	Principal business Cost	Other business Revenue	Other business Cost	Operating income	Operating cost
Classification by the time of commodity transfer						
Including: recognize at a certain point in time	45,626,234,164.33	47,687,535,996.75	757,998,253.03	749,235,374.69	46,384,232,417.36	48,436,771,371.44
-Recognize over a certain period of time			8,018,077.12	4,253,239.94	8,018,077.12	4,253,239.94
Total	45,626,234,164.33	47,687,535,996.75	766,016,330.15	753,488,614.63	46,392,250,494.48	48,441,024,611.38
Classification by business area						
Including: Domestic	36,332,697,501.93	37,842,466,554.45	766,016,330.15	753,488,614.63	37,098,713,832.08	38,595,955,169.08
Abroad	9,293,536,662.40	9,845,069,442.30			9,293,536,662.40	9,845,069,442.30
Total	45,626,234,164.33	47,687,535,996.75	766,016,330.15	753,488,614.63	46,392,250,494.48	48,441,024,611.38

(40) Tax and surcharges

Items	Current period	Previous period
Environmental tax	20,503,102.25	25,266,354.57
City maintenance and construction tax	6,189,588.33	10,385,897.62
Educational surcharge	4,601,665.24	7,465,694.70
Resource Tax	9,628,850.52	750,000.00
Housing property tax	89,305,760.01	85,712,608.51
Land use right tax	14,215,642.88	14,382,618.16
Vehicle and vessel tax	153,519.70	224,158.74
Stamp duty	60,614,230.72	58,834,787.91
Others	10,878.64	21,247.15
Total	205,223,238.29	203,043,367.36

Note: The transition from water resource fees to taxes was implemented in December 2024. The collection period for 2024 spanned one month, whereas the collection period for 2025 covers a full 12 months; consequently, the water resource tax for 2025 shows a significant month-over-month increase.

(41) Selling and distribution expenses

Items	Current period	Previous period
Import and export agency fee	41,257,018.21	52,584,810.12
Salary and benefits	57,918,567.27	67,395,074.92
Storage and warehousing fee	1,717,823.82	1,977,289.68
Others	35,945,383.84	20,681,443.05
Total	136,838,793.14	142,638,617.77

(42) General and administrative expenses

Items	Current period	Previous period
Salary and benefits	307,157,438.54	351,493,964.20
Insurance fee	17,200,072.53	12,995,462.13
Depreciation	62,568,460.35	55,331,155.82

Items	Current period	Previous period
Repair expense	3,287,105.74	4,037,864.04
Professional service expenses	10,182,784.99	13,588,178.36
Information System Service Fee	29,868,489.03	35,322,109.80
Business Travel Expenses	197,040.78	2,563,843.56
Others	241,758,150.53	227,455,833.92
Total	672,219,542.49	702,788,411.83

(43) Research and development expenses

Items	Current period	Previous period
Depreciation, materials and compensation, etc.	90,978,954.16	86,415,509.29
Total	90,978,954.16	86,415,509.29

(44) Financial expenses

Items	Current period	Previous period
Interest expenses	394,193,802.90	384,713,981.73
including: Interest expenses for lease liabilities	66,502,253.09	62,948,951.58
Less: Interest income	32,518,614.84	43,019,766.05
Exchange losses	55,283,349.61	-112,286,393.26
Others	11,043,592.37	10,923,494.40
Total	428,002,130.04	240,331,316.82

(45) Other income

Items	Current period	Previous period
Additional VAT Deduction	59,045,361.08	48,812,224.61
VAT Refund upon Collection	40,759,445.15	86,963,574.36
Central Government Environmental Protection Award Fund	21,087,999.97	21,088,000.00
Gratuitous Transfer of Non-monetary Assets	19,047,472.00	19,009,956.00
Flue Gas Desulfurization and Denitrification Project for No.5 Furnace Group & 4B Coke Oven at Plate Ironmaking Plant	4,092,000.00	4,092,000.00

2020 Ecological Civilization Construction Special Project (Special Steel EAF Upgrading Project)	4,000,000.00	4,000,000.00
Triple Dust Removal Retrofit for Roof Hoods of No.4/5/6 Converters at Plate Steelmaking Plant	2,922,000.00	2,922,000.00
Plate factory area converter Gas Recovery and Efficiency Improvement Project	2,420,000.03	2,420,000.00
Dust Removal Retrofit for Hot Metal Pretreatment Station of Steelmaking Converters	1,932,600.00	1,932,600.00
Advanced Treatment Project of Carbon Fiber Wastewater in Dongfeng Plant Area of Plate Coking Plant	1,900,000.00	1,900,000.00
2021 Intellectual Manufacturing Strong Province Special Fund	1,620,000.00	1,620,000.00
2021 Intellectual Manufacturing Strong Province Special Fund (Digital and Networked Upgrade)	960,000.00	960,000.00
Government Subsidies received by the Sheet Material R&D Institute	817,792.79	
Fiscal Support Funds	630,000.00	110,000.00
Desulfurization and Denitrification Project of Coal-fired Boiler in High-pressure Workshop of Bengang Power Plant	600,000.00	600,000.00
Second Sintering Finishing Dust Removal Ultra-low Emission Reconstruction Project	410,000.00	410,000.00
Refund of Handling Fees for Withholding and Remitting Individual Income Tax	337,020.19	401,253.23
Benxi Steel Automotive Sheet Engineering Laboratory Construction Project	319,076.00	-745,133.80
2021 Liaoning Province Central-Guided Local Science and Technology Development Funds: Second Batch of Planned Projects	300,000.00	
2022: Digital Liaoning—A Strong Province of Intelligent Manufacturing	300,000.00	
Municipal Funding Subsidy for Enterprise Operations-related Patent Navigation Projects	200,000.00	
Liaoning Provincial Intellectual Property Office: High-Value Patent Support Fund Subsidy	200,000.00	
2019 Provincial-Level Skills Master Workstation Fee	100,000.00	100,000.00
Design and Physicochemical Properties of Metallurgical Slag Systems for Rare Earth Steelmaking	85,200.00	15,175.50
Mechanism and Control of Rare Earth Oxysulfides on Plasticization Behavior in Automotive Steels	35,243.00	70,200.00
2018 Municipal-Level Master Skills Workshop Expenses	31,727.00	
2022 Liaoning Provincial Natural Science Foundation Program Funds	28,400.00	
2019 Municipal-Level Master Skills Workshop Expenses	25,620.10	
2021 Municipal-Level Skills Master Workstation Fee	20,764.57	56,454.88
2022 Provincial-Level Skills Master Workstation Fee	20,225.43	67,743.97
Xingliao Talent Program Government Grant	3,600.00	46,500.00
Special Incentive Funds for Business Stable development Measures		2,184,600.00
Industrial Economy Stabilization and Growth Incentive Fund		50,000.00
Science & Technology Funds		300,000.00
Development of Gen-3 AHSS for Vehicles		580,000.00

2020 Provincial-Level Skills Master Workstation Fee		63,799.16
Liaoning Provincial Standardization Subsidy		10,000.00
High-tech Enterprise Incentive Funds		100,000.00
Total	164,261,547.31	200,140,947.91

(46) Investment income

Items	Current period	Previous period
Income on long-term equity investment by equity method	-2,143,337.68	-1,497,124.69
Gain from debt restructuring	17,512,835.36	6,496,818.35
Others	-26,326,290.61	-47,967,315.58
Total	-10,956,792.93	-42,967,621.92

(47) Credit impairment loss

Items	Current period	Previous period
Loss from bad debts of account receivable	11,356,229.85	-51,156,620.60
Loss from bad debts of other receivables	8,298,098.74	1,013,615.40
Total	19,654,328.59	-50,143,005.20

(48) Asset impairment loss

Items	Current period	Previous period
Inventory and contract fulfillment cost impairment loss	286,889,208.89	278,486,334.42
Fixed assets impairment loss	17,044,069.90	
Total	303,933,278.79	278,486,334.42

(49) Assets disposal gains

Items	Current period	Previous period	The amount recognized in non-recurring profit
Fixed assets	3,008.85	13,020,778.49	3,008.85
Total	3,008.85	13,020,778.49	3,008.85

(50) Non-operating income

Items	Current period	Previous period	The amount recognized in non-recurring profit
Non-current assets scrapped gains	2,382,736.20	3,307,408.92	2,382,736.20
Compensation for breach of contract	13,607,613.04	8,649,121.97	13,607,613.04
Unpayable accounts payable (Debt settlement income)	147,073.92	208,933.55	147,073.92
Others	7,475,439.84	33,623,658.14	7,475,439.84
Total	23,612,863.00	45,789,122.58	23,612,863.00

(51) Non-operating expense

Items	Current period	Previous period	The amount recognized in non-recurring profit
Non-current assets scrapped loss	47,144,692.71	52,327,212.31	47,144,692.71
Administrative Fines and Late Payment Fees	10,000.00		10,000.00
Compensation, liquidated damages and fines	10,856,164.00	1,544,793.57	10,856,164.00
Others	5,195,080.64	835,992.86	5,195,080.64
Total	63,205,937.35	54,707,998.74	63,205,937.35

(52) Income tax expenses

1. Income tax expense

Items	Current period	Previous period
Income tax payable for the current year	62,925,475.32	73,650,531.92
Deferred income tax	579,815.01	16,786,257.16

Items	Current period	Previous period
Total	63,505,290.33	90,436,789.08

2. Accounting profit and income tax expense adjustment process

Items	Current period
Total profit	-3,791,909,693.52
Income tax expense calculated according to the official or applicable tax rate	-568,784,358.54
Effect of different tax rates applied by subsidiaries	10,885,221.49
Effect of adjustment of the income tax expense of prior period	389,756.93
Effect of non-taxable income	-9,301,605.75
Effect of non-deductible costs, expenses or losses	635,791.76
Effect of use of deductible losses of unrecognized deferred tax asset of prior period	-3,122,208.63
Effect of deductible temporary differences or deductible losses of unrecognized deferred tax assets of current period	587,974,915.55
Effect of tax rate changes on the opening balance of deferred tax assets/liabilities	
Others	44,827,777.52
Income tax expenses	63,505,290.33

(53) Notes of statement of cash flows

1. Cash related to operating activities

(1) Cash received related to other operating activities

Items	Current period	Previous period
Collection of current accounts and advance payment on behalf	25,154,240.00	20,707,880.77
Interest income	32,518,614.84	43,019,928.42
Special subsidy income	76,130,817.09	61,603,389.34
Non-operating income	8,089,841.48	45,108,931.60

Items	Current period	Previous period
Others	69,557,902.36	72,901,959.17
Total	211,451,415.77	243,342,089.30

(2) Cash paid related to other operating activities

Items	Current period	Previous period
Current accounts	21,458,523.69	31,632,625.15
Administrative expenses	150,737,433.31	160,290,483.72
Selling expenses	46,171,361.15	43,283,792.38
Charges	3,762,378.42	3,227,037.36
Others	193,898,385.46	167,670,609.80
Total	416,028,082.03	406,104,548.41

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	3,237,423,685.03	3,808,123,889.76
Recovery of short-term borrowing funds for designated payments		
Total	3,237,423,685.03	3,808,123,889.76

(2) Other cash paid in relation to financing activities

Item	Current period	Previous period
Notes, letter of guarantee, and letter of credit margins	3,036,021,201.32	4,871,226,556.86
Short-term borrowing funds for designated payments		
Lease payments	154,634,911.14	68,842,727.36
Total	3,190,656,112.46	4,940,069,284.22

(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	-3,855,414,983.85	-4,960,117,417.26
Add: Credit impairment loss	19,654,328.59	-50,143,005.20
Asset impairment loss	303,933,278.79	278,486,334.42
Depreciation of fixed assets	1,680,747,982.09	1,635,677,342.74
Depreciation of right of use assets	93,918,689.87	77,920,658.71
Amortization of intangible assets	11,121,055.91	9,634,760.52
Amortization of Long-term Deferred Expenses		
Losses proceeds from disposal of PPE, intangible assets and other long-term assets (Earnings marked“—”)	-3,008.85	-13,020,778.49
Scrapped losses from fixed assets (Earnings marked“—”)	44,761,956.51	49,019,803.39
Losses in fair value change (Earnings marked“—”)		
Financial expenses (Earnings marked“—”)	449,477,152.51	272,427,588.47
Investment losses (Earnings marked“—”)	10,956,792.93	42,967,621.92
Deferred tax assets reduction (Addition marked“—”)	-137,604,637.55	93,801,445.51
Deferred tax liabilities increased (Reduction marked“—”)	138,184,452.56	-77,015,188.35
Reduction of inventory (Addition marked“—”)	677,000,599.26	157,980,745.75
Operating receivable items reduction (Addition marked“—”)	-534,373,914.57	1,927,753,242.95
Operating payable items increase (Less marked“—”)	-691,248,364.58	1,654,268,244.56
Others	71,852.58	646,594.61
Net cash flows generated from operating activities	-1,788,816,767.80	1,100,287,994.25
2. Payments of investing and financing activities not involving cash:		
Liabilities transferred to capital		
Convertible bonds due within one year		

Items	Current period	Previous period
Fixed assets financed by leasing		
3. The net increase in cash and cash equivalents:		
Ending balance of cash	287,470,306.31	1,590,205,218.91
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	-1,302,734,912.60	390,519,810.53

