



鞍 鋼 股 份 有 限 公 司
ANGANG STEEL COMPANY LIMITED*

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

Stock Code: 00347



2025
INTERIM REPORT

* For identification purposes only

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Important Notice and Definitions

IMPORTANT NOTICE

The Board of Directors (the “Board”), the Directors and the senior management of the Company confirm that there are no false representations or misleading statements contained in, or material omissions from, this interim report, and jointly and severally assume responsibility for the truthfulness, accuracy and completeness of the contents contained herein.

Mr. Wang Jun, the Chairman of the Company, Mr. Li Jingdong, Chief Accountant and the person-in-charge of accounting as well as Ms. Ma Li, the person-in-charge of the accounting institution, guarantee the truthfulness, accuracy and completeness of the financial statements in this interim report.

The Company proposed not to distribute cash dividends, issue bonus shares or convert capital reserve into share capital for the interim period.

The 2025 interim financial report of the Company is unaudited.

The 2025 interim financial report of the Company is prepared in accordance with the Accounting Standards for Business Enterprises of the PRC.

DEFINITIONS

In this report, the following expressions shall have the following meanings unless otherwise stated:

Term	Meaning
“Company” or “Angang Steel”	Angang Steel Company Limited (鞍鋼股份有限公司)
“Group”	Angang Steel Company Limited and its subsidiaries
“Angang Holding”	Anshan Iron & Steel Co. Ltd* (鞍山鋼鐵集團有限公司), the controlling shareholder of the Company
“Anshan Iron & Steel Group”	Angang Holding and the companies in which it holds 30% or above interests (excluding the Group)

Important Notice and Definitions (Continued)

“Angang”	Angang Group Company Limited (鞍鋼集團有限公司), the de facto controller of the Company
“Angang Group”	Angang and the companies in which it holds 30% or above interests (excluding the Group)
“Angang Financial Company”	Angang Group Financial Company Limited (鞍鋼集團財務有限責任公司)
“Framework Agreement for Mutual Supply of Commodities (2025–2027)”	the Framework Agreement for Mutual Supply of Commodities (2025–2027) entered into between the Company and Angang, which was approved at the first extraordinary general meeting of the Company in 2024 on 30 December 2024
“Framework Agreement for Mutual Supply of Services (2025–2027)”	the Framework Agreement for Mutual Supply of Services (2025–2027) entered into between the Company and Angang, which was approved at the first extraordinary general meeting of the Company in 2024 on 30 December 2024
“Financial Service Agreement (2025–2027)”	the Financial Service Agreement (2025–2027) entered into between the Company and Angang Financial Company, which was approved at the first extraordinary general meeting of the Company in 2024 on 30 December 2024
“Industrial Financial Services Framework Agreement (2025–2027)”	the Industrial Financial Services Framework Agreement (2025–2027) entered into between the Company and Angang Group Capital Holdings Co., Ltd., which was approved at the first extraordinary general meeting of the Company in 2024 on 30 December 2024

Important Notice and Definitions (Continued)

“Continuing Connected Transaction Framework Agreements”	collectively, the Framework Agreement for Mutual Supply of Commodities (2025–2027), the Framework Agreement for Mutual Supply of Services (2025–2027), the Financial Service Agreement (2025–2027) and the Industrial Financial Services Framework Agreement (2025–2027)
“Bayuquan Branch Company”	Bayuquan Iron & Steel Branch Company of Angang Steel (鞍鋼股份鱈魚圈鋼鐵分公司)
“Chaoyang Iron and Steel”	Angang Group Chaoyang Iron and Steel Co., Ltd. (鞍鋼集團朝陽鋼鐵有限公司)
“Angang International Trade”	Angang Group International Economic and Trade Co., Ltd. (鞍鋼集團國際經濟貿易有限公司)
“Vanadium and Titanium Co., Ltd.”	Pangang Group Vanadium & Titanium Resources Co., Ltd.* (攀鋼集團鈦資源股份有限公司)
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“2024 Annual Report”	The Company’s annual report for the year ended 31 December 2024 published on 29 April 2025

I. CORPORATE INFORMATION

Stock Exchange of Listing	Shenzhen Stock Exchange
Stock Abbreviation	Angang Steel Stock Code (A share) 000898
Stock Exchange of Listing	Hong Kong Stock Exchange
Stock Abbreviation	Angang Steel Stock Code (H share) 00347
Chinese Name of the Company	鞍鋼股份有限公司
Chinese Name Abbreviation	鞍鋼股份
English name of the Company	Angang Steel Company Limited
English Name Abbreviation	ANSTEEL
Legal Representative of the Company	Wang Jun

II. CONTACT PERSONS AND CONTACT METHODS

	Secretary of the Board	Securities Affairs Representative
Name	Li Jingdong	Zhang Junfeng
Address	Production Area of Angang Steel, Tiexi District, Anshan City, Liaoning Province, the PRC	Production Area of Angang Steel, Tiexi District, Anshan City, Liaoning Province, the PRC
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III. OTHER INFORMATION

1. Contact methods of the Company

There was no change in registered address, business address and postal code, website and email address of the Company during the Reporting Period. Please refer to the annual report for 2024 of the Company for details.

2. Information disclosure and place for inspection

There was no change in the website of the stock exchanges and the name and website of the media on which the Company disclosed the interim report and the places for inspection of the interim report of the Company during the Reporting Period. Please refer to the 2024 annual report for details.

3. Other relevant information

There was no change in other relevant information during the Reporting Period.

Summary of Accounting Figures and Financial Indicators

I. PRINCIPAL ACCOUNTING FIGURES AND FINANCIAL INDICATORS OF THE GROUP

Whether the Company needs to retroactively adjust or restate the accounting data for previous year

☐ Yes

☒ No

Unit: RMB million

Items	During the Reporting Period (from January to June)	Corresponding period of the previous year	Increase/decrease for the Reporting Period as compared with the corresponding period of the previous year (%)
Operating income	48,599	55,449	-12.35
Net profit attributable to the shareholders of the Company	-1,144	-2,689	57.46
Net profit attributable to shareholders of the Company after extraordinary Items	-1,231	-2,670	53.90
Net cash flow from operating activities	405	572	-29.20
Basic earnings per share (RMB/Share)	-0.122	-0.287	57.49
Diluted earnings per share (RMB/Share)	-0.122	-0.287	57.49
Returns on net assets on weighted average basis (%)			Increased by 2.60 percentage points
	-2.43	-5.03	

Summary of Accounting Figures and Financial Indicators (Continued)

Items	As at the end of the Reporting Period	As at the end of the previous year	Increase/decrease at the end of the Reporting Period as compared with the end of the previous year (%)
Total assets	98,421	100,578	-2.14
Owner's equity attributable to shareholders of the Company	46,610	47,679	-2.24

II. NON-RECURRING GAINS OR LOSSES ITEMS

Unit: RMB million

Items	Amount
1. Gains/losses from disposal or retirement of non-current assets	2
2. Government grant recorded in to profit/loss for current period except that relevant to enterprise operation, in compliance with government policies, entitled for standard amount or quantities and continuously impacts the gains/losses of the Company	101
3. Changes in fair value of financial assets held for trading	1
4. Changes in fair value of other non-current financial assets	16
5. Reversal of the allowance for impairment of receivables that is individually tested for impairment	1
6. Other non-operating revenue and expenses except those mentioned above	15
Subtotal	136
Less: Effect on income tax	26
Effect on minority shareholders (after tax)	23
Total	87

Summary of Accounting Figures and Financial Indicators (Continued)

Particulars of other gains or losses Items within the definition of extraordinary gains or losses:

☐ Applicable ☒ Not applicable

No particulars of other gains or losses Items within the definition of extraordinary gains or losses applied to the Company.

Notes on the extraordinary gain or loss Items as illustrated in the Explanatory Announcement on Information Disclosure by Companies Offering Securities to the Public No. 1 – Extraordinary Gains or Losses defined as recurring gain or loss Items:

☐ Applicable ☒ Not applicable

No extraordinary gain or loss Items as illustrated in the Explanatory Announcement on Information Disclosure by Companies Offering Securities to the Public No. 1 – Extraordinary Gains or Losses were defined by the Company as its recurring gain or loss Items.

Management Discussion and Analysis

I. PRINCIPAL BUSINESS OF THE COMPANY DURING THE REPORTING PERIOD

(I) Industry overview of the Company during the Reporting Period

In the first half of 2025, China's GDP grew by 5.3% year-on-year, the national fixed asset investment (excluding farmers) increased by 2.8% year-on-year. Among which, infrastructure investment increased by 4.6% year-on-year, manufacturing investment grew by 7.5% year-on-year, while real estate development investment decreased by 11.2% year-on-year.

From the perspective of domestic steel industry, production and operations remained generally stable in the first half of the year. Nationwide crude steel output saw a slight year-on-year decline, while apparent consumption also decreased, yet the drop in consumption exceeded that of production, indicating an industry-wide pattern with strong supply and weak demand. Affected by factors such as insufficient effective demand in the downstream market and excessive release of steel output, steel prices remained sluggish, showing an overall fluctuating downward trend and were significantly lower than the same period last year. The decline in raw material procurement costs exceeded the drop in steel prices, leading to improved profitability in the steel sector compared to the same period last year. Overall, the operational performance of the industry was better than expected.

In the first half of the year, national crude steel output reached 514.8 million tonnes, representing a 3% year-on-year decrease. Pig iron output reached 434.7 million tonnes, representing a 0.8% year-on-year decrease. Steel product output totaled 734.4 million tonnes, marking a 4.6% year-on-year increase. Nationwide apparent consumption of crude steel stood at 452 million tonnes, representing a 5.6% year-on-year decrease, indicating that steel supply continues to exceed demand. Steel prices generally followed a fluctuating downward trend. According to the China Steel Price Index (CSPI) released by the China Iron and Steel Association, the average domestic steel composite price index for the first half of 2025 stood at 93.75 points. The plate price index averaged 92.06 points, while the long products price index averaged 95.73 points. These figures represent year-on-year declines of 13.35%, 13.77%, and 13.53%, respectively.

Management Discussion and Analysis (Continued)

I. PRINCIPAL BUSINESS OF THE COMPANY DURING THE REPORTING PERIOD (CONTINUED)

(I) Industry overview of the Company during the Reporting Period (Continued)

Regarding raw material and fuel supply, procurement costs for raw materials and fuels have decreased significantly year-on-year. In particular, procurement costs for raw materials fell by less than 10%, while costs for fuels such as coking coal saw a more substantial decline—especially for metallurgical coking coal and metallurgical coke, falling by approximately 25%. From January to June, China imported 592 million tons of iron ore, a year-on-year decrease of 3.0%, with the average import price falling by 16.6% from a year earlier.

In terms of steel imports and exports, from January to June, China exported 58.15 million tonnes for steel, representing a year-on-year increase of 9.2%, while the average export price decreased by 10.3% year-on-year. Steel imports totaled 3.02 million tonnes, representing a year-on-year decrease of 16.4%, while the average import price increased by 2.1% year-on-year.

(II) The principal business activities, primary products and their applications, business model, and key performance drivers of the Company during the Reporting Period

The Company primarily engages in the steel manufacturing industry while also focusing on developing related sectors such as steel processing and distribution, chemical industries, green energy, e-commerce, and clean power generation. The Company operates three major production bases in Anshan, Yingkou, and Chaoyang, along with processing, distribution, or sales service facilities in Dalian, Shenyang, Changchun, Tianjin, Shanghai, Wuhan, Hefei, Zhengzhou, and Guangzhou. It conducts international operations relying on the overseas sales network of Ansteel Group. The Company adopts a management model of “coordinated collaboration across bases and centralized integration within bases (基地間統籌協同、基地內集中一貫)”, creating a multi-base development pattern characterized by

Management Discussion and Analysis (Continued)

I. PRINCIPAL BUSINESS OF THE COMPANY DURING THE REPORTING PERIOD (CONTINUED)

(II) The principal business activities, primary products and their applications, business model, and key performance drivers of the Company during the Reporting Period (Continued)

complementary strengths and efficient synergy. The Company offers a diversified product portfolio, including hot-rolled coil, medium-thick plate, cold-rolled sheet, galvanized sheet, color-coated sheet, cold-rolled silicon steel, heavy rail, structural steel, seamless steel pipe, and wire rod. These products are extensively utilized across industries such as machinery, metallurgy, petroleum, chemical, coal, power, railways, shipbuilding, automotive, construction, home appliances, and aerospace. The brand of the Company enjoys high recognition and credibility, with a series of flagship steel products including those for automotive, shipbuilding and offshore engineering, railways, home appliances, containers, energy, bridges, high-end metal products, and tool and die steel.

In the first half of 2025, the Company adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully implemented the spirit of President Xi Jinping's important speech during his inspection of Liaoning and Bensteel of Angang Group, and continued to advance the development of its "Orientation" enterprise initiative, embodying a spirit committed to addressing difficult challenges. Overall production and business operations demonstrated positive momentum. The Company recorded revenue of RMB48,599 million, representing a decrease of 12.35% as compared with the corresponding period of the previous year. Net profit attributable to shareholders of the Company amounted to RMB-1,144 million, with the loss narrowing by 57.46% as compared with the corresponding period of the previous year. The production of iron, steel and rolled steel reached 12,164,300 tonnes, 12,790,800 tonnes and 12,035,300 tonnes respectively, reflecting an increase of 0.30% and a decrease of 0.53% and 0.52% as compared with the corresponding period of the previous year. The sales volume of rolled steel was 12,021,100 tonnes, representing an increase of 0.08% as compared with the corresponding period of the previous year, achieving a sales-output ratio of 99.88% for rolled steel.

I. PRINCIPAL BUSINESS OF THE COMPANY DURING THE REPORTING PERIOD (CONTINUED)

(II) The principal business activities, primary products and their applications, business model, and key performance drivers of the Company during the Reporting Period (Continued)

1. The Company strengthened the development of a “sample-oriented” enterprise, demonstrating the leading role of Party building

First, political leadership was upheld. The Company studied and implemented President Xi Jinping’s important speech during his inspection of Liaoning and Bensteel of Angang Group by formulating a task breakdown list encompassing 18 areas and 87 objectives, ensuring full execution of all measures. Second, talent development was reinforced. The Company intensified the cultivation of young cadres, with the proportion of young cadres born in or after 1983 making up 22.29%. It implemented the “313” Sci-Tech Talent Programme, selecting 7 leading scientific talents, 25 scientific cadres, and 83 young scientific talents. Third, strict Party governance was enforced. The Company effectively carried out in-depth education to implement the spirit of the Party’s Eight-Point Frugality Code, with related work receiving full recognition from the Party Committee of the Group and the Company. Fourth, mass organisation ties were strengthened. The “I Serve the People” campaign was steadily advanced through establishment of 27 corporate-level livelihood projects. The title of “National Model Worker” was awarded to one employee, while the “New Era Youth Pioneer Award” was conferred upon another.

Management Discussion and Analysis (Continued)

I. PRINCIPAL BUSINESS OF THE COMPANY DURING THE REPORTING PERIOD (CONTINUED)

(II) The principal business activities, primary products and their applications, business model, and key performance drivers of the Company during the Reporting Period (Continued)

2. The Company advanced the construction of a “dynamic-oriented” enterprise, achieving notable breakthroughs in reform initiatives

First, the Company strengthened market-oriented reforms. It advanced the Chaoyang Iron and Steel Reform 3.0 initiative and deepened organisational transformation through “operational areas directly managed by the Company.” A “dual-path” career progression channel was established for employees, enabling ten frontline staff to assume managerial positions, while 21 management and technical personnel were deployed to frontline roles. Internal reforms were further implemented to reshape the new corporate management model, with staff optimisation, open job competitions and personnel rotation programmes being conducted to continuously enhance corporate vitality. Second, integration efforts focused on functional specialisation. It established the Materials Procurement Centre, Coordination Management Centre, and Product Development Centre and adjusted the management functions of storage business and Chaoyang Iron and Steel's marketing operations to enhance management efficiency and operational effectiveness. Third, precise performance appraisals were conducted. The Company built a “2+3+1” performance appraisal system, and selected over 50 outstanding cost-reduction and efficiency-enhancement projects, 82 “star” production lines, and 15 “new star” production lines, thereby stimulating the vitality of micro-level entities. Fourth, in-depth lean management was enforced. It established seven work mechanisms, set two lean projects, 20 lean topics, and optimised 39 indicators, continuously promoting management improvements and enhancing operational efficiency.

I. PRINCIPAL BUSINESS OF THE COMPANY DURING THE REPORTING PERIOD (CONTINUED)

(II) The principal business activities, primary products and their applications, business model, and key performance drivers of the Company during the Reporting Period (Continued)

3. The Company enhanced the building of an “innovation-oriented” enterprise, delivering substantial research outcomes

First, it actively served national strategies. The Company formulated the “2030 New Materials Major Project” task guidelines with high standards, leading the application for 2 projects, spearheading 4 topics, and participating in 11 topics. “Angang Traffic and Energy Steel Materials Pilot Platform” was approved as a key pilot platform for cultivation by the Ministry of Industry and Information Technology, further enhancing the Company’s service to national strategic technological forces. Second, achievement transformation was sped up. Focused on high-end development, the Company has determined 55 new product research topics. In the first half of 2025, sales of high-end products of the Company reached over 3.8 million tonnes, representing an increase of 2.3% as compared to the previous year. Nine projects received the Liaoning Province Science and Technology Progress Award, and the “Steel for 350 km/h Standard CRH Train Bogies” was selected as an excellent typical case for the Ministry of Industry and Information Technology’s future industrial innovation and development. Third, the Company promoted digital and intelligent empowerment. It strengthened the integration and application of AI+technology by establishing the “Steelmaking Process AI Application Innovation Centre,” launching the “AnCloud Intelligence” AI model platform, and creating Angang’s first digital employee, “Zhi Ji Xing.”

Management Discussion and Analysis (Continued)

I. PRINCIPAL BUSINESS OF THE COMPANY DURING THE REPORTING PERIOD (CONTINUED)

(II) The principal business activities, primary products and their applications, business model, and key performance drivers of the Company during the Reporting Period (Continued)

4. The Company reinforced the establishment of a “brand-oriented enterprise”, expanding its market influence consistently

First, channel construction was strengthened. The Company coordinated both domestic and international markets, consolidated its advantage in the Northeast region, with sales in the Northeast area increasing by 9.5% as compared to the corresponding period of the previous year. Moreover, it seized export opportunities, with export shipments rising by 3.9% as compared to the corresponding period of the previous year, and increased efforts in the development of key projects, with sales of major projects growing by 22.3% as compared to the corresponding period of the previous year. Second, customer service was refined. The Company took the initiative to visit 1,116 customers, formed a “Steel Triangle” service team, and further enhanced its service advantages and overall strength. Throughout the entire lifecycle, the contract execution rate increased by 2.8 percentage points as compared to the corresponding period of the previous year. Third, green branding campaigns were conducted. Progress was made in refining the pilot line for the innovative high-efficiency ironmaking technology with green hydrogen and zero-carbon fluidised bed. The LNG and hydrogen co-production project from coke oven gas achieved design capacity and operational targets. Chaoyang Iron and Steel completed full-process ultra-low emission upgrades and received public disclosure, while the Anshan Base is expected to complete its full-process ultra-low emission retrofit and receive disclosure by the end of 2025.

I. PRINCIPAL BUSINESS OF THE COMPANY DURING THE REPORTING PERIOD (CONTINUED)

(II) The principal business activities, primary products and their applications, business model, and key performance drivers of the Company during the Reporting Period (Continued)

5. The Company intensified the development of an “operation-oriented” enterprise, generating multiple highlights in cost optimisation and efficiency improvement

First, product adjustment and efficiency improvement were intensified. Guided by market demand, the Company prioritised profitability and efficiency through dynamic product portfolio adjustments and resource allocation refinement. The Product Adjustment Index rose by 7.5% as compared to the previous year. Second, systematic cost reduction was deepened. The Company promoted a “cost-accounting” culture and advanced the deep integration of “sales, research, production, and finance.” The total cost per tonne of steel significantly decreased, with the purchased energy cost per tonne of steel reduced by 15.2% as compared to the corresponding period of the previous year. Logistics costs at the headquarters in Anshan decreased by 8.8% as compared to the corresponding period of the previous year. Quality management achieved new breakthroughs, and the quality cost per tonne of steel decreased by 7.2% as compared to the previous year. Third, procurement management was rigorously enforced. Leveraging differentiated resource advantages, the Company consistently outperformed market benchmarks in PCI coal and imported iron ore fines procurement. Consumption of materials and supplies per tonne of steel fell by 2.2% year-on-year. Fourth, risk prevention was strengthened. Safety management was reinforced through specialised inspections and remediation addressing major hazards and centralised fire safety rectifications. Capital efficiency improved markedly, with accounts receivable and inventory reduced by RMB1,829 million as compared to the beginning of the year.

II. ANALYSIS OF CORE COMPETITIVE STRENGTH ANALYSIS

(I) Brand Influence

By continuous technological innovation and quality enhancement, coupled with deep collaboration with leading industry enterprises, our brand influence has been further expanded. The Company possesses robust technological reserves, outstanding product quality, exceptional product R&D innovation capabilities, a completed quality assurance system, with national certification qualifications. Shipbuilding and offshore steel, automotive steel, home appliance steel, container steel, and heavy rail products are leading in the industry. Four product categories—hot-dip aluminium-zinc-magnesium coated steel sheets, alloy structural steel hot-rolled coils and strips, bridge structural steel wide plates, and low-alloy structural steel hot-rolled coils—have been awarded the Gold Cup Quality Product in the Metallurgical Product Physical Quality Brand Cultivation initiative (冶金產品實物質量品牌培育金盃優質產品). The Company has been honoured with titles including “Outstanding Supplier” by CIMC, “Excellence Partner Award” by Haier Smart Home, and “Strategic Partner Award” by Midea Group. A breakthrough has been achieved in developing AG728+022Cr17Ni12Mo2 specialised heterogeneous composite steel plates for nuclear power applications, which were applied in key domestic nuclear power projects, realising the transformation of research outcomes within the current year for R&D. Q500qE bridge steel has been deployed in the largest dual-purpose road-rail bridge under construction globally and the longest high-speed railway bridge under construction worldwide, achieving application in major engineering projects. In addition, the prototype of the CR450 EMU was unveiled globally in early 2025, featuring bogie steel supplied exclusively by Ansteel Group.

II. ANALYSIS OF CORE COMPETITIVE STRENGTH ANALYSIS (CONTINUED)

(II) Product Competitiveness

The Company offers a wide range of steel products in diverse specifications. As traditional strengths, its shipbuilding steel, bridge steel, nuclear power steel, pipeline steel, railway steel, and home appliance steel enjoy high market share and are well-regarded by downstream end-users. In particular, our corrosion-resistant railway steel has consistently held over 40% market share, ranking first in the industry for 21 consecutive years. Our pipeline steel occupies a leading position in the domestic market share. Furthermore, our X80 high-end pipeline steel holds the top market share ranking, while our cold-rolled home appliance steel products have long been among the industry leaders in terms of market share.

The Company vigorously advanced initiatives to revitalise product competitiveness, conducted systematic reviews of existing conventional products to ensure optimal composition, processes and pathways, and launched 56 revitalisation projects across eight major product categories, generating RMB81.20 million in value creation from January to June. During the first half of the year, in terms of medium-thickness plate products: SA-537M CL.2 steel for 35MPa gaseous hydrogen storage spheres was successfully supplied to the CIMC-Oman project under the Belt & Road Initiative, with the technical standards reaching internationally leading levels; Additionally, 32mm-thick X65MO steel plates were successfully applied in the industrial production of $\Phi 559$ mm-diameter steel suspension chain riser welded pipes, filling an international gap in materials for large-diameter, thick-walled, high-strength steel suspension chain riser welded pipes. In terms of hot-rolled products, orders were secured for battery casing steel (ALDCK), marking the first entry of hot-rolled products into the battery casing sector. In terms of cold-rolled products, sales of high-end items such as zinc-aluminium-magnesium alloys for home appliances, high-aluminium aluminium-zinc-magnesium alloys, and precision welded tubes all saw substantial increases. In

II. ANALYSIS OF CORE COMPETITIVE STRENGTH ANALYSIS (CONTINUED)

(II) Product Competitiveness (Continued)

terms of silicon steel products, sales of the 0.23 series and etched series of grain-oriented silicon steel, as well as silicon steel for new energy vehicles, all saw substantial growth. In terms of automotive steel products, batch supply of low-carbon green steel products to four domestic automakers was achieved, with significant increases in sales of aluminium-coated silicon hot-formed steel, hot-rolled automotive beam steel, and cold-rolled advanced high-strength steel. In terms of heavy rail products, the European Standard rail series has obtained both the EU Railway Interoperability Technical Specification for Interoperability (TSI) certification and European Standard EN conformity assessment certification, bringing substantial momentum to the rail export business and significantly enhancing the Company's competitiveness of the export rail portfolio.

(III) Intellectual Property

The Company obtained acceptance for 574 national patent applications, comprising 413 invention patents (72.0% of total). Two PCT international invention patent applications were filed. The Company secured authorisation for 242 national patents, including 103 invention patents (42.6% of total). The Company also obtained certification for 75 proprietary technologies, and completed 17 computer software copyright registrations. Proactive efforts were made in core patent portfolio by establishing patent clusters encompassing 44 invention patents across seven core technological domains, including "High-Performance Hydrogen Storage Application Series Steel Plates and Their Manufacturing Methods". Three products, including "High-Strength Hot-Rolled Bridge Shell Steel for Automotive Applications", were registered on the National Patent-Intensive Product Filing and Certification Pilot Platform.

Management Discussion and Analysis (Continued)

III. ANALYSIS OF PRINCIPAL BUSINESSES

In the first half of the year, the Group achieved operating income of RMB48,599 million, representing a decrease of 12.35% over the corresponding period of the previous year. The total profit reached RMB-1,069 million, representing a decrease of 59.25% over the corresponding period of the previous year. The net profit attributable to shareholders of the Company was RMB-1,144 million, representing a decrease of 57.46% over the corresponding period of the previous year. The basic earnings per share were RMB-0.122 per share, representing an increase of 57.49% over the corresponding period of the previous year.

1. Year-on-year changes in principle financial data

Unit: RMB million

Items	The Reporting Period	Corresponding period of the previous year	Year-on-year increase/decrease (%)	Reasons for the changes
Operating income	48,599	55,449	-12.35	-
Operating costs	48,283	56,533	-14.59	-
Marketing expenses	231	267	-13.48	-
Administrative expenses	486	648	-25.00	-
Financial expenses	170	120	41.67	Financial expenses increased by RMB50 million as compared with the corresponding period of the previous year, mainly due to the need to compensate for operating losses and investment expenditure gaps in the second half of 2024, which led to a reasonable increase in interest-bearing debt.

Management Discussion and Analysis (Continued)

III. ANALYSIS OF PRINCIPAL BUSINESSES (CONTINUED)

1. Year-on-year changes in principle financial data (Continued)

Items	The Reporting Period	Corresponding period of the previous year	Year-on-year increase/decrease (%)	Reasons for the changes
Income tax expenses	45	50	-10.00	–
R&D expenses	259	191	35.60	R&D expenses increased by RMB68 million as compared with the corresponding period of the previous year, mainly due to the increased investment in external cooperative R&D projects and national scientific research topics.
Total profit	-1,069	-2,623	59.25	In the first half of 2025, the steel industry saw some improvement compared to the previous year, but the overall supply-demand imbalance in the steel market has not fundamentally changed. The Company continued to focus on cost reduction and efficiency improvement, emphasising "cost-accounting management," advancing the construction of a "Five-Orientation Enterprise," expanding market development, adjusting product structure, enhancing operational efficiency, tapping into energy potential, optimising procurement radius, and driving systematic cost reduction to improve the Company's market competitiveness. In the first half of the year, the net profit attributable to shareholders of the Company was RMB-1,144 million, a reduction in loss of RMB1,545 million as compared with the corresponding period of the previous year, representing a 57.46% reduction in loss.
Net profit attributable to the shareholders of the Company	-1,144	-2,689	57.46	

Management Discussion and Analysis (Continued)

III. ANALYSIS OF PRINCIPAL BUSINESSES (CONTINUED)

1. Year-on-year changes in principle financial data (Continued)

Items	The Reporting Period	Corresponding period of the previous year	Year-on-year increase/decrease (%)	Reasons for the changes
Net cash flow from operating activities	405	572	-29.20	-
Net cash flow from investing activities	-1,936	-1,212	-59.74	Net cash flow from investing activities decreased by RMB724 million as compared to the corresponding period of the previous year, mainly due to (i) the expanded use of bills led to an increase in other investment expenditures by RMB442 million as compared with the corresponding period of the previous year; (ii) equity investment expenditure increased by RMB212 million as compared with the corresponding period of the previous year.
Net cash flow from financing activities	121	376	-67.82	Net cash flow from financing activities decreased by RMB255 million as compared to the corresponding period of the previous year, mainly due to (i) the decrease of RMB62 million in the absorption of investment as compared to the corresponding period of the previous year; (ii) the decrease of RMB134 million in the net increase of bank borrowings as compared to the corresponding period of the previous year; (iii) the increase of RMB43 million in interest expense as compared to the corresponding period of the previous year.

Management Discussion and Analysis (Continued)

III. ANALYSIS OF PRINCIPAL BUSINESSES (CONTINUED)

1. Year-on-year changes in principle financial data (Continued)

Items	The Reporting Period	Corresponding period of the previous year	Year-on-year increase/decrease (%)	Reasons for the changes
Net increase in cash and cash equivalents	-1,410	-264	-434.09	Net increase in cash and cash equivalents decreased by RMB1,146 million as compared to the corresponding period of the previous year, mainly due to (i) the decrease of RMB167 million in the net cash flow generated from operating activities as compared to the corresponding period of the previous year; (ii) the decrease of RMB724 million in the net cash flow generated from investing activities as compared to the corresponding period of the previous year; (iii) the decrease of RMB255 million in the net cash flow generated from financing activities as compared to the corresponding period of the previous year.

Management Discussion and Analysis (Continued)

III. ANALYSIS OF PRINCIPAL BUSINESSES (CONTINUED)

2. Significant change in profit composition or source of profit of the Company during the Reporting Period

☐ Applicable ☒ Not applicable

3. Composition of operating income

Unit: RMB million

Items	The Reporting Period		Corresponding period of the previous year		
	Amount	As a percentage of the operating income (%)	Amount	As a percentage of the operating income (%)	Year-on-year increase/decrease (%)
Total operating income	48,599	100	55,449	100	-12.35
By industry					
Steel rolling and processing industry	48,391	99.57	55,351	99.82	-12.57
Others	208	0.43	98	0.18	112.24
By product					
Steel products	43,189	88.87	48,554	87.57	-11.05
Others	5,410	11.13	6,895	12.43	-21.54
By geographical location					
Domestic China	45,158	92.92	51,767	93.36	-12.77
Export sales	3,441	7.08	3,682	6.64	-6.55

Management Discussion and Analysis (Continued)

III. ANALYSIS OF PRINCIPAL BUSINESSES (CONTINUED)

3. Composition of operating income (Continued)

Industries, products and geographical locations accounting for more than 10% of the operating income or operating profit of the Company

☒ Applicable ☐ Not applicable

Unit: RMB million

Items	Operating income	Operating costs	Gross profit margin	Increase/decrease in operating income as compared with the corresponding period of the previous year	Increase/decrease in operating costs as compared with the corresponding period of the previous year	Increase/decrease in gross profit margin as compared with the corresponding period of the previous year
			(%)	(%)	(%)	(percentage point)
By industry						
Steel rolling and processing industry	48,391	48,096	0.61	-12.57	-14.79	2.59
By product						
Hot-rolled sheets products	15,085	15,384	-1.98	-13.26	-14.62	1.63
Cold-rolled sheets products	16,468	16,022	2.71	-10.18	-13.39	3.60
Medium and heavy sheets	8,509	8,024	5.70	-7.20	-13.25	6.58
By geographical location						
Domestic China	44,950	44,518	0.96	-13.00	-15.41	2.82
Export sales	3,441	3,578	-3.98	-6.55	-6.26	-0.31

III. ANALYSIS OF PRINCIPAL BUSINESSES (CONTINUED)

3. Composition of operating income (Continued)

In case of adjustment in statistical calibres of principal businesses of the Company during the Reporting Period, the principal business data of the Company in the latest period according to adjusted calibres at the end of the Reporting Period

☐ Applicable ☒ Not applicable

4. Liquidity and financial resources

(1) Loan and credit

As at 30 June 2025, the Group had long-term loans (exclusive of loans due within one year) of RMB3,880 million with an average interest rate of 2.33% per annum and a term of three to nine years. The loans are mainly used for replenishing the working capital. All bank loans of the Group are at fixed interest rates or LPR floating interest rates.

In 2025, with good credibility, the Group was reviewed and rated by the rating committee of China Chengxin International Credit Rating Co., Ltd. (中誠信國際信用評級有限責任公司) with a credit rating of “AAA”. With ample credit resources available from over ten financial institutions and unimpeded financing channels, and approved but not yet expired short-term financing quota in the interbank market, the Group is capable of repaying its debts when they become due.

(2) Capital commitment

As at 30 June 2025, the Group had a total capital commitment of RMB2,502 million, which was primarily the construction and renovation contracts of RMB2,488 million entered into but not yet performed or partially performed and foreign investment contracts of RMB14 million entered into but not yet performed or partially performed.

Management Discussion and Analysis (Continued)

III. ANALYSIS OF PRINCIPAL BUSINESSES (CONTINUED)

5. Foreign exchange risk

The Group carries out import and export through agent trade by Angang International Trade for its main foreign currency transactions, including the export of sales products, import of raw materials for production and engineering equipment. Foreign currency risk is mainly reflected in the impact of exchange rate changes when settling through agent on sales and procurement costs.

IV. ANALYSIS OF NON-PRINCIPAL BUSINESSES

Unit: RMB million

Items	Amount	As a percentage of total profit (%)	Reasons	Sustainable or not
Investment income	218	N/A	Mainly included income from long-term equity investments accounted for using equity method.	Yes
Gains or losses arising from changes in fair value	-12	N/A	Mainly included changes in fair value of derivative financial instruments and other non-current financial assets.	Yes
Asset impairment loss ("-" for loss)	-81	N/A	Included provision for impairment on inventories.	No
Other gains	146	N/A	Mainly included gains on government grants and preferential tax policy.	No
Non-operating income	21	N/A	Mainly included gains on scrap of non-current assets and unpayable payables.	No
Non-operating expenses	4	N/A	Mainly included losses destroy or scrap of non-current assets.	No

Management Discussion and Analysis (Continued)

V. ASSETS AND LIABILITIES

1. Significant changes in composition of assets

Unit: RMB million

	As at the end of the Reporting Period		As at the end of the previous year		Explanation for significant changes	
	Amount	As a percentage of total assets (%)	Amount	As a percentage of total assets (%)	Increase/decrease (percentage point)	
Monetary capital	3,134	3.18	4,544	4.52	-1.34	-
Accounts receivables	2,711	2.75	2,952	2.94	-0.19	-
Inventories	13,853	14.08	14,769	14.68	-0.60	-
Long-term equity investments	3,804	3.87	3,840	3.82	0.05	-
Fixed assets	52,714	53.56	51,842	51.54	2.02	-
Construction in progress	4,806	4.88	5,802	5.77	-0.89	-
Right-of-use assets	94	0.10	123	0.12	-0.02	-
Short-term loans	7,749	7.87	1,174	1.17	6.70	-
Contract liabilities	4,917	5.00	4,557	4.53	0.47	-
Long-term loans	3,880	3.94	10,991	10.93	-6.99	-
Lease liabilities	98	0.10	125	0.12	-0.02	-

2. Information on main overseas assets

☐ Applicable

☒ Not applicable

Management Discussion and Analysis (Continued)

V. ASSETS AND LIABILITIES (CONTINUED)

3. Assets and liabilities measured at fair value

☒ Applicable ☐ Not applicable

Unit: RMB million

Items	Opening balance	Gains or losses on fair value change for the current period	Accumulative changes in fair value included in equity	Impairment provision made for the period	Purchase amount for the current period	Disposal amount for the current period	Other changes	Closing balance
Financial assets								
1. Financial assets held for trading (excluding derivative financial assets)	15	1						16
2. Derivative financial assets		4						4
3. Other debt investment								
4. Other equity instrument investments	690		258					696
5. Other non-current financial assets	104	16						120
Sub-total of financial assets	809	21	258					836
Investment properties								
Productive biological assets								
Others								
Total	809	21	258					836
Financial liabilities	1	21						22

Management Discussion and Analysis (Continued)

V. ASSETS AND LIABILITIES (CONTINUED)

3. Assets and liabilities measured at fair value (Continued)

Material changes in measurement of major assets during the Reporting Period

☐ Yes ☒ No

4. Gearing ratio

As at 30 June 2025 and 31 December 2024, the Group's equity-to-debt ratio was 0.94 times and 0.94 times, respectively.

5. Restrictions on assets as at the end of the Reporting Period

As at 30 June 2025, the Group's restricted assets included other current asset Items showed time deposits of RMB216 million.

6. Contingent liabilities

As at 30 June 2025, the Group had no contingent liabilities.

VI. ANALYSIS OF INVESTMENTS

1. Overview

☒ Applicable ☐ Not applicable

Unit: RMB million

Investments for the Reporting Period	External investments Investments for the corresponding period of the previous year	Change (%)
271	104	160.58

Management Discussion and Analysis (Continued)

VI. ANALYSIS OF INVESTMENTS (CONTINUED)

2. Significant equity investments made during the Reporting Period

☐ Applicable ☒ Not applicable

3. Significant non-equity investments being conducted during the Reporting Period

☐ Applicable ☒ Not applicable

4. Financial asset investments

(1) Securities investments

Unit: RMB million

Stock type	Stock code	Stock abbreviation	Initial investment	Accounting measurements	Gains or losses on		Purchase amount for the current period	Disposal amount for the current period	Loss or gain during the Reporting Period	Book value at the end of the period	Accounting Items	Source of funds
					Book value at the beginning of the period	fair value change for the current period						
Shares	600961	Zhuye Group (株冶集團)	81	Measured at fair value	36	16			16	52	Financial asset held for trading	Self-owned funds
Shares	601777	Qianli Technology (千里科技)	17	Measured at fair value	15	1			1	16	Financial asset held for trading	Debt reorganisation

Management Discussion and Analysis (Continued)

VI. ANALYSIS OF INVESTMENTS (CONTINUED)

4. Financial asset investments (Continued)

(2) Derivatives investments

- 1) Derivatives investments for hedging purposes during the Reporting Period

☒ Applicable ☐ Not applicable

Unit: RMB million

Type of derivatives investment	Initial investment amount	Amount at the beginning of the period	Gains or losses on fair value change for the current period	Accumulative changes in fair value included in equity	Purchase amount during the Reporting Period	Disposal amount during the Reporting Period	Amount at the end of the period	Proportion of investments at the end of the period to net assets of the Company at the end of the Reporting Period
Futures hedging	1	244	-29		455	200	362	0.76%
Total	1	244	-29		455	200	362	0.76%

Management Discussion and Analysis (Continued)

VI. ANALYSIS OF INVESTMENTS (CONTINUED)

4. Financial asset investments (Continued)

(2) Derivatives investments (Continued)

1) Derivatives investments for hedging purposes during the Reporting Period (Continued)

Explanation as to whether there has been a material change in the accounting policy and specific accounting and auditing principles for the hedging business during the Reporting Period as compared to last reporting period	No significant changes.
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Explanation of actual profit or loss during the Reporting Period	All financial derivatives business undertaken by the Company was conducted based on the principle of hedging. Every derivatives operation was linked to corresponding physical-commodity business. Under the futures-spot linkage principle, losses and gains from financial derivatives could be effectively hedged against profits and losses in physical-commodity operations.
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VI. ANALYSIS OF INVESTMENTS (CONTINUED)

4. Financial asset investments (Continued)

(2) Derivatives investments (Continued)

1) Derivatives investments for hedging purposes during the Reporting Period (Continued)

Explanation of hedging effectiveness	All commodity financial derivatives trading is conducted to lock in risks associated with actual operations, mitigating price-volatility risks of relevant raw materials or commodities. The overall hedging effect has proven effective.
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Source of funds for derivatives investments	Self-owned funds
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Risk analysis of positions in derivatives during the Reporting Period and explanations of risk control measures (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	The Company's engagement in futures hedging business enables partial mitigation of commodity price volatility risks, thereby contributing to stabilising normal production and operations. However, due to the inherent financial characteristics of hedging instruments, certain additional risks may also be entailed, including market risk, liquidity risk, credit risk, operational risk, and legal risk. The Company will rigorously enforce the principle of hedging for non-speculative purposes and take the initiative to implement measures across organisational structure, policies and procedures, and risk controls to effectively prevent, identify, and mitigate risks:
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Management Discussion and Analysis (Continued)

VI. ANALYSIS OF INVESTMENTS (CONTINUED)

4. Financial asset investments (Continued)

(2) Derivatives investments (Continued)

1) Derivatives investments for hedging purposes during the Reporting Period (Continued)

1. The Company has developed and continuously improved the Management Measures for the Hedging Business of Angang Steel Company Limited, and has established a robust management organisational structure for commodity financial derivatives to ensure that the entire business process is standardised and rigorous, the segregation between execution and supervisory functions is strictly implemented, and operations proceed in an orderly manner.
2. The position held by the Company is related to the steel industry, which is highly relevant to spot commodity operated by the Company. Although the Company makes regular analysis and forecast on the market, the judgment on the market may be deviated, resulting in potential risk. However, the risk is controllable after futures hedging with spot commodities.

VI. ANALYSIS OF INVESTMENTS (CONTINUED)

4. Financial asset investments (Continued)

(2) Derivatives investments (Continued)

1) Derivatives investments for hedging purposes during the Reporting Period (Continued)

3. As the category of position held has sufficient liquidity, there is no liquidity risk.
4. The futures exchange provides credit guarantee for the category of position held, thus the credit risk minimal.
5. The Company continues to strengthen training for relevant personnel, designing specific operational procedures and plans for futures trading, and constantly improving the professional competence of the relevant staff.
6. The Company has performed evaluation of relevant legal risks. Business development is carried out in accordance with the laws and regulations of futures exchanges in the PRC, and thus, risks can be controlled.

Management Discussion and Analysis (Continued)

VI. ANALYSIS OF INVESTMENTS (CONTINUED)

4. Financial asset investments (Continued)

(2) Derivatives investments (Continued)

1) Derivatives investments for hedging purposes during the Reporting Period (Continued)

Changes in the market price or product fair value of derivatives invested during the Reporting Period, where specific methods and relevant assumptions and parameters used shall be disclosed in the analysis of derivatives' fair value	During the Reporting Period, the fair value of derivatives was calculated based on market prices, the futures-spot price difference, and valuation reports provided by trading institutions.
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Litigation case (if applicable)	N/A
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Date of the announcement disclosing the approval of derivatives investment by the Board (if any)	On 28 March 2025, the Resolution in relation to the Company's 2025 Annual Hedging Business Amount was approved at the 35th meeting of the ninth session of the Board.
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Date of the announcement disclosing the approval of derivatives investment at shareholders' meeting (if any)	Nil
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2) Derivatives investments for speculative purposes during the Reporting Period

☐ Applicable ☒ Not applicable

5. Use of proceeds

☐ Applicable ☒ Not applicable

Management Discussion and Analysis (Continued)

VII. DISPOSAL OF MAJOR ASSETS AND EQUITY INTERESTS

1. Disposal of major assets

☐ Applicable ☒ Not applicable

2. Disposal of major equity interests

☐ Applicable ☒ Not applicable

VIII. ANALYSIS OF MAJOR SUBSIDIARIES AND INVESTEEES

Major subsidiaries and investees accounting for over 10% of the net profit of the Company:

Unit: RMB million

Name of companies	Type of companies	Principal activities	Registered capital	Total assets	Net assets	Operating income	Operating Profit	Net profit
Chaoyang Iron and Steel	Manufacturing enterprise	Steel rolling and processing	8,000	6,468	3,522	3,660	-204	-203
TAGAL (TKAS Auto Steel Co., Ltd.)	Manufacturing enterprise	Metal products	USD132 million	3,878	1,424	2,616	384	320

Acquisition and disposal of subsidiaries during the Reporting Period:

☐ Applicable ☒ Not applicable

IX. STRUCTURED ENTITIES CONTROLLED BY THE COMPANY

☐ Applicable ☒ Not applicable

Management Discussion and Analysis (Continued)

X. WORK FOR THE SECOND HALF OF THE YEAR AND RISKS FACED

(I) Work Plan for the Second Half of the Year

The Company will resolutely implement the guiding principles of General Secretary Xi Jinping's important speeches during his inspection tours around Liaoning and at Bensteel under Ansteel Group, by anchoring its development direction towards high-end, intelligent and green transformation, and advancing the construction of a Five-Orientation Enterprise. It will also further deepen comprehensive reforms, intensify efforts to enhance quality, reduce costs and improve efficiency, maintain the upward momentum, elevate the scale of recovery, and spare no effort in achieving the annual operational targets.

1. Exercise stringent and pragmatic governance over the Party to propel the development of exemplary enterprises to new heights.
2. Adhere to comprehensive deepening of reforms to ensure fresh breakthroughs in building dynamic enterprises.
3. Strengthen the guidance of innovation in science and technology to propel the development of an innovation-driven enterprise to achieve new leaps.
4. Deeply address the development of an outstanding brand to advance the construction of a brand-oriented enterprise with new steps.
5. Focus on enhancing quality and efficiency to accelerate the development of an "operation-focused" enterprise and reap new achievements.

Management Discussion and Analysis (Continued)

X. WORK FOR THE SECOND HALF OF THE YEAR AND RISKS FACED (CONTINUED)

(II) Risks Faced by the Company and its Countermeasures

The global economic outlook is expected to slow, as heightened tensions in international trade and frequent geopolitical conflicts will undermine economic growth potential. Domestically, China continues to implement policies stabilising growth, with annual economic expansion projected to remain between 4.5% and 5%. The rise of overseas trade protectionism and heightened risks of international trade friction will exert pressure on steel exports. From the perspective of downstream steel-consuming industries, domestic steel demand is projected to continue its downward trajectory in the latter half of this year, with the oversupply situation in the steel sector unlikely to change. The ample supply of coking coal in the latter half of 2025 is unlikely to be reversed, and raw material prices remain in a weak period. Steel production costs still have room to decrease, which will continue to weigh on steel prices.

The Company will enhance macroeconomic policy analysis and industry assessment, proactively respond to market fluctuations, further improve marketing management, deepen cost reduction and efficiency enhancement initiatives, intensify scientific research and innovation efforts, elevate carbon peaking and carbon neutrality management standards, strengthen financial control mechanisms, and tangibly enhance the risk prevention capabilities of the Company.

XI. IMPLEMENTATION OF MARKET CAPITALISATION MANAGEMENT SYSTEM AND VALUATION ENHANCEMENT PLANS

Whether the Company has established a market capitalisation management system.

☐ Yes ☒ No

Whether the Company has disclosed the valuation enhancement plan.

☒ Yes ☐ No

Management Discussion and Analysis (Continued)

XI. IMPLEMENTATION OF MARKET CAPITALISATION MANAGEMENT SYSTEM AND VALUATION ENHANCEMENT PLANS (CONTINUED)

To enhance operational efficiency and profitability, elevate the investment value of the listed company, and improve shareholder returns, the Company will implement the following specific measures in 2025:

1. Focus on core business operations while strengthening integrated management.
2. Optimise asset structure to enhance investment value.
3. Value shareholder returns and share development outcomes.
4. Strengthen investor relations management to enhance capital market recognition.
5. Address investor concerns to improve the quality of information disclosure.
6. Explore share buybacks and shareholder share increases to bolster investor confidence.

XII. IMPLEMENTATION OF THE “DUAL ENHANCEMENT OF QUALITY AND RETURNS” ACTION PLAN

Whether the Company has disclosed the announcement regarding the “Quality and Returns Dual Enhancement” action plan.

☐ Yes

☒ No

XIII. PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

Pursuant to the resolution on the Repurchase and Cancellation of Restricted Shares Granted but Not Yet Unlocked to Certain Incentive Recipients under the 2020 Restricted Share Incentive Scheme, approved at the Company's 2024 first extraordinary general meeting, 2024 second domestic class meeting, and 2024 second foreign class meeting held on 30 December 2024, on 28 February 2025, the Company completed the repurchase and cancellation of 14,180,048 restricted shares that had been granted but not yet released from the lock-up period, held by 183 incentive recipients, at China Securities Depository and Clearing Corporation Limited Shenzhen Branch.

Save for the aforementioned matters, there was no purchase, sale or redemption by the Company or any of its subsidiaries of its listed securities during the Reporting Period.

XIV. SECURITIES TRANSACTIONS BY DIRECTORS

The Board has adopted the relevant code for directors' securities transactions for the purpose of complying with the Hong Kong Stock Exchange Listing Rules. In response to the Company's specific inquiries with all Directors, the Directors have confirmed that they have complied with the standards set out in Appendix C3 to the Listing Rules.

The Company has also adopted a code of conduct governing securities transactions by the employees of the Company who may possess or have access to price sensitive information in relation to the Company or its securities.

XV. INDEPENDENT NON-EXECUTIVE DIRECTORS

Throughout the Reporting Period, the Board had been in compliance with Rule 3.10 (1) of the Hong Kong Stock Exchange Listing Rules, which requires a company to maintain at least three independent Non-executive Directors, and with Rule 3.10 (2) of the Hong Kong Stock Exchange Listing Rules, which requires one of the independent non-executive Directors to possess professional qualifications or accounting or related financial management expertise.

Management Discussion and Analysis (Continued)

XVI. AUDIT COMMITTEE

The Company has established an audit committee (the “Audit Committee”) in compliance with Rule 3.21 of the Hong Kong Stock Exchange Listing Rules.

The Audit Committee and management have reviewed the accounting standards, principles, and measurements adopted by the Company, and considered issues in relation to the auditing, internal control and the unaudited interim financial report for the six months ended 30 June 2025.

XVII. CHAPTER 13 DISCLOSURE OF THE HONG KONG LISTING RULES

The Directors confirmed that there was no matter occurring during the six months ended 30 June 2025 which would have given rise to a disclosure required under Rules 13.13 to 13.19 of the Listing Rules. The Company's controlling shareholder did not pledge any of its shares in the Company to secure any debts, guarantees or other support of obligations of the Company, nor did the Company sign loan agreements imposing specific performance obligations on the controlling shareholders.

XVIII. SUFFICIENT PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this interim report, the Company had been maintaining sufficient public float as required by the Listing Rules during the six months ended 30 June 2025.

XIX. FUTURE PLANS FOR MATERIAL INVESTMENTS OR ACQUISITION OF CAPITAL ASSETS

As of the date of this report, there were no plans for material investments or acquisition of capital assets approved by the Board.

Corporate Governance, Environmental and Social Responsibilities

I. INFORMATION ON CORPORATE GOVERNANCE

In compliance with the requirements of the Company Law, the Securities Law, the relevant requirements of the CSRC, the Hong Kong Stock Exchange Listing Rules, the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange and the Corporate Governance Guideline of Listed Companies and other requirements, the Company has regulated its operations and established a comprehensive corporate governance system and an effective internal control system. There is no difference between the Company's corporate governance practice and that as required under the Company Law and the relevant provisions of the CSRC.

With shares listed on both Hong Kong and Shenzhen stock exchanges, the Company is committed to improving its corporate governance in accordance with international corporate governance standards. The Board and the management understand that they are responsible for establishing good corporate governance practices and procedures and the strict implementation of such practices and procedures, so as to ensure the interests of the shareholders and to create value for the shareholders in the long term.

The Company has adopted the code provisions set out in Appendix C1 to the Hong Kong Stock Exchange Listing Rules as currently in force. The Company has periodically reviewed its corporate governance practices. During the six months ended 30 June 2025, the Company was in compliance with the Corporate Governance Code.

Corporate Governance, Environmental and Social Responsibilities (Continued)

II. CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Position	Category	Date	Reason
Wang Baojun	Deputy General Manager, Chief Accountant, and Secretary to the Board	Dismissed	11 February 2025	Resigned due to work adjustment
	Executive Director	Resigned	11 February 2025	Resigned due to work adjustment
Li Jingdong	Deputy General Manager, Chief Accountant, and Secretary to the Board	Appointed	11 February 2025	–
	Executive Director	Elected	12 March 2025	–
Wang Jianhua	Independent Non-executive Director	Resigned	28 July 2025	Expiration of term of office
Deng Qiang	Executive Director	Resigned	28 July 2025	Expiration of term of office
Cao Yuhui	Chairman of the Supervisory Committee, Supervisor	Resigned	28 July 2025	Expiration of term of office, and the Supervisory Committee will be discontinued
Liu Ming	Supervisor	Resigned	28 July 2025	Expiration of term of office, and the Supervisory Committee will be discontinued
Guo Fang	Supervisor	Resigned	28 July 2025	Expiration of term of office, and the Supervisory Committee will be discontinued
Zhao Zhongmin	Employee Director	Elected	28 July 2025	–

Corporate Governance, Environmental and Social Responsibilities (Continued)

II. CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

Name	Position	Category	Date	Reason
Liu Chaojian	Independent Non-executive Director	Elected	28 July 2025	–
Zhang Hongjun	Executive Director	Resigned	25 August 2025	Resigned due to work adjustment
	General Manager	Dismissed	25 August 2025	Resigned due to work adjustment
Deng Qiang	Deputy General Manager	Dismissed	25 August 2025	Resigned due to work adjustment

Save as disclosed above, as far as is known to the Company, during the six months ended 30 June 2025, there were no changes to information that were required to be disclosed by the Directors, Supervisors and chief executives pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Hong Kong Stock Exchange Listing Rules.

III. PROFIT DISTRIBUTION AND TRANSFER OF RESERVE TO SHARE CAPITAL DURING THE REPORTING PERIOD

The Company will not distribute cash dividend or bonus share, or conduct conversion of capital reserves into share capital for the interim period.

IV. IMPLEMENTATION OF THE SHARE INCENTIVE SCHEME, EMPLOYEE STOCK OWNERSHIPS SCHEME AND OTHER EMPLOYEE INCENTIVE MEASURES OF THE COMPANY

1. Share incentive scheme

On 30 December 2024, the 2024 first extraordinary general meeting, the 2024 second domestic shareholders' class meeting and the 2024 second foreign shareholders' class meeting of the Company considered and approved the Proposal on the Repurchase and Cancellation of Restricted Shares That Have Been Granted to Some Incentive Participants of the 2020 Restricted Stock Incentive Plan but Have Not Yet Been Released from Restricted Sales. On 28 February 2025, the Company completed the repurchase and cancellation of 14,180,048 restricted shares granted but not yet released from restricted sales to 183 incentive participants at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

2. Implementation of employee stock ownerships scheme

☐ Applicable ☒ Not applicable

3. Other employee incentive measures

☐ Applicable ☒ Not applicable

4. Supplement to the 2024 Annual Report

Reference is made to the 2024 Annual Report of the Company. In addition to the disclosures provided therein, the following supplemental information is presented. Among the grantees under the Share Incentive Scheme, as previously disclosed on page 132 of the 2024 Annual Report, Meng Jinsong and Zhang Hua shall be classified under the category of "Other core employees in the First Grant" within the "Other Core Employees" category.

**IV. IMPLEMENTATION OF THE SHARE INCENTIVE SCHEME,
EMPLOYEE STOCK OWNERSHIPS SCHEME AND OTHER
EMPLOYEE INCENTIVE MEASURES OF THE COMPANY
(CONTINUED)**

4. Supplement to the 2024 Annual Report (Continued)

Accordingly, as disclosed on page 133 of the 2024 Annual Report, the total number of restricted shares held by “Other core employees in the First Grant” was 12,867,581 shares as at the beginning of the period (including 153,000 restricted shares held by Meng Jinsong and 0 held by Zhang Hua at the beginning of the period) and 12,595,580 shares as at the end of the period (including 153,000 restricted shares held by Meng Jinsong and 0 held by Zhang Hua at the end of the period). Other information disclosed on page 133 of the 2024 Annual Report, such as the “Number of shares granted during the Reporting Period”, “Number of shares unlocked during the Reporting Period”, “Number of shares canceled during the Reporting Period”, “Number of shares lapsed during the Reporting Period”, and “The total number of restricted shares held by “Other Core Employees” and “Directors and Senior Management” remained unchanged.

As all the restricted shares to be granted under the share incentive scheme were granted prior to the beginning of 1 January 2024 such that there were no more restricted shares available for grant at the beginning and end of the financial year ended 31 December 2024.

The above supplemental information does not alter any other information contained in the 2024 Annual Report. Except as disclosed herein, all other information remains valid and unchanged.

Corporate Governance, Environmental and Social Responsibilities (Continued)

V. EMPLOYEES OF THE COMPANY

Composition of employees of the Company as of 30 June 2025:

Number of current employees in the Company (<i>person</i>)	20,519
Number of current employees in major subsidiaries (<i>person</i>)	3,538
Total number of current employees (<i>person</i>)	24,057
Total number of employees receiving remuneration during the period (<i>person</i>)	24,057
Number of ex-employees or retired employees for which the Company and the major subsidiaries have obligations (<i>person</i>)	–

Specialty composition	
Category of specialty composition	Number of people (<i>person</i>)
Production	17,083
Sales	344
Technical	3,939
Finance	133
Administration	1,124
Others	1,434
Total	24,057

Education level	
Category of education level	Number of people (<i>person</i>)
Bachelor's degree and above	9,336
Post-secondary	7,063
Technical secondary school	7,027
Others	631
Total	24,057

Corporate Governance, Environmental and Social Responsibilities (Continued)

V. EMPLOYEES OF THE COMPANY (CONTINUED)

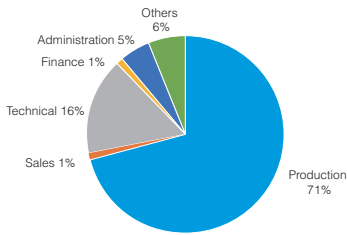
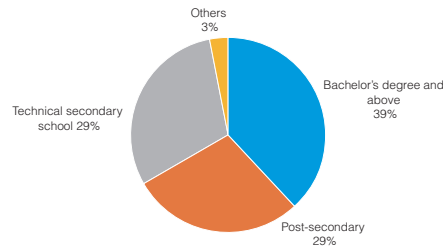


Figure of category of specialty composition



Composition of education level

Training work: In 2025, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Company fully implemented the overall requirements of the Angang Group Party Committee Talent Work Conference, focused on deepening the construction of “Five-Orientation Enterprise”, strengthening internationalization, lean management, “double carbon”, digitalization, energy management and other talent training. In the first half of the year, the Company completed entrusted training for 1,203 persons, key special training for 1,580 persons and training on job knowledge and skills of the grassroots units for 13,860 persons.

Remuneration policy of the Company: the Company has adopted “base salary + annual profit-linked salary + performance-linked award + tenure incentive” packages for senior management; the allocation method of “base salary + annual merit salary + allowance + performance bonus + R&D bonus” remuneration packages for scientific research positions; “base salary + annual merit salary + allowance + performance bonus + profit-linked bonus” remuneration packages for sales personnel; and position-and-performance based remuneration packages for other personnel. The Company implemented the Restricted Share Incentive Scheme for Directors, senior management and core technical (business) staff of the Company in 2020. As of 28 February 2025, all restricted shares have been either released for trading or repurchased and cancelled.

Corporate Governance, Environmental
and Social Responsibilities (Continued)

VI. DISCLOSURE OF ENVIRONMENTAL INFORMATION

Whether listed companies and their major subsidiaries are included in the list of companies with legal disclosure of environmental information

☒ Yes ☐ No

Number of enterprises included in the list of enterprises
with legal disclosure of environmental information (*unit*) 4

No. Name		Index for inquiries regarding legally disclosed environmental information reports
1	Angang Steel Company Limited	https://sthj.deing.cn:8180/Client/ Publish/669585338691589/part1
2	Bayuquan Iron & Steel Branch Company of Angang Steel Company Limited	https://sthj.deing.cn:8180/Client/ Publish/669585338691589/part1
3	Angang Group Chaoyang Iron and Steel Co., Ltd.	https://sthj.deing.cn:8180/Client/ Publish/669585338691589/part1
4	Angang Chemical Technology Co., Ltd.	https://sthj.deing.cn:8180/Client/ Publish/669585338691589/part1

VII. SOCIAL RESPONSIBILITY

In 2025, Angang Steel strictly implemented directives on rural revitalization, prioritizing industrial development and basic public infrastructure. The Company planned to invest in 10 targeted assistance projects with RMB16.5 million in funding. These resources were allocated to designated aid initiatives in Tashkurgan Tajik Autonomous County, Xinjiang Uygur Autonomous Region, and Shangtaohuatu Village, Chaoyang City, Liaoning Province, benefiting 42,000 individuals. In the first half of the year, assistance funds totaling RMB8.467 million were allocated to eight projects, including infrastructure development for the agricultural demonstration base in Tashkurgan County and equipment procurement for the integrated media center. Efforts were made to advance the projects for upgrading flower and forestry industries in Tashkurgan County, boosting economic income for households in resettlement areas and facilitating local employment for nearly 3,000 farmers and herders. The initiative facilitated the procurement of water heaters for urban and rural boarding elementary schools and industrial washing machines for Shenta Middle School (深塔中學), further improving living conditions for 610 boarding elementary students and over 2,900 middle school students. In addition, it advanced the infrastructure drainage and disaster prevention capacity enhancement project in Shangtaohuatu Village, Chaoyang City, Liaoning Province, constructing drainage infrastructure to strengthen disaster resilience. By proactively participating in the “Spring Festival Campaign (迎春行動)” for consumption-based poverty alleviation among central state-owned enterprises, tangible results were achieved with the procurement of RMB956,000 worth of assistance products from Tashkurgan County. The assistance case study, “Supporting the Brand Development of the Pamir Plateau Yak Industry with Dedication, Empathy, and Effort (《用心用情用力扶持帕米爾高原犏牛產業走好品牌興業路》)” was recognized as a model case in the CMG Rural Revitalization Observation Report (《CMG鄉村振興觀察報告》) during the inaugural CMG Rural Revitalization Annual Gala hosted by China Media Group.