2. The structure of cash and cash equivalents

Items	Current period	Previous period
1. Cash	287,470,306.31	1,590,205,218.91
Including: Cash on hand		
Bank deposits available on demand	287,470,306.31	1,590,205,218.91
2. Cash equivalents		
Including: Cash and cash equivalents limited to use by the parent company of other subsidiary in the group		
3. Ending Balance of Cash and Cash Equivalents	287,470,306.31	1,590,205,218.91
Including: Cash and cash equivalents held but not available for use by the parent company or other subsidiaries within the group		

(55) Foreign currency monetary items

1. Foreign currency monetary items

Item	Ending balance in foreign currency	Exchange rate	Ending balance translated to RMB
Cash and cash equivalents			92,017,493.96
Including: USD	13,091,494.13	7.0288	92,017,493.96
Non-current liabilities due within one year			1,038,284.80

Item	Ending balance in foreign currency	Exchange rate	Ending balance translated to RMB
Including: JPY	23,176,000.00	0.0448	1,038,284.80
Long-term loans			1,038,284.80
Including: JPT	23,176,000.00	0.0448	1,038,284.80
Accounts receivable			663,734,936.95
Including: USD	94,430,761.57	7.0288	663,734,936.95
Accounts payable			42,678,053.96
Including: USD	6,071,883.39	7.0288	42,678,053.96

6. Research and Development Expenses

1. Presented by Nature of Expense

Items	Current period	Previous period
Depreciation, materials, salaries, etc.	90,978,954.16	86,415,509.29
Professional Service Fee	3,700,000.00	
Total	94,678,954.16	86,415,509.29
Including: Expensed R&D Expenditure	90,978,954.16	86,415,509.29
Capitalized R&D Expenditures	3,700,000.00	

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

Item	2024/12/31	Increase during the current period	Decrease during the current period	2025/12/31
		Internal Development Expenditure	Recognized as Intangible assets	
Sheet Configuration-based CPK Analysis		3,700,000.00		3,700,000.00
Total		3,700,000.00		3,700,000.00

7. Changes in the scope of consolidation

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

1. Establishment of a New Subsidiary: On March 28, 2025, Bengang Steel Plates Co., Ltd., together with its related party, Angang Green Gold Industry Development Co., Ltd., jointly contributed RMB 60 million to establish Green Gold (Benxi) Renewable Resources Co., Ltd.
2. Liquidation of Subsidiary: Changchun Bensteel Steel Sales Co., Ltd. was dissolved on November 11, 2025, with the unanimous consent of all shareholders.

8. Interests in other entities

(1) Equity in subsidiaries

1. Constitution of enterprise group

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

Name of subsidiary	Registered Capital	Principal place of business	Registration place	Nature of Business	Shareholding ratio(%)		Acquisition method
					Direct	Indirect	
Ltd.							under common control
Tianjin Bengang Steel Trading Co., Ltd.	200 million	Tianjin	Tianjin	Sales	100		Business combination under common control
Benxi Bengang Steel & Iron Sales Co., Ltd.	30 million	Benxi	Benxi	Sales	100		Establishment
Shenyang Bengang Metallurgy Science and Technology Co., Ltd	230 million	Shenyang	Shenyang	Sales	100		Establishment
North Hengda Logistics Co., Ltd.	150 million	Benxi	Benxi	Manufacturing	100		Business combination under common control

Important non-wholly owned subsidiaries

Name of the subsidiaries	Proportion of non-controlling interests	Profits and losses attributing to non-controlling shareholders	Dividend declared to distribute to non-controlling shareholders	Ending balance of non-controlling interests
Bengang POSCO Cold-rolled Sheet Co., Ltd.	25.00%	78,278,160.42	60,185,989.14	614,781,199.15

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

Name of the subsidiaries	2025/12/31						2024/12/31					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Bengang POSCO Cold-rolled Sheet Co., Ltd.	5,416,328,740.2	1,023,071,233.7	6,439,399,973.9	3,980,275,177.4		3,980,275,177.4	6,390,756,526.7	986,052,997.6	7,376,809,524.3	4,990,053,412.8		4,990,053,412.8
	1	8	9	0		0	2	2	4	6		6

Name of the subsidiaries	Current period				Previous period			
	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities
Bengang POSCO Cold-rolled Sheet Co., Ltd.	7,302,924,455.99	313,112,641.68	313,112,641.68	96,386,958.56	8,387,472,486.78	300,929,945.71	300,929,945.71	400,460,284.37

(2) Interests in joint ventures or associated enterprises

1. Summarized financial information of insignificant joint ventures and associates

	2025/12/31 or current period	2024/12/31 or previous period
Associated enterprises:		
Total book value of investments	43,269,884.04	45,413,221.72
Total of the following items calculated based on shareholding ratio		
-Net profit	-2,143,337.68	-1,497,124.69
-Other comprehensive income		
-Total comprehensive income	-2,143,337.68	-1,497,124.69

9. Government Subsidies

(1) Government grants included in current profit or loss

Accounting subjects	Current period	Previous period
Other income	104,879,166.04	150,827,470.07
Total	104,879,166.04	150,827,470.07

(2) Liabilities involving government subsidies

Liabilities	2024/12/31	Addition	Amounts recognized in non-operating income during the current period	Amounts recognized in other income during the current period	Offset costs or expenses during the current period	Other changes	2025/12/31	Asset-related/income-related
Deferred income	173,919,087.47	47,760,050.00		63,479,720.89			158,199,416.58	Asset-related/income-related

10. Risks associated with financial instruments

(1) Various risks arising from financial instruments

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

1. Credit Risk

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

2. Liquidity Risk

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

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

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

Items	2025/12/31						Total undiscounted contract amount	Book value
	Immediate repayment	Within 1 year	1-2 years	2-5 years	Over 5 years			
Short-term loans		333,660,470.12					333,660,470.12	333,660,470.12
Notes payable		12,962,287,642.88					12,962,287,642.88	12,962,287,642.88
Accounts payable		2,667,236,412.66					2,667,236,412.66	2,667,236,412.66
Other payables		1,695,840,066.44	900,248,576.00	179,455,553.68			2,775,544,196.11	2,775,544,196.11
Long-term loans (including long-term loans due within one year)		927,300,000.00	2,326,771,934.40	3,687,697,823.71			6,941,769,758.11	6,941,769,758.11
Lease liabilities (including lease liabilities due within one year)		348,084,227.49	420,003,905.75	817,727,027.56	1,001,705,172.32		2,587,520,333.13	2,587,520,333.13
Bonds payable		5,665,550,635.00					5,665,550,635.00	5,665,550,635.00

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

Items	2024/12/31						Total undiscounted contract amount	Book value
	Immediate repayment	Within 1 year	1-2 years	2-5 years	Over 5 years			
Short-term loans		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	
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 loans (including		805,270,731.20	922,270,731.20	1,969,670,731.20		3,697,212,193.60	3,697,212,193.60	

Items	2024/12/31						Total undiscounted contract amount	Book value
	Immediate repayment	Within 1 year	1-2 years	2-5 years	Over 5 years			
long-term loans due within one year)								
Lease liabilities (including lease liabilities 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 bonds payable 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 fluctuate due to changes in market prices, including exchange rate risk, interest rate risk and other price risks.

(1) Interest rate risk

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

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

(2) Exchange rate risk

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

The exchange rate risk borne by the Company is mainly related to the US dollar, Hong Kong dollar, Japanese yen and euro. Except for the Company's small amount of raw material purchases and finished product sales settled in US dollars, Hong Kong dollars, Japanese yen and euros, the Company's other major business activities are settled in RMB. As of December 31, 2025, the assets or liabilities described in the following table are the balances of US dollars, Hong Kong dollars, Japanese yen and euros shown in the items:

Items	2025/12/31	2024/12/31
Cash and cash equivalents - USD	92,017,493.96	326,239,933.43
Cash and cash equivalents - HKD		192.36
Non-current liabilities due within one year - JPY	1,038,284.80	1,070,731.20
Long-term loans - JPY	1,038,284.80	2,141,462.40
Accounts receivable – USD	663,734,936.95	253,981,286.89
Accounts payable - USD	42,678,053.96	59,412,915.21
Total	800,507,054.47	642,846,521.49

(2) Transfer of financial assets

1. Transfer of financial assets

Financial asset transfer method	Transferred financial assets		Information of derecognition	Basis of derecognition
	Nature	Amount		
Bill endorsement/bill discount	Notes Receivable	226,619,630.11	Not derecognized	Retains substantially all of its risks and rewards, including the default risk associated with it
Bill endorsement/bill discount	Accounts Receivable Financing	4,582,118,003.79	Derecognized	Almost all of its risks and rewards have been transferred
Total		4,808,737,633.90		

Notes to the basis of derecognition: As of December 31, 2025, the maturity date of accounts receivable financing is 1 to 12 months. According to the relevant provisions of the Bills of Exchange Law, if the accepting bank refuses to pay, the holder has the right to claim against the Company. The Company believes that the Company has transferred almost all its risks and rewards, and therefore, fully terminate the recognition of its and related settled accounts payable and confirm the discount fees.

2. Financial assets derecognized due to transfer

Items	Methods of transferring financial assets	Amount of derecognition	Gains or losses related to derecognition
Accounts receivable financing	Bill endorsement/bill discounting	4,582,118,003.79	25,910,295.40
Total		4,582,118,003.79	25,910,295.40

11. 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		331,321,177.27		331,321,177.27
Other equity instrument investments			890,420,831.77	890,420,831.77

12. Related parties and related transactions

(1) **Details of parent company**

Name of parent company	Place of Registry	Business nature	Registered capital	Share proportion (%)	Voting rights (%)
Benxi Steel & Iron (Group) Co., Ltd.	Benxi, Liaoning	Manufacturing	RMB 9.83 billion	58.65	58.65

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

(2) **Details of the Company's subsidiaries**

For details of the Company's subsidiaries, please refer to Note 8 "Equity in Other Entities".

(3) **The company's joint ventures and associates**

For details of the Company's important joint ventures or associates, please refer to Note 8 "Equity in Other Entities".

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

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

(4) Other related parties

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

Name of other related parties	Relationship between other related parties and the Company
Liaoning Metallurgical Vocational Technical College	Same parent company
Liaoning Yitong Machinery Manufacturing Co., Ltd.	Same parent company
Beijing Tianhongshan Hotel Co., Ltd.	Same parent company
Liaoning Slag Micro-powder Co., Ltd.	Same parent company
Bengang Group International Economic and Trade Co., Ltd.	Belongs to Bengang Group Co., Ltd.
Benxi Northern Iron Industry Co., Ltd.	Belongs to Bengang Group Co., Ltd.
Benxi Beiyang Iron and Steel (Group) Co., Ltd.	Belongs to Bengang Group Co., Ltd.
Benxi Iron and Steel (Group) Mining Liaoyang Jiajiaobao Iron Mine Co., Ltd.	Belongs to Bengang Group Co., Ltd.
Liaoning Hengyi Steel Trade Co., Ltd.	Belongs to Bengang Group Co., Ltd.
Liaoning Lide Internet of Things Co., Ltd.	Belongs to Bengang Group Co., Ltd.
Tianjin Bengang Plate Processing & Distribution Co., Ltd.	Belongs to Bengang Group Co., Ltd.
Benxi Beifang Steel Rolling Co., Ltd.	Belongs to Bengang Group Co., Ltd.
Benxi Iron and Steel (Group) Mining Yanjia Valley Limestone Mine Co., Ltd.	Belongs to Bengang Group Co., Ltd.
Angang (Hangzhou) Automotive Materials Technology Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang (Liaoning) Materials Technology Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Electrical Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Scrap Resources (Anshan) Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Steel Processing & Distribution (Dalian) Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Steel Processing & Distribution (Changchun) Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Steel Distribution (Hefei) Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Steel Distribution (Wuhan) Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Steel Rope Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Engineering, Production, Operations & Maintenance (Anshan) Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Steel Company Limited	Belongs to Angang Group Co., Ltd.
Angang Chemical Technology Co., Ltd.	Belongs to Angang Group Co., Ltd.
Ansteel Group Railway Equipment Checking & Repairing Company	Belongs to Angang Group Co., Ltd.
Angang Group International Economic & Trade Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Group International Economic & Trade Co., Ltd. Benxi Branch	Belongs to Angang Group Co., Ltd.