THE UNDERTAKINGS PERFORMED BY DE FACTO CONTROLLERS, SHAREHOLDERS, CONNECTED PARTIES, OFFERORS AND THE COMPANY DURING THE REPORTING PERIOD AS WELL AS THE UNDERTAKINGS THAT THEY HAVE NOT YET PERFORMED BUT MATURED DURING THE REPORTING PERIOD

Reason for Undertaking	Undertaking Party	Type of Undertaking	Content of Undertaking	Date of Undertaking	Period of Undertaking	Performance of Undertaking
Undertaking made during the restructuring of assets	Angang Holding	Non-competition undertakings	The Non-competition Undertaking Letter of Anshan Iron & Steel Group Complex (鞍山鋼鐵集團公司避免同業競爭承諾函): (1) Angang Holding and its wholly-owned and controlled subsidiaries have complied with relevant requirements of the state on non-competition. (2) Angang Holding and its wholly-owned and controlled subsidiaries have never engaged in any business which directly or indirectly competes with the iron and steel business, the principal business of the Company. (3) Angang Holding undertakes that the Company is entitled to the pre-emptive rights for the assets and business to be disposed by Angang Holding or the wholly-owned and controlled subsidiaries of Angang Holding under the same conditions, which are related to the iron and steel business of the Company.	20 May 2007	Indefinite	There was no breach of such undertaking

I. THE UNDERTAKINGS PERFORMED BY DE FACTO CONTROLLERS, SHAREHOLDERS, CONNECTED PARTIES, OFFERORS AND THE COMPANY DURING THE REPORTING PERIOD AS WELL AS THE UNDERTAKINGS THAT THEY HAVE NOT YET PERFORMED BUT MATURED DURING THE REPORTING PERIOD (CONTINUED)

Reason for Undertaking	Undertaking Party	Type of Undertaking	Content of Undertaking	Date of Undertaking	Period of Undertaking	Performance of Undertaking
			(4) If the enterprises in which Angang Holding holds equity interests produce products or engage in business which compete or may compete with the Company, Angang Holding undertakes that, at the request of the Company, it will transfer all the capital contribution, shares or equity interests it holds in such companies and grant the Company preemptive rights for such capital contribution, shares or equity interests under the same conditions.			
			(5) If Angang Holding and its wholly-owned and controlled subsidiaries have assets and business which compete or may compete with the Company's principal iron and steel business, when the Company proposes to purchase such assets and business, Angang Holding and its wholly-owned and controlled subsidiaries will transfer relevant assets and business to the Company with priority based on reasonable prices and conditions according to the processes required by laws.			
			(6) During the effective period of the undertakings, on the premise of equal investment qualifications, Angang Holding shall inform the Company first of the opportunity of new business.			

Significant Matters (Continued)

I. THE UNDERTAKINGS PERFORMED BY DE FACTO CONTROLLERS, SHAREHOLDERS, CONNECTED PARTIES, OFFERORS AND THE COMPANY DURING THE REPORTING PERIOD AS WELL AS THE UNDERTAKINGS THAT THEY HAVE NOT YET PERFORMED BUT MATURED DURING THE REPORTING PERIOD (CONTINUED)

Reason for Undertaking	Undertaking Party	Type of Undertaking	Content of Undertaking	Date of Undertaking	Period of Undertaking	Performance of Undertaking
			If the Company accepts such opportunity of new business, Angang Holding shall transfer such new business to the Company for free. Angang Holding and its wholly-owned and controlled subsidiaries have the rights to invest in the new business only if the Company expressly refuses such opportunity. If the Company proposes to acquire such business in the future, Angang Holding and its wholly-owned and controlled subsidiaries still need to transfer the assets and business formed by such opportunities to the Company with priority based on reasonable prices and conditions. (7) Other effective measures to avoid and eliminate horizontal competition.			

I. THE UNDERTAKINGS PERFORMED BY DE FACTO CONTROLLERS, SHAREHOLDERS, CONNECTED PARTIES, OFFERORS AND THE COMPANY DURING THE REPORTING PERIOD AS WELL AS THE UNDERTAKINGS THAT THEY HAVE NOT YET PERFORMED BUT MATURED DURING THE REPORTING PERIOD (CONTINUED)

Reason for Undertaking	Undertaking Party	Type of Undertaking	Content of Undertaking	Date of Undertaking	Period of Undertaking	Performance of Undertaking
			The above undertakings do not restrict Angang Holding and its wholly-owned and controlled subsidiaries from engaging in or continuing to engage in businesses that do not compete with the Company, especially the business of provision of required materials or services necessary for the operation of the Company. All the undertakings made by Angang Holding are based on the national requirements and subject to the adjustments according to the national requirements. Angang Holding is eligible to engage in business not prohibited by the state. Such undertakings became effective from the date of issuance, and shall be terminated once one of the following conditions occurs: (1) Angang Holding ceases to be the controlling shareholder of the Company;			

Significant Matters (Continued)

I. THE UNDERTAKINGS PERFORMED BY DE FACTO CONTROLLERS, SHAREHOLDERS, CONNECTED PARTIES, OFFERORS AND THE COMPANY DURING THE REPORTING PERIOD AS WELL AS THE UNDERTAKINGS THAT THEY HAVE NOT YET PERFORMED BUT MATURED DURING THE REPORTING PERIOD (CONTINUED)

Reason for Undertaking	Undertaking Party	Type of Undertaking	Content of Undertaking	Date of Undertaking	Period of Undertaking	Performance of Undertaking
			(2) The shares of the Company cease to be listed on any stock exchanges (except for temporary suspension of trading of the shares of the Company due to any reason);			
			(3) When the state does not require certain undertakings, the relevant sections shall be terminated automatically.			
			Considering that Angang Holding does not have any iron and steel production projects already put into production which compete with the Company, therefore, the undertakings made in the undertaking letter shall prevail if any inconsistencies occur between such undertakings and all the undertakings made by Angang Holding concerning the competitions with the Company before the date of the issuance of the undertaking letter.			
Whether the undertaking are fulfilled on time	Yes					

II. INFORMATION ON THE NON-OPERATING USE OF FUNDS OF THE COMPANY BY THE CONTROLLING SHAREHOLDER AND OTHER RELATED PARTIES

☐ Applicable ☒ Not applicable

During the Reporting Period, there was no non-operating use of funds of the Company by the controlling shareholder of the Company and other related parties.

III. INFORMATION ON ILLEGAL EXTERNAL GUARANTEES

☐ Applicable ☒ Not applicable

During the Reporting Period, the Company had no illegal external guarantee.

IV. APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRM

This interim report of the Company is unaudited.

V. EXPLANATION OF THE BOARD AND THE SUPERVISORY COMMITTEE REGARDING THE “NON-STANDARD AUDITOR’S REPORT” FOR THE REPORTING PERIOD ISSUED BY THE ACCOUNTING FIRM

☐ Applicable ☒ Not applicable

VI. EXPLANATION OF THE BOARD REGARDING THE INFORMATION RELATING TO THE “NON-STANDARD AUDITOR’S REPORT” FOR THE PREVIOUS YEAR

☐ Applicable ☒ Not applicable

VII. MATTERS RELATING TO INSOLVENCY AND RESTRUCTURING

☐ Applicable ☒ Not applicable

There was no matter relating to insolvency and restructuring during the Reporting Period.

Significant Matters (Continued)

VIII. LITIGATION

Material litigation and arbitration

☐ Applicable ☒ Not applicable

The Company was not involved in any material litigation and arbitration during the Reporting Period.

Other litigations

☒ Applicable ☐ Not applicable

Basic information of the litigation (arbitration)	Amount involved in the litigation (RMB'0,000)	Whether caused estimated liabilities or not	Progress of the litigation (arbitration)	Results of trial of litigation (arbitration) and effects thereof	Execution of judgment of the litigation (arbitration)	Date of disclosure	Disclosure index
Non-material proceedings	11,395	No	Most of the cases were concluded in favour of the Company, while other cases have entered the judicial proceedings	-	-	-	-

IX. PENALTY AND RECTIFICATIONS

☐ Applicable ☒ Not applicable

The Company has not been subject to any material penalty and rectification during the Reporting Period.

X. CREDIBILITY OF THE COMPANY, ITS CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS

☐ Applicable ☒ Not applicable

XI. MAJOR CONNECTED TRANSACTIONS

The connected transactions set out below fall within the definition relating to “Connected Transaction” or “Continuing Connected Transaction” under Chapter 14A of the Hong Kong Listing Rules. Relevant connected transactions have complied with the disclosure requirements under Chapter 14A of the Hong Kong Listing Rules.

1. Connected transactions related to daily operations

Connected party	Connected relationship	Type of connected transaction	Content of connected transaction	Pricing principle of connected transaction	Connected transaction price	Connected transaction amount (RMB million)	As a Percentage of the amount similar transactions (%)	Approved transaction cap (RMB million)	Whether exceeding approved cap	Settlement method of connected transactions	Market price of available similar transactions
Angang Mining Co., Ltd.	Controlled by the same Controlling shareholder	Purchase goods/ Receive services	Purchase goods	Market principle	-	7,929	12.75	50,598	No	In cash	-
Angang Steel Green Gold Industry Development Co., Ltd.* (鞍鋼綠金產業發展有限公司)	Associate of controlling shareholder	Purchase goods/ Receive services	Purchase goods	Market principle	-	1,538	2.47			In cash	-
Delin Lugang Supply Chain Service Co., Ltd.* (德鄰陸港供應鏈服務有限公司)	Controlled by the same Controlling shareholder	Purchase goods/ Receive services	Purchase goods	Market principle	-	1,203	1.93			In cash	-

Significant Matters (Continued)

XI. MAJOR CONNECTED TRANSACTIONS (CONTINUED)

1. Connected transactions related to daily operations (Continued)

Connected party	Connected relationship	Type of connected transaction	Content of connected transaction	Pricing principle of connected transaction	Connected transaction price	Connected transaction amount (RMB million)	As a Percentage of the amount similar transactions (%)	Approved transaction cap (RMB million)	Whether exceeding approved cap	Settlement method of connected transactions	Market price of available similar transactions
Shanxi Wuchan International Energy Co., Ltd.	Associate of controlling shareholder	Purchase goods/Receive services	Purchase goods	Market principle	-	497	0.80			In cash	-
Angang Group Zhongyuan Industry Development Co., Ltd.	Controlled by the same Controlling shareholder	Purchase goods/Receive services	Purchase goods	Market principle	-	478	0.77			In cash	-
Anshan Iron and Steel Metallurgical Furnace Materials Technology Co., Ltd.	Controlled by the same Controlling shareholder	Purchase goods/Receive services	Purchase goods	Market principle	-	400	0.64			In cash	-
Ansteel Group Refractory Materials Co., Ltd.	Controlled by the same Controlling shareholder	Purchase goods/Receive services	Purchase goods	Market principle	-	399	0.64			In cash	-
Bensteel Group Corporation Limited	Controlled by the same Controlling shareholder	Purchase goods/Receive services	Purchase goods	Market principle	-	324	0.52			In cash	-
Angang Casting Co., Ltd.	Controlled by the same Controlling shareholder	Purchase goods/Receive services	Purchase goods	Market principle	-	262	0.42			In cash	-
Lingyuan Iron and Steel Group Co., Ltd.	Controlled by the same Controlling shareholder	Purchase goods/Receive services	Purchase goods	Market principle	-	259	0.42			In cash	-
Other subsidiaries of Angang Group	Controlled by the same Controlling shareholder	Purchase goods/Receive services	Purchase goods	Market principle	-	510	0.82			In cash	-
Sub-total	-	-	Purchase goods	-	-	13,799	22.18			-	-

XI. MAJOR CONNECTED TRANSACTIONS (CONTINUED)

1. Connected transactions related to daily operations (Continued)

Connected party	Connected relationship	Type of connected transaction	Content of connected transaction	Pricing principle of connected transaction	Connected transaction price	Connected transaction amount (RMB million)	As a Percentage of the amount similar transactions (%)	Approved transaction cap (RMB million)	Whether exceeding approved cap	Settlement method of connected transactions	Market price of available similar transactions
Delin Lugang Supply Chain Service Co., Ltd.* (德鄰陸港供應鏈服務有限公司)	Controlled by the same Controlling shareholder	Purchase goods/ Receive services	Receive services	Market principle	–	1,295	18.49	12,346	No	In cash	–
Angang Group Engineering Technology Development Co., Ltd.	Controlled by the same Controlling shareholder	Purchase goods/ Receive services	Receive services	Market principle	–	502	7.17			In cash	–
Anshan Iron and Steel Group Co., Ltd.	Controlling shareholder	Purchase goods/ Receive services	Receive services	Market principle	–	336	4.80			In cash	–
Angang Steel Group Engineering Technology Co., Ltd.	Associate of controlling shareholder	Purchase goods/ Receive services	Receive services	Market principle	–	334	4.77			In cash	–
Other subsidiaries of Angang Group	Controlled by the same Controlling shareholder	Purchase goods/ Receive services	Receive services	Market principle	–	799	11.41			In cash	–
Sub-total	–	–	Receive services	–	–	3,266	46.64			–	–
Delin Lugang Supply Chain Service Co., Ltd.* (德鄰陸港供應鏈服務有限公司)	Controlled by the same Controlling shareholder	Sell goods and provide services	Sell goods	Market principle	–	2,425	3.68	23,260	No	In cash	–
Ansteel Cold Rolled Steel Plate (Putian) Co., Ltd.	Controlled by the same Controlling shareholder	Sell goods and provide services	Sell products	Market principle	–	957	1.45			In cash	–
Bensteel Group Corporation Limited	Controlled by the same Controlling shareholder	Sell goods and provide services	Sell products	Market principle	–	573	0.87			In cash	–
Angang Group International Economic and Trade Co., Ltd.* (鞍鋼集團國際經濟貿易有限公司)	Controlled by the same Controlling shareholder	Sell goods and provide services	Sell products	Market principle	–	377	0.57			In cash	–

Significant Matters (Continued)

XI. MAJOR CONNECTED TRANSACTIONS (CONTINUED)

1. Connected transactions related to daily operations (Continued)

Connected party	Connected relationship	Type of connected transaction	Content of connected transaction	Pricing principle of connected transaction	Connected transaction price	Connected transaction amount (RMB million)	As a Percentage of the amount similar transactions (%) (RMB million)	Approved transaction cap (RMB million)	Whether exceeding approved cap	Settlement method of connected transactions	Market price of available similar transactions
Angang Group Zhongyuan Industry Development Co., Ltd.	Controlled by the same Controlling shareholder	Sell goods and provide services	Sell products	Market principle	–	277	0.42			In cash	–
Other subsidiaries of Angang Group	Controlled by the same Controlling shareholder	Sell goods and provide services	Sell products	Market principle	–	424	0.64			In cash	–
Sub-total Angang Group	–	–	Sell products	–	–	5,033	7.63			–	–
Angang Group	Controlled by the same Controlling shareholder	Sell goods and provide services	Provide services	Market principle	–	210	23.57	544	No	In cash	–
Sub-total Angang Financial Company	–	–	Provide services	–	–	210	23.57			–	–
Angang Financial Company	Controlled by the same Controlling shareholder	Receive finance services	Settle fund and deposit interests	Market principle	–	18	69.23	100	No	In cash	–
Angang Financial Company	Controlled by the same Controlling shareholder	Receive finance services	Maximum daily deposit balance	Market principle	–	4,781	–	5,000	No	–	–
Angang Financial Company	Controlled by the same Controlling shareholder	Receive finance services	Credit business interest	Market principle	–	1	0.57	250	No	In cash	–
Angang Financial Company	Controlled by the same Controlling shareholder	Receive finance services	Entrusted loan interest	Market principle	–	–	–	100	No	In cash	–
Angang Group Capital Holding Co., Ltd.	Controlled by the same Controlling shareholder	Receive finance services	Commercial factoring	Market principle	–	–	–	1,000	No	In cash	–
Angang Group Capital Holding Co., Ltd.	Controlled by the same Controlling shareholder	Receive finance services	Commercial factoring interest	Market principle	–	–	–	50	No	In cash	–
Angang Group Capital Holding Co., Ltd.	Controlled by the same Controlling shareholder	Receive finance services	Commercial factoring for Company's suppliers	Market principle	–	29	16.86	3,000	No	–	–

XI. MAJOR CONNECTED TRANSACTIONS (CONTINUED)

1. Connected transactions related to daily operations (Continued)

Particulars on refund of bulk sale

-

Estimated total amount for daily connected transactions to be conducted during the period and their actual performance during the Reporting Period

During the Reporting Period, the total amount of the Company's daily connected transactions did not exceed the relevant caps applicable to such category as set out in the relevant daily connected transaction agreements approved at the general meeting and the estimated amounts of each type of daily connected transactions expected at the beginning of the year.

Reason for the large difference between transaction price and market reference price

-

Relevant explanation on connected transactions

As production in the iron and steel industry is on a continuous basis, Angang Group has been engaged in mining, supplying, processing and manufacturing of raw materials, auxiliary materials and energy and power, which is a part of the supply chain of the Company. In the meantime, its subsidiaries have a high technological level and service capabilities, which can provide necessary supporting services for production and operation of the Company. The Company would sell certain products, abandoned steel, abandoned materials and integrated services to Angang Group which is a client of the Company.

2. Related party transactions in relation to asset or equity acquisition or disposal

☐ Applicable

☒ Not applicable

Significant Matters (Continued)

XI. MAJOR CONNECTED TRANSACTIONS (CONTINUED)

3. Related party transactions in relation to joint external investments

☒ Applicable ☐ Not applicable

Unit: RMB million

Joint Investors	Related relationship	Name of the investee	Principal business of the investee	Registered capital of the investee	Total assets of the investee	Net assets of the investee	Net profit of the investee
Angang Steel Green Gold Industry Development Co., Ltd. and Bengang Steel Plates Co., Ltd.	Controlled by the same Controlling shareholder	Green Gold (Benxi) Renewable Resources Co., Ltd. *(綠金(本溪)再生資源有限公司)	Renewable resource processing, renewable resource sales, renewable resource recycling.	60	142	61	1
Angang Steel Company Limited and Angang Group Engineering Technology Development Co., Ltd.	Controlled by the same Controlling shareholder	Angang Energy and Technology Co., Ltd.	Wholesale and retail of compressed gases and liquefied gases; Storage and management of mixed gas and standard gas; special equipment inspection and maintenance; urban civil, public and industrial central heating and heat supply; production and sales of thermal additional products.	201	477	370	21
Progress of major projects (if any) under construction of the investee				-			

XI. MAJOR CONNECTED TRANSACTIONS (CONTINUED)

4. Related party credit and debt transaction

☒ Applicable ☐ Not applicable

Whether there are claims or obligations for non-operating purpose

☐ Yes ☒ No

There were no claims or obligations for non-operating purpose during the Reporting Period.

5. Transaction with connected financial company

☒ Applicable ☐ Not applicable

Unit: RMB million

Deposit business

Connected party	Connected relationship	Maximum daily deposit limit	Range of deposit interest rate (%)	Amount during the period			
				Balance as at the beginning of the period	Total amount deposited during the period	Total amount with drawn during the period	Balance as at the end of the period
Angang Financial Company	Controlled by the same Controlling shareholder	5,000	0.2-0.65	4,006	175,134	176,199	2,941

Significant Matters (Continued)

XI. MAJOR CONNECTED TRANSACTIONS (CONTINUED)

5. Transaction with connected financial company (Continued)

Loan business

Connected party	Connected relationship	Loan facility	Range of loan interest rate (%)	Amount during the period			Balance as at the end of the period
				Balance as at the beginning of the period	Total amount loaned for the period	Total amount repaid during the period	
Angang Financial Company	Controlled by the same Controlling shareholder	1,500	2.11	-	315	-	315

Credit extension or other financial business

Connected party	Connected relationship	Type of business	Total amount	Actual amount
Angang Financial Company	Controlled by the same Controlling shareholder	Credit extension	1,500	315

6. Transaction with connected financial company which is under the control of the Company

☐ Applicable ☒ Not applicable

XI. MAJOR CONNECTED TRANSACTIONS (CONTINUED)

7. Other major connected transactions

☐ Applicable ☒ Not applicable

There was no other significant related party transaction of the Company during the Reporting Period.

8. Supplement to the 2024 Annual Report

(1) Amount of related transactions related to daily operations

On page 185 of the 2024 Annual Report, the related party transactions categorized as “Purchase main materials” refer to the procurement by the Company from related parties of iron concentrate, pellets, sinter ore, mineral products from Karara Mining Limited, scrap steel, billets, alloys, non-ferrous metals, steel ingots, coke, coal, etc.

On page 186, related party transactions categorized as “Purchase steel products” under the column “Content of related party transaction” refers to the procurement by the Company from related parties of steel products. On the same page, the category “Purchase auxiliary materials” under the column “Content of related party transaction” refers to the procurement by the Company from related parties of limestone, lime powder, refractory material, spare parts, other ancillary materials, etc. Also on this page, the related party transactions categorized as “Procurement of energy and power” under the column “Content of related party transaction” refers to the procurement by the Company from related parties of electricity, water, steam, gas products and related energy supplies.

XI. MAJOR CONNECTED TRANSACTIONS (CONTINUED)

8. Supplement to the 2024 Annual Report (Continued)

- (1) Amount of related transactions related to daily operations
(Continued)

On page 187, the related party transactions categorized as “Receive supporting services” under the column “Content of related party transaction” refer to the procurement by the Company from related parties of supporting services such as railway transportation and services, road and pipeline transportation and services, agency services, examination, repair and maintenance of equipment, design and engineering services, and other supporting services.

On page 188, the related party transactions categorized as “Sales of products” disclosed under the column “Content of related party transaction” refer to the Company’s sales of steel products, molten iron, billets, coke, by products from steel production, sinter ore and e-commerce products, etc. to the related parties. On the same page, the related party transactions categorized as “Sell scrap steel material, abandoned material, and minus sieve powder” under the column “Content of related party transaction” refers to the Company’s sales of scrap steel, abandoned materials, obsolete or idle assets to the related parties.

XI. MAJOR CONNECTED TRANSACTIONS (CONTINUED)

8. Supplement to the 2024 Annual Report (Continued)

- (1) Amount of related transactions related to daily operations
(Continued)

On page 189, the related party transactions categorized as “Provide comprehensive services” under the column “Content of related party transaction” refer to the Company’s provision of fresh water, recycled water, recycled water from sewage treatment, soft water, gas, steam, nitrogen, oxygen, argon, compressed air, hydrogen, residual heat water, liquefied oxygen, liquefied nitrogen, liquefied argon, gas products, product testing services, agency services, assets entrusted management to the related parties.

The aforementioned connected transactions were conducted during the year 2024 pursuant to the Supply of Materials and Services Agreement (2022–2024) entered into between the Company and Angang on 11 October 2021 and the relevant supplemental agreement entered into on 23 August 2023, as well as the Supply of Materials Agreement (2022–2024) entered into between the Company and Vanadium and Titanium Co., Ltd. on 11 October 2021. Such transactions are conducive to the stable operation of the Company’s production and operation, ensure the orderly implementation of the relevant energy saving, environmental protection, technology transformation and other projects, will be conducive to the improvement of the sales capability of the Company, and benign cooperation between the Group and Angang Group. For further details, please refer to the announcement of the Company dated 11 October 2021.

XI. MAJOR CONNECTED TRANSACTIONS (CONTINUED)

8. Supplement to the 2024 Annual Report (Continued)

- (1) Amount of related transactions related to daily operations
(Continued)

The principal terms of the Supply of Materials and Services Agreement (2022–2024) are set out below:

Parties:	The Company and Angang
Subject matter:	(i) Supply of principal materials, steel products, auxiliary materials and energy and power from Angang Group to the Group; (ii) Supply of products, scrap steel material, abandoned material, minus sieve powder from the Group to Angang Group; (iii) Provision of supporting services from Angang Group to the Group; and (iv) Provision of comprehensive services from the Group to Angang Group.

XI. MAJOR CONNECTED TRANSACTIONS (CONTINUED)

8. Supplement to the 2024 Annual Report (Continued)

- (1) Amount of related transactions related to daily operations
(Continued)

The principal terms of the Supply of Materials and Services Agreement (2022–2024) are set out below: (Continued)

Term: From 1 January 2022 to 31 December 2024.

Payment: In lump sums or by installments. The timing of the payments is to be agreed with reference to customary business practices. The payment method varies with different types of services, materials and products. The payment terms shall not be less favourable than those available from or offered to independent third parties.

The payments for the aforesaid agreement and the transactions contemplated thereunder shall be made through internal resources of the Group.

The principal terms of the Supply of Materials Agreement (2022–2024) are set out below:

Parties: The Company and Vanadium and Titanium Co., Ltd.

Subject matter: Supply of alloys materials by Vanadium and Titanium Co., Ltd. and its subsidiaries to the Group.

Term: From 1 January 2022 to 31 December 2024

XI. MAJOR CONNECTED TRANSACTIONS (CONTINUED)

8. Supplement to the 2024 Annual Report (Continued)

- (1) Amount of related transactions related to daily operations
(Continued)

The principal terms of the Supply of Materials and Services Agreement (2022–2024) are set out below: (Continued)

Payment: Payment due by calendar month (payment due monthly)

The payments for the aforesaid agreement and the transactions contemplated thereunder shall be made through internal resources of the Group.

On page 189, the related party transactions categorized as “Settle fund and deposit interests”, “Maximum daily deposit balance”, “Credit business interest”, “Entrusted loan interest”, “Commercial factoring”, “Commercial factoring interest” and “Provide commercial factoring to corporate suppliers” under the column “Content of related party transaction” refer to the financial services provided by related parties to the Company, including (i) deposit services, (ii) settlement services, (iii) loan and entrusted loan services, and (iv) other financial services such as financial advisory, financing advisory, and foreign exchange settlement and sales services.

XI. MAJOR CONNECTED TRANSACTIONS (CONTINUED)

8. Supplement to the 2024 Annual Report (Continued)

- (1) Amount of related transactions related to daily operations
(Continued)

The aforementioned connected transactions were conducted during the year 2024 pursuant to the Financial Services Agreement (2022–2024) entered into between the Company and Angang Financial Company on 11 October 2021. Such transactions are advantageous to reduce the financial and operation costs and improve the efficiency of capital utilization of the Group, hence resulting in a positive impact on the operation and development of the Group. For further details, please refer to the announcement of the Company dated 11 October 2021. The principal terms are set out below:

The Financial Services Agreement (2022–2024)

Parties:	The Company and Angang Financial Company
Subject matter:	Provision of financial services, including (i) deposit services, (ii) settlement services, (iii) loan and entrustment loan services, and (iv) other financial services as approved by the regulatory authorities (including other financial services such as financial and financing advisory services and foreign exchange settlement and sales businesses services) by Angang Financial Company to the Group.

XI. MAJOR CONNECTED TRANSACTIONS (CONTINUED)

8. Supplement to the 2024 Annual Report (Continued)

- (1) Amount of related transactions related to daily operations
(Continued)

The Financial Services Agreement (2022–2024) (Continued)

Term: From 1 January 2022 to 31 December 2024

Payment of charges for
(i) settlement services and (ii) other financial services

Available at no cost.

Receipt and Payment of interest: The Company to receive interests from Angang Financial Company for deposits with Angang Group Financial Company. The Company to pay interests for loans and entrustment loans granted by Angang Financial Company.

The payment for loan interests contemplated under the aforesaid agreement will be funded by internal resources of the Group.

XI. MAJOR CONNECTED TRANSACTIONS (CONTINUED)

8. Supplement to the 2024 Annual Report (Continued)

- (2) Related party transactions in relation to joint external investments

Connected transaction in relation to joint external investments as disclosed on page 191 in the 2024 Annual Report was conducted pursuant to the joint venture agreement entered into between the Company, Angang Holding and Zhongyuan Industry on 28 March 2024. The Parties shall jointly contribute capital to Green Gold in compliance with the laws of the PRC and the terms of the joint venture agreement. The total registered capital of the joint venture shall be RMB469,300,000. The Company, Angang Holding and Zhongyuan Industry shall each contribute capital to Green Gold in accordance with their respective equity interest of 34.48%, 17.02%, and 48.50%. The Company shall contribute approximately RMB104.3 million in cash; while Angang Holding shall make contribution in kind of RMB51,479,900 by way of transferring its equity interest in the Steel Scrap to Green Gold; and Zhongyuan Industry shall make contribution in kind of RMB146,710,600 by way of transferring its equity interest in the Steel Scrap to Green Gold. Such transaction is beneficial to (i) controlling the steel scrap resources, protecting the safety of the steel industry chain, and expediting the development of the steel scrap industry by leveraging Angang Holding's internal steel scrap market resources and technological advantages; (ii) lowering the taxes and fees paid by the Company and reducing the investment cost; and (iii) enabling Green Gold to operate in an asset-light mode and ease the pressure of its initial operation. For further details, please refer to the announcement of the Company dated 28 March 2024.

XI. MAJOR CONNECTED TRANSACTIONS (CONTINUED)

8. Supplement to the 2024 Annual Report (Continued)

(3) Transactions with connected financial company

The transactions with the connected financial company as disclosed on page 192 in the 2024 Annual Report were conducted during the year 2024 pursuant to the Financial Services Agreement (2022–2024) entered into between the Company and Angang Financial Company on 26 November 2021. The principal terms of such agreement are set out in the foregoing.

XII. MATERIAL CONTRACTS AND THEIR IMPLEMENTATION

1. Trust, contractual or lease arrangement

(1) Trust arrangement

The Company entered into the Entrusted Management Services of Asset and Business Agreement with Angang Holding as the specific agreement for execution under daily connected party transactions. Pursuant to the Entrusted Management Services of Asset and Business Agreement, Angang Holding entrusts the Company to operate and manage the assets, businesses, additional future assets and businesses of the unlisted units under its control daily.

During the Reporting Period, the Company did not have any entrusted projects that resulted in profit or loss of the Company amounting to more than 10% of the Company's total profit during the Reporting Period.

XII. MATERIAL CONTRACTS AND THEIR IMPLEMENTATION (CONTINUED)

1. Trust, contractual or lease arrangement (Continued)

(2) Contractual arrangement

☐ Applicable ☒ Not applicable

There was no contractual arrangement by the Company during the Reporting Period.

(3) Lease arrangement

☒ Applicable ☐ Not applicable

Lease arrangement explanation:

The Company used certain land assets of Angang Holding and its subsidiaries for its production and operation. Pursuant to the land lease agreements entered into between the Company and relevant parties, the Company paid a land leasehold payment with reference to the market rates to Angang Holding and its subsidiaries, with a total amount of RMB32 million paid in the first half of 2025.

Items that bring profit or loss of more than 10% of the total profit of the Company during the Reporting Period

☐ Applicable ☒ Not applicable

During the Reporting Period, there was no lease which generated profit of more than 10% of the gross profit of the Company.

Significant Matters (Continued)

XII. MATERIAL CONTRACTS AND THEIR IMPLEMENTATION (CONTINUED)

2. Material guarantee

☐ Applicable ☒ Not applicable

During the Reporting Period, there was no material guarantee provided by the Company.

3. Entrusted wealth management

☐ Applicable ☒ Not applicable

During the Reporting Period, the Company did not have entrusted wealth management.

4. Other significant contracts

☐ Applicable ☒ Not applicable

During the Reporting Period, the Company had no other significant contracts.

XIII. EXPLANATION ON OTHER SIGNIFICANT MATTERS

☐ Applicable ☒ Not applicable

XIV. SIGNIFICANT MATTERS OF SUBSIDIARIES OF THE COMPANY

☐ Applicable ☒ Not applicable

Movements in Share Capital and Shareholding of Substantial Shareholders

I. MOVEMENTS IN SHARES

1. Movements in Shares

As at 30 June 2025, the structure of share capital of the Company was as follows:

Unit: Share

	Before the change		Increase/decrease during the period (+/-)					After the change	
	Number	Percentage (%)	Issue of new shares	Bonus shares	Shares transferred from accumulated fund	Others	Sub-total	Number	Percentage (%)
I. Shares subject to trading moratorium	14,613,687	0.16	-	-	-	-14,278,602	-14,278,602	335,085	0.00
1. State-owned shares	-	-	-	-	-	-	-	-	-
2. State-owned legal person shares	-	-	-	-	-	-	-	-	-
3. Other domestic shares	14,613,687	0.16	-	-	-	-14,278,602	-14,278,602	335,085	0.00
Including: shares held by domestic legal persons	-	-	-	-	-	-	-	-	-
Shares held by domestic natural persons	14,613,687	0.16	-	-	-	-14,278,602	-14,278,602	335,085	0.00
4. Foreign investment shares	-	-	-	-	-	-	-	-	-
Including: shares held by overseas legal persons	-	-	-	-	-	-	-	-	-
Shares held by overseas natural persons	-	-	-	-	-	-	-	-	-

Movements in Share Capital and Shareholding of Substantial Shareholders (Continued)

I. MOVEMENTS IN SHARES (CONTINUED)

1. Movements in Shares (Continued)

Unit: Share

	Before the change		Increase/decrease during the period (+/-)					After the change Shares	
	Number	Percentage (%)	Issue of new shares	Bonus shares	Shares transferred from accumulated fund	Others	Sub-total	Number	Percentage (%)
II. Shares not subject to trading moratorium	9,368,787,619	99.84	-	-	-	98,554	98,554	9,368,886,173	100.00
1. Renminbi ordinary shares	7,957,247,619	84.80	-	-	-	98,554	98,554	7,957,346,173	84.93
2. Domestically listed foreign investment shares	-	-	-	-	-	-	-	-	-
3. Overseas listed foreign investment shares	1,411,540,000	15.04	-	-	-	-	-	1,411,540,000	15.07
4. Others	-	-	-	-	-	-	-	-	-
III. Total shares	9,383,401,306	100.00				-14,180,048	-14,180,048	9,369,221,258	100.00

Notes:

(1) Reasons for movement in share capital:

On 28 February 2025, the Company completed the repurchase and cancellation of 14,180,048 restricted shares held by 183 incentive recipients at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. These shares had been granted but were not yet released from transfer restrictions. Additionally, during the Reporting Period, certain directors resigned and former senior executives completed their six-month tenure, resulting in changes to the number of restricted shares held by senior executives. As a result, the shareholding by domestic natural persons in the shares subject to trading moratorium, Renminbi ordinary shares and total number of shares in the shares not subject to trading moratorium have changed.

I. MOVEMENTS IN SHARES (CONTINUED)

1. Movements in Shares (Continued)

Notes: (Continued)

- (2) Approval of movement in share capital:

Pursuant to the 2024 First Extraordinary General Meeting of Shareholders, the 2024 Second Domestic Class Shareholders' Meeting, and the 2024 Second Foreign Class Shareholders' Meeting held on 30 December 2024, the Company considered and approved the Resolution Concerning the Repurchase and Cancellation of Restricted Stock Granted But Unlocked Yet to Certain Incentive Recipients Under the 2020 Restricted Stock Incentive Plan.

- (3) Transfer of movement in share capital:

On 28 February 2025, the Company, at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, completed the repurchase and cancellation of 14,180,048 restricted shares held by 183 incentive recipients. These shares had been granted but were not yet released from the vesting restrictions.

- (4) Progress on the implementation of the share repurchase:

☐ Applicable ☒ Not applicable

I. MOVEMENTS IN SHARES (CONTINUED)

1. Movements in Shares (Continued)

Notes: (Continued)

- (5) Progress on the implementation of reduction in the holding of repurchased shares by way of centralized bidding

☐ Applicable ☒ Not applicable

- (6) Impact of movement in shares on the basic earnings per share, diluted earnings per share and net assets per share attributable to ordinary shareholders of the Company and other financial indicators in the latest year and the latest period

☒ Applicable ☐ Not applicable

In February 2025, the Company's total share capital decreased from 9,383,401,306 shares to 9,369,221,258 shares. Based on the diluted calculation using the new share capital of 9,369,221,258 shares, the earnings per share for 2024 amounted to RMB-0.760 per share, while the net assets per share attributable to the ordinary shareholders of the Company stood at RMB5.09. The share variation had no material impact on the aforementioned financial indicators.

- (7) Other information considered necessary by the Company or required by securities regulators that should be disclosed

☐ Applicable ☒ Not applicable

Movements in Share Capital and Shareholding of Substantial Shareholders (Continued)

I. MOVEMENTS IN SHARES (CONTINUED)

2. Changes in shares subject to trading moratorium

Unit: share

Name of shareholder	Shares subject to trading moratorium at the beginning of the period	Increase in shares subject to trading moratorium during the period	Decrease in shares subject to trading moratorium during the period	Shares subject to trading moratorium at the end of the period	Reason for the trading moratorium	Date of release of the trading moratorium
Wang Baojun	133,414	44,471	90,270	87,615	The Company repurchased and canceled certain restricted shares that had been granted but not yet released from restrictions under the 2020 Restricted Stock Incentive Plan (Draft), and imposed a 100% lock-up on shares held by directors after their departure	-
Tian Yong	150,750	-	102,000	48,750	The Company repurchased and canceled certain restricted shares that had been granted but not yet released from restrictions under the 2020 Restricted Stock Incentive Plan (Draft), and 75% of shares held were locked after resignation for 6 months and the original term has not yet expired	-
Yang Xu	30,975	5,475	-	36,450	75% of shares held were locked after resignation for 6 months and the original term has not yet expired	-
Other incentive participants of restricted shares	13,987,778	-	13,987,778	0	The Company repurchased and canceled certain restricted shares that had been granted but not yet released from restrictions under the 2020 Restricted Stock Incentive Plan (Draft)	-
Total	14,302,917	49,946	14,180,048	172,815	-	-

Movements in Share Capital and Shareholding of Substantial Shareholders (Continued)

II. ISSUANCE AND LISTING OF SECURITIES

☐ Applicable ☒ Not applicable

III. NUMBER OF SHAREHOLDERS AND DETAILS OF SHAREHOLDING OF THE COMPANY

Unit: share

The total number of ordinary shareholders of the Company as at the end of the Reporting Period 96,104, of which 437 were holders of H shares Total number of preferred shareholders with voting rights resumed at the end of the reporting period (if any) None

Details of shareholders holding more than 5% of ordinary shares or top ten shareholders holding ordinary shares

Name of shareholder	Nature of shareholder	Percentage of shareholding	Number of ordinary shares held as at the end of the Reporting Period	Increase/decrease during the Reporting Period	Number of ordinary shares held subject to trading moratorium	Number of ordinary shares held not subject to trading moratorium	Pledged, tagged or frozen Status of shares	Number
Anshan Iron and Steel Group Co., Ltd.	State-owned legal person	53.86%	5,046,359,101	30,247,572	0	5,046,359,101	-	-
HKSCC (Nominees) Limited	Overseas legal person	14.95%	1,400,601,259	1,338,173	0	1,400,601,259	-	-
China National Petroleum Corporation	State-owned legal person	9.02%	845,000,000	0	0	845,000,000	-	-
Central Huijin Asset Management Ltd.	State-owned legal person	0.89%	83,650,620	0	0	83,650,620	-	-
Power Construction Corporation of China	State-owned legal person	0.60%	56,550,580	0	0	56,550,580	-	-
National Social Security Fund 118 Portfolio (全國社保基金一一八組合)	Others	0.56%	52,827,500	-4,932,450	0	52,827,500	-	-

Movements in Share Capital and Shareholding of Substantial Shareholders (Continued)

III. NUMBER OF SHAREHOLDERS AND DETAILS OF SHAREHOLDING OF THE COMPANY (CONTINUED)

Details of shareholders holding more than 5% of ordinary shares or top ten shareholders holding ordinary shares (Continued)

Name of shareholder	Nature of shareholder	Percentage of shareholding	Number of ordinary shares held as at the end of the Reporting Period	Increase/decrease during the Reporting Period	Number of ordinary shares held subject to trading moratorium	Number of ordinary shares held not subject to trading moratorium	Pledged, tagged or frozen Status of shares	Number
Hong Kong Securities Clearing Company Limited	Overseas legal person	0.56%	52,675,133	-103,894	0	52,675,133	-	-
Agricultural Bank of China Limited – CSI 500 Exchange-traded and Open-ended Index Securities Investment Fund (中證500交易型開放式指數證券投資基金)	Others	0.38%	35,781,048	1,878,100	0	35,781,048	-	-
Hebei Jianzhi Casting Group Ltd.	Domestic general legal person	0.21%	19,350,000	2,200,000	0	19,350,000	-	-
Cong Zhonghong	Domestic natural person	0.14%	12,927,000	0	0	12,927,000	-	-
Description of strategic investors or general legal persons who became top 10 ordinary shareholders due to placement of new shares (if any)		-						
Explanations on the connected relationship or concerted action among the shareholders mentioned above			The Company is not aware of any connected relationship among the above-mentioned shareholders of the Company or any party acting in concert as provided in the Procedures for the Administration of Information Disclosure for Changes in Shareholdings of the Shareholders of Listed Companies.					
Description of the above shareholders involved in entrustment/entrusted voting rights and waiver of voting rights		-						
Special explanations on the special repurchase account among the top 10 shareholders (if any)		-						

III. NUMBER OF SHAREHOLDERS AND DETAILS OF SHAREHOLDING OF THE COMPANY (CONTINUED)

Top ten shareholders holding ordinary shares not subject to trading moratorium

Name of shareholder	Number of ordinary shares held not subject to trading moratorium as at the end of the Reporting Period	Type of shares	
		Type of shares	Number
Anshan Iron and Steel Group Co., Ltd.	5,046,359,101	Renminbi ordinary shares	5,046,359,101
HKSCC (Nominees) Limited	1,400,601,259	Overseas listed foreign shares	1,400,601,259
China National Petroleum Corporation	845,000,000	Renminbi ordinary shares	845,000,000
Central Huijin Asset Management Ltd.	83,650,620	Renminbi ordinary shares	83,650,620
Power Construction Corporation of China	56,550,580	Renminbi ordinary shares	56,550,580
National Social Security Fund 118 Portfolio (全國社保基金一一八組合)	52,827,500	Renminbi ordinary shares	52,827,500
Hong Kong Securities Clearing Company Limited	52,675,133	Renminbi ordinary shares	52,675,133
Agricultural Bank of China Limited – CSI 500 Exchange-traded and Open-ended Index Securities Investment Fund (中證500交易型開放式指數證券投資基金)	35,781,048	Renminbi ordinary shares	35,781,048
Hebei Jianzhi Casting Group Ltd.	19,350,000	Renminbi ordinary shares	19,350,000
Cong Zhonghong	12,927,000	Renminbi ordinary shares	12,927,000

III. NUMBER OF SHAREHOLDERS AND DETAILS OF SHAREHOLDING OF THE COMPANY (CONTINUED)

Top ten shareholders holding ordinary shares not subject to trading moratorium (Continued)

Name of shareholder	Number of ordinary shares held not subject to trading moratorium as at the end of the Reporting Period	Type of shares	
		Type of shares	Number
Explanations on the connected relationship or concerted action among the top 10 ordinary shareholders not subject to trading moratorium, and the top 10 ordinary shareholders not subject to trading moratorium and the top 10 ordinary shareholders	The Company is not aware of any connected relationship among the above-mentioned shareholders of the Company or any party acting in concert as provided in the Procedures for the Administration of Information Disclosure for Changes in Shareholdings of the Shareholders of Listed Companies.		
Description of top ten shareholders holding ordinary shares to participate in securities margin trading business (if any)	Among the top 10 shareholders, Cong Zhonghong held 12,927,000 shares through an investor credit securities account.		

Details of shareholdings of shareholders with more than 5% of shares, top ten shareholders and top ten shareholders not subject to trading moratorium lent through refinancing

☐ Applicable ☒ Not applicable

Changes in the top ten shareholders and top ten shareholders not subject to trading moratorium due to lending/returning resulting from refinancing as compared with the previous period

☐ Applicable ☒ Not applicable

III. NUMBER OF SHAREHOLDERS AND DETAILS OF SHAREHOLDING OF THE COMPANY (CONTINUED)

Top ten shareholders holding ordinary shares not subject to trading moratorium (Continued)

Have the Company's top ten ordinary shareholders, and top ten ordinary shareholders not subject to trading moratorium, conducted agreed repurchase transactions during the Reporting Period?

☐ Yes ☒ No

The Company's top ten ordinary shareholders, and top ten ordinary shareholders not subject to trading moratorium, have not conducted agreed repurchase transactions during the Reporting Period.

IV. CHANGES IN THE SHARES HELD BY DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Unit: share

Name	Position	Current status of position	No. of shares held at the beginning of the Reporting Period	No. of shares increased in the Reporting Period	No. of shares decreased in the Reporting Period	No. of shares held at the end of the Reporting Period	No. of restricted shares granted at the beginning of the Reporting Period	No. of restricted shares granted in the Reporting Period	No. of restricted shares granted at the end of the Reporting Period
Wang Jun	Chairman and Executive Director	In office	-	-	-	-	-	-	-
Li Jingdong	Executive Director, Deputy General Manager, Chief Accountant, and Secretary to the Board	In office	-	-	-	-	-	-	-
Zhao Zhongmin	Employee Director	In office	-	-	-	-	-	-	-

Movements in Share Capital and Shareholding of Substantial Shareholders (Continued)

IV. CHANGES IN THE SHARES HELD BY DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

Unit: share

Name	Position	Current status of position	No. of				No. of restricted shares		No. of restricted shares granted at the end of the
			shares held at the beginning of the Reporting Period	increased in the Reporting Period	decreased in the Reporting Period	shares held at the end of the Reporting Period	shares granted at the beginning of the Reporting Period	shares granted in the Reporting Period	
Tan Yuhai	Non-executive Director	In office	-	-	-	-	-	-	-
Wang Wanglin	Independent Non-executive Director	In office	-	-	-	-	-	-	-
Zhu Keshi	Independent Non-executive Director	In office	-	-	-	-	-	-	-
Hu Caimei	Independent Non-executive Director	In office	-	-	-	-	-	-	-
Liu Chaojian	Independent Non-executive Director	In office	-	-	-	-	-	-	-
Zhang Hua	Deputy General Manager	In office	-	-	-	-	-	-	-
He Tianqing	Deputy General Manager	In office	102,000	-	102,000 ^{Note 2}	0	102,000	-102,000 ^{Note 2}	0
Yu Haolan	Deputy General Manager	In office	-	-	-	-	-	-	-
Zhang Hongjun	Executive Director, General Manager	Resigned	132,000	-	-	132,000	-	-	-
Wang Baojun	Executive Director, Deputy General Manager, Chief Accountant, and Secretary to the Board	Resigned	177,885	-	90,270 ^{Note 2}	87,615	90,270	-90,270 ^{Note 2}	0
Deng Qiang	Executive Director, Deputy General Manager	Resigned	-	-	-	-	-	-	-

Movements in Share Capital and Shareholding of Substantial Shareholders (Continued)

IV. CHANGES IN THE SHARES HELD BY DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

Unit: share

Name	Position	Current status of position	No. of shares held at the beginning of the Reporting Period	No. of shares increased in the Reporting Period	No. of shares decreased in the Reporting Period	No. of shares held at the end of the Reporting Period	No. of restricted shares granted at the beginning of the Reporting Period	No. of restricted shares granted in the Reporting Period	No. of restricted shares at the end of the Reporting Period
			Reporting Period	Reporting Period	Reporting Period	Reporting Period	Reporting Period	Reporting Period	Reporting Period
Wang Jianhua	Independent Non-executive Director	Resigned	-	-	-	-	-	-	-
Cao Yuhui	Chairman of the Supervisory Committee, Supervisor	Resigned	-	-	-	-	-	-	-
Liu Ming	Supervisor	Resigned	-	-	-	-	-	-	-
Guo Fang	Supervisor	Resigned	-	-	-	-	-	-	-
Total	-	-	411,885	-	192,270 ^{Note 2}	219,615	192,270	-192,270 ^{Note 2}	0

Notes:

1. All the shares held by the persons above were A shares of the Company and were held by them in their capacity as individual beneficial owners.
2. On 28 February 2025, the Company, at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, completed the repurchase and cancellation certain restricted shares held by incentive recipients. These shares had been granted but were not yet subject to the vesting restrictions.

IV. CHANGES IN THE SHARES HELD BY DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company Held by Directors, Supervisors and Senior Management

Save as disclosed above, as at 30 June 2025, none of the Directors, Supervisors and senior management of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong) which were recorded in the register required to be kept under Section 352 of the Securities and Futures Ordinance of Hong Kong, or which were otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 of the Listing Rules of Hong Kong Exchange.

V. CHANGE TO CONTROLLING SHAREHOLDER OR DE FACTO CONTROLLER

☐ Applicable ☒ Not applicable

During the Reporting Period, there was no change to the controlling shareholder or the de facto controller of the Company.

VI. INFORMATION ON PREFERENCE SHARES

☐ Applicable ☒ Not applicable

During the Reporting Period, the Company has no preference shares.

VII. SUBSTANTIAL SHAREHOLDERS AND OTHER PARTIES' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

Save as disclosed below, as at 30 June 2025, no parties (other than Directors, Supervisors and senior management of the Company) had any interest or short position in the shares and underlying shares of the Company which were recorded in the register required to be kept under Section 336 of the Securities and Futures Ordinance of Hong Kong:

Interests in ordinary shares of the Company as at the end of the Reporting Period

Name of shareholder	Number and class of shares held	Percentage of total share capital	Percentage of total H shares in issue	Percentage of total domestic shares in issue	Capacity
Angang Group Co., Ltd.	5,046,359,101 (L) A Share	53.86% (L)	–	63.41%(L)	Interests of controlled corporation
Anshan Iron and Steel Group Co., Ltd.	5,046,359,101 (L) A Share	53.86% (L)	–	63.41%(L)	Beneficial owner
China National Petroleum Corporation	845,000,000 (L) A Share	9.02% (L)	–	10.62%(L)	Beneficial owner
Brown Brothers Harriman & Co.	70,378,604 (L) 70,378,604 (P) H Shares	0.75% (L) 0.75% (P)	4.99% (L) 4.99% (P)	–	Approved lending agent

(L) – a long position, (S) – a short position, and (P) – a lending pool

Relevant Information on Bonds

I. COMPANY BONDS

☐ Applicable ☒ Not applicable

During the Reporting Period, the Company did not have company bonds.

II. CORPORATE BONDS

☐ Applicable ☒ Not applicable

During the Reporting Period, the Company did not have corporate bonds.

III. NON-FINANCIAL ENTERPRISE DEBT FINANCING INSTRUMENTS

☒ Applicable ☐ Not applicable

1. Basic information of non-financial enterprise debt financing instruments

Unit: RMB million

Bond name	Bond abbreviation	Bond code	Issue date	Value date	Maturity date	Bond balance	Interest rate	Way of principal and interest repayment	Trading place
First Issuance of Green Medium-term Notes of Ansteel in 2022	22Angang Steel GN001	132280095	26 September 2022	28 September 2022	28 September 2025	300	2.85%	Principal paid in lump sum at maturity, interest paid once every year	Interbank bond
Investor eligibility arrangement (if any)		-							
Applicable trading mechanism		-							
Risk of termination of listing and trading (if any) and countermeasures		-							

Relevant Information on Bonds (Continued)

III. NON-FINANCIAL ENTERPRISE DEBT FINANCING INSTRUMENTS (CONTINUED)

1. Basic information of non-financial enterprise debt financing instruments (Continued)

Overdue bonds

☐ Applicable ☒ Not applicable

2. Triggering of terms on the issuer's or investor's right to choose and investor protection and enforcement

☐ Applicable ☒ Not applicable

3. Credit rating result adjustments during the Reporting Period

☐ Applicable ☒ Not applicable

4. Implementation and change of guarantees, debt repayment plans and other debt repayment guarantee measures during the Reporting Period and their impact on the rights and interests of bond investors

☐ Applicable ☒ Not applicable

IV. CONVERTIBLE DEBENTURES

☐ Applicable ☒ Not applicable

During the Reporting Period, the Company did not have convertible debentures.

V. LOSSES IN THE SCOPE OF CONSOLIDATED STATEMENTS DURING THE REPORTING PERIOD EXCEEDING 10% OF NETS ASSETS AS AT THE END OF THE PREVIOUS YEAR

☐ Applicable ☒ Not applicable

Relevant Information on Bonds (Continued)

VI. PRINCIPAL ACCOUNTING FIGURES AND FINANCIAL INDICATORS OF THE COMPANY FOR THE PAST TWO YEARS AS AT THE END OF THE REPORTING PERIOD

Unit: RMB million

Item	As at the end of the Reporting Period	As at the end of the previous year	Increase/decrease at the end of the Reporting Period as compared with the end of the previous year
Current ratio	0.59	0.72	-18.06%
Gearing ratio	51.59%	51.61%	Decreased by 0.02 percentage point
Quick ratio	0.28	0.34	-17.65%

	During the Reporting Period	Corresponding period of the previous year	Increase/decrease for the Reporting Period as compared with the corresponding period of the previous year
Net profit attributable to the shareholders of the Company after deduction of non-recurring gains or losses items	-1,231	-2,670	53.90%
EBITDA to total debts ratio	2.51%	-1.05%	Increased by 3.56 percentage points
Interest coverage ratio	-4.79	-18.35	73.90%
Cash interest coverage ratio	3.31	5.03	-34.19%
EBITDA interest coverage ratio	6.90	-3.38	304.14%
Loan payment ratio	100%	100%	—
Interest payment ratio	100%	100%	—

Financial Report

I. AUDITOR'S REPORT

Whether the interim report has been audited

☐ Yes

☒ No

The interim financial report of the Company is unaudited.

II. FINANCIAL STATEMENTS

Financial Report (Continued)

Consolidated Balance Sheet

As at 30 June, 2025 Prepared by: Angang Steel Company Limited Monetary unit: RMB million

Item	Notes	30 June 2025	31 December 2024
Current assets :			
Cash and cash equivalents	VI.1	3,134	4,544
Trading financial assets	VI.2	16	15
Derivative financial assets	VI.3	4	
Notes receivable	VI.4	235	55
Accounts receivable	VI.5	2,711	2,952
Receivables financing	VI.6	1,809	918
Prepayments	VI.7	2,794	3,189
Other receivables	VI.8	104	66
Including: Interests receivable			
Dividends receivable	VI.8	1	
Inventories	VI.9	13,853	14,769
Other current assets	VI.10	1,940	1,742
Total current assets		26,600	28,250
Non-current assets:			
Long-term equity investments	VI.11	3,804	3,840
Other equity instrument investments	VI.12	696	690
Other non-current financial assets	VI.13	120	104
Fixed assets	VI.14	52,714	51,842
Construction in progress	VI.15	4,806	5,802
Right-of-use assets	VI.16	94	123
Intangible assets	VI.17	6,531	6,710
Deferred income tax assets	VI.18	2,289	2,296
Other non-current assets	VI.19	767	921
Total non-current assets		71,821	72,328
Total assets		98,421	100,578
Current liabilities:			
Short-term loans	VI.21	7,749	1,174
Derivative financial liabilities	VI.22	22	1
Notes payable	VI.23	17,609	17,957
Accounts payable	VI.24	6,904	8,281
Contract liabilities	VI.25	4,917	4,557
Staff remuneration payable	VI.26	199	97
Tax payable	VI.27	182	144
Other payables	VI.28	5,797	6,066
Including: Interests payable			
Dividends payable	VI.28	1	1
Non-current liabilities due within 1 year	VI.29	1,574	700
Other current liabilities	VI.30	483	462
Total current liabilities		45,436	39,439

Financial Report (Continued)

Consolidated Balance Sheet (Continued)

As at 30 June, 2025 Prepared by: Angang Steel Company Limited Monetary unit: RMB million

Item	Notes	30 June 2025	31 December 2024
Non-current liabilities:			
Long-term loans	VI.31	3,880	10,991
Bonds payable	VI.32		
Lease liability	VI.33	98	125
Long-term payables	VI.34	367	367
Long-term employee benefits payable	VI.35	50	50
Deferred income	VI.36	853	844
Deferred income tax liabilities	VI.18	92	91
Total non-current liabilities		5,340	12,468
Total liabilities		50,776	51,907
Shareholders' equity:			
Share capital	VI.37	9,369	9,383
Capital reserve	VI.38	33,907	33,920
Less: Treasury shares	VI.39		27
Other comprehensive income	VI.40	223	215
Special reserve	VI.41	119	52
Surplus reserve	VI.42	4,457	4,457
Retained earnings	VI.43	(1,465)	(321)
Subtotal of Shareholders' equity attributable to shareholders of parent company		46,610	47,679
Minority interests		1,035	992
Total shareholders' equity		47,645	48,671
Total liabilities and shareholders' equity		98,421	100,578

Legal representative :
Wang Jun

Financial controller :
Li Jingdong

Person in charge of
accounting department :
Ma Li

Financial Report (Continued)

Consolidated Income Statement

For the six months ended 30 June 2025 Prepared by: Angang Steel Company Limited Monetary unit: RMB million

Item	Notes	January to June 2025	January to June 2024
I. Total operating revenue		48,599	55,449
Including: Operating revenue	VI.44	48,599	55,449
II. Total operating cost		49,956	58,177
Including: Operating cost	VI.44	48,283	56,533
Taxes and surcharges	VI.45	527	418
Selling expenses	VI.46	231	267
Administrative expenses	VI.47	486	648
Research and development expenses	VI.48	259	191
Finance expenses	VI.49	170	120
Including: Interest expenses	VI.49	182	127
Interest income	VI.49	26	26
Add: Other incomes	VI.50	146	65
Investment income (Loss is listed with "-")	VI.51	218	253
Including: Investment incomes in associates and joint ventures	VI.51	234	256
Gain from fair-value changes (Loss is listed with "-")	VI.52	(12)	34
Credit impairment losses (Loss is listed with "-")	VI.53		(3)
Impairment on assets (Loss is listed with "-")	VI.54	(81)	(205)
Gains on disposal of assets (Loss is listed with "-")	VI.55		35
III. Operating profit (Loss is listed with "-")		(1,086)	(2,549)
Add: Non-operating income	VI.56	21	7
Less: Non-operating expenses	VI.57	4	81
IV. Profit before tax (Loss is listed with "-")		(1,069)	(2,623)
Less: Income tax expenses	VI.58	45	50
V. Net profit (Loss is listed with "-")		(1,114)	(2,673)
(I) Classification of business operation			
1. Continuous operation profit (Loss is listed with "-")		(1,114)	(2,673)
2. Termination of business operating profit (Loss is listed with "-")			
(II) Classification of ownership			
1. Net income attributable to the Company owners		(1,144)	(2,689)
2. Net income attributable to minority shareholders		30	16

Financial Report (Continued)

Consolidated Income Statement (Continued)

For the six months ended 30 June 2025 Prepared by: Angang Steel Company Limited Monetary unit: RMB million

Item	Notes	January to June 2025	January to June 2024
VI. Other comprehensive income after tax	VI.59	8	16
Other comprehensive income after tax attributable to parent company owners	VI.59	8	16
(I) Other comprehensive income which cannot be reclassified subsequently to profit or loss	VI.59	8	16
1. Net gain on other equity instruments at fair value through other comprehensive income	VI.59	5	15
2. The shares of the other comprehensive income which cannot be reclassified in profit or loss of the invested company in equity method	VI.59	3	1
(II) Other comprehensive income which will be reclassified subsequently to profit or loss			
1. The shares of the other comprehensive income which can be reclassified in profit or loss of the invested company in equity method			
Other comprehensive income after tax attributable to minority shareholders			
VII. Total comprehensive income		(1,106)	(2,657)
Total comprehensive income attributed to the Company owners		(1,136)	(2,673)
Total comprehensive income attributable to minority shareholders		30	16
VIII. Earnings per share			
(I) Basic earnings per share (RMB/share)	XX.2	(0.122)	(0.287)
(II) Diluted earnings per share (RMB/share)	XX.2	(0.122)	(0.287)

Legal representative :

Wang Jun

Financial controller :

Li Jingdong

Person in charge of
accounting department :

Ma Li

Financial Report (Continued)

Consolidated Cash Flow Statement

For the six months ended 30 June 2025 Prepared by: Angang Steel Company Limited Monetary unit: RMB million

Item	Notes	January to June 2025	January to June 2024
I. Cash Flows from Operating Activities:			
Cash received from sales and services		49,446	50,465
Taxes and surcharges refunds		6	49
Other cash receipts related to operating activities	VI.60	249	213
Sub-total of cash inflows from operating activities		49,701	50,727
Cash payments for goods purchased and services received		45,815	46,753
Cash payments to and on behalf of employees		1,882	2,070
Payments of taxes and surcharges		784	561
Other cash payments relating to operating activities	VI.60	815	771
Sub-total of cash outflows from operating activities		49,296	50,155
Net Cash Flows from Operating Activities	VI.61	405	572
II. Cash Flows from Investing Activities:			
Cash receipts from disposals and returns of investments			
Cash receipts from returns on investments		462	310
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets			13
Other cash receipts relating to investing activities	VI.60	1,007	60
Sub-total of cash inflows from investing activities		1,469	383
Cash payments to acquire and construct fixed assets, intangible assets and other long-term assets		1,614	1,449
Cash payments to acquire investments		212	
Other cash payments relating to investing activities	VI.60	1,579	146
Sub-total of cash outflows from investing activities		3,405	1,595
Net Cash Flows from Investing Activities		(1,936)	(1,212)

Financial Report (Continued)

Consolidated Cash Flow Statement (Continued)

For the six months ended 30 June 2025 Prepared by: Angang Steel Company Limited Monetary unit: RMB million

Item	Notes	January to June 2025	January to June 2024
III. Cash Flows from Financing Activities:			
Cash received from investments		10	72
Including: cash receipts from minorities making investment in subsidiaries		10	72
Cash receipts from borrowings		12,744	5,005
Other cash receipts relating to financing activities			
Sub-total of cash inflows from financing activities		12,754	5,077
Cash repayments of amounts borrowed		12,410	4,537
Cash payments for distribution of dividends or profit or interest expenses		151	108
Including: payments for distribution of dividends or profit to minorities of subsidiaries			
Other cash payments relating to financing activities	VI.60	72	56
Sub-total of cash outflows from financing activities		12,633	4,701
Net Cash Flows from Financing Activities		121	376
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents			
V. Net Increase in Cash and Cash Equivalents	VI.61	(1,410)	(264)
Add: Opening balance of Cash and Cash Equivalents	VI.61	4,544	3,319
VI. Closing Balance of Cash and Cash Equivalents	VI.61	3,134	3,055