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

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

(5) Related-party transactions

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

Purchasing goods and services			
Related parties	Content of related transactions	Current period	Previous period
Angang (Liaoning) Materials Technology Co., Ltd.	Professional Service Fee	251,698.11	907,452.84
Angang (Liaoning) Materials Technology Co., Ltd.	Engineering Costs	218,000.00	
Angang Electrical Co., Ltd.	Repair costs	1,565,600.00	1,088,249.99
Angang Scrap Resources (Anshan) Co., Ltd.	Ingredients and Auxiliary Materials	366,135,058.71	1,124,802,017.73
Angang Steel Processing & Distribution (Dalian) Co., Ltd.	Raw material	653,381.03	
Angang Steel Processing & Distribution (Dalian) Co., Ltd.	Processing Fee	374,521.01	
Angang Steel Processing & Distribution (Changchun) Co., Ltd.	Processing Fee	1,317,197.42	1,041,620.63
Angang Steel Processing & Distribution (Changchun) Co., Ltd.	Storage Fee		2,485.80
Angang Steel Processing & Distribution (Zhengzhou) Co., Ltd.	Processing Fee		131,942.35
Angang Steel Distribution (Wuhan) Co., Ltd.	Raw material	395,360.40	
Angang Engineering Technology Survey and Design Institute (Anshan) Co., Ltd.	Engineering Costs		53,000.00
Angang Steel Company Limited	Auxiliary Materials	4,418,367.06	3,161,789.58
Ansteel Group Railway Equipment Checking & Repairing Company	Spare Parts	366,360.00	
Angang Group Beijing Research Institute Co., Ltd.	Professional Service Fee	825,471.70	820,000.00
Angang Group Engineering Technology Co., Ltd.	Engineering Costs	269,633,416.87	135,490,139.57
Angang Group Engineering Technology Co., Ltd.	Spare Parts	219,963,883.45	
Angang Group Engineering Technology Co., Ltd.	Repair costs	933,900.00	440,000.00
Angang Group Engineering Technology Co., Ltd.	Safety production fee	115,000.00	
Angang Group International Economic & Trade Co., Ltd.	Raw and Auxiliary Materials	148,149,910.36	186,243,033.73
Angang Group International Economic & Trade Co., Ltd.	Agency Service Fees, Port Miscellaneous Fees	43,899,447.77	
Angang Group Energy-Saving Technology Services Co., Ltd.	General Contracting Fee	26,723,249.82	
Ansteel Group Mining Co., LTD	Raw material	184,238,740.56	308,667,259.88
Ansteel Group Co., Ltd	Service Fee	5,681,680.10	208,470.50
Angang Group Automation Co., Ltd.	Engineering Costs	1,600,000.00	51,010,000.00
Angang Construction Group Co., Ltd.	Engineering Costs	46,591,176.52	

Related parties	Content of related transactions	Current period	Previous period
Angang Construction Group Co., Ltd.	Engineering Materials	27,446,205.00	
Angang Mining Automotive Transportation Co., Ltd.	Shipping Fee		297,872.02
Angang Green Gold Industry Development Co., Ltd.	Service Fees	365,240.50	
Angang Green Gold Industry Development Co., Ltd.	Professional Service Fee	167,263.16	
Angang Green Resources Technology Co., Ltd.	Shipping Fee	6,772,731.67	
Angang Energy Technology Co., Ltd.	Auxiliary Materials	3,012,051.56	
Ansteel Automobile Transportation Co., Ltd.	Shipping Fee	4,496,389.98	
Angang ShenYang Steel Service Center Co., Ltd.	Processing Fee	6,261.54	
Angang Industrial Group (Anshan) Equipment Operation & Maintenance Co., Ltd.	General Contracting Fee	6,158,477.20	9,339,387.20
Angang Industrial Group Metallurgical Machinery Co., Ltd.	Spare Parts	9,397,223.24	9,439,932.17
Angang Industrial Group Metallurgical Machinery Co., Ltd.	Repair costs	1,100,790.00	1,005,720.00
Angang Industrial Group Co., Ltd.	Service Fee		131,145.12
Ansteel Shuangsheng (Anshan) Fan Co., Ltd.	Repair costs	215,000.00	
Ansteel Water Technology (Liaoning) Co., Ltd.	Professional Service Fee	35,491,635.59	
Ansteel Water Technology (Liaoning) Co., Ltd.	Auxiliary Materials	5,169,659.54	
Angang Heavy Machinery Design & Research Institute Co., Ltd.	Engineering Costs		15,865,600.00
Angang Heavy Machinery Co., Ltd.	Spare Parts	3,257,110.00	7,304,948.42
Angang Heavy Machinery Co., Ltd.	Repair costs	377,200.00	
Anshan Angang International Travel Agency Co., Ltd.	Business Travel Service Fee	86,877.48	3,312,463.08
Anshan Iron and Steel Group Co., Ltd.	Conference Expenses	1,207,518.87	
Anshan Iron and Steel Labor Research Institute Technology Co., Ltd.	Service Fee	15,962.26	15,622.64
Anshan Iron & Steel Metallurgical Furnace Material Technology Co., Ltd.	Auxiliary Materials	1,990,920.55	26,520,619.29
Anshan Jianbo Engineering Testing Co., Ltd.	Engineering Costs	197,000.00	238,000.00
Beijing Tianhongshan Hotel Co., Ltd.	Business Entertainment Expenses	1,980.00	2,064.00
Bengang Stainless Steel Cold Rolling Dandong Co., Ltd.	Spare Parts	805,659.29	
Bengang Stainless Steel Cold Rolling Dandong Co., Ltd.	Auxiliary Materials	30,751.50	
Bengang Electrical Co., Ltd.	Auxiliary Materials	182,063,694.41	182,269,804.01
Bengang Electrical Co., Ltd.	Repair costs	26,005,217.60	14,005,845.47
Bengang Gaoyuan Industrial Development Co., Ltd.	Repair costs	4,525,056.28	5,034,146.00

Related parties	Content of related transactions	Current period	Previous period
Bengang Gaoyuan Industrial Development Co., Ltd.	Spare Parts	2,319,400.00	1,286,267.43
Bengang Gaoyuan Industrial Development Co., Ltd.	Engineering Costs	1,480,000.00	7,775,792.86
Bengang Group Dalian Refractory Materials Co., Ltd	Auxiliary Materials	1,830,776.63	424,516.33
Bengang Group International Economic and Trade Co., Ltd.	Agency Service Fee	2,911,013.71	78,435,468.93
Bengang Group Co., Ltd.	Service Fee	1,683,867.92	1,683,819.02
Benxi Aike Hydraulic Sealing Co., Ltd.	Spare Parts	6,559,159.49	7,126,761.45
Benxi Northern Iron Industry Co., Ltd.	Raw material	5,842,124.09	201,837,093.10
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Raw material	11,511,662,558.65	10,277,907,965.06
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Fuel	1,081,232,345.96	965,352,005.76
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Energy and Power	714,195,035.43	646,206,682.53
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	General Contracting Fee	87,918,046.05	73,598,631.48
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Service Fee	19,203,742.48	50,307,300.75
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Auxiliary Materials	7,400,125.75	6,607,022.31
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Repair costs	6,713,436.35	14,147,260.22
Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	Raw Materials and Fuels	20,379,284.45	30,237,287.95
Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	Auxiliary Materials	3,442,039.52	
Benxi Iron and Steel (Group) Real Estate Development Co., Ltd.	Scrap steel		318,201.40
Benxi Iron and Steel (Group) Engineering Construction Supervision Co., Ltd.	Engineering Costs	3,816,036.07	1,973,663.48
Benxi Steel and Iron(Group)Tengda Co.,Ltd.	Logistics, Transportation, and Port Miscellaneous Fees	497,987,838.29	628,386,401.75
Benxi Steel and Iron(Group)Tengda Co.,Ltd.	Fuel	56,953.76	
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Spare Parts	174,689,669.40	150,062,415.65
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Auxiliary Materials	29,379,319.62	25,237,506.53
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Engineering Costs	25,610,600.00	16,210,213.36
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Repair costs	18,848,577.95	32,903,771.81
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	General Contracting Fee	17,484,318.97	36,841,060.54
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Scrap steel	6,789,954.71	5,832,726.17
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Labor Outsourcing Fees	343,515.90	

Related parties	Content of related transactions	Current period	Previous period
Benxi Iron and Steel (Group) Construction Co., Ltd.	Engineering Costs	200,504,950.06	227,018,510.96
Benxi Iron and Steel (Group) Construction Co., Ltd.	Raw Materials and Spare Parts	105,468,006.63	2,823,320.95
Benxi Iron and Steel (Group) Construction Co., Ltd.	Repair costs	43,661,964.36	56,847,478.43
Benxi Iron and Steel (Group) Construction Co., Ltd.	Service Fees	15,060,441.42	37,928,559.17
Benxi Iron and Steel (Group) Construction Co., Ltd.	General Contracting Fee	10,517,373.68	
Benxi Iron and Steel (Group) Construction Co., Ltd.	Safety production fee	9,358,381.40	7,021,845.00
Benxi Iron and Steel (Group) Construction Co., Ltd.	Packaging Materials	4,693,653.22	
Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	Repair costs	18,916,783.00	17,918,450.86
Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	Engineering Costs	16,825,950.32	15,527,451.16
Benxi Steel Group Mining Liaoyang Jiajiaopu Iron Mine Co., Ltd.	Scrap steel	238,064.10	
Benxi Steel Group Mining Liaoyang Ma'erling Pelletizing Co., Ltd.	Raw material	1,955,304,447.95	2,504,269,802.79
Benxi Iron and Steel (Group) Mining Co., Ltd.	Raw material	3,847,660,317.52	4,184,701,046.59
Benxi Iron and Steel (Group) Mining Co., Ltd.	Auxiliary Materials	359,470,037.95	390,958,275.91
Benxi Iron and Steel (Group) Mining Co., Ltd.	Scrap steel	14,188,073.88	15,430,896.37
Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	Office Expenses	803,500.04	742,575.27
Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	Scrap steel	466,787.20	104,836.20
Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	Heating Fee	414,053.58	88,239.27
Benxi Steel Group Equipment Engineering Co., Ltd.	Repair costs	503,936,694.47	462,560,636.62
Benxi Steel Group Equipment Engineering Co., Ltd.	Engineering Costs	305,070,682.48	656,078,499.29
Benxi Steel Group Equipment Engineering Co., Ltd.	Spare Parts	114,895,235.76	17,275,400.90
Benxi Steel Group Equipment Engineering Co., Ltd.	Scrap steel	5,904,295.25	887,757.15
Benxi Steel Group Industrial Development Co., Ltd.	Scrap steel	209,449,807.83	253,156,791.91
Benxi Steel Group Industrial Development Co., Ltd.	Raw material	12,329,245.13	14,902,053.03
Benxi Steel Group Industrial Development Co., Ltd.	Auxiliary Materials	11,337,146.08	13,702,927.50
Benxi Steel Group Industrial Development Co., Ltd.	Landscaping Fee	6,490,060.00	5,016,377.00
Benxi Steel Group Industrial Development Co., Ltd.	Repair costs	3,816,150.00	24,274,612.53
Benxi Steel Group Industrial Development Co., Ltd.	Shipping Fee	3,305,540.71	5,580,324.46
Benxi Steel Group Industrial Development Co., Ltd.	Scrap and Waste Materials	154,732.70	187,021.58

Related parties	Content of related transactions	Current period	Previous period
Benxi Steel Group Information Automation Co., Ltd.	Spare Parts	152,632,589.58	7,016,883.54
Benxi Steel Group Information Automation Co., Ltd.	Engineering Costs	80,243,333.07	164,712,992.61
Benxi Steel Group Information Automation Co., Ltd.	Information System Operations and Maintenance Fees	67,712,500.00	32,650,000.00
Benxi Steel Group Information Automation Co., Ltd.	Repair costs	9,054,720.00	4,391,141.90
Benxi Iron and Steel (Group) Co., LTD	Security and Fire Protection Fees	42,303,277.02	35,406,267.46
Benxi Iron and Steel (Group) Co., LTD	Technical Service Fee	7,927,729.52	9,377,880.96
Benxi Iron and Steel (Group) Co., LTD	Shipping Fee	2,748,343.11	216,297.35
Benxi Iron and Steel (Group) Co., LTD	Engineering Costs	1,122,323.82	15,954,973.44
Benxi Iron and Steel (Group) Co., LTD	Energy and Power	112,938.29	283,478.17
Benxi Iron and Steel (Group) Co., LTD	Scrap and Waste Materials	13,814.61	422,431.09
Benxi Xihu Metallurgical Furnace Material Co., Ltd.	Auxiliary Materials	157,315,656.04	192,903,880.17
Benxi New Industrial Development Co., Ltd.	Service Fee	8,276,512.53	3,505,338.46
Benxi New Industrial Development Co., Ltd.	Business Entertainment Expenses	539,773.50	610,742.00
Benxi New Industrial Development Co., Ltd.	Scrap steel	22,295.00	
Benxi Yuneng Thermal Power Co., Ltd.	Energy and Power	139,151,210.07	
Chengdu Pangang Hotel Co., Ltd.	Conference Expenses		949,039.62
Dalian Bolore Steel Pipe Co., Ltd.	Auxiliary Materials		2,043,620.46
Delin Industrial Products Co., Ltd	Spare Parts	55,310,468.89	21,689,081.34
Delin Industrial Products Co., Ltd	Auxiliary Materials	25,328,205.57	9,958,263.76
Delin Land Port Supply Chain Services Co., Ltd	Other service fees	4,583,598.03	5,364,916.18
Delin Land Port Supply Chain Services Co., Ltd	Sales Service Fee	2,417,589.52	3,103,633.08
Delin Land Port Supply Chain Services Co., Ltd	Storage Fee	1,539,395.28	732,650.90
Delin Land Port Supply Chain Services Co., Ltd	Raw material	548,465.82	
Liaoning Hengtai Heavy Machinery Co., Ltd.	Spare Parts	26,352,512.62	9,935,735.98
Liaoning Hengtai Heavy Machinery Co., Ltd.	Repair costs	23,005,807.00	24,024,198.00
Liaoning Hengtai Heavy Machinery Co., Ltd.	Safety production fee	2,406,000.00	
Liaoning Hengtai Heavy Machinery Co., Ltd.	Engineering Costs	1,130,000.00	3,856,300.00
Liaoning Hengtai Heavy Machinery Co., Ltd.	General Contracting Fee	372,915.00	
Liaoning Hengtai Heavy Machinery Co., Ltd.	Labor Outsourcing Fees	371,360.00	530,585.00