Legal representative :
Wang Jun

Financial controller :
Li Jingdong

Person in charge of
accounting department :
Ma Li

Financial Report (Continued)

Consolidated Statement of Changes in Shareholders' Equity

As at 30 June, 2025 Prepared by: Angang Steel Company Limited Monetary unit: RMB million

Item	January to June 2025									Total Shareholders' equity
	Share Capital	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained earnings	Minority interests	
I. Balance at the end of prior year	9,383	33,920	27	215	52	4,457		(321)	992	48,671
Add: Changes in accounting policies										
Merger of enterprises under the same control										
Others										
II. Balance at the beginning of current year	9,383	33,920	27	215	52	4,457		(321)	992	48,671
III. Current period increase (or less: decrease)	(14)	(13)	(27)	8	67			(1,144)	43	(1,026)
(I) Total comprehensive income				8				(1,144)	30	(1,106)
(II) Capital contributed or withdrew by owners	(14)	(13)	(27)						10	10
1. Ordinary shares contributed by owners	(14)	(13)	(27)						10	10
2. Amount of share-based payment included										
3. Others										
(III) Profit Distribution										
1. Withdrawal surplus reserves										
2. Distribution to shareholders										
3. Others										
(IV) Internal carryforward of shareholders' equity										
1. Transfer of capital reserve to capital										
2. Transfer of surplus reserve to capital										
3. Surplus reserve to cover losses										
4. Other comprehensive income carried forward to retained earnings										
5. Others										
(V) Special Reserve					67				3	70
1. Current withdrawal					100				4	104
2. Current use					(33)				(1)	(34)
IV. Balance as at 30 June, 2025	9,369	33,907		223	119	4,457		(1,465)	1,035	47,645

Legal representative :
Wang Jun

Financial controller :
Li Jingdong

Person in charge of
accounting department :
Ma Li

Financial Report (Continued)

Consolidated Statement of Changes in Shareholders' Equity (Continued)

As at 30 June, 2025 Prepared by: Angang Steel Company Limited Monetary unit: RMB million

Item	Year 2024								Total Shareholders' equity
	Share Capital	Capital reserve	Less: treasury shares	Equity attributable to parent company Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained earnings	
I. Balance at the end of prior year	9,384	33,906	32	176	69	4,457		6,801	55,605
Add: Changes in accounting policies									
Merger of enterprises under the same control									
Others									
II. Balance at the beginning of current year	9,384	33,906	32	176	69	4,457		6,801	55,605
III. Current period increase (or less: decrease)	(1)	14	(5)	39	(17)			(7,122)	(6,934)
(I) Total comprehensive income				39				(7,122)	(7,055)
(II) Capital contributed or withdrew by owners	(1)	14	(5)						158
1. Ordinary shares contributed by owners	(1)		(5)						76
2. Amount of share-based payment included									
3. Others		14							82
(III) Profit Distribution									(20)
1. Withdrawal surplus reserves									(20)
2. Distribution to shareholders									(20)
3. Others									
(IV) Internal carryforward of shareholders' equity									
1. Transfer of capital reserve to capital									
2. Transfer of surplus reserve to capital									
3. Surplus reserve to cover losses									
4. Other comprehensive income carried forward to retained earnings									
5. Others									
(V) Special Reserve					(17)				(17)
1. Current withdrawal					172				177
2. Current use					(189)				(194)
IV. Balance as at 31 December, 2024	9,383	33,920	27	215	52	4,457		(321)	48,671

Legal representative :

Wang Jun

Financial controller :

Li Jingdong

Person in charge of
accounting department :

Ma Li

Financial Report (Continued)

Balance Sheet

As at 30 June, 2025 Prepared by: Angang Steel Company Limited Monetary unit: RMB million

Item	Notes	30 June 2025	31 December 2024
Current assets:			
Cash and cash equivalents		1,578	2,293
Trading financial assets		16	15
Derivative financial assets		4	
Notes receivable		138	50
Accounts receivable	XVII.1	3,444	2,716
Receivables financing		1,388	674
Prepayments		2,109	2,566
Other receivables	XVII.2	195	53
Including: Interests receivable			
Dividends receivable	XVII.2	1	
Inventories		10,470	11,645
Other current assets		1,471	1,519
Total current assets		20,813	21,531
Non-current assets:			
Long-term equity investments	XVII.3	14,252	14,346
Other equity instrument investments		696	690
Other non-current financial assets		120	104
Fixed assets		44,393	43,864
Construction in progress		4,493	5,030
Right-of-use assets		91	122
Intangible assets		5,659	5,828
Deferred income tax assets		2,195	2,203
Other non-current assets		752	907
Total non-current assets		72,651	73,094
Total assets		93,464	94,625
Current liabilities:			
Short-term loans		7,649	710
Derivative financial liabilities		22	1
Notes payable		16,401	17,230
Accounts payable		5,069	6,656
Contract liabilities		4,850	4,297
Staff remuneration payable		177	87
Tax payable		114	97
Other payables		6,584	6,673
Including: Interests payable			
Dividends payable			
Non-current liabilities due within 1 year		1,574	700
Other current liabilities		150	131
Total current liabilities		42,590	36,582

Financial Report (Continued)

Balance Sheet (Continued)

As at 30 June, 2025 Prepared by: Angang Steel Company Limited Monetary unit: RMB million

Item	Notes	30 June 2025	31 December 2024
Non-current liabilities:			
Long-term loans		3,778	10,862
Bonds payable			
Lease liability		94	124
Long-term payables		367	367
Long-term employee benefits payable		49	49
Deferred income		652	670
Deferred income tax liabilities		88	89
Total non-current liabilities		5,028	12,161
Total liabilities		47,618	48,743
Shareholders' equity:			
Share capital		9,369	9,383
Capital reserve		26,892	26,905
Less: Treasury shares			27
Other comprehensive income		223	215
Special reserve		77	31
Surplus reserve		4,447	4,447
Retained earnings		4,838	4,928
Total shareholders' equity		45,846	45,882
Total liabilities and shareholders' equity		93,464	94,625

Legal representative :
Wang June

Financial controller :
Li Jingdong

Person in charge of
accounting department :
Ma Li

Financial Report (Continued)

Income Statement

For the six months ended 30 June 2025 Prepared by: Angang Steel Company Limited Monetary unit: RMB million

Item	Notes	January to June 2025	January to June 2024
I. Total operating revenue		41,808	46,876
Including: Operating revenue	XVII.4	41,808	46,876
II. Total operating cost		43,041	49,517
Including: Operating cost	XVII.4	41,634	48,041
Taxes and surcharges		423	337
Selling expenses		150	250
Administrative expenses		408	579
Research and development expenses		234	163
Finance expenses		192	147
Including: Interest expenses		188	144
Interest income		14	12
Add: Other incomes		53	33
Investment income (Loss is listed with "-")	XVII.5	1,153	345
Including: Investment incomes in associates and joint ventures	XVII.5	193	234
Gain from fair-value changes (Loss is listed with "-")		(12)	34
Credit impairment losses (Loss is listed with "-")		1	(4)
Impairment on assets (Loss is listed with "-")		(63)	(202)
Gains on disposal of assets (Loss is listed with "-")			35
III. Operating profit (Loss is listed with "-")		(101)	(2,400)
Add: Non-operating income		20	5
Less: Non-operating expenses		3	79
IV. Profit before tax (Loss is listed with "-")		(84)	(2,474)
Less: Income tax expenses		6	5
V. Net profit (Loss is listed with "-")		(90)	(2,479)
(I) Classification of business operation			
1. Continuous operation profit (Loss is listed with "-")		(90)	(2,479)
2. Termination of business operating profit (Loss is listed with "-")			
(II) Classification of ownership			
1. Net income attributable to the Company owners		(90)	(2,479)
2. Net income attributable to minority shareholders			

Financial Report (Continued)

Income Statement (Continued)

For the six months ended 30 June 2025 Prepared by: Angang Steel Company Limited Monetary unit: RMB million

Item	Notes	January to June 2025	January to June 2024
VI. Other comprehensive income after tax		8	16
Other comprehensive income after tax attributable to parent company owners		8	16
(I) Other comprehensive income which cannot be reclassified subsequently to profit or loss		8	16
1. Net gain on other equity instruments at fair value through other comprehensive income		5	15
2. The shares of the other comprehensive income which cannot be reclassified in profit or loss of the invested company in equity method		3	1
(II) Other comprehensive income which will be reclassified subsequently to profit or loss			
1. The shares of the other comprehensive income which can be reclassified in profit or loss of the invested company in equity method			
Other comprehensive income after tax attributable to minority shareholders			
VII. Total comprehensive income		(82)	(2,463)
Total comprehensive income attributed to the Company owners		(82)	(2,463)
Total comprehensive income attributable to minority shareholders			

Legal representative :
Wang June

Financial controller :
Li Jingdong

Person in charge of
accounting department :
Ma Li

Financial Report (Continued)

Cash Flow Statement

For the six months ended 30 June 2025 Prepared by: Angang Steel Company Limited Monetary unit: RMB million

Item	Notes	January to June 2025	January to June 2024
I. Cash Flows from Operating Activities:			
Cash received from sales and services		42,665	43,674
Taxes and surcharges refunds			28
Other cash receipts related to operating activities		137	186
Sub-total of cash inflows from operating activities		42,802	43,888
Cash payments for goods purchased and services received		40,665	40,250
Cash payments to and on behalf of employees		1,591	1,744
Payments of taxes and surcharges		507	408
Other cash payments relating to operating activities		686	649
Sub-total of cash outflows from operating activities		43,449	43,051
Net Cash Flows from Operating Activities		(647)	837
II. Cash Flows from Investing Activities:			
Cash receipts from disposals and returns of investments			
Cash receipts from returns on investments		1,436	423
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets			18
Other cash receipts relating to investing activities		994	47
Sub-total of cash inflows from investing activities		2,430	488
Cash payments to acquire and construct fixed assets, intangible assets and other long-term assets		1,438	1,289
Cash payments to acquire investments		173	104
Other cash payments relating to investing activities		1,379	145
Sub-total of cash outflows from investing activities		2,990	1,538
Net Cash Flows from Investing Activities		(560)	(1,050)

Financial Report (Continued)

Cash Flow Statement (Continued)

For the six months ended 30 June 2025 Prepared by: Angang Steel Company Limited Monetary unit: RMB million

Item	Notes	January to June 2025	January to June 2024
III. Cash Flows from Financing Activities:			
Cash received from investments			
Cash receipts from borrowings		13,392	5,080
Other cash receipts relating to financing activities			70
Sub-total of cash inflows from financing activities		13,392	5,150
Cash repayments of amounts borrowed		12,546	4,402
Cash payments for distribution of dividends or profit or interest expenses		162	128
Including: payments for distribution of dividends or profit to minorities of subsidiaries			
Other cash payments relating to financing activities		192	55
Sub-total of cash outflows from financing activities		12,900	4,585
Net Cash Flows from Financing Activities		492	565
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents			
V. Net Increase in Cash and Cash Equivalents		(715)	352
Add: Opening balance of Cash and Cash Equivalents		2,293	1,259
VI. Closing Balance of Cash and Cash Equivalents		1,578	1,611

Legal representative:
Wang Jun

Financial controller:
Li Jingdong

Person in charge of
accounting department:
Ma Li

Financial Report (Continued)

Statement of Changes in Shareholders' Equity

As at 30 June, 2025 Prepared by: Angang Steel Company Limited Monetary unit: RMB million

Item	January to June 2025									Total Shareholders' equity
	Share Capital	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained earnings	Minority interests	
I. Balance at the end of prior year Add: Changes in accounting policies Others	9,383	26,905	27	215	31	4,447		4,928		45,882
II. Balance at the beginning of current year	9,383	26,905	27	215	31	4,447		4,928		45,882
III. Current period increase (or less: decrease)	(14)	(13)	(27)	8	46			(90)		(36)
(I) Total comprehensive income				8				(90)		(82)
(II) Capital contributed or withdrew by owners	(14)	(13)	(27)							
1. Ordinary shares contributed by owners	(14)	(13)	(27)							
2. Amount of share-based payment included										
3. Others										
(III) Profit Distribution										
1. Withdrawal surplus reserves										
2. Distribution to shareholders										
3. Others										
(IV) Internal carryforward of shareholders' equity										
1. Transfer of capital reserve to capital										
2. Transfer of surplus reserve to capital										
3. Surplus reserve to cover losses										
4. Other comprehensive income carried forward to retained earnings										
5. Others										
(V) Special Reserve					46					46
1. Current withdrawal					69					69
2. Current use					(23)					(23)
IV. Balance as at 30 June, 2024	9,369	26,892		223	77	4,447		4,838		45,846

Legal representative :
Wang Jun

Financial controller :
Li Jingdong

*Person in charge of
accounting department :*
Ma Li

Financial Report (Continued)

Statement of Changes in Shareholders' Equity (Continued)

As at 30 June, 2025 Prepared by: Angang Steel Company Limited Monetary unit: RMB million

Item	Year 2024									
	Share Capital	Capital reserve	Less: treasury shares	Equity attributable to parent company Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained earnings	Minority interests	Total Shareholders' equity
I. Balance at the end of prior year Add: Changes in accounting policies Others	9,384	26,895	32	176	38	4,447		11,422		52,330
II. Balance at the beginning of current year	9,384	26,895	32	176	38	4,447		11,422		52,330
III. Current period increase (or less: decrease)	(1)	10	(5)	39	(7)			(6,494)		(6,448)
(I) Total comprehensive income				39				(6,494)		(6,455)
(II) Capital contributed or withdrew by owners	(1)	10	(5)							14
1. Ordinary shares contributed by owners	(1)		(5)							4
2. Amount of share-based payment included										
3. Others		10								10
(III) Profit Distribution										
1. Withdrawal surplus reserves										
2. Distribution to shareholders										
3. Others										
(IV) Internal carryforward of shareholders' equity										
1. Transfer of capital reserve to capital										
2. Transfer of surplus reserve to capital										
3. Surplus reserve to cover losses										
4. Other comprehensive income carried forward to retained earnings										
5. Others										
(V) Special Reserve					(7)					(7)
1. Current withdrawal					130					130
2. Current use					(137)					(137)
IV. Balance as at 31 December, 2023	9,383	26,905	27	215	31	4,447		4,928		45,882

Legal representative :
Wang Jun

Financial controller :
Li Jingdong

Person in charge of
accounting department :
Ma Li

Financial Report (Continued)

Notes to the Financial Statements

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

I. CORPORATE PROFILE

Angang steel company limited (Hereinafter referred to as “the company”) is a joint stock limited company established on 8 May 1997 · Currently headquartered in Anshan Iron and Steel Factory, Tiexi District, Anshan City, Liaoning Province, China.

This financial statement was approved and presented by the board of directors of the company on August 26, 2025.

As of the end of this period, the subsidiary companies included in the consolidation scope of the company are detailed in Note VIII “Interests in other entities”.

The main business of our company and its subsidiaries (hereinafter referred to as “the Group”) is ferrous metal smelting and steel rolling processing.

II. PREPARATION BASIS OF THE FINANCIAL STATEMENTS

The Group has evaluated the continuous operations ability for the 6 months from June 30, 2025, and has not found any matters or circumstances that have significant doubts about the continuous operations ability. Therefore, the financial statements are prepared on the assumption of going concern principle.

In addition, the Group has prepared this report based on the actual transactions and events and in accordance with the Basic Standard and 42 specific standards of the Accounting Standards for Business Enterprises (Ministry of Finance issued No. 33, the Ministry of Finance to amend No. 76) issued by the Ministry of Finance on 15 February 2006, and the Application Guidance for Accounting Standards for Business Enterprises, Interpretations of Accounting Standards for Business Enterprises and other relevant regulations issued thereafter (hereafter collectively referred to as the “CAS”) and the disclosure requirements regulation in the Preparation Convention of Information Disclosure of information of public listed companies, No. 15–General Requirements on Financial Reports revised by the China Securities Regulatory Commission 2023, Preparation of applicable disclosure provisions for the Listing Rules.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

II. PREPARATION BASIS OF THE FINANCIAL STATEMENTS (CONTINUED)

According to the relevant provisions of Accounting Standards, the Group adopted an accrual accounting basis. Except for certain financial instruments, the financial statements are reported at historical cost. If assets are impaired, relevant provisions are made in accordance with relevant standards.

III. STATEMENTS ON COMPLIANCE WITH THE ENTERPRISE ACCOUNTING STANDARDS

The financial statements prepared by the Group comply with the requirements of Accounting Standards for Business enterprises and give a true and complete picture of the Group's financial position as at 30 June 2025 and its operating results and cash flows for January-June 2025. In addition, these financial statements also comply with, in all material respects, the disclosure requirements of "Regulation on disclosure of information of public listed companies, No. 15: General Requirements for Financial Reports", revised by the China Securities Regulatory Commission (CSRC) in 2023, the relevant disclosure provisions of the Listing Rules, and the applicable disclosure provisions under the Hong Kong Companies Ordinance.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

As for the statements of significant accounting judgments and estimates made by the management, please refer to Note IV.28 "Significant accounting judgments and estimates".

1. Accounting period

The Group's fiscal year is the calendar year that starts from January 1 and December 31.

2. Operating cycle

The normal operating cycle refers to the period from purchasing the assets for processing to realize the cash and cash equivalents. The operating cycle consists of 12 months which is the standard of the classification for the liquidity of the assets and liabilities.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

3. Recording currency

The recording currency is the prevailing currency of the primary economic environment in which business of the Group operated. RMB is chosen as its recording currency by the group and the financial statements of the Group are presented in RMB.

4. Accounting treatment of business combinations

Business combination refers to a transaction or event bringing together two or more separate entities into one. Business combinations are classified into the business combinations under common control and not under common control.

(1) The business combinations under common control

A business combination under common control is a business combination in which all of the combined entities are ultimately controlled by the same party or the same parties both before and after the business combination and on (in) which the control is not temporary. In a business combination under common control, the party which obtains control power over the other combined entity on the combining date is the acquirer and the other combined entity is the acquiree. The acquisition date refers to the date on which the combining party actually obtains control power over the combined party.

The assets and liabilities that the combining party obtained in a business combination are measured on the basis of their carrying value in the combined party on the combining date. The difference between the carrying value of the net assets obtained from the combination and the carrying amount of the consideration paid (or the total par value of the shares issued) for the combination is treated as an adjustment to capital reserve (share premium). If the capital reserve (share premium) is not sufficient to cover the difference, the rest shall be deducted from retained earnings.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

4. Accounting treatment of business combinations (Continued)

(1) The business combinations under common control (Continued)

The direct cost occurred in the business combination is recorded into the profit or loss in the current period when they actually occurred.

(2) The business combinations not under common control

Enterprises participating in a merger that are not ultimately controlled by the same party or multiple parties before and after the merger are not under the same control. For a merger of enterprises not under the same control, the party that obtains control over other participating enterprises on the acquisition date is the purchaser, and the other participating enterprises are the acquiree. The purchase date refers to the date on which the purchaser actually obtains control over the acquired party.

For business combinations not under the same control, the merger cost includes the fair value of the assets paid, liabilities incurred or assumed, and equity securities issued by the acquirer to obtain control over the acquiree on the acquisition date. The intermediary fees for auditing, legal services, evaluation and consulting, as well as other management expenses incurred for the business combination, are included in the current profit and loss when incurred. The transaction costs of equity or debt securities issued by the purchaser as consideration for the merger are included in the initial recognition amount of the equity or debt securities. The contingent consideration involved shall be included in the merger cost based on its fair value on the purchase date. If there is new or further evidence of the existing situation on the purchase date within 12 months after the purchase date that requires adjustment of the contingent consideration, the merged goodwill shall be adjusted accordingly.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

4. Accounting treatment of business combinations (Continued)

- (2) The business combinations not under common control (Continued)

The merger costs incurred by the purchaser and the identifiable net assets obtained during the merger are measured at their fair value on the acquisition date. The difference between the merger cost and the fair value of the identifiable net assets obtained from the acquiree on the acquisition date is recognized as goodwill. If the merger cost is less than the fair value share of the identifiable net assets obtained from the acquiree in the merger, the fair values of the identifiable assets, liabilities, and contingent liabilities obtained from the acquiree, as well as the measurement of the merger cost, are first reviewed. If the merger cost is still less than the fair value share of the identifiable net assets obtained from the acquiree in the merger, the difference is recorded in the current profit and loss.

5. Methods for preparation of consolidated financial statements

- (1) Recognition principle of consolidated scope

The scope of consolidation of consolidated financial statements is ascertained on the basis of effective control. Control refers to the right to obtain the variable returns by the involvement with the investee, and has the ability to affect those returns through its power to direct the activities of the investee. The consolidated financial statements comprise the financial statements of the company and all of its subsidiaries. Subsidiaries refer to the entities over which the company has control power.

The company shall reevaluate if there are changes of relevant elements of defined control due to the changes in the relevant facts and circumstances.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

5. Methods for preparation of consolidated financial statements (Continued)

(2) Methods for preparation of consolidated financial statements

From the date of obtaining actual control over the net assets and production and operation decisions of the subsidiary, the company begins to include it in the scope of consolidation; From the date of losing actual control, it shall cease to be included in the merger scope. For the disposed subsidiaries, the operating results and cash flows prior to the disposal date have been appropriately included in the consolidated income statement and consolidated cash flow statement; For subsidiaries disposed of in the current period, the opening balance of the consolidated balance sheet will not be adjusted. For subsidiaries that are not under the same control and are added through business combinations, their operating results and cash flows after the purchase date have been appropriately included in the consolidated income statement and consolidated cash flow statement, and the opening and comparative amounts of the consolidated financial statements are not adjusted. The operating results and cash flows of subsidiaries and merged parties under the same control from the beginning of the merger period to the merger date have been appropriately included in the consolidated income statement and consolidated cash flow statement, and the comparative amount of the consolidated financial statements has been adjusted at the same time.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

5. Methods for preparation of consolidated financial statements (Continued)

- (2) Methods for preparation of consolidated financial statements
(Continued)

When preparing consolidated financial statements, if the accounting policies or accounting periods adopted by the subsidiary and the company are inconsistent, necessary adjustments shall be made to the subsidiary's financial statements in accordance with the company's accounting policies and accounting periods. For subsidiaries obtained through business combinations not under the same control, adjustments to their financial statements are made based on the fair value of identifiable net assets on the purchase date.

All significant transaction balances, transactions, and unrealized profits within the company are offset during the preparation of the consolidated financial statements.

The shareholders' equity and current net profit and loss of subsidiaries that are not owned by the company are separately presented as minority shareholders' equity and minority shareholders' profit and loss in the consolidated financial statements under shareholders' equity and net profit. The portion of the subsidiary's current net profit and loss that belongs to minority shareholders' equity is presented under the "Minority Shareholders' Profit and Loss" item in the consolidated income statement. If the losses shared by minority shareholders in the subsidiary exceed the minority shareholders' share in the initial shareholders' equity of the subsidiary, the minority shareholders' equity will still be offset.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

6. The classification of the joint venture arrangement and accounting treatment of joint operation

The joint venture arrangement refers to the arrangement jointly controlled by two or more parties. According to the differences in the rights and responsibilities, the joint venture arrangement is classified as a joint operation and joint venture. A joint operation refers to a joint arrangement whereby the parties have the rights to the assets, and obligations for the liabilities, and Joint venture refers to the entity which is only entitled to the joint venture arrangement of the net assets.

The equity method is adopted for the investment of the joint venture, please refers to Note IV.11.2.2 Long-term equity investments accounted by equity method.

As a joint venture, the company recognizes the assets held by the company separately, the liabilities assumed separately, and the co-held assets and co-owned liabilities recognized by the Company's share; confirms its revenue from the sale of its share of the output arising from the joint operation; and recognizes the expenses incurred by the company separately and the expenses incurred arising from the joint operation according to the share of the company. When the company transacts with a joint operation in which the company is a joint operator, such as a sale or contribution assets, (The asset do not constitute a business, the same as below). The profit or loss resulting from the transactions is recognized only to the extent of the other parties' interests in the joint operation.

When the company transacts with a joint operation in which the company is a joint operator, such as a purchase of assets, the company does not recognize its share of the profit or loss until it resells those assets to a third party. A loss shall be recognized in the full amount of the sale or contribution of assets, and of the purchase of the assets from the joint operation in accordance with CAS – No.8 assets impairment" and other provisions.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

7. Recognition standard for cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits that can be readily drawn on demand, and highly liquid short-term (within 3 months from the purchase date) investments that are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value.

8. Foreign currency transactions and the translation of foreign currency financial statement

(1) Foreign currency transactions

Foreign currency transactions occurring in the Group are initially recognized at the spot exchange rate (usually the midpoint of the foreign exchange rate published by the People's Bank of China on the day of the transaction, the same below) and converted into the amount of the bookkeeping base currency. However, foreign currency exchange transactions or transactions involving foreign currency exchange are converted into the amount of the bookkeeping base currency at the actual exchange rate used.

(2) Translation method for foreign currency monetary items and foreign currency non monetary items

On the balance sheet date, foreign currency monetary items are translated using the spot exchange rate on the balance sheet date. The resulting exchange differences, except for those arising from foreign currency specialized loans related to the acquisition and construction of assets that meet capitalization conditions, are treated according to the principle of capitalization of borrowing costs; Foreign currency monetary items invested in other equity instruments, except for amortized costs, are recognized in the current period's profit or loss for exchange differences arising from changes in their book balances, which are recognized in other comprehensive income.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

8. Foreign currency transactions and the translation of foreign currency financial statement (Continued)

- (2) Translation method for foreign currency monetary items and foreign currency non monetary items (Continued)

Foreign currency non monetary items measured at historical cost are still measured using the recording currency amount converted at the spot exchange rate on the transaction date. Foreign currency non monetary items measured at fair value are translated using the spot exchange rate on the date of fair value determination. The difference between the converted amount in the recording currency and the original amount in the recording currency is treated as changes in fair value (including exchange rate changes) and recorded in current profit or loss or recognized as other comprehensive income.

9. Financial assets and liabilities

Financial assets and liabilities are recognized when the Group becomes one party under the financial instrument contract.

- (1) Financial assets

- 1) Classification, confirmation basis and measurement method of financial assets

The Group classifies financial assets into financial assets measured at amortized cost, financial assets measured at fair value with changes recognized in other comprehensive income, and financial assets measured at fair value with changes recognized in current profit or loss based on the business model of managing financial assets and the contractual cash flow characteristics of financial assets.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

9. Financial assets and liabilities (Continued)

(1) Financial assets (Continued)

1) Classification, confirmation basis and measurement method of financial assets (Continued)

The Group classifies financial assets that meet the following conditions as financial assets measured at amortized cost: ① The business model for managing these financial assets is to collect contract cash flows as the goal. ② The contractual terms of the financial asset stipulate that the cash flow generated on a specific date is only the payment of principal and interest based on the outstanding principal amount. Such financial assets are initially measured at fair value, and related transaction costs are included in the initial recognition amount; Subsequent measurement is carried out at amortized cost. Except for those designated as hedged items, the difference between the initial amount and the maturity amount shall be amortized using the effective interest rate method. The amortization, impairment, exchange gains and losses, as well as gains or losses arising from derecognition, shall be recognized in the current period's profit and loss.

The Group classifies financial assets that meet the following conditions as financial assets measured at fair value with changes recognized in other comprehensive income: ① The business model for managing such financial assets is aimed at both receiving contractual cash flows and selling such financial assets. ② The contractual terms of the financial asset stipulate that the cash flow generated on a specific date is only the payment of principal and interest based on the outstanding principal amount. These financial assets are initially measured at fair value, and related transaction costs are included in the initial recognition amount.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

9. Financial assets and liabilities (Continued)

(1) Financial assets (Continued)

1) Classification, confirmation basis and measurement method of financial assets (Continued)

Except for those designated as hedged items, other gains or losses arising from such financial assets, except for credit impairment losses or gains, exchange gains and losses, and interest calculated using the effective interest rate method, are recognized in other comprehensive income; When a financial asset is derecognized, the accumulated gains or losses previously recognized in other comprehensive income shall be transferred out of other comprehensive income and included in the current profit or loss.

The Group designates non trading equity instrument investments as financial assets measured at fair value with changes recognized in other comprehensive income. Once the designation is made, it cannot be revoked. Non trading equity instrument investments designated by the Group to be measured at fair value with changes recognized in other comprehensive income are initially measured at fair value, and related transaction costs are included in the initial recognition amount; Except for dividends received (excluding those that belong to the recovery of investment costs), other related gains and losses (including exchange gains and losses) are included in other comprehensive income and shall not be subsequently transferred to the current period's profit and loss. When it is derecognized, the accumulated gains or losses previously recognized in other comprehensive income are transferred out of other comprehensive income and included in retained earnings.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

9. Financial assets and liabilities (Continued)

(1) Financial assets (Continued)

1) Classification, confirmation basis and measurement method of financial assets (Continued)

Financial assets other than those classified as financial assets measured at amortized cost and those classified as financial assets measured at fair value with changes recognized in other comprehensive income. The Group classifies it as a financial asset measured at fair value through profit or loss for the current period. This type of financial asset is initially measured at fair value, and related transaction costs are directly included in the current profit or loss. The gains or losses of such financial assets are recognized in the current profit or loss.

If the contingent consideration recognized by the Group in a business merger not under the same control constitutes a financial asset, the financial asset is classified as a financial asset measured at fair value with changes recognized in the current period's profit or loss.

At initial recognition, if accounting mismatches can be eliminated or significantly reduced, the Group can irrevocably designate financial assets that should have been measured at amortized cost or at fair value with changes recognized in other comprehensive income as financial assets measured at fair value with changes recognized in current profit or loss.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

9. Financial assets and liabilities (Continued)

(1) Financial assets (Continued)

1) Classification, confirmation basis and measurement method of financial assets (Continued)

When the Group changes its business model for managing financial assets, it reclassifies all affected related financial assets.

The Group recognizes interest income using the effective interest rate method. Interest income is calculated and determined based on the book balance of financial assets multiplied by the actual interest rate, except for the following situations: ① For financial assets that have been purchased or generated with credit impairment, interest income is calculated and determined based on the amortized cost of the financial asset and the actual interest rate adjusted by credit from initial recognition. ② For financial assets purchased or generated without credit impairment but that have become credit impaired in subsequent periods, interest income is calculated and determined based on the amortized cost and effective interest rate of the financial asset in subsequent periods.

2) Confirmation basis and measurement method of financial asset transfer.

The group will terminate the recognition of financial assets that meet one of the following conditions: ① the contractual right to receive cash flow from the financial assets is terminated; ② Financial assets have been transferred, and the group has transferred almost all risks and rewards in the ownership of financial assets; ③ When a financial asset is transferred, the group neither transfers nor retains almost all the risks and rewards of ownership of the financial asset, nor retains control over the financial asset.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

9. Financial assets and liabilities (Continued)

(1) Financial assets (Continued)

2) Confirmation basis and measurement method of financial asset transfer. (Continued)

If the overall transfer of financial assets meets the conditions for termination of recognition, the book value of the transferred financial assets shall be, The difference between the sum of the consideration received due to the transfer and the amount of the corresponding derecognized part of the cumulative amount of fair value changes originally directly included in other comprehensive income (the contract terms involving the transferred financial assets stipulate that the cash flow generated on a specific date is only the payment of principal and interest based on the outstanding principal amount) is included in the current profit and loss.