Related parties	Content of related transactions	Current period	Previous period
Liaoning Hengtai Heavy Machinery Co., Ltd.	Scrap steel	307,201.60	115,824.78
Liaoning Hengtai Heavy Machinery Co., Ltd.	Shipping Fee	258,110.25	191,560.00
Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	Spare Parts	141,700,956.31	152,452,904.58
Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	Repair costs	10,647,475.00	10,198,700.00
Liaoning Lide Internet of Things Co., Ltd.	Shipping Fee	188,323,866.99	24,602,117.69
Liaoning Lide Internet of Things Co., Ltd.	General Contracting Fee	107,822,916.72	192,707,239.82
Liaoning Metallurgical Vocational Technical College	Training Program Fees	2,171,338.83	566,077.66
Liaoning Metallurgical Vocational Technical College	Office Expenses	35,417.48	
Liaoning Yitong Machinery Manufacturing Co., Ltd.	Spare Parts	23,426,479.58	12,814,141.11
Liaoning Yitong Machinery Manufacturing Co., Ltd.	Scrap steel	259,947.08	142,189.46
Liaoning Yitong Machinery Manufacturing Co., Ltd.	Repair costs	81,128.33	46,204.61
Lingyuan Iron & Steel Group Co., Ltd.	Fuel	9,268,227.70	
Pangang Group Chengdu Vanadium & Titanium Resources Development Co., Ltd.	Auxiliary Materials	9,240,815.38	2,361,588.46
Pangang Group Engineering Technology Consulting Co., Ltd.	Engineering Costs	698,000.00	736,600.00
Shanxi Materials International Energy Co., Ltd.	Fuel		21,171,289.92
Shenyang Angang International Trade Co., Ltd.	Raw material	46,156,805.68	
Tianjin Bengang Plate Processing & Distribution Co., Ltd.	Processing Fee	391,401.34	1,300,732.50
Tianjin Bengang Plate Processing & Distribution Co., Ltd.	Storage Fee	14,635.26	3,549.41

Selling goods and services

Related parties	Content of related transactions	Current period	Previous period
Angang (Hangzhou) Automotive Materials Technology Co., Ltd.	Steel and Steel Products	26,110,728.93	2,467,535.99
Angang Steel Processing and Distribution (Dalian) Co., Ltd.	Warehousing Revenue	6,572.87	14,426.21
Angang Steel Processing and Distribution (Dalian) Co., Ltd.	Steel and Steel Products	22,036,253.52	48,365,420.36
Angang Steel Processing and Distribution (Dalian) Co., Ltd.	Processing Income	709.9	1,558.10

Related parties	Content of related transactions	Current period	Previous period
Angang Steel Processing and Distribution (Changchun) Co., Ltd.	Steel and Steel Products	2,889,078.81	3,171,633.00
Angang Steel Processing and Distribution (Zhengzhou) Co., Ltd.	Steel and Steel Products	11,380,701.31	
Ansteel Steel Distribution (Hefei) Co., Ltd.	Steel and Steel Products	1,088,311.34	
Ansteel Steel Distribution (Wuhan) Co., Ltd.	Steel and Steel Products	8,928,420.00	1,058,038.90
Angang Steel Company Limited	Steel and Steel Products	6,093,129.73	923,408.47
Ansteel Guangzhou Automotive Steel Co., Ltd.	Steel and Steel Products		371,488.99
Angang Chemical Technology Co., Ltd.	Chemicals and By-products	234,623,418.48	255,050,438.20
Angang Group Engineering & Technology Co., Ltd.	Energy and Power	81,332.01	47,707.68
Angang Group International Economic & Trading Co., Ltd.	Steel and Steel Products, Chemicals and By-products, Energy and Power		228,316,260.00
Angang Group International Economic & Trade Co., Ltd. — Benxi Branch	Rental Income	1,882,438.68	
Angang Group Energy-Saving Technology Services Co., Ltd.	Energy and Power	3,634,627.65	
Ansteel Group Co., Ltd	Energy and Power	8,611.80	1,613.64
Angang Construction Group Co., Ltd.	Energy and Power	8,781.12	
Angang Mining Machinery Manufacturing Co., Ltd.	Steel and Steel Products	27,346,925.12	30,239,734.42
Angang Green Resources Technology Co., Ltd.	Raw and Auxiliary Materials	18,949,004.26	42,248,746.78
Angang Energy Technology Co., Ltd.	Chemicals and By-products	20,588,079.91	25,955,120.37
Angang ShenYang Steel Service Center Co.,Ltd.	Logistics and Transportation Revenue	5,583.98	474,927.84
Angang Industrial Group Metallurgical Machinery Co., Ltd.	Steel and Steel Products	932,182.88	
Ansteel Water Technology (Liaoning) Co., Ltd.	Energy and Power	8,387,582.70	
Angang Tendering Co., Ltd.	Energy and Power	22,215.96	
Angang Tendering Co., Ltd.	Rental Income	902,511.86	
Ansteel Cast Steel Co., Ltd.	Scrap steel	2,319,678.10	
Bengang Electrical Co., Ltd.	Other Service Income	5,770.61	107.35
Bengang Gaoyuan Industrial Development Co., Ltd.	Energy and Power	200.01	
Bengang Group Dalian Refractory Materials Co., Ltd	Steel and Steel Products	4,355,726.73	5,729,788.15
Ben Steel Group Co., Ltd	Energy and Power	182,800.50	2,823,645.00
Benxi Northern Iron Industry Co., Ltd.	Scrap Steel, Auxiliary Materials, Raw	176,768,061.62	84,620,440.80

Related parties	Content of related transactions	Current period	Previous period
	Materials		
Benxi Beifang Steel Rolling Co.,Ltd.	Raw and Auxiliary Materials	1,106,623.83	1,305,509.83
Benxi Beiyong Iron and Steel (Group) Co., LTD	Energy and Power	56,342,466.22	
Benxi Beiyong Iron and Steel (Group) Co., LTD	Other Service Income	164,810.38	
Benxi Beiyong Iron and Steel (Group) Co., LTD	Raw and Auxiliary Materials	124,771,137.44	272,771,274.28
Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	Chemicals and By-products	3,079,247.01	4,221,436.54
Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	Analytical Testing	38,632.07	52,961.92
Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	Energy and Power	4,062,613.19	5,569,564.16
Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	Raw and Auxiliary Materials	2,538,277.48	3,479,804.41
Benxi Iron and Steel (Group) Real Estate Development Co., Ltd.	Energy and Power	3,357.39	23,160.82
Benxi Iron and Steel (Group) Engineering Construction Supervision Co., Ltd.	Energy and Power	1,518.81	1,909.73
Benxi Iron and Steel (Group) Machinery Manufacturing Co., LTD	Processing Income	20,095.65	14,894.47
Benxi Iron and Steel (Group) Machinery Manufacturing Co., LTD	Analytical Testing	332,499.99	246,441.91
Benxi Iron and Steel (Group) Machinery Manufacturing Co., LTD	Energy and Power	9,406,307.11	6,971,754.52
Benxi Iron and Steel (Group) Machinery Manufacturing Co., LTD	Logistics and Warehousing Revenue	1,128.28	836.26
Benxi Iron and Steel (Group) Machinery Manufacturing Co., LTD	Raw and Auxiliary Materials	15,549,468.75	11,524,935.11
Benxi Iron and Steel (Group) Construction Co., Ltd	Analytical Testing	5,033.20	
Benxi Iron and Steel (Group) Construction Co., Ltd	Energy and Power	2,053,712.95	2,009,079.40
Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	Steel and Steel Products	152,341.59	147,535.77
Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	Energy and Power	129,012.84	124,942.95
Benxi Steel Group Mining Liaoyang Jiajiaopu Iron Mine Co., Ltd.	Analytical Testing	349,416.98	
Benxi Steel Group Mining Liaoyang Jiajiaopu Iron Mine Co., Ltd.	Energy and Power	20,539.26	26,844.93
Benxi Steel Group Mining Liaoyang Ma'erling Pelletizing Co., Ltd.	Testing Fee	415,446.22	
Benxi Steel Group Mining Liaoyang Ma'erling Pelletizing Co., Ltd.	Energy and Power	5,766.27	8,223.26

Related parties	Content of related transactions	Current period	Previous period
Benxi Steel Group Mining Liaoyang Ma'erling Pelletizing Co., Ltd.	Fuel	40,118,126.87	57,212,321.32
Benxi Iron and Steel (Group) Mining Yanjia Valley Limestone Mine Co., Ltd.	Other Service Income	34,777.36	
Benxi Iron and Steel (Group) Mining Co., LTD	Steel and Steel Products	6,121,141.19	180,958.56
Benxi Iron and Steel (Group) Mining Co., LTD	Chemicals and By-products	7,120,480.07	210,501.90
Benxi Iron and Steel (Group) Mining Co., LTD	Energy and Power	171,262,470.82	5,063,011.87
Benxi Iron and Steel (Group) Mining Co., LTD	Other Service Income	6,917,514.72	204,501.66
Benxi Iron and Steel (Group) Mining Co., LTD	Fuel	57,489,832.86	1,699,565.03
Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	Testing Fee	150,535.85	
Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	Fuels, Energy, and Power	55,147,166.11	46,021,096.45
Benxi Iron and Steel (Group) Equipment Engineering Co., LTD	Steel and Steel Products	385,719.02	2,591,635.34
Benxi Iron and Steel (Group) Equipment Engineering Co., LTD	Testing Fee	4,685.09	
Benxi Iron and Steel (Group) Equipment Engineering Co., LTD	Energy and Power	1,936,577.72	13,011,811.73
Benxi Iron and Steel (Group) Industrial Development Co., LTD	Scrap and Waste Materials	3,172,402.59	3,739,807.91
Benxi Iron and Steel (Group) Industrial Development Co., LTD	Testing Fee	377.36	444.85
Benxi Iron and Steel (Group) Industrial Development Co., LTD	Energy and Power	9,597,087.14	11,313,590.06
Benxi Iron and Steel (Group) Industrial Development Co., LTD	Raw and Auxiliary Materials	99,695,822.06	117,527,083.48
Benxi Steel Group Information Automation Co., Ltd.	Energy and Power	382,134.53	488,917.53
Benxi Iron and Steel (Group) Co., LTD	Auxiliary Materials	879,064.63	871,082.85
Benxi Iron and Steel (Group) Co., LTD	Energy and Power	10,382,274.20	10,288,004.69
Benxi Xihu Metallurgical Furnace Material Co., Ltd.	Energy and Power	394,801.50	236,195.71
Benxi Weld Phosphate Overlay Manufacturing Co., Ltd.	Energy and Power	29,969.87	50,861.74
Benxi New Industrial Development Co., Ltd.	Energy and Power	340,823.18	224,031.67
Benxi New Industrial Development Co., Ltd.	Other Service Income	2,375.66	
Benxi New Industrial Development Co., Ltd.	Rental Income	24,500.00	
Benxi Yuneng Thermal Power Co., Ltd.	Energy and Power	65,880,688.53	

Related parties	Content of related transactions	Current period	Previous period
Chengdu Xingyun Smart Technology Co., Ltd.	Information Technology	75,421.00	
Dalian Bolore Steel Pipe Co., Ltd.	Steel and Steel Products	441,221.12	10,870,375.21
Delin Land Port Supply Chain Services Co., Ltd.	Steel and Steel Products	3,018,807,232.23	3,147,395,031.01
Guangzhou Ansteel Steel Processing Co., Ltd.	Steel and Steel Products	82,030,029.56	15,100,206.27
Liaoning Hengtai Heavy Machinery Co., Ltd.	Testing Fee	4,814.15	
Liaoning Hengtai Heavy Machinery Co., Ltd.	Energy and Power	697.03	
Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	Scrap Steel, Raw and Auxiliary Materials	26,162,534.93	29,992,686.48
Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	Testing Fee	155,235.85	
Liaoning Slag Micro-powder Co., Ltd.	Testing Fee	13,635.85	
Liaoning Lide Internet of Things Co., Ltd.	Energy and Power	64,442.33	
Liaoning Yitong Machinery Manufacturing Co., Ltd.	Testing Fee	1,910.38	
Pangang Group Jiangyou Great Wall Special Steel Co., Ltd.	Steel and Steel Products	18,189,214.87	18,133,959.69
Panzhong Yihong Metal Products (Chongqing) Co., Ltd.	Steel and Steel Products	321,469.80	
Shenyang Angang International Trade Co., Ltd.	Steel and Steel Products	3,671,602.72	
Tianjin Angang Steel Processing & Distribution Co., Ltd.	Steel and Steel Products	43,283,195.50	37,200,677.54
Tianjin Bengang Plate Processing & Distribution Co., Ltd.	Steel and Steel Products	2,528,483.27	
Tianjin Bengang Plate Processing & Distribution Co., Ltd.	Other Service Income	154,450.20	
Yantai Angang International Trading Co., Ltd.	Steel and Steel Products	1,271,662.86	
Changchun FAW Angang Steel Processing & Distribution Co., Ltd.	Steel and Steel Products	25,857,484.17	4,693,047.99
Changchun FAW Angang Steel Processing & Distribution Co., Ltd.	Logistics and Warehousing Revenue	2,971.66	
China Ordins Group Co., Ltd.	Steel and Steel Products	1,012,611,108.50	2,691,935,623.60

2. Lease information of related parties

Company as lessor:

Lessee	Type of leasing assets	Lease income of current period	Lease income of previous period
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Lessee	Type of leasing assets	Lease income of current period	Lease income of previous period
Benxi Steel & Iron (Group) Steel & Iron Process and Logistics Co., Ltd.	Factory buildings and ancillary equipment		108,980.00
Benxi Steel (Group) Machinery Manufacturing Co., Ltd.	Factory buildings and ancillary equipment		670,802.00
Bengang Group International Economic and Trade Co., Ltd.	Factory buildings and ancillary equipment		1,957,007.77
Benxi New Industrial Development Co., Ltd.	Factory buildings and ancillary equipment	24,500.00	
Angang Tendering Co., Ltd. — Benxi Branch	Factory buildings and ancillary equipment	902,511.86	
Angang Group International Economic & Trade Co., Ltd. — Benxi Branch	Factory buildings and ancillary equipment	1,882,438.68	

Company as the lessee:

Lessor Name	Leased Asset Type	Current period					Previous period amount				
		Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets	Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets
Benxi Steel & Iron (Group) Co., Ltd.	Land use right 7,669,068.17 square meter Land use right 42,920.00 square meter			55,277,544.12	36,985,912.16				55,277,544.12	37,677,819.06	
Benxi Steel & Iron (Group) Co., Ltd.	2300 Hot rolling product line, related real estate			16,098,161.04	6,603,587.31			16,098,161.04	6,968,900.84		
Benxi	1780 Hot			14,351,637.72	5,085,711.90			14,351,637.72	5,367,055.84		

Lessor Name	Leased Asset Type	Current period					Previous period amount				
		Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets	Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets
Beiyong Steel & Iron (Group) Co., Ltd.	rolling product line, related real estate										
Bengang Group Co., Ltd.	Land use right 728,282.30 square meter			9,945,423.12	1,430,095.13			9,945,423.12	1,757,731.16		
Angang Group Energy-Saving Technology Services Co., Ltd.	Machinery and equipment			10,499,986.01	3,757,252.27			7,418,960.00	6,474,538.06	255,128,489.65	

Lessor Name	Leased Asset Type	Current period					Previous period amount				
		Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets	Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets
Benxi New Business Development Co., Ltd.	Land Lease	120,000.00									
Benxi Iron & Steel (Group) Construction Co., Ltd.	Transport Equipment	15,288,573.67									
Benxi Iron & Steel (Group) Machinery Manufacturing Co., Ltd.	Transport Equipment	418,680.00				299,057.14					

Lessor Name	Leased Asset Type	Current period					Previous period amount				
		Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets	Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets
Benxi Yuneng Thermal Power Co., Ltd.	Machinery and Equipment			61,062,500.00	4,907,391.25	934,741,189.81					
Anzi (Tianjin) Financial Leasing Co., Ltd.	Machinery and Equipment	6,790,154.51									

3. Remuneration of key management personnel

Units: in 10 thousand

Items	Current period	Previous period
Remuneration of key management personnel	240.44	402.56

Other Notes: For 2024, Key Management Personnel comprised Senior Management, Directors, and Supervisors; for 2025, Key Management Personnel comprise Senior Management and Directors. In accordance with the 2025 disclosure requirements, the remuneration for Key Management Personnel in the preceding year amounted to RMB 3.11 million.

(6) Receivables and payables of the related parties

1. Receivables of the company

Items	Name	2025/12/31		2024/12/31	
		Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
Accounts receivable	Angang Steel Processing and Distribution (Dalian) Co., Ltd.	4,103,076.87	41,030.77	17,280,685.82	172,806.86
Accounts receivable	Ansteel Steel Distribution (Wuhan) Co., Ltd.			343,341.92	343,341.92
Accounts receivable	Angang Steel Company Limited			519,491.94	5,194.92
Accounts receivable	Angang Group Engineering & Technology Co., Ltd.	68,421.86	684.22	23,232.88	232.33
Accounts receivable	Angang Group International Economic & Trade Co., Ltd. — Benxi Branch	663,734,937.01	6,637,349.37		
Accounts receivable	Angang Green Resources Technology Co., Ltd.	320,787.24	3,207.87		
Accounts receivable	Angang Energy Technology Co., Ltd.	3,911,318.52	39,113.19		
Accounts receivable	Ansteel Water Technology (Liaoning) Co., Ltd.	9,476,960.09	94,769.60		
Accounts receivable	Bengang Group International Economic and Trade Co., Ltd.			253,981,286.94	2,539,812.87
Accounts receivable	Bengang Automotive Transport Co., Ltd.	5,425.66	54.26		

Items	Name	2025/12/31		2024/12/31	
		Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
Accounts receivable	Benxi Northern Iron Industry Co., Ltd.	20,750,535.50	207,505.36	8,268,156.18	82,681.56
Accounts receivable	Benxi Beifang Steel Rolling Co., Ltd.			1,475,226.11	14,752.26
Accounts receivable	Benxi Beiyong Iron and Steel (Group) Co., LTD	19,945,828.68	199,458.29	143,872.00	1,438.72
Accounts receivable	Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	333,779.18	3,337.79	454,258.02	4,542.58
Accounts receivable	Benxi Iron and Steel (Group) Machinery Manufacturing Co., LTD	3,398,120.05	33,981.20		
Accounts receivable	Benxi Iron and Steel (Group) Construction Co., Ltd	594,714.68	59,576.37	1,389,266.64	39,345.19
Accounts receivable	Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	596,201.51	155,166.81	607,729.23	63,193.36
Accounts receivable	Benxi Iron & 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.	299,118.20	2,991.18	16,557.90	165.58
Accounts receivable	Benxi Steel Group Mining Liaoyang Ma'erling Pelletizing Co., Ltd.	3,739,637.59	37,396.38	921,521.39	67,911.03
Accounts receivable	Benxi Iron and Steel (Group) Mining Yanjia Valley Limestone Mine Co., Ltd.	36,864.00	368.64	13,714.00	137.14
Accounts receivable	Benxi Iron and Steel (Group) Mining Co., LTD	14,459,984.49	144,599.84	2,184,958.74	21,849.59
Accounts receivable	Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	7,474,879.91	74,748.80	6,744,686.82	246,075.39
Accounts receivable	Benxi Iron and Steel (Group) Equipment Engineering Co., LTD	439,269.47	37,697.79	1,903,696.41	39,634.20
Accounts receivable	Benxi Iron and Steel (Group) Industrial	5,815,109.99	58,151.10	6,964,699.57	69,647.00

Items	Name	2025/12/31		2024/12/31	
		Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
	Development Co., LTD				
Accounts receivable	Benxi Steel Group Information Automation Co., Ltd.			561.58	5.62
Accounts receivable	Benxi Iron and Steel (Group) Co., LTD	197,118.63	1,971.19	1,700,740.58	17,007.41
Accounts receivable	Benxi Xihu Metallurgical Furnace Material Co., Ltd.	34,893.27	348.93	49,833.00	498.33
Accounts receivable	Benxi Weld Phosphate Overlay Manufacturing Co., Ltd.			190,148.59	8,558.50
Accounts receivable	Benxi New Industrial Development Co., Ltd.	63,782.37	637.82		
Accounts receivable	Guangzhou Ansteel Steel Processing Co., Ltd.	3,200,080.63	32,000.81		
Accounts receivable	Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.			54,010.30	540.1
Accounts receivable	Liaoning Slag Micro-powder Co., Ltd.			12,848.00	128.48
Accounts receivable	Liaoning Lide Internet of Things Co., Ltd.	12,039.75	120.4		
Accounts receivable	Pangang Group Jiangyou Great Wall Special Steel Co., Ltd.	5,423,048.21	54,230.48	5,864,196.39	58,641.96
Accounts receivable	MCC South Engineering & Technology Co., Ltd.	9,813.70	9,813.70		
Prepayments	Angang Steel Processing and Distribution (Dalian) Co., Ltd.	317,756.00			
Prepayments	Angang Steel Processing and Distribution (Changchun) Co., Ltd.	14,245.92		663.59	
Prepayments	Angang Steel Company Limited	561,163.77		484,808.79	
Prepayments	Angang Group International Economic & Trading Co., Ltd.	35,372,892.55		0.01	

Items	Name	2025/12/31		2024/12/31	
		Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
Prepayments	Angang Group International Economic & Trade Co., Ltd. — Benxi Branch	44,117,532.53			
Prepayments	Benxi Beiyong Iron and Steel (Group) Co., LTD	29,562,250.68		4,874,319.39	
Prepayments	Benxi Iron and Steel (Group) Machinery Manufacturing Co., LTD			318,579.31	
Prepayments	Benxi Iron and Steel (Group) Equipment Engineering Co., LTD	3,245,781.89		3,162,173.15	
Prepayments	Benxi Steel Group Information Automation Co., Ltd.	581,838.17		575,313.17	
Prepayments	Benxi New Industrial Development Co., Ltd.	6,867,713.50		7,196,737.50	
Other receivables	Angang Steel Company Limited	95,781.27	55,603.99	95,781.27	50,581.83
Other receivables	Ansteel Group Co., Ltd	6,706.00	670.6	13,906.00	139.06
Other receivables	Bengang Stainless Steel Cold Rolling Dandong Co., Ltd.	84,855.74	8,485.57	1,030,000.00	10,300.00
Other receivables	Ben Steel Group Co., Ltd	0.06			
Other receivables	Benxi Iron and Steel (Group) Construction Co., Ltd	250,679.61	250,679.61	250,679.61	250,679.61
Other receivables	Benxi Iron and Steel (Group) Co., LTD	2,674,500.00	413,000.00	2,674,500.00	157,740.00
Other receivables	Benxi Gaoxin Drilling Tools Manufacturing Co., Ltd.	10,800.00	10,800.00		
Other receivables	Liaoning Lide Internet of Things Co., Ltd.			1,881,016.00	18,810.16
Other non-current assets	Angang Group Engineering & Technology Co., Ltd.			1,968,632.21	
Other non-current assets	Angang Group International Economic & Trade Co., Ltd. — Benxi Branch	8,213,719.14			

Items	Name	2025/12/31		2024/12/31	
		Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
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	19,602,615.33		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	11,975,916.33		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.	647,592.46		7,692,252.35	
Other non-current assets	Liaoning Hengtai Heavy Machinery Co., Ltd.	37,496.00		5,895,416.00	

2. Payables of the company

Items	Related party	2025/12/31	2024/12/31
Account payables	Angang Electrical Co., Ltd.	542,993.20	63,861.90
Account payables	Angang Scrap Resources (Anshan) Co., Ltd.	2,018,855.66	90,856,997.04
Account payables	Angang Steel Processing & Distribution (Changchun) Co., Ltd.	103,452.29	108,462.46
Account payables	Angang Steel Rope Co., Ltd.	535,865.47	
Account payables	Angang Steel Company Limited	417,943.15	417,943.09
Account payables	Ansteel Group Railway Equipment Checking & Repairing Company	248,392.08	
Account payables	Angang Group Engineering Technology Co., Ltd.	221,880.02	85,440.00
Account payables	Angang Group International Economic & Trade Co., Ltd.	42,087,343.55	193,806.42
Account payables	Angang Group Mining Gongchangling Co., Ltd.	116,768,098.39	774,734.40

Items	Related party	2025/12/31	2024/12/31
Account payables	Angang Mining Construction Co., Ltd.	3,244,303.87	
Account payables	Angang Mining Automotive Transportation Co., Ltd.		324,680.50
Account payables	Angang Green Resources Technology Co., Ltd.	1,525,088.24	
Account payables	Angang Energy Technology Co., Ltd.	296,477.37	
Account payables	Ansteel Automobile Transportation Co., Ltd.	4,409,095.38	
Account payables	Angang Industrial Group (Anshan) Equipment Operation & Maintenance Co., Ltd.		
Account payables	Angang Industrial Group Metallurgical Machinery Co., Ltd.	3,701,643.08	3,048,409.40
Account payables	Ansteel Shuangsheng (Anshan) Fan Co., Ltd	24,295.00	
Account payables	Ansteel Water Technology (Liaoning) Co., Ltd.	33,650,652.24	
Account payables	Angang Heavy Machinery Co., Ltd.	1,760,278.00	2,480,080.39
Account payables	Anshan Iron & Steel Metallurgical Furnace Material Technology Co., Ltd.	524,299.30	2,641,730.70
Account payables	Anshan Jianbo Engineering Testing Co., Ltd.	187,620.00	
Account payables	Bengang Stainless Steel Cold Rolling Dandong Co., Ltd.	109,338.10	
Account payables	Bengang Electrical Co., Ltd.	6,089,528.32	2,692,262.89
Account payables	Bengang Gaoyuan Industrial Development Co., Ltd.	878,009.43	3,969,044.08
Account payables	Bengang Group Dalian Refractory Materials Co., Ltd	1,007,742.98	1,487,446.42
Account payables	Bengang Group International Economic and Trade Co., Ltd.	55,290,633.89	50,692,605.67
Account payables	Bengang Group Co., Ltd.	4,688,239.05	4,688,239.05
Account payables	Bengang Automotive Transport Co., Ltd.	7,781,443.76	
Account payables	Benxi Aike Hydraulic Sealing Co., Ltd.	1,854,069.53	2,778,115.83
Account payables	Benxi Northern Iron Industry Co., Ltd.	154,811.36	73,671.74
Account payables	Benxi Beiyong Iron and Steel (Group) Co., Ltd.	1,722,301.48	79,183,767.61
Account payables	Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	1,738,248.20	2,794,117.30
Account payables	Benxi Iron and Steel (Group) Real Estate Development Co., Ltd.	89,735.06	89,735.06
Account payables	Benxi Iron and Steel (Group) Engineering Construction Supervision Co., Ltd.	97,970.00	