If the partial transfer of financial assets meets the conditions for termination of recognition, the overall book value of the transferred financial assets shall be apportioned between the part whose recognition is terminated and the part whose recognition is not terminated according to their respective relative fair values, And the sum of the consideration received due to the transfer and the amount corresponding to the derecognized part of the cumulative amount of changes in fair value originally included in other comprehensive income that should be apportioned to the derecognized part (the contract terms involving the transferred financial assets stipulate that the cash flow generated on a specific date is only the payment of principal and interest based on the outstanding principal amount), The difference with the overall book value of the aforementioned financial assets shall be included in the current profit and loss.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

9. Financial assets and liabilities (Continued)

(1) Financial assets (Continued)

3) Impairment of financial instruments

On the basis of expected credit losses, the group carries out impairment accounting for the following items and recognizes loss reserves: ① creditor's rights investment; ② Lease receivables; ③ Contract assets; ④ Accounts receivable; ⑤ Financial guarantee contract.

Expected credit losses refer to the weighted average value of credit losses of financial instruments weighted by the risk of default. Credit loss refers to the difference between all contract cash flows receivable under the contract and all cash flows expected to be received by the group discounted at the original effective interest rate, that is, the present value of all cash shortages.

For the following projects, the group always measures its loss reserve at an amount equivalent to the expected credit loss during the whole duration: ① provision for loss of receivables or contract assets formed by transactions regulated by the accounting standards for enterprises No.14 – income standards, regardless of whether the project contains significant financing components. ② Finance lease receivables; ③ Operating lease receivables.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

9. Financial assets and liabilities (Continued)

(1) Financial assets (Continued)

3) Impairment of financial instruments (Continued)

In addition to the above items, for other items, the group measures the loss reserve according to the following circumstances: ① for financial assets whose credit risk has not increased significantly since initial recognition, the group measures the loss reserve according to the amount of expected credit loss in the next 12 months; ② For financial assets whose credit risk has increased significantly since initial recognition, the group measures the loss reserve according to the amount equivalent to the expected credit loss of the financial instrument throughout its life; ③ For financial assets purchased or derived from which credit impairment has occurred, the group measures the provision for loss at an amount equivalent to the expected credit loss for the entire duration.

Judgment on whether credit risk has increased significantly since initial recognition. By comparing the risk of default of financial instruments on the balance sheet date with the risk of default on the initial recognition date, the Group determines the relative change in the risk of default during the expected duration of financial instruments to assess whether the credit risk of financial instruments has increased significantly since initial recognition. However, if the Group determines that a financial instrument has only a low credit risk on the balance sheet date, it can be assumed that the credit risk of the financial instrument has not increased significantly since initial recognition. Generally, if it is overdue for more than 30 days, it indicates that the credit risk of financial instruments has

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

9. Financial assets and liabilities (Continued)

(1) Financial assets (Continued)

3) Impairment of financial instruments (Continued)

increased significantly. Unless the group can obtain reasonable and substantiated information without unnecessary additional cost or effort to demonstrate that credit risk has not increased significantly since initial recognition even if it is more than 30 days overdue. In determining whether credit risk has increased significantly since initial recognition, the group considers reasonable and substantiated information, including forward-looking information, that can be obtained without unnecessary additional cost or effort. The information considered by the group includes: ① the failure of the debtor to pay the principal and interest on the due date of the contract; ② Serious deterioration of the external or internal credit rating (if any) of the financial instruments that have occurred or are expected to occur; ③ Serious deterioration of the debtor's operating results that has occurred or is expected; ④ Changes in the existing or expected technical, market, economic or legal environment will have a significant adverse impact on the debtor's ability to repay.

The Group assesses whether credit risk has increased significantly on the basis of a single financial instrument or a combination of financial instruments. When assessing on the basis of a portfolio of financial instruments, the group may classify financial instruments based on common credit risk characteristics, such as overdue information and credit risk ratings of different customers.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

9. Financial assets and liabilities (Continued)

(1) Financial assets (Continued)

4) Presentation of provision for expected credit losses

In order to reflect the changes in the credit risk of financial instruments since initial recognition, the group remeasures the expected credit loss on each balance sheet date, and the increase or reversal of the loss provision thus formed shall be included in the current profit and loss as an impairment loss or gain. For financial assets measured at amortized cost, the loss reserve shall be set off against the book value of the financial assets listed in the balance sheet.

5) Write off

If the group no longer reasonably expects the contract cash flow of a financial asset to be recovered in whole or in part, the book balance of the financial asset is directly written down. Such write downs constitute the derecognition of the relevant financial assets. This usually occurs when the Group determines that the debtor has no assets or sources of income to generate sufficient cash flow to repay the amount to be written down. However, in accordance with the group's procedures for recovering payments due, the written down financial assets may still be affected by the execution activities. If the written down financial assets are recovered later, they shall be included in the profits and losses of the current period as a reversal of impairment losses.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

9. Financial assets and liabilities (Continued)

(2) Financial liabilities

1) Classification, recognition basis and measurement method of financial liabilities

The group's financial liabilities are classified as financial liabilities measured at fair value through profit or loss and other financial liabilities at initial recognition.

Financial liabilities measured at fair value with changes included in the current profit and loss, including trading financial liabilities and financial liabilities designated at fair value with changes included in the current profit and loss at initial recognition (the relevant classification basis is disclosed with reference to the classification basis of financial assets). Subsequent measurements are made at fair value, and gains or losses arising from changes in fair value and dividends and interest expenses related to the financial liabilities are included in current profits and losses.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

9. Financial assets and liabilities (Continued)

(2) Financial liabilities (Continued)

1) Classification, recognition basis and measurement method of financial liabilities (Continued)

Other financial liabilities (Disclosure of specific financial liabilities according to the actual situation). The effective interest rate method is adopted for subsequent measurement according to the amortized cost. In addition to the following items, the Group classifies financial liabilities as financial liabilities measured at amortized cost: ① financial liabilities measured at fair value with changes included in current profit and loss, including trading financial liabilities (including derivatives belonging to financial liabilities) and financial liabilities designated at fair value with changes included in current profit and loss. ② Financial liabilities formed by the transfer of financial assets that do not meet the conditions for termination of recognition or continue to be involved in the transferred financial assets. ③ Financial guarantee contracts that do not fall under the circumstances of ① or ② above, and loan commitments that do not fall under the circumstances of ① above and loans at lower market interest rates.

If the group forms financial liabilities as contingent consideration recognized as the acquirer in business combinations not under the same control, it shall be accounted for at fair value and the changes shall be included in the current profit and loss.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

9. Financial assets and liabilities (Continued)

(2) Financial liabilities (Continued)

2) Conditions for termination of recognition of financial liabilities

When the current obligation of a financial liability has been discharged in whole or in part, the recognition of the discharged part of the financial liability or obligation shall be terminated. If the group enters into an agreement with creditors to replace existing financial liabilities by assuming new financial liabilities, and the contract terms of new financial liabilities and existing financial liabilities are substantially different, the recognition of existing financial liabilities shall be terminated and new financial liabilities shall be recognized at the same time. If the group makes substantial amendments to the contract terms of all or part of the existing financial liabilities, it shall terminate the recognition of the existing financial liabilities or part of them, and recognize the financial liabilities after the amendment as a new financial liability. The difference between the book value of the derecognized part and the consideration paid shall be included in the current profit and loss.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

9. Financial assets and liabilities (Continued)

- (3) Method for determining the fair value of financial assets and financial liabilities

The group measures the fair value of financial assets and financial liabilities at the price of the main market. If there is no main market, the fair value of financial assets and financial liabilities is measured at the price of the most favorable market, and the valuation technology applicable at that time and supported by sufficient available data and other information is adopted. The input value used in fair value measurement is divided into three levels, that is, the input value of the first level is the unadjusted quotation of the same assets or liabilities that can be obtained on the measurement date in the active market; The second level input value is the directly or indirectly observable input value of related assets or liabilities in addition to the first level input value; The third level of input value is the unobservable input value of related assets or liabilities. The group gives priority to the first level of input values, and finally uses the third level of input values.

The group's investment in equity instruments is measured at fair value. However, in limited circumstances, if the recent information used to determine fair value is insufficient, or the possible estimated amount of fair value is widely distributed, and the cost represents the best estimate of fair value within that range, the cost can represent its appropriate estimate of fair value within that distribution.

- (4) Offsetting financial assets and liabilities

The financial assets and financial liabilities of the group are presented separately in the balance sheet and are not offset against each other. However, when the following conditions are met at the same time, the net amount after mutual offset is listed in the balance sheet: ① the group has the legal right to offset the recognized amount, and such legal right is currently enforceable; ② The group plans to settle on a net basis, or to realize the financial asset and settle the financial liability at the same time.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

9. Financial assets and liabilities (Continued)

- (5) Distinction between financial liabilities and equity instruments and related treatment methods

The group distinguishes between financial liabilities and equity instruments according to the following principles: ① if the group cannot unconditionally avoid fulfilling a contractual obligation by delivering cash or other financial assets, the contractual obligation conforms to the definition of financial liabilities. Although some financial instruments do not explicitly contain the terms and conditions of the obligation to deliver cash or other financial assets, they may indirectly form contractual obligations through other terms and conditions. (2) If a financial instrument is required or can be settled by the group's own equity instruments, it is necessary to consider whether the group's own equity instruments used to settle the instrument are used as a substitute for cash or other financial assets, or to enable the holder of the instrument to enjoy the remaining equity in the assets of the issuer after deducting all liabilities. If the former, the instrument is the financial liability of the issuer; If the latter, the instrument is an equity instrument of the issuer. In some cases, a financial instrument contract provides that the group is required or available to settle the financial instrument with its own equity instruments, where the amount of the contractual rights or contractual obligations is equal to the number of its own equity instruments available or to be delivered multiplied by its fair value at settlement, whether the amount of the contractual rights or obligations is fixed, Or changes based entirely or in part on changes in variables other than the market price of the group's own equity instruments (such as interest rates, the price of a commodity or the price of a financial instrument), which are classified as financial liabilities.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

9. Financial assets and liabilities (Continued)

- (5) Distinction between financial liabilities and equity instruments and related treatment methods (Continued)

In classifying financial instruments (or components thereof) in the consolidated statements, the group takes into account all terms and conditions agreed between members of the group and holders of financial instruments. If the group as a whole is obligated to deliver cash, other financial assets or settle in other ways that result in the instrument becoming a financial liability as a result of the instrument, the instrument should be classified as a financial liability.

If a financial instrument or its components belong to a financial liability, the group shall record the relevant interest, dividend (or dividend), gain or loss, and the gain or loss arising from redemption or refinancing in the current profit or loss.

If a financial instrument or its components are equity instruments, the group shall treat it as a change in equity when it is issued (including refinancing), repurchased, sold or cancelled, and shall not recognize the change in fair value of equity instruments.

10. Inventories

- (1) Category

The inventories of the Group comprise raw material, work in progress, finished goods, turnover materials, spare parts, materials in transit, and outsourced materials etc.

- (2) Pricing of inventories

Inventory is valued at actual cost upon acquisition, including procurement costs, processing costs, and other costs. Valuation shall be based on weighted average method and individual valuation method when receiving and sending out.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

10. Inventories (Continued)

- (3) Measurement of net realizable value of inventory and measurement of provision for impairment of inventories

Net realizable value refers to the estimated selling price of inventory in daily activities, minus the estimated costs to be incurred until completion, estimated sales expenses, and related taxes. When determining the net realizable value of inventory, it is based on conclusive evidence obtained, while considering the purpose of holding inventory and the impact of events after the balance sheet date.

On the balance sheet date, inventory is measured at the lower of cost or net realizable value. When its net realizable value is lower than cost, a provision for inventory depreciation is withdrawn. Inventory depreciation reserves are calculated for each individual inventory item, except for spare parts. For inventories with large quantities and low unit prices, provision for inventory price decline may be made according to inventory categories; For inventories that are related to product series produced and sold in the same region, have the same or similar end use or purpose, and are difficult to be measured separately from other items, the provision for inventory depreciation may be consolidated. Spare parts shall be subject to inventory depreciation reserves based on their actual condition and management's estimation.

After the provision for inventory depreciation is made, if the influencing factors of the previous reduction in inventory value have disappeared, resulting in the net realizable value of the inventory being higher than its book value, it shall be reversed within the original provision for inventory depreciation, and the reversed amount shall be included in the current profit and loss.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

10. Inventories (Continued)

(4) Physical inventory at fixed period is taken under perpetual inventory system.

(5) amortization of reusable materials

Turnover materials include low-value consumables, packaging materials, and other turnover materials, which are amortized using the one-time amortization method, workload method, and installment amortization method according to their different properties, and are included in the cost of relevant assets or current profit and loss.

11. Long-term equity investment

The long-term equity investment referred to in this section refers to the long-term equity investment that the company has control, joint control, or significant influence over the invested entity. The long-term equity investments of the company that do not have control, joint control, or significant influence over the invested entity are treated as other equity instrument investments and transactional financial assets. The accounting policies are detailed in Note IV.9 “Financial Assets and Financial Liabilities”.

Joint control refers to the common control that the company has over a certain arrangement in accordance with relevant agreements, and the relevant activities of the arrangement must be unanimously agreed upon by the participants who share control before making decisions. Significant impact refers to the company having the power to participate in decision-making on the financial and operational policies of the invested entity, but not being able to control or jointly control the formulation of these policies with other parties.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

11. Long-term equity investment (Continued)

(1) Determination of investment costs

For long-term equity investments obtained through the merger of enterprises under the same control, the initial investment cost of the long-term equity investment shall be determined based on the share of the book value of the merged party's shareholders' equity in the final controlling party's consolidated financial statements on the merger date. The difference between the initial investment cost of long-term equity investment and the cash paid, non cash assets transferred, and the book value of the assumed debts shall be adjusted to the capital reserve; If the capital reserve is insufficient to offset, the retained earnings shall be adjusted. If equity securities are issued as the merger consideration, the initial investment cost of the long-term equity investment shall be based on the share of the book value of the merged party's shareholders' equity in the final controlling party's consolidated financial statements on the merger date, and the total face value of the issued shares shall be used as the share capital. The difference between the initial investment cost of the long-term equity investment and the total face value of the issued shares shall be adjusted to the capital reserve; If the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

For long-term equity investments obtained through business combinations not under the same control, the initial investment cost of the long-term equity investment is recognized at the merger cost on the acquisition date. The merger cost includes the sum of the fair value of the assets paid, liabilities incurred or assumed, and equity securities issued by the purchaser. The intermediary fees for auditing, legal services, evaluation and consultation, as well as other related management expenses incurred by the merging party or purchaser for the merger of the enterprise, are recognized in the current profit and loss at the time of occurrence.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

11. Long-term equity investment (Continued)

(1) Determination of investment costs (Continued)

Other equity investments, except for long-term equity investments formed by business mergers, are initially measured at cost. This cost is determined by the actual cash purchase price paid by the company, the fair value of equity securities issued by the company, the value agreed upon in the investment contract or agreement, the fair value or original book value of assets surrendered in non monetary asset exchange transactions, depending on the method of obtaining long-term equity investments. The fair value of the long-term equity investment itself is determined through other methods. The expenses, taxes, and other necessary expenses directly related to obtaining long-term equity investments are also included in the investment cost.

(2) Subsequent measurement and profit and loss recognition method

Long term equity investments that have joint control over or significant impact on the invested entity (excluding those forming joint operators) shall be accounted for using the equity method. In addition, the company's financial statements use the cost method to calculate long-term equity investments that can exercise control over the invested entity.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

11. Long-term equity investment (Continued)

- (2) Subsequent measurement and profit and loss recognition method (Continued)

- 1) Long term equity investments accounted for using the cost method

When using the cost method for accounting, long-term equity investments are valued at the initial investment cost, and the cost of long-term equity investments is adjusted by adding or recovering investments. Except for the actual payment of the investment or the cash dividends or profits declared but not yet distributed included in the consideration, the current investment income is recognized based on the cash dividends or profits declared to be distributed by the invested entity.

- 2) Long term equity investments accounted for using the equity method

When using the equity method for accounting, if the initial investment cost of a long-term equity investment is greater than the fair value share of the identifiable net assets of the invested entity that should be enjoyed at the time of investment, the initial investment cost of the long-term equity investment will not be adjusted; If the initial investment cost is less than the fair value share of the identifiable net assets of the invested entity that should be enjoyed at the time of investment, the difference is included in the current profit and loss, and the cost of long-term equity investment is adjusted.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

11. Long-term equity investment (Continued)

- (2) Subsequent measurement and profit and loss recognition method (Continued)

- 2) Long term equity investments accounted for using the equity method (Continued)

When using the equity method for accounting, investment income and other comprehensive income are recognized separately based on the share of net profit or loss and other comprehensive income that should be enjoyed or shared by the invested entity, while adjusting the book value of long-term equity investments; Calculate the portion that should be enjoyed based on the profits or cash dividends declared to be distributed by the invested entity, and correspondingly reduce the book value of long-term equity investments; For changes in shareholders' equity of the invested entity other than net profit and loss, other comprehensive income, and profit distribution, the book value of long-term equity investments shall be adjusted and included in the capital reserve. When recognizing the share of the net profit and loss of the invested entity that should be enjoyed, the fair value of the identifiable assets of the invested entity at the time of acquisition of the investment is used as the basis for adjusting the net profit of the invested entity before recognition. If the accounting policies and accounting periods adopted by the invested entity are inconsistent with those of the company, the financial statements of the invested entity shall be adjusted in accordance with the company's accounting policies and accounting periods, and investment income and other comprehensive income shall be recognized accordingly. For transactions

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

11. Long-term equity investment (Continued)

- (2) Subsequent measurement and profit and loss recognition method (Continued)

- 2) Long term equity investments accounted for using the equity method (Continued)

between the company and affiliated enterprises and joint ventures, if the assets invested or sold do not constitute a business, the unrealized internal transaction gains and losses shall be offset by the portion attributable to the company calculated in proportion to the ownership, and investment gains and losses shall be recognized on this basis. However, if the unrealized internal transaction losses between the company and the invested entity belong to the impairment losses of the transferred assets, they will not be offset.

When confirming the net loss incurred by the invested entity that should be shared, the book value of long-term equity investments and other long-term equity that essentially constitute the net investment in the invested entity shall be reduced to zero. In addition, if the company has an obligation to bear additional losses to the invested entity, the estimated liabilities shall be recognized based on the expected obligations and included in the current investment losses. If the invested unit realizes net profit in the future period, the company will restore the recognition of the profit sharing amount after the profit sharing amount compensates for the unrecognized loss sharing amount.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

11. Long-term equity investment (Continued)

- (2) Subsequent measurement and profit and loss recognition method (Continued)

- 3) Acquisition of minority interests

When preparing consolidated financial statements, the difference between the newly added long-term equity investment due to the purchase of minority equity and the net asset share of the subsidiary calculated continuously from the purchase date (or merger date) based on the newly added shareholding ratio shall be adjusted to the capital reserve. If the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

- 4) Disposal of long-term equity investments

In the consolidated financial statements, the parent company partially disposes of its long-term equity investments in its subsidiaries without losing control. The difference between the disposal price and the net assets of the subsidiary corresponding to the disposal of the long-term equity investment is recognized in shareholders' equity; If the parent company partially disposes of its long-term equity investment in a subsidiary, resulting in the loss of control over the subsidiary, the relevant accounting policies described in Note IV.5 (2) "Methods for Preparing Consolidated Financial Statements" shall be followed.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

11. Long-term equity investment (Continued)

- (2) Subsequent measurement and profit and loss recognition method (Continued)

- 4) Disposal of long-term equity investments (Continued)

In other cases, for the disposal of long-term equity investments, the difference between the book value of the disposed equity and the actual acquisition price shall be recorded in the current profit and loss.

For long-term equity investments accounted for using the equity method, if the remaining equity after disposal is still accounted for using the equity method, the other comprehensive income originally included in shareholders' equity shall be accounted for on the same basis as the direct disposal of relevant assets or liabilities by the invested entity in the corresponding proportion at the time of disposal. The owner's equity recognized due to changes in shareholders' equity of the invested party other than net profit and loss, other comprehensive income, and profit distribution shall be carried forward proportionally to the current profit and loss.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

11. Long-term equity investment (Continued)

(2) Subsequent measurement and profit and loss recognition method (Continued)

4) Disposal of long-term equity investments (Continued)

For long-term equity investments accounted for using the cost method, if the remaining equity is still accounted for using the cost method after disposal, the other comprehensive income recognized by using the equity method or financial instrument recognition and measurement standards before obtaining control over the invested entity shall be accounted for on the same basis as the direct disposal of relevant assets or liabilities by the invested entity, and shall be carried forward proportionally to the current profit and loss; The changes in shareholders' equity recognized in the net assets of the invested entity using the equity method, excluding net profit and loss, other comprehensive income, and profit distribution, are carried forward proportionally to the current profit and loss.

12. Fixed Assets

(1) Recognition

Fixed assets refer to tangible assets held for the purpose of producing goods, providing services, renting or operating management, with a useful life exceeding one accounting year. Fixed assets are only recognized when the economic benefits related to them are likely to flow into the group and their costs can be reliably measured. Fixed assets are initially measured at cost and considering the impact of expected disposal costs.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

12. Fixed Assets (Continued)

(2) Depreciation method of fixed assets

Fixed assets are depreciated using the straight-line method over their useful life starting from the month after they reach their intended usable state. The service life and estimated net residual value of various fixed assets are as follows:

Category of fixed assets	Useful lives	Estimate	Annual
		residual rate	depreciation rate
		(%)	(%)
Plants and buildings	40 years	3-5	2.375-2.425
Machinery and equipment	17-24 years	3-5	3.958-5.706
Other fixed assets	5-12 years	3-5	7.917-19.40

Expected net residual value refers to the amount obtained by the Group from the disposal of a fixed asset, after deducting the expected disposal expenses, assuming that the expected useful life of the asset has expired and is in the expected state at the end of its useful life.

(3) The impairment testing method and impairment provision method for fixed assets

The impairment testing method and impairment provision method for fixed assets are detailed in Note IV.16. Impairment of long-term assets

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

12. Fixed Assets (Continued)

(4) Other instructions

Subsequent expenses related to fixed assets, if the economic benefits related to the fixed asset are likely to flow in and its cost can be reliably measured, are included in the cost of the fixed asset and the book value of the replaced part is derecognized. Other subsequent expenses shall be included in the current profit and loss when incurred.

The difference between the disposal income from the sale, transfer, scrapping, or damage of fixed assets after deducting their book value and relevant taxes and fees is recognized in the current profit and loss.

The Group regularly reviews the service life, estimated net residual value, and depreciation method of fixed assets, and any changes are treated as changes in accounting estimates.

13. Construction in progress

The cost of construction in progress is determined based on actual project expenditures, including various project expenditures incurred during the construction period, capitalized borrowing costs before the project reaches its intended usable state, and other related expenses. Construction in progress is carried forward as fixed assets after reaching its intended usable state.

The impairment testing method and impairment provision method for construction in progress are detailed in Note IV.16. Impairment of long-term assets.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

14. Borrowing costs

Borrowing costs include interest on borrowings, amortization of discounts or premiums, auxiliary expenses, and exchange differences arising from foreign currency borrowings. The borrowing costs that can be directly attributed to the acquisition, construction, or production of assets that meet the capitalization conditions begin capitalization when the asset expenditure has already occurred, the borrowing costs have already occurred, and the necessary acquisition, construction, or production activities to bring the assets to their intended usable or saleable state have begun; When the assets that meet the capitalization conditions for acquisition, construction or production reach their intended usable or saleable state, capitalization shall cease. The remaining borrowing costs are recognized as expenses in the current period.

The actual interest expenses incurred in the current period of specialized borrowing, minus the interest income obtained from unused borrowing funds deposited in banks or investment income obtained from temporary investments, are capitalized; The capitalization amount of general borrowing is determined by multiplying the weighted average of the accumulated asset expenses that exceed the specialized borrowing by the capitalization rate of the general borrowing used. The capitalization rate is calculated and determined based on the weighted average interest rate of general borrowings.

During the capitalization period, all exchange differences on foreign currency specialized loans shall be capitalized; The exchange difference of foreign currency general loans is recognized in the current profit and loss.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

14. Borrowing costs (Continued)

Assets eligible for capitalization refer to fixed assets, investment real estate, inventories and other assets that require a considerable period of time for acquisition and construction or production activities to reach their intended serviceable or marketable status.

If an asset that meets the capitalization conditions undergoes an abnormal interruption during the acquisition, construction, or production process, and the interruption lasts for more than 3 consecutive months, the capitalization of borrowing costs shall be suspended until the acquisition, construction, or production activities of the asset restart.

15. Intangible assets

(1) Intangible assets

Intangible assets refer to identifiable non monetary assets that are owned or controlled by the Group and do not have physical form.

Intangible assets are initially measured at cost. Expenditures related to intangible assets are recognized as intangible asset costs if the relevant economic benefits are likely to flow into the group and their costs can be reliably measured. Expenditures for other items other than this are recognized in the current period's profit and loss when incurred.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

15. Intangible assets (Continued)

(1) Intangible assets (Continued)

The land use rights obtained are usually accounted for as intangible assets. Self developed and constructed buildings such as factories, and related land use rights expenses and building construction costs are accounted for as intangible assets and fixed assets, respectively. If it is a purchased house or building, the relevant price will be distributed between the land use right and the building. If it is difficult to allocate it reasonably, all will be treated as fixed assets.

Intangible assets with limited useful lives are amortized on a straight-line basis over their expected useful lives by subtracting their original value from their expected net residual value and the accumulated amount of impairment provisions that have been made. Intangible assets with uncertain useful lives are not amortized.

The Group regularly reviews the service life and amortization method of intangible assets with limited service lives, and if there are changes, they are treated as changes in accounting estimates. In addition, the service life of intangible assets with uncertain service lives is also reviewed. If there is evidence that the period during which the intangible asset brings economic benefits to the enterprise is foreseeable, its service life is estimated and amortized according to the amortization policy for intangible assets with limited service lives.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

15. Intangible assets (Continued)

(2) Research and development expenditure

The expenditure for internal research and development projects of our group is divided into research stage expenditure and development stage expenditure.

The expenses incurred during the research phase are recognized in the current period's profit and loss when incurred.

Expenditures during the development stage that meet the following conditions simultaneously are recognized as intangible assets, while expenditures during the development stage that cannot meet the following conditions are included in the current profit and loss:

- ① It is technically feasible to complete the intangible asset so that it can be used or sold;
- ② Having the intention to complete the intangible asset and use or sell it;
- ③ The ways in which intangible assets generate economic benefits, including the ability to prove the existence of a market for the products produced using the intangible assets or the existence of a market for the intangible assets themselves, and the usefulness of intangible assets that will be used internally;
- ④ Having sufficient technical, financial, and other resources to support the development of the intangible asset and the ability to use or sell the intangible asset;

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

15. Intangible assets (Continued)

(2) Research and development expenditure (Continued)

- ⑤ The expenses attributable to the development stage of the intangible asset can be reliably measured.

If it is impossible to distinguish between research stage expenditure and development stage expenditure, all R&D expenses incurred shall be included in the current profit and loss.

(3) The impairment testing method and impairment provision method for intangible assets

The impairment testing method and impairment provision method for intangible assets are detailed in Note IV.16. Impairment of long-term assets.

16. Impairment of long-term assets

For non current non-financial assets such as fixed assets, construction in progress, intangible assets with limited service life, and long-term equity investments in subsidiaries, joint ventures, and associated enterprises, the Group determines whether there is any indication of impairment on the balance sheet date. If there are signs of impairment, the recoverable amount is estimated and impairment testing is conducted. Intangible assets with uncertain useful lives and intangible assets that have not yet reached their usable state, regardless of whether there are signs of impairment, are subject to impairment testing annually.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

16. Impairment of long-term assets (Continued)

If the impairment test results indicate that the recoverable amount of an asset is lower than its carrying amount, an impairment provision shall be made based on the difference and included in the impairment loss. The recoverable amount is the higher of the net amount of the fair value of the asset minus disposal expenses and the present value of the expected future cash flow of the asset. The fair value of assets is determined based on the sales agreement price in fair trade; If there is no sales agreement but an active market for the asset, the fair value shall be determined based on the buyer's bid for the asset; If there is no sales agreement or active asset market, the fair value of the asset is estimated based on the best available information. Disposal costs include legal fees related to asset disposal, relevant taxes, handling fees, and direct expenses incurred to bring the asset into a sellable state. The present value of the expected future cash flow of an asset is determined by discounting it at an appropriate discount rate based on the expected future cash flow generated during its continuous use and final disposal. The provision for asset impairment is calculated and recognized on a single asset basis. If it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of the asset group to which the asset belongs is determined. An asset group is the smallest combination of assets that can independently generate cash inflows.

Once the impairment loss of the above-mentioned assets is confirmed, the portion that is worth recovering will not be reversed in the future.

17. Estimated liabilities

When obligations related to contingencies meet the following conditions simultaneously, they are recognized as estimated liabilities: ① the obligation is a current obligation undertaken by the group; ② Fulfilling this obligation is likely to result in an outflow of economic benefits; ③ The amount of this obligation can be reliably measured.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

17. Estimated liabilities (Continued)

On the balance sheet date, considering factors such as risks, uncertainties, and time value of currency related to contingencies, the estimated liabilities are measured based on the best estimate of the expenses required to fulfill the relevant current obligations.

If all or part of the expenses required to settle the estimated liability are expected to be compensated by a third party, the compensation amount shall be separately recognized as an asset when it is basically certain that it can be received, and the recognized compensation amount shall not exceed the book value of the estimated liability.

18. Share-based payment

The share based payment of the Group is a transaction that grants equity instruments or assumes liabilities based on equity instruments to obtain services provided by employees. The group's share-based payments are equity settled share-based payments.

(1) Equity settled share-based payments

For equity settled share-based payments in exchange for services provided by employees, the Group measures them at the fair value of the equity instruments granted to employees on the grant date. The amount of this fair value is calculated and included in relevant costs or expenses using the straight-line method based on the best estimate of the number of exercisable equity instruments during the waiting period, with a corresponding increase in capital reserve. On each balance sheet date during the waiting period, the Group makes the best estimate based on the latest changes in the number of employees with exercisable rights and other subsequent information, and corrects the estimated number of exercisable equity instruments. The impact of the above estimates is included in the relevant costs or expenses of the current period, and the capital reserve is adjusted accordingly.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

18. Share-based payment (Continued)

- (2) Implement, modify, and terminate the share-based payment plan

When the Group modifies the share-based payment plan, if the modification increases the fair value of the granted equity instruments, the increase in services obtained shall be recognized accordingly based on the increase in fair value of the equity instruments; If the modification increases the number of granted equity instruments, the fair value of the increased equity instruments will be recognized as an increase in the acquisition of services accordingly. The increase in fair value of equity instruments refers to the difference between the fair value of equity instruments before and after modification on the modification date. If the modification reduces the total fair value of the share-based payment plan or adopts other unfavorable methods to modify the terms and conditions of the share-based payment plan, the accounting treatment of the obtained services will continue, and it will be deemed that the change has never occurred, unless the Group cancels some or all of the granted equity instruments.