Items	Related party	2025/12/31	2024/12/31
Account payables	Benxi Steel and Iron (Group)Tengda Co., Ltd.	61,267,825.22	46,335,396.72
Account payables	Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	41,328,266.38	10,659,752.69
Account payables	Benxi Iron & Steel (Group) Construction Advanced Decoration Co., Ltd.	264,705.62	264,705.62
Account payables	Benxi Iron and Steel (Group) Construction Co., Ltd.	30,611,624.28	29,543,424.37
Account payables	Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	11,074,458.13	12,083,876.39
Account payables	Benxi Steel Group Mining Liaoyang Jiajiaopu Iron Mine Co., Ltd.	29,642.17	
Account payables	Benxi Steel Group Mining Liaoyang Ma'erling Pelletizing Co., Ltd.	4,166,130.41	10,282,360.99
Account payables	Benxi Iron and Steel (Group) Mining Co., Ltd.	116,498,925.34	59,008,517.39
Account payables	Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	200,647.49	12,362.40
Account payables	Benxi Steel Group Equipment Engineering Co., Ltd.	176,946,939.95	92,630,122.46
Account payables	Benxi Steel Group Industrial Development Co., Ltd.	45,976,044.04	53,022,441.36
Account payables	Benxi Steel Group Information Automation Co., Ltd.	27,951,632.92	23,459,353.69
Account payables	Benxi Iron and Steel (Group) Co., LTD	19,131,787.26	28,808,379.76
Account payables	Benxi Gaoxin Drilling Tools Manufacturing Co., Ltd.	0.03	
Account payables	Benxi Xihu Metallurgical Furnace Material Co., Ltd.	26,922,238.21	17,171,380.52
Account payables	Benxi Weld Phosphate Overlay Manufacturing Co., Ltd.	37,542.84	234,112.13
Account payables	Benxi New Industrial Development Co., Ltd.	2,564,586.37	38,700.00
Account payables	Benxi Yuneng Thermal Power Co., Ltd.	57,929,876.17	
Account payables	Dalian Bolore Steel Pipe Co., Ltd.		1,007,742.98
Account payables	Delin Industrial Products Co., Ltd	32,478,323.08	11,409,283.88
Account payables	Delin Land Port Supply Chain Services Co., Ltd	542,696.24	7,713.30
Account payables	Heilongjiang Longmei Mining Group Co., Ltd.	6,165.02	
Account payables	Hongda Engineering Technology (Liaoning) Co., Ltd.		
Account payables	Liaoning Hengtai Heavy Machinery Co., Ltd.	13,525,100.18	13,479,975.49

Items	Related party	2025/12/31	2024/12/31
Account payables	Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	14,245,092.81	7,166,704.73
Account payables	Liaoning Lide Internet of Things Co., Ltd.	14,876,486.42	7,230,457.06
Account payables	Liaoning Metallurgical Vocational Technical College	341,428.00	517,768.00
Account payables	Liaoning Yitong Machinery Manufacturing Co., Ltd.	7,836,142.40	4,599,719.45
Account payables	Lingyuan Iron & Steel Group Co., Ltd.	158,290.35	
Account payables	Shanxi Materials International Energy Co., Ltd.		
Account payables	Shenyang Angang International Trade Co., Ltd.	52,157,190.42	
Account payables	Shenyang Xiangyu New Materials Technology Co., Ltd.	5,321,326.65	
Account payables	Tianjin Bengang Plate Processing & Distribution Co., Ltd.		487.99
Other payables	Angang (Liaoning) Materials Technology Co., Ltd.	231,080.00	300,000.00
Other payables	Angang Scrap Resources (Anshan) Co., Ltd.	500,000.00	500,000.00
Other payables	Angang Engineering, Production, Operations & Maintenance (Anshan) Co., Ltd.	10,000.00	
Other payables	Angang Group Engineering Technology Co., Ltd.	328,323,471.32	114,249,580.71
Other payables	Angang Group International Economic & Trade Co., Ltd.	19,873,739.81	
Other payables	Angang Group Automation Co., Ltd.	14,175,000.00	7,332,129.00
Other payables	Angang Construction Group Co., Ltd.	63,085,702.32	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 Angang International Travel Agency Co., Ltd.	1,175.00	
Other payables	Anshan Iron & Steel Metallurgical Furnace Material Technology Co., Ltd.	50,000.00	50,000.00
Other payables	Anshan Jianbo Engineering Testing Co., Ltd.	21,200.00	
Other payables	Beijing Zhongliangang E-commerce Co., Ltd.	10,000.00	
Other payables	Bengang Electrical Co., Ltd.	4,436,730.79	776,394.34
Other payables	Bengang Gaoyuan Industrial Development Co., Ltd.	6,264,369.57	5,005,617.56

Items	Related party	2025/12/31	2024/12/31
Other payables	Bengang Group Dalian Refractory Materials Co., Ltd		20,000.00
Other payables	Bengang Group International Economic and Trade Co., Ltd.	74,855,543.30	66,120,363.96
Other payables	Bengang Group Co., Ltd.	205,343,448.25	264,897,561.47
Other payables	Bengang Automotive Transport Co., Ltd.	1,141,388.25	
Other payables	Benxi Aike Hydraulic Sealing Co., Ltd.	58,590.00	58,590.00
Other payables	Benxi Beiyong Iron and Steel (Group) Co., Ltd.	7,282,312.51	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.	4,357,143.03	1,488,917.43
Other payables	Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	47,825,817.72	3,792,085.01
Other payables	Benxi Iron & Steel (Group) Inspection & Testing Co., Ltd.		735,280.00
Other payables	Benxi Iron & Steel (Group) Construction Advanced Decoration Co., Ltd.	103,738.55	123,738.55
Other payables	Benxi Iron and Steel (Group) Construction Co., Ltd.	280,668,215.31	217,077,997.48
Other payables	Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	6,975,860.52	7,550,015.30
Other payables	Benxi Iron & Steel (Group) Road & Bridge Construction Engineering Co., Ltd.	318.66	
Other payables	Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	5,939,555.04	697,337.92
Other payables	Benxi Steel Group Equipment Engineering Co., Ltd.	578,263,720.60	724,514,695.24
Other payables	Benxi Steel Group Industrial Development Co., Ltd.	3,444,007.73	1,412,218.05
Other payables	Benxi Steel Group Information Automation Co., Ltd.	238,531,102.78	108,472,109.63
Other payables	Benxi Iron and Steel (Group) Co., LTD	40,544,440.05	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.	6,849,133.66	13,997,378.10
Other payables	Dalian Bolore Steel Pipe Co., Ltd.		20,000.00
Other payables	Delin Industrial Products Co., Ltd	10,359.99	
Other payables	Delin Land Port Supply Chain Services Co., Ltd	1,250,000.00	

Items	Related party	2025/12/31	2024/12/31
Other payables	Hongda Engineering Technology (Liaoning) Co., Ltd.	1,479.36	
Other payables	Liaoning Hengtai Heavy Machinery Co., Ltd.	8,943,894.94	5,024,204.94
Other payables	Liaoning Hengyi Steel Trade Co., Ltd.	11,758,998.02	11,758,998.02
Other payables	Liaoning Metallurgical Technician College	20,561.00	0.01
Other payables	Liaoning Metallurgical Vocational Technical College	390,110.00	353,630.00
Other payables	Liaoning Yitong Machinery Manufacturing Co., Ltd.	372,123.61	330,463.37
Other payables	Pangang Group Engineering Technology Consulting Co., Ltd.	517,972.47	
Other payables	Changchun FAW Angang Steel Processing & Distribution Co., Ltd.	7,500.00	
Other payables	MCC Northern Engineering & Technology Co., Ltd.	200,000.00	
Other payables	MCC South Engineering & Technology Co., Ltd.	8,826,046.90	
Other payables	MCC-CEI Engineering Technology Co., Ltd.	393,250.01	
Contract liabilities	Angang (Hangzhou) Automotive Materials Technology Co., Ltd.	2,025,506.35	644,589.93
Contract liabilities	Angang Steel Processing & Distribution (Dalian) Co., Ltd.		1,018.12
Contract liabilities	Angang Steel Processing & Distribution (Changchun) Co., Ltd.	427,186.59	2,826,567.07
Contract liabilities	Angang Steel Processing & Distribution (Zhengzhou) Co., Ltd.	243,332.37	
Contract liabilities	Angang Steel Distribution (Hefei) Co., Ltd.	1,889,663.02	3,099,204.80
Contract liabilities	Angang Steel Distribution (Wuhan) Co., Ltd.	717,523.80	731,023.72
Contract liabilities	Angang Steel Company Limited	248,811.04	675,535.16
Contract liabilities	Angang Chemical Technology Co., Ltd.	12,924,085.33	10,758,548.27
Contract liabilities	Angang Group International Economic & Trade Co., Ltd.	1,671,004.51	649,732.04
Contract liabilities	Angang Mining Machinery Manufacturing Co., Ltd.	136.07	354,001.32
Contract liabilities	Angang Green Resources Technology Co., Ltd.		477,418.26
Contract liabilities	Angang Energy Technology Co., Ltd.		0.02
Contract liabilities	Angang ShenYang Steel Service Center Co., Ltd.		87,869.94
Contract liabilities	Angang Industrial Group Metallurgical Machinery Co., Ltd.	12,992.52	

Items	Related party	2025/12/31	2024/12/31
Contract liabilities	Bengang Group Dalian Refractory Materials Co., Ltd	798,522.40	4,203,125.16
Contract liabilities	Bengang Group International Economic and Trade Co., Ltd.	9,843,810.08	
Contract liabilities	Benxi Beiyong Iron and Steel (Group) Co., Ltd.	8,495,254.41	6,329,389.09
Contract liabilities	Benxi Dongfenghu Steel Resource Utilization Co., Ltd.	4,038,112.95	4,881,014.65
Contract liabilities	Benxi Steel and Iron (Group) Tengda Co., Ltd.	190,255.10	
Contract liabilities	Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	1,035,651.33	5,552.80
Contract liabilities	Benxi Iron and Steel (Group) Construction Co., Ltd.	39,135.82	39,135.82
Contract liabilities	Benxi Iron and Steel (Group) Mining Co., Ltd.	4,135,552.29	510,246.41
Contract liabilities	Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	49.23	8,620,006.55
Contract liabilities	Benxi Steel Group Industrial Development Co., Ltd.	8,514,062.43	10,393,122.80
Contract liabilities	Benxi Iron & 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.		3,191,247.16
Contract liabilities	Delin Land Port Supply Chain Services Co., Ltd	520,753,057.71	305,864,435.81
Contract liabilities	Guangzhou Angang Steel Processing Co., Ltd.		500,000.00
Contract liabilities	Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	5,064,025.37	3,278,592.93
Contract liabilities	Liaoning Metallurgical Vocational Technical College	0.01	
Contract liabilities	Panzhong Yihong Metal Products (Chongqing) Co., Ltd.	22,203.73	
Contract liabilities	Shenyang Angang International Trade Co., Ltd.	77,077.62	
Contract liabilities	Tianjin Angang Steel Processing & Distribution Co., Ltd.	1,619,646.79	4,824,582.32
Contract liabilities	Tianjin Bengang Plate Processing & Distribution Co., Ltd.	6,576,579.15	
Contract liabilities	Changchun FAW Angang Steel Processing & Distribution Co., Ltd.	5,486,624.22	8,200,175.36
Contract liabilities	China Ordins Group Co., Ltd.	151,750,367.82	236,678,427.35

(7) Centralized Fund Management

1. The key elements of the centralized capital management arrangements in which the Company participates and operates are as follows:

In December 2021, after negotiation with Anshan Iron & Steel Group Finance Company Limited (hereinafter referred to as Anshan Iron & Steel Finance Company), the “Financial Services Agreement (Years 2022-2024)” was entered into in order to agree on the terms of the relevant financial business and the upper limit of the amount of the relevant transactions between the Company and its subsidiaries and Anshan Iron & Steel Finance Company for the years 2022, 2023 and 2024. The agreement stipulates that in the next twelve months, the maximum daily deposit balance of the Company and its holding subsidiaries with Anshan Iron & Steel Finance Company will be RMB4.5 billion, the maximum credit limit of loans, bills and other forms of credit will be RMB5.0 billion, and the maximum entrusted loan to be provided by Anshan Iron & Steel Finance Company to the Company will be RMB2.0 billion.

In December 2024, after negotiation with Anshan Iron & Steel Group Finance Company Limited (hereinafter referred to as Anshan Iron & Steel Finance Company), the “Financial Services Agreement (Years 2025-2027)” was entered into in order to agree on the terms of the relevant financial business and the upper limit of the amount of the relevant transactions between the Company and its subsidiaries and Anshan Iron & Steel Finance Company for the years 2025, 2026 and 2027. The agreement stipulates that the maximum daily balance of funds deposited by Bengang Plates in Angang Financial Company for settlement shall not exceed RMB 4.5 billion each year, and the interest generated by the deposits shall not exceed RMB 100 million per year; the amount of loans, bills and other forms of credit provided by Angang Financial Company to Bengang Plates shall not exceed RMB 5 billion each year, and the loan interest shall not exceed RMB 250 million per year; the amount of entrusted loans provided by Angang Financial Company to Bengang Plate Group shall not exceed RMB 2 billion each year, and the entrusted loan interest shall not exceed RMB 100 million per year.

2. Funds pooled by the Company to the Group

Funds deposited directly into finance companies by the Company without being pooled into the accounts of the Group's parent company

Items	2025/12/31	2024/12/31
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	Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
Cash at bank and on hand	194,746,442.77		1,227,198,770.48	
Total	194,746,442.77		1,227,198,770.48	
Including: funds restricted due to centralized management of funds				

13. Commitments and Contingencies

(1) Significant Commitments

1. Significant Commitments Existing at the Balance Sheet Date

(1) According to the Land Use Rights Lease Agreement signed between the Company and Benxi Steel (Group) Co., Ltd. on April 7, 1997, December 30, 2005, and subsequent supplementary agreements, the Company leases land from Bengang Group at a rate of 0.594 yuan per square meter per month, with a lease term of 45 years. The total leased land area is 7,669,068.17 square meters, with an annual rent of 54.67 million yuan.

(2) On August 14, 2019, the Company signed the Building Lease Agreements with Benxi Steel (Group) Co., Ltd. and Benxi Beiyong Steel (Group) Co., Ltd., leasing the buildings and auxiliary facilities occupied by the 2300 hot rolling mill production line and the 1780 hot rolling mill production line, respectively. The lease term extends until December 31, 2038. The lease fee is determined based on the depreciation of the original building value and national surtaxes, plus a reasonable profit margin through negotiation. The estimated maximum annual rent shall not exceed 20 million yuan for the 2300 hot rolling mill and 18 million yuan for the 1780 hot rolling mill. The rent is settled and paid on a monthly basis. This related-party transaction has been reviewed and approved by the Company's 8th Board of Directors at its 4th meeting.

(3) On July 15, 2019, the Company signed Land Lease Agreements with Benxi Steel (Group) Co., Ltd. and Bengang Group, leasing a total of eight plots of land from both companies. The leased land areas are 42,920.00 square meters and 728,282.30 square meters, respectively. The lease term is 20 years, with a rental price of 1.138 yuan per square meter per month. After the agreement takes effect, every five years, an evaluation will be conducted based on national laws and policies and the pricing principles stipulated in Article 2 of the agreement to determine whether the rent needs to be adjusted. This

related-party transaction has been reviewed and approved by the Company's 8th Board of Directors at its 3rd meeting.

(4) As of December 31, 2025, the amount of irrevocable letters of credit yet to be fulfilled is RMB 1.14 billion yuan.

(2) Contingencies

As of December 31, 2025, the Company has no significant contingent matters that require disclosure.

14. Subsequent events

On March 20, 2026, Bengang Steel Plates Co., Ltd. issued the "Progress Announcement on Major Asset Exchange and Related-Party Transaction." The Company plans to conduct an asset exchange with its controlling shareholder, Benxi Steel (Group) Co., Ltd. The proposed acquired asset is 100% equity interest in Benxi Steel & Iron (Group) Mining Co., Ltd. The proposed disposed assets include all assets and liabilities of the listed company, except for the retained assets and liabilities. Any difference in value between the acquired and disposed assets will be settled in cash by one party to the other. At present, the specific scope of the transaction assets, transaction price, and other key elements have not been finalized. No agreement has been signed between the parties, and the transaction plan requires further evaluation, discussion, and negotiation. Additionally, the transaction must undergo necessary decision-making and approval procedures in accordance with relevant laws, regulations, and the Company's Articles of Association. Therefore, there remains significant uncertainty regarding this transaction.

15. Other significant events

(1) Correction of previous accounting errors

1. Retrospective Restatement Method

No prior period accounting errors were corrected using the retrospective restatement method during this reporting period.

2. Prospective Application Method

No prior period accounting errors were corrected using the prospective application method during this reporting period.

(2) Significant Debt Restructuring

Items	Debt Restructuring Method	Original Carrying Amount of Restructured Debt	Recognized Gain/Loss on Debt Restructuring	Increase in Share Capital Due to Debt-to-Equity Conversion	Increase in Investment Due to Debt-to-Equity Conversion	Percentage of Debtor's Total Equity (%)	Contingent Payable/Receivable	Fair Value Determination Method and Basis in Debt Restructuring
Accounts Payable	Settlement of debt with cash lower than the carrying amount of the debt	561,404,751.93	17,512,835.36					
Total		561,404,751.93	17,512,835.36					

(3) Segment information

Due to the fact that the Company's main product is steel, with other products accounting for a smaller proportion of sales, and the primary production base being located in the Liaoning region, it is not applicable to disclose segment reporting.

16. Notes to the financial statements of parent company

1. Accounts receivable

(1) Accounts receivable disclosed by aging

Items	2025/12/31	2024/12/31
Within 1 year (inclusive)	936,430,278.56	775,949,268.73
1-2 years (inclusive)	121,705,680.10	5,786,445.58
2-3 years (inclusive)	2,911,370.99	126,254,788.19
3-4 years (inclusive)	125,547,627.17	557,413.41
4-5 years (inclusive)	556,497.21	748,799.87
Over 5 years	97,287,740.83	97,491,074.53
subtotal	1,284,439,194.86	1,006,787,790.31
less: bad debt	130,549,967.32	107,374,488.69
Total:	1,153,889,227.54	899,413,301.62

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

Items	2025/12/31					2024/12/31				
	Carrying amount		Provision for bad debts		Book value	Carrying amount		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision Percentage (%)		Amount	Percentage (%)	Amount	Provision Percentage (%)	
Provision assessed individually	48,196,244.68	3.75	48,196,244.68	100.00		48,196,244.68	4.79	48,196,244.68	100.00	
Provision assessed by grouping credit risk characteristics	1,236,242,950.18	96.25	82,353,722.64	6.66	1,153,889,227.54	958,591,545.63	95.21	59,178,244.01	6.17	899,413,301.62
Including: By Aging portfolio	1,004,714,745.30	78.22	82,353,722.64	8.20	922,361,022.66	313,614,474.73	31.15	59,178,244.01	18.87	254,436,230.72
By Risk-free portfolio	231,528,204.88	18.03			231,528,204.88	644,977,070.90	64.06			644,977,070.90
Total	1,284,439,194.86	100.00	130,549,967.32		1,153,889,227.54	1,006,787,790.31	100.00	107,374,488.69		899,413,301.62

Significant Provision for bad debts assessed individually:

Item	2025/12/31			Basis for provision	2024/12/31	
	Accounts receivable	Provision for bad debts	Bad debts ratio (%)		Accounts receivable	Provision for bad debts
Benxi Nanfen Xinha Metallurgical Co., Ltd.	48,196,244.68	48,196,244.68	100.00	Ceased production	48,196,244.68	48,196,244.68
Total	48,196,244.68	48,196,244.68			48,196,244.68	48,196,244.68

Accounts receivable tested for impairment by portfolio:

Risk-free portfolio

Item	2025/12/31		
	Carrying amount	Provision for bad debts	Bad debts ratio (%)
Risk-free portfolio	231,528,204.88		
Total	231,528,204.88		

Aging portfolio

Items	2025/12/31		
	Carrying amount	Provision for bad debts	Bad debts ratio (%)
Within 1 year (Inclusive)	890,620,002.61	8,906,200.03	1.00
1-2 years (Inclusive)	42,575,692.54	4,257,569.25	10.00
2-3 years (Inclusive)	2,911,370.99	582,274.20	20.00
3-4 years (Inclusive)	27,852,241.32	27,852,241.32	100.00
4-5 years (Inclusive)	556,497.21	556,497.21	100.00
Over 5 years	40,198,940.63	40,198,940.63	100.00
Total	1,004,714,745.30	82,353,722.64	

Provision, reversal or recovery of bad debts of current period.

Items	2024/12/31	Change in the Current Period			2025/12/31
		Provision	Reversal or Recovery	Write-off or Cancellation	
Provision for accounts receivable bad debts	107,374,488.69	32,903,336.61		9,727,857.98	130,549,967.32
Total	107,374,488.69	32,903,336.61		9,727,857.98	130,549,967.32

(3) Accounts Receivable Written Off in the Current Period

Item	Write-off Amount
Accounts Receivable Written Off	9,727,857.98

(4) Top five debtors based on accounts receivable and contract assets at the year-end

Company	Accounts Receivable Ending Balance	Contract Asset Ending Balance	Accounts Receivable and Contract Asset Ending Balance	Percentage of total Accounts Receivable and Contract Asset (%)	Provision for doubtful debts for Accounts Receivable and Contract Asset Ending Balance
Angang Group International Economic & Trade Co., Ltd., Benxi Branch	624,594,464.67		624,594,464.67	48.63	6,245,944.65
Benxi Bengang Steel Sales Co., Ltd.	172,669,060.23		172,669,060.23	13.44	
Taicang CIMC Container Manufacture Co., Ltd.	60,592,424.45		60,592,424.45	4.72	605,924.24
Liaoning Northern Coal Chemical (Group) Co.,	53,085,518.70		53,085,518.70	4.13	4,246,806.95

Company	Accounts Receivable Ending Balance	Contract Asset Ending Balance	Accounts Receivable and Contract Asset Ending Balance	Percentage of total Accounts Receivable and Contract Asset (%)	Provision for doubtful debts for Accounts Receivable and Contract Asset Ending Balance
Ltd.					
Benxi Nanfen Xinhe Metallurgical Co., Ltd.	48,196,244.68		48,196,244.68	3.75	48,196,244.68
Total	959,137,712.73		959,137,712.73	74.67	59,294,920.52

2. Other receivables

Items	2025/12/31	2024/12/31
Interest receivable		
Dividends receivable	31,000,000.00	224,898,383.95
Other receivables	24,731,976.38	174,911,279.65
Total	55,731,976.38	399,809,663.60

1. Dividends receivable

(1) Breakdown of Dividends receivable

Items (or company)	2025/12/31	2024/12/31
Bengang Puxiang Cool Rolling Steel Sheet Co., Ltd.		163,898,383.95
Changchun Bengang Steel Sales Co., Ltd.		3,000,000.00
Guangzhou Bengang Steel & Iron Trading Co., Ltd.	31,000,000.00	58,000,000.00
Total	31,000,000.00	224,898,383.95
Less: Provision for bad debts		
Total	31,000,000.00	224,898,383.95

(2) Significant dividend receivable overdue for more than one year

Company	Ending Balance	Age	Reasons for uncollected dividends	Whether impairment has occurred and the basis for judgment
Guangzhou Bengang Steel & Iron Trading Co., Ltd.	31,000,000.00	1-2 years	Retained for operations	Not Applicable
Total	31,000,000.00			

2. Other Receivables

(1) Other receivables disclosed by aging

Items	2025/12/31	2024/12/31
Within 1 year (inclusive)	718,602.46	57,266,931.07
1-2 years (inclusive)	1,352,428.89	89,144,027.11
2-3 years (inclusive)	1,966,327.11	13,450,953.62
3-4 years (inclusive)	12,539,103.20	31,188,795.54
4-5 years (inclusive)	24,463,290.56	842,882.51
Over 5 years	52,360,468.13	52,141,851.60
Subtotal	93,400,220.35	244,035,441.45
Less: bad debts	68,668,243.97	69,124,161.80
Total:	24,731,976.38	174,911,279.65

(2) Other receivables disclosed by method of bad debt provision

Items	2025/12/31					2024/12/31				
	Carrying amount		Provision for bad debts		Book Value	Carrying amount		Provision for bad debts		Book Value
	Amount	Percentage (%)	Amount	Provision Percentage (%)		Amount	Percentage (%)	Provision Percentage (%)	Provision Percentage (%)	
Provision assessed individually	15,752,285.66	16.87	15,752,285.66	100.00		15,752,285.66	6.45	15,752,285.66	100.00	
Provision assessed by grouping credit risk characteristics	77,647,934.69	83.13	52,915,958.31	68.15	24,731,976.38	228,283,155.79	93.55	53,371,876.14	23.38	174,911,279.65
Including: Aging portfolio	56,380,806.01	60.36	52,915,958.31	93.85	3,464,847.70	201,016,027.11	82.37	53,371,876.14	26.55	147,644,150.97
Risk-free portfolio	21,267,128.68	22.77			21,267,128.68	27,267,128.68	11.17			27,267,128.68
Total	93,400,220.35	100.00	68,668,243.97		24,731,976.38	244,035,441.45	100.00	69,124,161.80		174,911,279.65

Significant Provision for bad debts assessed individually:

Item	2025/12/31				2024/12/31	
	Other receivables	Provision for bad debts	Bad debts ratio (%)	Basis for provision	Other receivables	Provision for bad debts
Benxi Steel (Group) Third Construction Engineering Co., Ltd.	12,504,978.59	12,504,978.59	100.00	Bankrupt	12,504,978.59	12,504,978.59
Total	12,504,978.59	12,504,978.59			12,504,978.59	12,504,978.59

Other receivables tested for impairment by portfolio:

Risk-free portfolio

Item	2025/12/31		
	Carrying amount	Provision for bad debts	Bad debts ratio (%)
Risk-free portfolio	21,267,128.68		
Total	21,267,128.68		