- (3) Other

If the restricted stock subscription payment paid by the incentive object does not meet the unlocking conditions, the subscription payment will be returned to the incentive object. When the Group obtains the payment, it recognizes the share capital and capital reserve (capital premium) based on the acquired subscription funds, and at the same time, fully recognizes a liability for repurchase obligations and recognizes treasury shares.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

19. Revenue

The Group recognizes revenue when it fulfills its contractual obligations, that is, when a customer obtains control of the relevant goods or services.

If a contract contains two or more performance obligations, the Group shall, at the beginning of the contract, allocate the transaction price to each individual performance obligation based on the relative proportion of the individual selling price of the goods or services promised by each individual performance obligation, and measure income based on the transaction price allocated to each individual performance obligation.

The transaction price refers to the amount of consideration that the Group is expected to be entitled to receive for the transfer of goods or services to customers, excluding payments received on behalf of third parties. The transaction price confirmed by the Group does not exceed the amount that is highly unlikely to result in a significant reversal of the cumulative recognized income when the relevant uncertainty is eliminated. The expected refund to the customer is not included in the transaction price as a liability. If there is a significant financing element in the contract, the Group determines the transaction price based on the assumed amount payable in cash when the customer obtains control of the goods or services. The difference between the transaction price and the contract consideration shall be amortized using the effective interest rate method during the contract period. On the commencement date of the contract, if the Group expects that the interval between the customer's acquisition of control over the goods or services and the customer's payment of the price does not exceed one year, the significant financing components present in the contract will not be considered.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

19. Revenue (Continued)

If one of the following conditions is met, the Group shall fulfill its performance obligations within a certain period of time; Otherwise, it belongs to fulfilling the performance obligation at a certain point in time:

- ① Customers obtain and consume the economic benefits brought by the Group's performance at the same time as the Group's performance;
- ② Customers are able to control the goods under construction during the performance process of the group;
- ③ The goods produced during the performance process of the Group have irreplaceable uses, and the Group has the right to collect payments for the cumulative performance portion completed to date throughout the entire contract period.

For performance obligations performed within a certain period of time, the Group recognizes revenue based on the progress of performance during that period. When the progress of performance cannot be reasonably determined, if the cost incurred by the group is expected to be compensated, revenue shall be recognized based on the amount of cost incurred until the progress of performance can be reasonably determined.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

19. Revenue (Continued)

For performance obligations performed at a certain point in time, the Group recognizes revenue at the point when the customer obtains control of the relevant goods or services. When determining whether a customer has obtained control over goods or services, the Group considers the following indications:

- ① The Group has the current right to receive payment for the goods or services;
- ② The group has transferred the legal ownership of the product to the customer;
- ③ The group has transferred the physical item of the product to the customer;
- ④ The group has transferred the main risks and rewards of ownership of the goods to customers;
- ⑤ The customer has accepted the product or service, etc.

The Group has transferred goods or services to customers and has the right to receive consideration (and this right depends on factors other than the passage of time) as contract assets, which are depreciated based on expected credit losses. The right of the Group to receive consideration from customers unconditionally (only depending on the passage of time) is listed as receivables. The obligation of the Group to transfer goods or services to customers for consideration received or receivable from customers is presented as a contractual liability.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

20. Government grants

Government subsidies refer to the group's free acquisition of monetary and non monetary assets from the government, excluding capital invested by the government as an owner. Government subsidies are divided into asset related government subsidies and income related government subsidies.

The Group defines government subsidies obtained for the purchase, construction or other forms of long-term assets as government subsidies related to assets; Other government subsidies are defined as government subsidies related to income. If the government documents do not specify the subsidy target, the subsidy will be divided into government subsidies related to income and government subsidies related to assets in the following way: ① If the government documents specify the specific project targeted by the subsidy, the subsidy will be divided based on the relative proportion of the expenditure amount formed in the asset and the expenditure amount included in the expense in the budget of the specific project. The division proportion needs to be reviewed on each balance sheet date, Make necessary changes; ② The government documents only provide general descriptions of the purpose and do not specify specific projects as government subsidies related to income.

Government subsidies that are monetary assets are measured at the amount received or receivable. If government subsidies are non monetary assets, they shall be measured at fair value; If the fair value cannot be reliably obtained, it shall be measured at its nominal amount. Government subsidies measured at nominal amounts are directly recognized in the current period's profits and losses.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

20. Government grants (Continued)

The Group usually recognizes and measures government subsidies based on the actual amount received when they are actually received. However, for those who have conclusive evidence at the end of the period indicating that they can meet the relevant conditions stipulated in the financial support policies and are expected to receive financial support funds, they shall be measured at the amount receivable. Government subsidies measured according to the receivable amount should simultaneously meet the following conditions: ① the amount of the receivable subsidy has been confirmed by the authorized government department through a document, or can be reasonably calculated according to the relevant provisions of the officially issued financial fund management measures, and the expected amount is not subject to significant uncertainty; ② The basis is the financial support projects and their financial fund management measures officially released by the local financial department and actively disclosed in accordance with the provisions of the "Regulations on Government Information Disclosure", and the management measures should be inclusive (any enterprise that meets the prescribed conditions can apply), rather than specifically formulated for specific enterprises; ③ The relevant subsidy approval documents have clearly promised the payment deadline, and the allocation of this amount is guaranteed by the corresponding financial budget, so it can be reasonably guaranteed to be received within the specified period.

Government subsidies related to assets are recognized as deferred income and are evenly distributed throughout the useful life of the relevant assets and included in the current profit and loss. Government subsidies related to income, which are used to compensate for related expenses and losses in the future period, are recognized as deferred income and included in the current profit and loss or offset against related costs during the period when the relevant expenses are recognized; Those used to compensate for related expenses and losses that have already occurred shall be included in the current profit and loss or offset against related costs.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

20. Government grants (Continued)

Government subsidies related to the daily activities of the Group are recognized in other income or offset against related costs and expenses based on the essence of economic business; Government subsidies unrelated to daily activities are included in non operating income.

When confirmed government subsidies need to be returned, if there is a relevant deferred income balance, the book balance of the relevant deferred income shall be offset, and the excess shall be included in the current profit and loss; If there is no relevant deferred income, it shall be directly included in the current profit and loss.

21. Deferred income tax asset and liability

(1) Current income tax

On the balance sheet date, the current income tax liabilities (or assets) formed in the current and previous periods are measured at the expected amount of income tax payable (or refunded) calculated in accordance with tax laws. The taxable income amount based on which the current income tax expenses are calculated is calculated after making corresponding adjustments to the pre tax accounting profit of the current period in accordance with relevant tax laws and regulations.

(2) Deferred income tax assets and deferred income tax liabilities

The temporary differences arising from the difference between the book value of certain asset and liability items and their tax basis, as well as the difference between the book value and tax basis of items that are not recognized as assets and liabilities but can be determined according to tax laws, are recognized using the balance sheet liability method for deferred income tax assets and deferred income tax liabilities.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

21. Deferred income tax asset and liability (Continued)

- (2) Deferred income tax assets and deferred income tax liabilities
(Continued)

Taxable temporary differences related to the initial recognition of goodwill, as well as the initial recognition of assets or liabilities arising from transactions that are not business combinations and do not affect accounting profits and taxable income (or deductible losses), shall not be recognized as deferred income tax liabilities. In addition, for taxable temporary differences related to investments in subsidiaries, associates, and joint ventures, if the Group can control the timing of the reversal of temporary differences and the temporary differences are likely not to be reversed in the foreseeable future, the relevant deferred income tax liabilities will not be recognized. Except for the above exceptions, the Group recognizes deferred income tax liabilities arising from all other taxable temporary differences.

Deductible temporary differences related to the initial recognition of assets or liabilities arising from transactions that are neither business combinations nor affect accounting profits and taxable income (or deductible losses) shall not be recognized as deferred income tax assets. In addition, for deductible temporary differences related to investments in subsidiaries, associates, and joint ventures, if the temporary differences are not likely to be reversed in the foreseeable future, or if it is not likely to obtain taxable income to offset the deductible temporary differences in the future, the relevant deferred income tax assets will not be recognized. Except for the above exceptions, the Group recognizes deferred income tax assets arising from other deductible temporary differences to the extent that it is likely to obtain taxable income to offset the deductible temporary differences.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

21. Deferred income tax asset and liability (Continued)

- (2) Deferred income tax assets and deferred income tax liabilities (Continued)

For deductible losses and tax deductions that can be carried forward to future years, the corresponding deferred income tax assets are recognized to the extent that it is likely to obtain future taxable income to offset the deductible losses and tax deductions.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities are measured at the applicable tax rate during the expected period of asset recovery or liability settlement in accordance with tax laws.

On the balance sheet date, the book value of deferred income tax assets is reviewed. If it is likely that sufficient taxable income will not be available in the future to offset the benefits of deferred income tax assets, the book value of deferred income tax assets is written down. When it is highly possible to obtain sufficient taxable income, the amount written down shall be reversed.

- (3) Income tax expenses

Income tax expenses include current income tax and deferred income tax.

Except for the current period income tax and deferred income tax related to transactions and events recognized as other comprehensive income or directly recognized in shareholders' equity, as well as the book value of goodwill adjusted for deferred income tax generated from business mergers, other current period income tax and deferred income tax expenses or gains are recognized in current profit and loss.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

22. Leases

On the commencement date of the contract, the Group evaluates whether the contract is a lease or includes a lease. If one party in the contract transfers the right to control the use of one or more identified assets for a certain period of time in exchange for consideration, the contract is a lease or includes a lease. To determine whether the contract transfers the right to control the use of identified assets for a certain period of time, the Group evaluates whether customers in the contract have the right to obtain almost all economic benefits arising from the use of identified assets during the use period, and have the right to dominate the use of identified assets during that use period.

If multiple separate leases are included in the contract, the group will split the contract and accounting for each separate lease separately. If the following conditions are met simultaneously, the right to use the identified asset constitutes a separate lease in the contract: ① the lessee can profit from using the asset alone or using it together with other readily available resources; ② This asset does not have a high degree of dependence or correlation with other assets in the contract.

If both the leasing and non leasing parts are included in the contract, the Group, as the lessor and lessee, will split the leasing and non leasing parts for accounting treatment.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

22. Leases (Continued)

- (1) The Group records leasing business as a lessee

The asset categories of the Group's use rights mainly include leased houses and buildings, machinery and equipment, other equipment, and land use rights.

- 1) Initial measurement

On the lease commencement date, the Group recognizes its right to use the leased asset during the lease term as a right to use asset, and recognizes the present value of unpaid lease payments as a lease liability, except for short-term leases and low value asset leases. When calculating the present value of lease payments, the Group uses the implicit interest rate of the lease as the discount rate; If the implicit interest rate of the lease cannot be determined, the lessee's incremental borrowing rate shall be used as the discount rate.

- 2) Subsequent measurement

In the subsequent measurement, if it can be reasonably determined that the ownership of the leased asset will be obtained at the end of the lease term, the Group shall accrue depreciation within the remaining useful life of the leased asset. If it is impossible to reasonably determine that ownership of the leased asset can be obtained at the end of the lease term, the Group shall accrue depreciation during the shorter of the lease term or the remaining useful life of the leased asset.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

22. Leases (Continued)

(1) The Group records leasing business as a lessee (Continued)

2) Subsequent measurement (Continued)

The Group calculates the interest expense of lease liabilities for each period of the lease term at a fixed periodic interest rate and includes it in the current profit and loss.

The variable lease payments that are not included in the measurement of lease liabilities are recognized in the current profit and loss when they are actually incurred.

After the start date of the lease term, when there is a change in the actual fixed payment amount, a change in the expected payable amount of the guarantee residual value, a change in the index or ratio used to determine the lease payment amount, a change in the evaluation results or actual exercise of the purchase option, renewal option, or termination option, the Group remeasures the lease liability based on the present value of the changed lease payment amount, And adjust the book value of the right to use assets accordingly. If the book value of the right to use asset has been reduced to zero, but the lease liability still needs to be further reduced, the group will include the remaining amount in the current profit and loss.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

22. Leases (Continued)

(1) The Group records leasing business as a lessee (Continued)

3) Lease Change

Lease changes refer to changes in the lease scope, lease consideration, and lease term beyond the original contract terms, including adding or terminating the right to use one or more leased assets, extending or shortening the lease term specified in the contract, etc.

If a lease undergoes a change and simultaneously meets the following conditions, the Group will treat the lease change as a separate lease for accounting purposes: ① the lease change expands the lease scope by increasing the right to use one or more leased assets; ② The increased consideration is equivalent to the individual price for the majority of the expansion of the lease scope adjusted according to the contract situation.

If the lease change is not accounted for as a separate lease, the Group will re determine the lease term on the effective date of the lease change and use the revised discount rate to discount the changed lease payment amount to remeasure the lease liability. When calculating the present value of lease payments after changes, the Group adopts the implicit interest rate of the remaining lease period as the discount rate; If the implicit interest rate of the remaining lease period cannot be determined, the discount rate shall be the incremental borrowing rate of the Group on the effective date of the lease change.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

22. Leases (Continued)

(1) The Group records leasing business as a lessee (Continued)

3) Lease Change (Continued)

Regarding the impact of the above lease liability adjustment, the Group distinguishes the following situations for accounting treatment: ① If the lease change results in a reduction in the lease scope or lease term, the Group adjusts the book value of the right to use assets to reflect partial or complete termination of the lease. The Group will record the gains and losses related to partial or complete termination of leases in the current profit and loss. For other lease changes, the Group will adjust the book value of the right to use assets accordingly.

4) Short term leasing and low value asset leasing

The Group chooses not to recognize right of use assets and lease liabilities for short-term leases and low value asset leases. During each period of the lease term, the relevant asset costs or current profit and loss are recognized using the straight-line method, and contingent rents are recognized in the current profit and loss when actually incurred.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

22. Leases (Continued)

- (2) The Group, as the lessor, records operating lease business

The rental income from operating leases is recognized as current profit or loss on a straight-line basis during each period of the lease term. The initial direct expenses with a large amount shall be capitalized when incurred, and shall be recognized in the current profit and loss in installments throughout the entire lease period on the same basis as the recognition of rental income; Other initial direct expenses with smaller amounts are recognized in the current profit and loss when incurred. Contingent rent is recognized in the current profit and loss when it is actually incurred.

- (3) The Group, as the lessor, records financial leasing business

On the commencement date of the lease term, the sum of the minimum lease receipt amount on the lease commencement date and the initial direct expenses shall be recognized as the entry value of the receivable financing lease payments, while recording the unguaranteed residual value; The difference between the sum of the minimum lease receipt amount, initial direct expenses, and unguaranteed residual value and their present value is recognized as unrealized financing income. The balance of receivable financing lease payments after deducting unrealized financing income is presented separately as long-term debt and long-term debt due within one year.

Unrealized financing income is calculated and recognized as current financing income using the effective interest rate method during the lease term. Contingent rent is recognized in the current profit and loss when it is actually incurred.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

22. Leases (Continued)

(4) Sale and leaseback transactions

As a lessee, the transfer of assets in the sale and leaseback transaction belongs to sales. The Group, as a lessee, measures the use rights assets formed by the sale and leaseback based on the portion of the original asset book value related to the leaseback obtained, and only recognizes the relevant gains or losses based on the rights transferred to the lessor; If the asset transfer in a sale and leaseback transaction does not belong to sales, the Group, as the lessee, continues to recognize the transferred asset and recognizes a financial liability equal to the transfer income.

When acting as a lessor, asset transfer in a sale and leaseback transaction belongs to sales. The Group, as the lessor, conducts accounting treatment for asset purchases and leases assets in accordance with the aforementioned regulations; The transfer of assets in a sale and leaseback transaction does not belong to sales, and the Group, as the lessor, does not recognize the transferred assets, but recognizes a financial asset equal to the transfer income.

23. Contract liabilities

Contractual liabilities reflect the obligation of the Group to transfer goods to customers for consideration received or receivable from customers. If the customer has already paid the contract consideration or the group has obtained the unconditional right to receive the contract consideration before transferring the goods to the customer, the contract liability shall be recognized based on the received or receivable amount at the earlier of the actual payment by the customer or the due payment.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

24. Employee benefits

The employee compensation of the Group mainly includes short-term employee compensation, post employment benefits, termination benefits, and other long-term employee benefits. Among them:

Short term compensation mainly includes wages, bonuses, allowances and subsidies, employee welfare expenses, medical insurance premiums, maternity insurance premiums, work-related injury insurance premiums, housing provident fund, labor union funds and employee education expenses, non monetary benefits, etc. The Group recognizes the actual short-term employee compensation incurred during the accounting period when employees provide services to the Group as a liability and includes it in the current profit and loss or related asset costs. Non monetary benefits are measured at fair value.

Post employment benefits mainly include defined contribution plans. The designated contribution plan mainly includes basic pension insurance, unemployment insurance, and annuity, and the corresponding payable amount is included in the relevant asset cost or current profit and loss when incurred.

If the employment relationship with the employee is terminated before the expiration of the employment contract, or if compensation is proposed to encourage the employee to voluntarily accept layoffs, and the Group cannot unilaterally withdraw the termination benefits provided due to the termination of the employment relationship plan or layoff proposal, or if the Group recognizes the costs related to the restructuring involving the payment of termination benefits, whichever is earlier, the employee compensation liability arising from the termination benefits shall be recognized and included in the current profit and loss. However, if the expected termination benefits cannot be fully paid within twelve months after the end of the annual reporting period, they will be treated as other long-term employee compensation.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

24. Employee benefits (Continued)

The internal retirement plan for employees adopts the same principle as the aforementioned dismissal benefits. The Group will include the salaries and social insurance premiums to be paid for early retirees during the period from the date when employees cease providing services to the normal retirement date, in the current profit and loss (termination benefits) when they meet the recognition criteria for expected liabilities.

25. Segmental reporting

The Group determines operating segments on the basis of its internal organizational structure, management requirements and internal reporting system, and determines reporting segments and discloses segment information on the basis of operating segments.

Operating segment refers to a component of the Group that simultaneously meets the following conditions: (1) The component can generate revenue and incur expenses in its daily activities; (2) The management of the Group is able to evaluate the operating results of the component on a regular basis to determine the allocation of resources to it and evaluate its performance; (3) The Group is able to obtain accounting information regarding the financial position, operating results and cash flows of the component. If two or more operating segments have similar economic characteristics and meet certain conditions, they may be combined into one operating segment.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

26. Methods and selection basis for determining significance criteria

Items	Standard
The important Construction in progress	RMB50 million
Significant account payable aging over 1 year	RMB5 million
Significant balances of other payables aging over 1 year	RMB100 million
The important joint ventures	RMB600 million
The important association	RMB1000 million

27. Corrections of prior period errors

There are no corrections of prior year errors for the period.

28. Significant accounting judgments and estimates

In the process of applying accounting policies, due to the inherent uncertainty of operating activities, the Group needs to make judgments, estimates, and assumptions about the book value of statement items that cannot be accurately measured. These judgments, estimates, and assumptions are based on the past historical experience of the management of the group, and are made taking into account other relevant factors. These judgments, estimates, and assumptions will affect the reported amounts of income, expenses, assets, and liabilities, as well as the disclosure of contingent liabilities on the balance sheet date. However, the uncertainty of these estimates may result in significant adjustments to the carrying amount of future affected assets or liabilities.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

28. Significant accounting judgments and estimates (Continued)

The Group conducts regular reviews of the aforementioned judgments, estimates, and assumptions on a going concern basis. If changes in accounting estimates only affect the current period of the change, their impact will be recognized in the current period of the change; If it affects both the current and future periods of the change, the impact amount shall be recognized in the current and future periods of the change.

On the balance sheet date, the important areas in which the Group needs to make judgments, estimates, and assumptions about the amounts of financial statement items are as follows:

(1) Inventory depreciation reserves

According to the inventory accounting policy, the Group measures inventory at the lower of cost and net realizable value. For inventory with costs higher than net realizable value, as well as obsolete and unsold inventory, a provision for inventory depreciation is made. The impairment of inventory to net realizable value is based on the evaluation of its marketability and net realizable value. Identifying inventory impairment requires management to make judgments and estimates based on obtaining conclusive evidence and considering factors such as the purpose of holding inventory and the impact of events after the balance sheet date. The difference between the actual results and the original estimate will affect the book value of inventory and the provision or reversal of inventory depreciation reserves during the period when the estimate is changed.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

28. Significant accounting judgments and estimates (Continued)

(2) Provision for impairment of non current assets

On the balance sheet date, the Group assesses whether there are any signs of possible impairment of non current assets other than financial assets. For intangible assets with uncertain useful lives, in addition to annual impairment tests, impairment tests are also conducted when there are signs of impairment. Other non current assets, other than financial assets, are tested for impairment when there are signs that their carrying amount is not recoverable.

When the carrying amount of an asset or asset group exceeds its recoverable amount, which is the higher of the net amount of fair value minus disposal expenses and the present value of expected future cash flows, it indicates impairment.

The net amount of fair value minus disposal expenses is determined by referring to the sales agreement price or observable market price of similar assets in fair trade, minus the incremental costs directly attributable to the disposal of the asset.

When estimating the present value of future cash flows, significant judgments need to be made regarding the output, selling price, related operating costs, and discount rate used in calculating the present value of the asset (or asset group). The Group will use all available relevant information when estimating the recoverable amount, including predictions based on reasonable and supported assumptions regarding production, selling prices, and related operating costs.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

28. Significant accounting judgments and estimates (Continued)

(3) Depreciation and amortization

The Group calculates depreciation and amortization of fixed assets and intangible assets on a straight-line basis over their useful lives, taking into account their residual values. The Group regularly reviews the service life to determine the amount of depreciation and amortization expenses to be included in each reporting period. The service life is determined by the Group based on past experience with similar assets and in combination with expected technological updates. If there is a significant change in previous estimates, depreciation and amortization expenses will be adjusted in future periods.

(4) Deferred income tax assets

To the extent that there is a high likelihood of sufficient taxable income to offset losses, the Group recognizes deferred income tax assets for unused tax losses. This requires the management of the group to use judgment to estimate the time and amount of future taxable income, and combine it with tax planning strategies to determine the amount of deferred income tax assets that should be recognized.

(5) Income tax

In the normal business activities of the Group, there is some uncertainty in the final tax treatment and calculation of certain transactions. Whether some projects can be disbursed before tax requires approval from the tax authorities. If there is a difference between the final recognition results of these tax matters and the initial estimated amount, the difference will have an impact on the current income tax and deferred income tax during the final recognition period.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

28. Significant accounting judgments and estimates (Continued)

- (6) Internal retirement benefits and supplementary retirement benefits

The amount of expenses and liabilities for retirement benefits and supplementary retirement benefits within the group is determined based on various assumptions. These assumptions include discount rates, average medical expense growth rates, subsidy growth rates for early retirees and retirees, and other factors. The difference between the actual results and assumptions will be immediately recognized and included in the current year's expenses upon occurrence. Although the management believes that reasonable assumptions have been adopted, changes in actual experience values and assumptions will still affect the expenses and liability balances of retirement benefits and supplementary retirement benefits within the group.

- (7) Impairment of financial instruments

The Group adopts the expected credit loss model to evaluate the impairment of financial instruments. The application of the expected credit loss model requires significant judgment and estimation, taking into account all reasonable and evidence-based information, including forward-looking information. When making such judgments and estimates, the Group infers expected changes in the debtor's credit risk based on historical repayment data, combined with economic policies, macroeconomic indicators, industry risks, significant changes in the debtor, warning customer lists, collateral, and other factors.

29. Changes of significant accounting policies and estimates

There were no changes in accounting policies and estimates during the current period.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

V. TAXATION

1. Main taxes and tax rate

Type of tax	Specific tax rate
Value added tax ("VAT")	Output VAT is calculated based on taxable income, according to the applicable tax, Applicable tax rates include 13%, 9%, 6%.
City construction and Education surtax	Paid circulating tax: 7%, 3%, 2%
Enterprise income tax	Taxable income: 15%, 25%
Environmental protection tax	Atmospheric pollutant: Multiply the pollution equivalent number converted from the amount of pollutant discharge by 1.2 or 2.4. Water pollutants: Multiply the pollution equivalent number converted from the amount of pollutant discharge by 1.4. Solid wastes: Multiply the emission of solid wastes by 25. Noise: Multiply the noise coefficient of exceeding standards by 350, 700, 2800 or 1400.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

V. TAXATION (CONTINUED)

1. Main taxes and tax rate (Continued)

Disclosure requirements for entities subject to different corporate income tax rates

Taxpayer Name	Income Tax Rate
The Company	15%
Angang steel Group Chaoyang Iron and Steel Co., Ltd. ("Chaoyang Iron and Steel")	15%
Angang Chemical Technology Co., Ltd. ("Chemical Technology")	15%
Kobelco Angang Auto Steel Co Ltd. ("Angang Kobelco")	15%
Angang Steel Processing and Distribution (Changchun) Co., Ltd. ("ASPD-CC")	15%
Angang Energy and Technology Co., Ltd. Co., Ltd. ("Energy and Technology")	15%

2. Tax Incentives

- (1) Pursuant to Article 28 of the Enterprise Income Tax Law of the People's Republic of China "High-tech enterprises that are nationally recognized as requiring key support shall be subject to a reduced enterprise income tax rate of 15%", the company and five subsidiaries qualify for this tax incentive, as detailed below:

Taxpayer Name	Nature	Certificate No.	Validity Period
The Company	High-Tech Enterprise	GR202421000799	2024.11.27-2027.11.27
Chaoyang Iron and Steel	High-Tech Enterprise	GR202421001134	2024.11.27-2027.11.27
Chemical Technology	High-Tech Enterprise	GR202421000274	2024.11.27- 2027.11.27
Angang Kobelco	High-Tech Enterprise	GR202321000828	2023.11.29- 2026.11.29
ASPD-CC	High-Tech Enterprise	GR202222000468	2022.11.29- 2025.11.29
Energy and Technology	High-Tech Enterprise	GR202221000143	2022.11.04- 2025.11.04

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

V. TAXATION (CONTINUED)

2. Tax Incentives (Continued)

- (2) In accordance with the Announcement on Improving the VAT Policy for Resource Comprehensive Utilization (MOF and SAT Announcement No. 40 [2021]), general VAT taxpayers selling self-produced resource comprehensive utilization products or providing related services may enjoy a VAT “refund upon collection” policy. Both the company and Chaoyang Iron and Steel qualify for this incentive.
- (3) Pursuant to the Announcement on the VAT Additional Deduction Policy for Advanced Manufacturing Enterprises (MOF and SAT Announcement No. 43 [2024]), from January 1, 2024, to December 31, 2027, advanced manufacturing enterprises are permitted to deduct an additional 5% of the current deductible input VAT from their payable VAT. The company and subsidiaries (Chaoyang Iron and Steel, Chemical Technology, Angang Kobelco, and ASPD-CC) are eligible for this incentive.

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Unless otherwise specified, the current period refers to the 6-month period ending on June 30, 2025, and the previous period refers to the 6-month period ending on June 30, 2024.

1. Cash and cash equivalents

Item	30 June 2025	31 December 2024
Cash		
Bank deposits (Note 1)	2,877	4,250
Other cash and cash equivalents (Note 2)	257	294
Total	3,134	4,544

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. Cash and cash equivalents (Continued)

Note 1: For details of the funds deposited by the Group in Angang Finance, please refer to Note XII.5.3

Note 2: Other cash and cash equivalents primarily consist of bank acceptance note margins and futures margins.

2. Trading financial assets

Item	30 June 2025	31 December 2024
Financial assets measured at fair value through profit or loss	16	15
Including: Equity instrument investments	16	15
Total	16	15

3. Derivative financial assets

Item	30 June 2025	31 December 2024
Futures contract	4	
Total	4	

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Notes receivable

(1) Classification of notes receivable

Items	30 June 2025			31 December 2024		
	Book Balance	Bad Debt Provision	Net Book Value	Book Balance	Bad Debt Provision	Net Book Value
Bank acceptance notes	235		235	55		55
Commercial acceptance notes						
Total	235		235	55		55

(2) Notes receivable transferred to accounts receivable due to insolvency of the issuer as of 30 June 2025

Items	Amount transferred to accounts receivable at the end of the period
Bank acceptance notes	366
Commercial acceptance notes	
Total	366

(3) Aging of notes receivable at the end of the period

The age of the accounts receivable of the group at the end of the period mentioned above is within 1 year.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivable

(1) Classification of accounts receivable

Item	30 June 2025				
	Book Value		Bad Debt Provision		Net Book Value
	Amount	Percentage (%)	Amount	Percentage (%)	
Accounts receivable subject to separate assessment for bad debts provision	453	14.55	398	87.86	55
Account receivable for which bad debt is prepared based on group combination	2,660	85.45	4	0.15	2,656
including: Risk-free group combination	1,444	46.39			1,444
Risk group combination on the basis of aging-matrix	1,216	39.06	4	0.33	1,212
Total	3,113	100.00	402	12.91	2,711

Item	31 December 2024				
	Book Value		Bad Debt Provision		Net Book Value
	Amount	Percentage (%)	Amount	Percentage (%)	
Accounts receivable subject to separate assessment for bad debts provision	455	13.57	397	87.25	58
Account receivable for which bad debt is prepared based on group combination	2,899	86.43	5	0.17	2,894
including: Risk-free group combination	719	21.43			719
Risk group combination on the basis of aging-matrix	2,180	65.00	5	0.23	2,175
Total	3,354	100.00	402	11.99	2,952

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivable (Continued)

- (2) Accounts receivable subject to separate assessment for bad debts provision

	31 December 2024		30 June 2025			
	Book Value	Bad Debt Provision	Book Value	Bad Debt Provision	Percentage (%)	Reason
Debtors						
Tianjin Property Group Finance Co., Ltd.	366	311	366	311	84.97	Notes overdue
Anshan Zhongyou Tianbao Steel Pipe Co., Ltd.	67	67	65	65	100.00	Business is in trouble. It does not have repayment ability
Dongbei Special Steel Group	15	15	15	15	100.00	Estimated uncollectible
Shanghai Junshang Supply Chain Management Co., LTD	5	2	5	5	100.00	Business is in trouble. It does not have repayment ability
Dalian material trading Co., Ltd.	2	2	2	2	100.00	Bankruptcy of debtor. It does not have repayment ability
Total	455	397	453	398		

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivable (Continued)

- (3) Accounts receivable classified by aging

Aging	30 June 2025	31 December 2024
Within 1 year	2,588	2,857
1 to 2 years	72	42
2 to 3 years	2	3
3 to 4 years	2	
4 to 5 years		
Over 5 years	449	452
Total	3,113	3,354

Note: In the above analysis, based on the invoice date.

- (4) Bad debt provision at the end of the period

Type	31 December 2024	Increase/Decrease			30 June 2025
		Bad debt provision	Reverse	Resale or verification Others	
Accounts receivable	402	1		(1)	402

- (5) Accounts receivable written off this period

There are no accounts receivables that have been written off this period.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivable (Continued)

- (6) The condition of accounts receivable of the top five debtors by the balances as of 30 June 2025

The total amount of top five accounts receivable according to closing balance of debtors of the Group was RMB1,863 million as of 30 June 2025, which accounted for 59.85% of the closing balance of the total accounts receivable. The summary closing balance of corresponding bad debt provision amounted to RMB311 million as of 30 June 2025.

- (7) Others

The Group transferred accounts receivable on a non-recourse basis of RMB985 million and incurred costs related to derecognition of RMB4 million during the period.