Portfolio tested by aging

Items	2025/12/31		
	Carrying amount	Provision for bad debts	Bad debts ratio (%)
Within 1 year (inclusive)	718,602.46	7,186.02	1.00
1-2 years (inclusive)	1,311,521.74	131,152.17	10.00
2-3 years (inclusive)	1,966,327.11	393,265.42	20.00
3-4 years (inclusive)	12,539,103.20	12,539,103.20	100.00
4-5 years (inclusive)	3,237,069.03	3,237,069.03	100.00
Over 5 years	36,608,182.47	36,608,182.47	100.00
Total	56,380,806.01	52,915,958.31	

(3) Provision for Bad Debts

	Stage one	Stage two	Stage three	Total
	12-month expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	
Beginning balance	572,260.25	11,604,593.43	56,947,308.12	69,124,161.80
Beginning balance in current period				
--Transfer to Stage two	-65,576.09	65,576.09		
--Transfer to Stage three		-6,269,551.60	6,269,551.60	
--Reversal to Stage two				
--Reversal to Stage one				
Current period provision	-499,498.14	-4,876,200.33	13,620,252.40	8,244,553.93
Current period reversal				
Current period write-back				
Current period write-off			-8,700,471.76	-8,700,471.76
Other change				
Ending balance	7,186.02	524,417.59	68,136,640.36	68,668,243.97

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

Items	2024/12/31	Change in the Current Period				2025/12/31
		Provision	Reversal or Recovery	Write-off or Cancellation	Other Changes	
Provision for other receivables bad debts	69,124,161.80	8,244,553.93		8,700,471.76		68,668,243.97
Total	69,124,161.80	8,244,553.93		8,700,471.76		68,668,243.97

(5) Written Off in the Current Period

Item	Write-off Amount
Other receivables written off	8,700,471.76

(6) Classification by Nature

Nature	2025/12/31	2024/12/31
Subsidy for the "Living show belt" Project		87,177,700.00
Intercompany Balances	89,793,338.08	153,899,831.94
Others	3,606,882.27	2,957,909.51
Total	93,400,220.35	244,035,441.45

(7) Top five debtors based on other receivables at the year-end

Company	Accounts Receivable Ending Balance	Contract Asset Ending Balance	Accounts Receivable and Contract Asset Ending Balance	Percentage of total Accounts Receivable and Contract Asset (%)	Provision for doubtful debts for Accounts Receivable and Contract Asset Ending Balance
Yantai Bengang Steel & Iron Sales Co., Ltd.	Current account	21,267,128.68	1-2years, 4-5 years	22.77	
Benxi Steel (Group) Third Construction Engineering Co., Ltd.	Current account	12,504,978.59	over 5 years	13.39	12,504,978.59
Benxi Steel (Group) First Construction Engineering Co., Ltd.	Current account	3,247,307.07	over 5 years	3.48	3,247,307.07
Benxi Steel (Group) Co., Ltd.	Current account	2,674,500.00	1-2 years, 2-3 years	2.86	413,000.00
Liaoning Huawei Coal Preparation Co., Ltd.	Current account	2,261,360.00	over 5 years	2.42	2,261,360.00
Total		41,955,274.34		44.92	18,426,645.66

3. Long-term Equity Investments

Item	2025/12/31			2024/12/31		
	Book Value	Provision for impairment	Carrying amount	Book Value	Provision for impairment	Carrying amount
Investment in Subsidiaries	2,422,543,459.43		2,422,543,459.43	2,391,943,459.43		2,391,943,459.43
Investment in Associates and Joint Ventures	43,269,884.04		43,269,884.04	45,413,221.72		45,413,221.72
Total	2,465,813,343.47		2,465,813,343.47	2,437,356,681.15		2,437,356,681.15

1. Investment in Subsidiaries

Name of entity	Beginning balance of investment	Beginning balance of Provision for impairment	Change in the Current Period				Ending balance of investment	Ending balance of Provision for impairment
			Additional Investment	Reduction in Investment	Provision for Impairment in the Current Period	Other		
Tianjin Bengang Steel Trading Co., Ltd.	230,318,095.80						230,318,095.80	
Changchun Bengang Steel Sales Co., Ltd.	28,144,875.36			28,144,875.36				
Guangzhou Bengang Steel Trading	200,000,000.00						200,000,000.00	

Name of entity	Beginning balance of investment	Beginning balance of Provision for impairment	Change in the Current Period				Ending balance of investment	Ending balance of Provision for impairment
			Additional Investment	Reduction in Investment	Provision for Impairment in the Current Period	Other		
Co., Ltd.								
North Hengda Logistics Co., Ltd.	169,661,869.19						169,661,869.19	
Shenyang Bengang Metallurgical Technology Co., Ltd.	200,000,000.00		28,144,875.36				228,144,875.36	
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	
Yantai Bensteel Sales Co., Ltd.	219,100,329.41						219,100,329.41	
Dalian Benruitong Automotive Materials Technology Co., Ltd.	65,000,000.00						65,000,000.00	
Shanghai Ben Gang Metallurgical Technology Co., Ltd.	229,936,718.57						229,936,718.57	
Green Gold (Benxi) Renewable Resources Co., Ltd.			30,600,000.00				30,600,000.00	

Name of entity	Beginning balance of investment	Beginning balance of Provision for impairment	Change in the Current Period				Ending balance of investment	Ending balance of Provision for impairment
			Additional Investment	Reduction in Investment	Provision for Impairment in the Current Period	Other		
Total	2,391,943,459.43		58,744,875.36	28,144,875.36			2,422,543,459.43	

2. Investment in Associates and Joint Ventures

For investment in associates and joint ventures, please refer to Note 5 (9) Long-term Equity Investments.

4. Operating Revenue and Operating Costs

1. Operating Revenue and Operating Costs

Item	Current period		Previous period	
	Revenue	Cost	Revenue	Cost
Principal business	45,363,281,780.72	47,821,196,765.10	50,700,530,631.97	54,540,344,179.60
Other business	1,245,152,063.96	1,231,298,098.65	1,295,762,825.87	1,309,833,559.74
Total	46,608,433,844.68	49,052,494,863.75	51,996,293,457.84	55,850,177,739.34

2. Breakdown of Operating Revenue and Operating Costs

Item	Current period			
	Principal business revenue	Principal business revenue	Other business revenue	Other business costs
Classified by Time of Transfer of Goods:				
Recognized at a Point in Time	45,363,281,780.72	47,821,196,765.10	1,235,446,887.55	1,231,278,319.41
Recognized over a Period of Time			9,705,176.41	19,779.24
Total	45,363,281,780.72	47,821,196,765.10	1,245,152,063.96	1,231,298,098.65
Classified by Operating Region:				
Domestic	36,766,360,467.95	38,708,460,173.56	1,245,152,063.96	1,231,298,098.65
Overseas	8,596,921,312.77	9,112,736,591.54		
Total	45,363,281,780.72	47,821,196,765.10	1,245,152,063.96	1,231,298,098.65

5. Income on investment

Item	Current period	Previous period
Income from long-term equity investment (cost method)	-2,143,337.68	-1,497,124.69
Income from long-term equity investment (equity method)	180,557,967.43	163,898,383.95
Gains from Debt Restructuring	17,446,268.06	6,459,490.86
Other	-23,527,129.04	-47,966,970.21
Total	172,333,768.77	120,893,779.91

17. Supplementary information

(1) Details of non-recurring profit and loss

Items	Amount	Notes
Gains or Losses from the Disposal of Non-Current Assets, including the reversal of previously recognized impairment provisions.	-44,758,947.66	
Government Grants Recognized in Profit or Loss for the Period, except for those that are closely related to the company's normal business operations, comply with national policies, are granted based on predetermined standards, and have a continuous impact on the company's profit or loss.	104,879,166.04	
Fair Value Gains or Losses from Financial Assets and Liabilities Held by Non-Financial Enterprises, as well as disposal gains or losses from financial assets and liabilities, excluding effective hedging activities related to the company's normal operations.		
Funds Occupation Fees Charged to Non-Financial Enterprises, recognized in profit or loss for the period.		
Gains or Losses from Entrusted Investments or Asset Management by third parties.		
Gains or Losses from Loans Entrusted to External Parties.		
Losses from Asset Impairment Due to Force Majeure, such as natural disasters.		
Reversal of Impairment Provisions for Individually Tested Receivables.	21,641,769.22	
Gains from Acquiring Subsidiaries, Associates, or Joint Ventures, where the acquisition cost is lower than the acquirer's share of the investee's identifiable net assets at fair value.		
Net Profit or Loss of a Subsidiary from the Beginning of the Period to the Merger Date, in a business combination under common control.		
Gains or Losses from Non-Monetary Asset Exchanges.		
Gains or Losses from Debt Restructuring.	17,512,835.36	
One-Time Expenses Due to Discontinuation of Business Activities, such as severance payments for employees.		
One-Time Impact on Profit or Loss Due to Changes in Tax, Accounting, or Other Legal and Regulatory Adjustments.		
One-Time Share-Based Payment Expenses Recognized Due to the		

Items	Amount	Notes
Cancellation or Modification of an Equity Incentive Plan.		
Gains or Losses from Changes in Fair Value of Payable Employee Compensation for cash-settled share-based payments after the vesting date.		
Gains or Losses from Fair Value Changes of Investment Properties, measured using the fair value model.		
Gains from Transactions Conducted at Unfair Market Prices.		
Gains or Losses from Contingent Events Unrelated to the Company's Normal Business Operations.		
Management Fee Income from Entrusted Operations.		
Other Non-Operating Income and Expenses Not Included in the Above Categories.	5,168,882.16	
Other Gains or Losses that Meet the Definition of Non-Recurring Gains and Losses.		
Subtotal	104,443,705.12	
Income Tax Effect	19,492,491.17	
Effect of Non-controlling Interests (After Tax)	99,931.61	
Total	84,851,282.34	

(2) Net asset yield and earnings per share

Profit in the Reporting Period	Weighted average net assets yield (%)	Earnings per share (Yuan)	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders	-39.74	-0.960	-0.960
Net profit attributable to ordinary shareholders after deducting non-recurring profit and loss	-40.77	-0.980	-0.980

Note: Assuming the company's convertible bonds are converted into ordinary shares, the

outstanding number of ordinary shares will increase by 14,255,658.48 shares, and net profit will increase by CNY 307,187,521.56, resulting in an increase of CNY 0.08 per share in earnings per share. This indicates that the potential ordinary shares are anti-dilutive rather than dilutive, and therefore are not considered in the calculation of diluted earnings per share. Diluted earnings per share is determined based on basic earnings per share.

The above figures are calculated using the following formulas:

(1) Weighted Average Return on Net Assets

$$\text{Weighted Average Return on Net Assets} = P_o / (E_o + NP \div 2 + E_i \times M_i \div M_o - E_j \times M_j \div M_o \pm E_k \times M_k \div M_o)$$

Where:

P_o corresponds to net profit attributable to the company's ordinary shareholders and net profit attributable to the company's ordinary shareholders after deducting non-recurring gains and losses. NP represents net profit attributable to the company's ordinary shareholders. E_o is the opening balance of net assets attributable to the company's ordinary shareholders. E_i represents the increase in net assets attributable to the company's ordinary shareholders due to new share issuance or debt-to-equity conversion during the reporting period. E_j represents the decrease in net assets attributable to the company's ordinary shareholders due to share repurchases or cash dividends during the reporting period. M_o is the number of months in the reporting period. M_i is the cumulative number of months from the month following the increase in net assets to the end of the reporting period. M_j is the cumulative number of months from the month following the decrease in net assets to the end of the reporting period. E_k represents changes in net assets attributable to the company's ordinary shareholders due to other transactions or events. M_k is the cumulative number of months from the month following the occurrence of other net asset changes to the end of the reporting period.

(2) Basic Earnings per Share

$$\text{Basic Earnings per Share} = P_o \div S, \text{ where } S = S_o + S_i \times M_i \div M_o - S_j \times M_j \div M_o - S_k$$

Where:

P_o represents net profit attributable to the company's ordinary shareholders or net profit attributable to the company's ordinary shareholders after deducting non-recurring gains and losses. S is the weighted average number of outstanding ordinary shares. S_o is the total

number of shares at the beginning of the year. S' represents the increase in shares due to capital reserves being converted into share capital or stock dividends during the reporting period. S_i represents the increase in shares due to new share issuance or debt-to-equity conversion during the reporting period. S_j represents the decrease in shares due to share repurchases during the reporting period. S_k represents the number of shares reduced due to a share consolidation during the reporting period. M_o is the number of months in the reporting period. M_i is the cumulative number of months from the month following the increase in shares to the end of the reporting period. M_j is the cumulative number of months from the month following the decrease in shares to the end of the reporting period.

(3) Diluted Earnings per Share

Diluted Earnings per Share = $\text{P}' / (S_o + S' + S_i \times M_i \div M_o - S_j \times M_j \div M_o - S_k + \text{the weighted average number of additional ordinary shares from warrants, stock options, convertible bonds, etc.})$

Where:

P' represents net profit attributable to the company's ordinary shareholders or net profit attributable to the company's ordinary shareholders after deducting non-recurring gains and losses, considering the effect of dilutive potential ordinary shares, and adjusted according to IFRS and relevant regulations. When calculating diluted earnings per share, the company considers the effect of all dilutive potential ordinary shares on net profit attributable to ordinary shareholders or net profit attributable to ordinary shareholders after deducting non-recurring gains and losses, and on the weighted average number of shares. The calculation follows a sequence from the most dilutive to the least dilutive until the minimum diluted earnings per share is reached.

Bengang Steel Plates Co., Ltd.

2 April 2026