6. Receivables financing

- (1) Classification of receivables financing

Items	30 June 2025			31 December 2024		
	Book Balance	Bad Debt Provision	Net Book Value	Book Balance	Bad Debt Provision	Net Book Value
Bank acceptance notes	1,809		1,809	918		918
Commercial acceptance notes						
Total	1,809		1,809	918		918

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Receivables financing (Continued)

- (2) Receivable financing that have been endorsed or discounted as of June 30, 2025 and have not yet matured on the balance sheet date

Items	Amount of termination confirmation	Amount of Non-termination confirmation
Bank acceptance notes	13,144	
Commercial acceptance notes		
Total	13,144	

7. Prepayments

- (1) Prepayments classified by aging

Items	30 June 2025		31 December 2024	
	Balance	Percentage (%)	Balance	Percentage (%)
Within 1 year	2,776	99.36	3,153	98.87
1 to 2 years	16	0.57	28	0.88
2 to 3 years			6	0.19
Over 3 years	2	0.07	2	0.06
Total	2,794	100.00	3,189	100.00

- (2) The top five prepayments with outstanding balance as of June 30, 2025

The total amount of the top five prepayments collected by the group as of June 30, 2025 based on the prepayments is 1,673 million, accounting for 59.88% of the total balance of prepayments as of June 30, 2025.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Other receivables

Items	30 June 2025	31 December 2024
Interests receivable		
Dividends receivable	1	
Other receivables	103	66
Total	104	66

8.1 Dividends receivable

The Invested Entity	30 June 2025	31 December 2024
Anshan Falan Packing Material Co. Ltd. ("Falan Packing")	1	
Total	1	

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Other receivables (Continued)

8.2 The condition of other receivables

(1) Classification of other receivables

Items	30 June 2025				Net Book Value
	Book Value		Bad Debt Provision		
	Amount	Percentage (%)	Amount	Percentage (%)	
Other receivables subject to separate assessment for bad debts provisio	9	7.83	9	100.00	
Other receivables for which bad debt is prepared based on group combination	106	92.17	3	2.83	103
Including: Risk-free group combination	2	1.74			2
Risk group combination on the basis of aging-matrix	104	90.43	3	2.88	101
Total	115	100.00	12	10.43	103

(Continued)

Items	31 December 2024				Net Book Value
	Book Value		Bad Debt Provision		
	Amount	Percentage (%)	Amount	Percentage (%)	
Other receivables subject to separate assessment for bad debts provisio	9	11.39	9	100.00	
Other receivables for which bad debt is prepared based on group combination	70	88.61	4	5.71	66
Including: Risk-free group combination	3	3.80			3
Risk group combination on the basis of aging-matrix	67	84.81	4	5.97	63
Total	79	100.00	13	16.46	66

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Other receivables (Continued)

8.2 The condition of other receivables (Continued)

(2) Other receivables classified by the nature

Item	30 June 2025	31 December 2024
Petty cash	13	6
The service fee of land acquisition	9	9
Industrial injury loan	3	4
Others	90	60
Total	115	79

(3) Other receivables classified by aging

Aging	30 June 2025	31 December 2024
Within 1 year	88	48
1 to 2 years	13	14
2 to 3 years	2	6
3 to 4 years	2	1
4 to 5 years	1	1
Over 5 years	9	9
Total	115	79

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Other receivables (Continued)

8.2 The condition of other receivables (Continued)

(4) The accrual condition of bad debt provision

	The first stage	The second stage	The third stage	Total
	Expected credit losses within the next 12 months	Expected credit losses for the entire duration of the period (no credit impairment)	Expected credit losses for the entire duration of the period (credit impairment has occurred)	
Bad debt provision				
Balance at 31 December 2024	4		9	13
Bad debt provision	(1)			(1)
Reverse				
Resale or verification				
Write of				
Other changes				
Balance at 30 June 2025	3		9	12

(5) Bad debt provision at the end of the period

Item	31 December 2024	Change in this period			30 June 2025
		Bad debt provision	Reverse	Resale or verification	
Other receivables	13	(1)			12

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Other receivables (Continued)

8.2 The condition of other receivables (Continued)

- (6) Other receivables subject to separate assessment for bad debts provision

Name	31 December 2024		30 June 2025			
	Book Value	Bad Debt Provision	Book Value	Bad Debt Provision	Percentage (%)	Reason
Land acquisition service station of Chaoyang City	9	9	9	9	100.00	Not expected to be recovered
Total	9	9	9	9		

- (7) Other receivables with the top five balances as of June 30, 2025

The summary amount of the top five other accounts receivable as of June 30, 2025 collected by the debtor in this period is RMB77 million, accounting for 66.96% of the total balance of other accounts receivable as of June 30, 2025. The corresponding provision for bad debts as of June 30, 2025 is RMB10 million.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Inventories

(1) Classification of Inventory

Item	30 June 2025		
	Book Value	Inventory falling Price Reserves	Carrying Value
Raw materials	6,882	384	6,498
Work in progress	3,541	172	3,369
Finished goods	2,678	67	2,611
Revolving materials	514	132	382
Spare parts	792	25	767
Materials in transit	183		183
Materials for Consigned Processing	1		1
Goods Issued	42		42
Total	14,633	780	13,853

(Continued)

Item	31 December 2024		
	Book Value	Inventory falling Price Reserves	Carrying Value
Raw materials	7,167	476	6,691
Work in progress	3,934	120	3,814
Finished goods	2,926	66	2,860
Revolving materials	499	132	367
Spare parts	808	26	782
Materials in transit	254		254
Materials for Consigned Processing	1		1
Goods Issued			
Total	15,589	820	14,769

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Inventories (Continued)

(2) Inventory falling price reserves

Item	31 December 2024	Increase	Decrease		30 June 2025
		Provision	Written Back	Others	
Raw materials	476	7	99		384
Work in progress	120	74	22		172
Finished goods	66	65	64		67
Revolving materials	132				132
Spare parts	26		1		25
Total	820	146	186		780

10. Other current assets

Item	30 June 2025	31 December 2024
Tax retained	424	808
Prepayment of enterprise income tax	3	7
Time deposit(VI.20)	1,513	927
Total	1,940	1,742

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Long-term equity investments

Details of long-term equity investments

The invested entity	31 December 2024	Increase/Decrease			
		Increase/ Decrease Increase	Decrease	Investment income under the equity method	Other comprehensive income
Jointly venture					
TKAS Auto Steel Company Limited ("ANSC-TKS")	906			148	
The iron and Steel shares – Dalian ship heavy industry steel processing Distribution Co. Ltd. ("ANSC – Dachuan")	114			(1)	
Ansteel Guangzhou Automobile Steel Co., Ltd. ("Guangzhou Automobile Steel")	661	112		21	
Anji (Yingkou) New Energy Technology Co., Ltd. ("Anji Yingkou")	113	70		18	
Sub-total	1,794	182		186	

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Long-term equity investments (Continued)

Details of long-term equity investments (Continued)

The invested entity	31 December 2024	Increase/Decrease		Investment income under the equity method	Other comprehensive income
		Increase/ Decrease Increase	Decrease		
Associated venture					
Angang Group Finance Co., Ltd. ("Angang Finance")	1,674			42	3
Anshan Anshan Iron Oxide Powder Co., Ltd. ("Iron Oxide Powder Company")	20			2	
Guangzhou Nansha Steel Logistical Co., Ltd. ("Nansha Logistical")	53			(4)	
Anshan Iron and steel solid gold (Hangzhou) metal materials Co., Ltd. ("AISG")	117			3	
Guangzhou GAC Baoshang Steel Processing Co., Ltd. ("GAC Baoshang")	112			3	
Meizhou GAC Automobile Spring Co., Ltd. ("Meizhou Motor Company")	38			1	
ChaoyangZhong'an Water Co., Ltd. ("Zhong'an Water")	32				
Green Gold (Benxi) Renewable Resources Co., LTD. (hereinafter referred to as "Green Gold Benxi")		29		1	
Sub-total	2,046	29		48	3
Total	3,840	211		234	3

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Long-term equity investments (Continued)

Details of long-term equity investments (Continued)

The invested entity	Increase/Decrease				30 June 2025	Closing Value of the Provision for Impairment
	Other Equity Changes	Declaration of Cash Dividends or Profits	Provision for impairment Loss	Others		
Jointly venture						
ANSC-TKS		407		(18)	629	
ANSC – Dachuan					113	
Guangzhou Automobile						
Steel		44		(4)	746	
Anji Yingkou					201	
Sub-total		451		(22)	1,689	
Associated venture						
Angang Finance					1,719	
Iron Oxide Powder						
Company					22	
Nansha Logistical					49	
AISSG					120	
GAC Baoshang		11			104	
Meizhou Motor Company					39	
Zhong'an Water					32	
Green Gold Benxi					30	
Sub-total		11			2,115	
Total		462		(22)	3,804	

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Other equity instrument investments

(1) Changes of other equity instrument investments

Items	30 June 2025	31 December 2024	Gains included in other comprehensive income this period	Losses included in other comprehensive income this period
WISDRI Engineering & Research Incorporation Limited Company (hereinafter referred to as "WISDRI")	564	549	15	
Heilongjiang Longmay Mining Group Co., Ltd. ("Longmay Group")	82	91		(9)
Falan Packing	25	26		(1)
Changsha Bao steel steel processing & Distribution Co., Ltd. ("Changsha steel")	12	11	1	
China Shipbuilding Industry Equipment and Materials Bayuquan Co., Ltd. ("China Shipbuilding")	6	6		
Guoqi Automobile Lightweight (Beijing) Technology Research Institute Co., Ltd. ("Guoqi Lightweight")	3	3		
Shanghai HGB Digital Technology CO., LTD. ("Shanghai HGB")	4	4		
Jindian (Hangzhou) Technology Co., Ltd. ("Jindian")				
Total	696	690	16	(10)

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Other equity instrument investments (Continued)

(1) Changes of other equity instrument investments (Continued)

Items	Accumulated gains included in other comprehensive income at the end of this period	Accumulated losses included in other comprehensive income at the end of this period	Recognized dividend income current period	Designation Reason (measured at fair value and the changes of their value are recorded in other comprehensive income.)
WISDRI	425			
Longmay Group		(163)		
Falan Packing	4		1	
Changsha steel		(4)		
China Shipbuilding		(4)		
Guoqi Lightweight				
Shanghai HGB	2			
Jindian		(2)		
Total	431	(173)	1	

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Other equity instrument investments (Continued)

(2) Non-tradable investments in equity instruments current period

Items	Recognized dividend income current period	Accumulated gain	Accumulated loss	other comprehensive income transfer to retained earnings.	Designation Reason (measured at fair value and the changes of their value are recorded in other comprehensive income.)	Reason (other comprehensive income transfer to retained earnings)
WISDRI		425				
Longmay Group			(163)			
Falan Packing	1	4				
Changsha steel			(4)			
China Shipbuilding			(4)			
Guoqi Lightweight						
Shanghai HGB		2				
Jindian			(2)			
Total	1	431	(173)			

Note: The equity instrument investments that the Group does not offer in the open market are investments that the Group plans to hold for the long term. Therefore, the Group designates them as financial assets measured at fair value with changes recognized in other comprehensive income.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Other non-current financial assets

The Invested Entity	Book value	
	30 June 2025	31 December 2024
Zhuzhou Smelter Group Co., Ltd. ("ZhuYe Group")	52	36
HNA bankruptcy reorganization special service trust	47	47
Caidie NO.6 property rights trust plan	16	16
Caidie NO.5 property rights trust plan	5	5
Total	120	104

14. Fixed assets

(1) Analysis of fixed assets

Items	Houses and Buildings	Machinery	Others	Total
① Original Cost				
31 December 2024	37,724	95,096	6,889	139,709
Increase in the period	350	2,173	304	2,827
(1) Purchase			3	3
(2) Transform from project under construction	350	2,152	298	2,800
(3) Increase from combination				
(4) Others		21	3	24
Decrease in the period	21	68	20	109
(1) Disposal or scrap	9	66	20	95
(2) Others	12	2		14
30 June 2025	38,053	97,201	7,173	142,427

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Fixed assets (Continued)

(1) Analysis of fixed assets (Continued)

Items	Houses and Buildings	Machinery	Others	Total
② Accumulated depreciation				
31 December 2024	17,238	61,893	5,256	84,387
Increase in the period	424	1,347	166	1,937
(1) Depreciation	424	1,320	163	1,907
(2) Increase from combination				
(3) Others		27	3	30
Decrease in the period	7	33	19	59
(1) Disposal or scrap	7	33	19	59
(2) Others				
30 June 2025	17,655	63,207	5,403	86,265
③ Provision for impairment				
31 December 2024	603	2,738	139	3,480
Increase in the period				
(1) Provision				
(2) Others				
Decrease in the period		32		32
(1) Disposal or scrap				
(2) Others		32		32
30 June 2025	603	2,706	139	3,448
④ Book Value				
30 June 2025	19,795	31,288	1,631	52,714
31 December 2024	19,883	30,465	1,494	51,842

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Fixed assets (Continued)

(2) Fixed assets leased out by operating lease

Type	30 June 2025	31 December 2024
Houses and buildings	13	13
Machinery	5	6
Total	18	19

15. Construction in progress

Item	30 June 2025	31 December 2024
Construction in progress	4,803	5,801
Construction materials	3	1
Total	4,806	5,802

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Construction in progress (Continued)

15.1 Construction in progress

(1) Details of constructions in progress

Item	30 June 2025			31 December 2024		
	Book balance	Impairment Provision	Book value	Book balance	Impairment Provision	Book value
No.1 Power Plant Comprehensive Resource Utilization Power Generation Project	416		416	401		401
No.2 Power Plant Comprehensive Resource Utilization Power Generation Project	385		385	363		363
Efficiency Upgrade Project for BOF Process Equipment at No.2 Steelmaking Line of General Steel Plant	306		306	305		305
Safety Improvement Project for BOF Bay BCDE of No.2 Steelmaking Line at No.2 Branch Plant of General Steelmaking Works	208		208	208		208
The No. 3 and No. 4 coke ovens of the First Coking Plant of the Coking General Plant are undergoing major overhauls	186		186	46		46
Liaoning · Ansteel · Dongda High-Quality Steel Materials Preparation and Application Pilot Base Construction Project	156		156	156		156
New Continuous Annealing Line (AA1) Project in West Zone of Cold Rolling Silicon Steel Plant	123		123	111		111
The new conventional pickling unit (AP2) project in the west area of the cold-rolled silicon steel plant	112		112	73		73
The quality improvement and efficiency enhancement renovation project of the combined unit in the Second Branch of the Cold Rolling Plant	112		112	75		75
Others	2,805	6	2,799	4,069	6	4,063
Total	4,809	6	4,803	5,807	6	5,801

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Construction in progress (Continued)

15.1 Construction in progress (Continued)

(2) Changes in major constructions in progress

Items	Budget	31 December 2024	Increase of the period	Transferred into fixed assets	Other decrease	30 June 2025
No.1 Power Plant Comprehensive Resource Utilization Power Generation Project	459	401	15			416
No.2 Power Plant Comprehensive Resource Utilization Power Generation Project	450	363	22			385
Efficiency Upgrade Project for BOF Process Equipment at No.2 Steelmaking Line of General Steel Plant	333	305	1			306
Safety Improvement Project for BOF Bay BCDE of No.2 Steelmaking Line at No.2 Branch Plant of General Steelmaking Works	225	208				208
The No. 3 and No. 4 coke ovens of the First Coking Plant of the Coking General Plant are undergoing major overhauls	318	46	140			186
Liaoning · Ansteel · Dongda High-Quality Steel Materials Preparation and Application Pilot Base Construction Project	180	156				156
New Continuous Annealing Line (AA1) Project in West Zone of Cold Rolling Silicon Steel Plant	370	111	109	97		123
The new conventional pickling unit (AP2) project in the west area of the cold-rolled silicon steel plant	290	73	39			112
The quality improvement and efficiency enhancement renovation project of the combined unit in the Second Branch of the Cold Rolling Plant	190	75	37			112
Others	14,383	4,069	1,487	2,703	48	2,805
Total		5,807	1,850	2,800	48	4,809

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Construction in progress (Continued)

15.1 Construction in progress (Continued)

(2) Changes in major constructions in progress (Continued)

Items	Accumulated capitalized borrowing cost	Of Which: Capitalized this Period	Capitalization Rate (%)	Expenditure Over Budget (%)	Project Progress (%)	Resource of Fund
No.1 Power Plant Comprehensive Resource Utilization Power Generation Project	4		2.22	91	91	Self-financing
No.2 Power Plant Comprehensive Resource Utilization Power Generation Project	4		2.22	86	86	Self-financing
Efficiency Upgrade Project for BOF Process Equipment at No.2 Steelmaking Line of General Steel Plant				92	92	Self-financing
Safety Improvement Project for BOF Bay BCDE of No.2 Steelmaking Line at No.2 Branch Plant of General Steelmaking Works				92	92	Self-financing
The No. 3 and No. 4 coke ovens of the First Coking Plant of the Coking General Plant are undergoing major overhauls				58	58	Self-financing
Liaoning · Ansteel · Dongda High-Quality Steel Materials Preparation and Application Pilot Base Construction Project				87	87	Self-financing
New Continuous Annealing Line (AA1) Project in West Zone of Cold Rolling Silicon Steel Plant	4		2.22	60	60	Self-financing
The new conventional pickling unit (AP2) project in the west area of the cold-rolled silicon steel plant				39	39	Self-financing
The quality improvement and efficiency enhancement renovation project of the combined unit in the Second Branch of the Cold Rolling Plant	2	1	2.22	59	59	Self-financing
Others	22	3	2.22	88	88	Self-financing
Total	36	4				

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Construction in progress (Continued)

15.1 Construction in progress (Continued)

(3) Provision of Impairment

Items	31 December 2024	Increase in Current Period	Increase in Current Period	30 June 2025
		Provision	Reversal	
Hot-rolled pickling plate production line project	6			6
Total	6			6

15.2 Construction materials

Item	30 June 2025	31 December 2024
Special equipment	1	1
Special materials	2	
Total	3	1

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Right-of-use assets

Item	Houses and buildings	Land Use Right	Machinery	Total
Original Cost				
1. 31 December 2024	1	183	1	185
2. Increase in the period			3	3
(1) Lease			3	3
(2) Increase from business combination				
(3) Others				
3. Decrease in the period				
(1) Disposal				
(2) Transferred out to fixed assets				
(3) Decrease from business combination				
(4) Others				
4. 30 June 2025	1	183	4	188
Accumulated depreciation				
1. 31 December 2024	1	61		62
2. Increase in the period		31	1	32
(1) Depreciation		31	1	32
(2) Increase from business combination				
3. Decrease in the period				
(1) Disposal				
(2) Transferred out to fixed assets				
(3) Decrease from business combination				
(4) Others				
4. 30 June 2025	1	92	1	94

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Right-of-use assets (Continued)

Item	Houses and buildings	Land Use Right	Machinery	Total
Provision for impairment				
1. 31 December 2024				
2. Increase in the period				
(1) Provision				
3. Decrease in the period				
(1) Disposal				
4. 30 June 2025				
Book Value				
30 June 2025		91	3	94
31 December 2024		122	1	123

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Intangible assets

Items	Land Use Right	Non-Patented Technology	Software	Patent	Steel Capacity Indicators	Total
Original Cost						
1. 31 December 2024	9,052	51	915	5	248	10,271
2. Increase in the period	1		48			49
(1) Purchase	1		48			49
(2) Internal R&D						
(3) Enterprise merger						
(4) Others						
3. Decrease in the period	3					3
(1) Disposal	3					3
(2) Decrease from business combination						
4. 30 June 2025	9,050	51	963	5	248	10,317
Accumulative amortization						
1. 31 December 2024	3,053	47	453		8	3,561
2. Increase in the period	93	1	127		4	225
(1) Counting	93	1	127		4	225
(2) Enterprise merger						
(3) Others						
3. Decrease in the period						
(1) Disposition						
(2) Decrease from business combination						
(3) Others						
4. 30 June 2025	3,146	48	580		12	3,786
Provision for impairment						
1. 31 December 2024						
2. Increase in the period						
(1) Counting						
3. Decrease in the period						
(1) Disposal						
4. 30 June 2025						
Book Value						
30 June 2025	5,904	3	383	5	236	6,531
31 December 2024	5,999	4	462	5	240	6,710

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Deferred income tax assets and deferred income tax liabilities

(1) Recognized deferred income tax assets

Items	30 June 2025		31 December 2024	
	Deferred income tax assets	Temporary difference or deductible loss	Deferred income tax assets	Temporary difference or deductible loss
Provision for impairment	312	2,002	311	2,000
Deductible loss	1,741	11,609	1,741	11,609
Dismissal welfare	13	83	18	106
Accumulated depreciation of fixed assets	33	132	33	132
Lease	22	104	27	124
Employee training expenses	9	55	9	55
Deferred income	133	677	133	677
Changes in the fair value of other equity instrument investments	26	173	24	160
Total	2,289	14,835	2,296	14,863

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Deferred income tax assets and deferred income tax liabilities (Continued)

(2) Recognized deferred income tax liabilities

Items	30 June 2025		31 December 2024	
	Deferred Income Tax Liabilities	Taxable Temporary Difference	Deferred Income Tax Liabilities	Taxable Temporary Difference
Changes in the fair value of other equity instrument investments	65	431	62	417
Unrealized profit within the group	4	27	2	15
Valuation of trading financial instruments and derivative financial instrument conversion of equity	2	16		
Lease	21	101	27	122
Total	92	575	91	554

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Deferred income tax assets and deferred income tax liabilities (Continued)

(3) Unrecognized deferred income tax assets

Items	30 June 2025	31 December 2024
Deductible temporary difference-provision for impairment	2,647	1,793
Deductible temporary difference-deductible losses	9,715	9,715
Total	12,362	11,508

(4) The deductible losses of unrecognized deferred income tax assets will expire in the following years

Year	30 June 2025	31 December 2024
2029	1,363	1,363
2033	2,055	2,055
2034	6,297	6,297
Total	9,715	9,715

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Other non-current assets

Items	30 June 2025	31 December 2024
Prepayment for Construction Projects	767	911
Prepayment for Land		10
Total	767	921

20. Assets with restricted ownership or usage rights

Items	30 June 2025			
	Book Balance	Net Book Value	Type of restriction	Description of restrictions
Other current assets	216	216	Time Deposit	Time Deposit
Total	216	216		

21. Short-term loans

Items	30 June 2025	31 December 2024
Credit loans pledged loan	7,749	90
		1,084
Total	7,749	1,174

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Derivative financial liabilities

Items	30 June 2025	31 December 2024
Future contracts	22	1
Total	22	1

23. Notes payable

Items	30 June 2025	31 December 2024
Bank acceptance notes	17,422	17,746
Commercial acceptance notes	187	211
Total	17,609	17,957

Note: As of June 30, 2025, there are no matured but unpaid notes payable. The age of the accounts payable of the Group at the end of the period mentioned above is within 1 year.

24. Accounts payable

(1) Aging of accounts payable

Items	30 June 2025		31 December 2024	
	Balance	Percentage (%)	Balance	Percentage (%)
Within 1 year	6,834	98.99	8,200	99.02
1 to 2 years	27	0.39	30	0.36
2 to 3 years	7	0.10	10	0.12
Over 3 years	36	0.52	41	0.50
Total	6,904	100.00	8,281	100.00

Note: the above aging analysis is based on the invoice date.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Accounts payable (Continued)

(2) Significant account payable aging over 1 year

Creditors	Balance	Aging
Angang Construction Group Co., Ltd.	5	1 to 5 years, over 5 years
Total	5	

25. Contract liabilities

Items	30 June 2025	31 December 2024
Products selling	4,855	4,512
Others	62	45
Total	4,917	4,557

26. Staff remuneration payable

(1) Analysis of employee benefits payable

Items	31 December 2024	Increase	Decrease	30 June 2025
Short-term remuneration	65	1,734	1,616	183
After-service benefits defined contribution plans		220	220	
Termination benefits	32	44	60	16
Total	97	1,998	1,896	199

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Staff remuneration payable (Continued)

(2) Short-term compensation

Items	31 December	Increase	Decrease	30 June 2025
	2024			
1. Salaries, bonus and allowance		1,215	1,190	25
2. Staff welfare		167	90	77
3. Social insurance		109	109	
Including: Medical insurance		90	90	
Staff and workers' injury insurance		19	19	
Maternity insurance				
Others				
4. Housing fund		142	142	
5. Labor union fee and staff training fee	65	42	26	81
6. Short paid absences				
7. The short-term profit sharing plan				
8. Others		59	59	
Total	65	1,734	1,616	183

(3) Defined Contribution Plans

Items	31 December	Increase	Decrease	30 June 2025
	2024			
1. Basic pension insurance		187	187	
2. Unemployment insurance		6	6	
3. Occupational pension		27	27	
Total		220	220	

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. Tax payable

Items	30 June 2025	31 December 2024
VAT	59	35
Land use tax	38	38
Stamp tax	20	21
Environmental protection tax	17	19
Property tax	17	16
Corporate income tax	16	5
Resource tax	8	2
City maintenance and construction tax	3	2
Educational surcharges	2	1
Individual income tax	1	4
Consumption tax	1	1
Total	182	144

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Other payables

Items	30 June 2025	31 December 2024
Interests payable		
Dividends payable	1	1
Other payables	5,796	6,065
Total	5,797	6,066

28.1 Dividends payable

Items	30 June 2025	31 December 2024
Chaoyang Yitong Scrap Materials Purchase and Sale Co., Ltd.	1	1
Total	1	1

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Other payables (Continued)

28.2 Other payables

(1) Classification of other payables by nature

Items	30 June 2025	31 December 2024
Construction payable	4,167	4,365
Retention Money	773	825
Margin	425	430
Administrative Fund	10	10
Restricted stock repurchases obligations		27
Others	421	408
Total	5,796	6,065

(2) Significant balances of other payables aging over 1 year

Creditors	Balance	Reason	Whether paid after 30 June 2025
Angang Steel Group Engineering Technology Co., Ltd	507	Quality guarantee, Project payment	No
Total	507		

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. Non-current liabilities due within 1 year

Items	30 June 2025	31 December 2024
Long-term borrowings due within one year	1,268	398
Bonds payable due within one year	306	302
Total	1,574	700

30. Other current liabilities

Items	30 June 2025	31 December 2024
Contract liabilities pending write-off tax	483	462
Total	483	462

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Long-term loans

(1) Classification of long-term loans

Items	30 June 2025	31 December 2024
Credit loans	5,148	11,389
Subtotal	5,148	11,389
Long-term borrowings due within one year (Note VI.29)	1,268	398
Total	3,880	10,991

(2) Classification of long-term loans by the maturity date

Items	30 June 2025	31 December 2024
Within 1 year	1,268	398
1 year to 2 year (including 2 year)	1,039	5,385
2 year to 3 year (including 3 year)	2,747	5,547
3 year to 5 year (including 5 year)	23	
more than five years	71	59
Total	5,148	11,389

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Bonds payable

(1) Bonds payable

Items	30 June 2025	31 December 2024
22 Angang stock GN001	306	302
Less: bonds payable due within 1 year (Note VI.29)	306	302
Total		

(2) Increase or decrease in bonds payable

Type of bonds	Par value	Issuance date	Bond duration	Issuance amount	31 December 2024
22 Angang stock GN001	300	September 28, 2022	3 years	300	302
Less: Portion due within one year (Note VI.29)					302
Total	300			300	

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Bonds payable (Continued)

(2) Increase or decrease in bonds payable (Continued)

Type of bonds	Current issue	Accruing interest at face value	Amortization of discounts and premiums (positive increase, negative decrease)	Exchange conversion (positive increase, negative decrease)	Current repayment	30 June 2025
22 Angang stock GN001		4				306
Less: Portion due within one year (Note VI.29)		4				306
Total						

Note: On September 28, 2022, the company issued the first phase of green medium-term notes in 2022. The principal of the medium-term notes issued this time is RMB300 million, issued at par, the unit face value is RMB100, the coupon rate is 2.85%, the term is 3 years, the interest is paid annually and the principal is repaid once, the starting date is September 28, 2022. The repayment date is September 28, 2025.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Bonds payable (Continued)

(3) Classification of bonds payable by the maturity date

Items	30 June 2025	31 December 2024
Within 1 year	306	302
1 year to 2 year (including 2 year)		
2 year to 3 year (including 3 year)		
3 year to 5 year (including 5 year)		
Total	306	302

33. Lease liability

Items	30 June 2025	31 December 2024
lease payments	101	130
Less: Unrecognized financing expenses	3	5
Total	98	125

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. Long-term payables

Items	30 June 2025	31 December 2024
Long-term payables		
Special payables	367	367
Total	367	367

34.1 Special payables

Items	31 December 2024	Increase	Decrease	30 June 2025	Reason
Special funds	367			367	Special funds
Total	367			367	

35. Long-term employee benefits payable

Items	30 June 2025	31 December 2024
Termination benefits	50	50
Total	50	50

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. Deferred income

Items	31 December 2024	Increase	Decrease	30 June 2025	Reason
Government grants	844	110	101	853	Government grants
Total	844	110	101	853	

Among them, the projects involved the government grants are as follows :

Items	31 December 2024	Increase	Belong to Non- business income	Belong to Other income	Other decrease	30 June 2025	Associated with the asset/income
The government grants related to environmental protection	272	43		21		294	Related to assets
The government grant related to scientific research	370	20		29		361	Related to assets/income
Others	202	47		51		198	Related to assets/income
Total	844	110		101		853	

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Share capital

	31 December 2024		Increase/Decrease					30 June 2025	
					Shares transferred from				
Items	Balance	Proportion (%)	New shares issued	Bonus issue	reserves	Others	Subtotal	Balance	Proportion (%)
Shares unrestricted on sale:									
1. Ordinary A shares	7,958	85						7,958	85
2. Foreign shares listed overseas	1,411	15						1,411	15
Restricted shares									
1. Ordinary A shares	14					(14)	(14)		
Total	9,383	100				(14)	(14)	9,369	100

Note: According to the resolution of the shareholders' meeting on December 31, 2024, the company repurchased and cancelled 14 million restricted shares.

38. Capital reserve

Items	31 December 2024	Increase	Decrease	30 June 2025
Share premium	32,927		13	32,914
Other capital reserve	993			993
Total	33,920		13	33,907

Note: The company reduced its capital reserve by RMB13 million due to the business combination under common control.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

39. Treasury shares

Items	31 December 2024	Increase	Decrease	30 June 2025
Stock incentive plan (Note XIII)	27		27	
Total	27		27	

Note: The company reduced its inventory shares by RMB27 million due to the repurchase and cancellation of some restricted shares.

40. Other comprehensive income

Items	31 December 2024	The amount of this period				30 June 2025	
		Amount for the period before tax	Minus: transform into profit or loss from other comprehensive income	Minus: income tax expenses	The After- tax amount attributed to the parent company		The after- tax amount attributed to minority shareholders
1. Other comprehensive income will not reclassified into the gains and losses	215	9		1	8	223	
Including: Net gain on other equity instruments at fair value through other comprehensive income	214	6		1	5	219	
The shares of the other comprehensive income which cannot be reclassified in profit or loss of the invested company in equity method	1	3			3	4	
Total	215	9		1	8	223	

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Special reserve

Items	31 December 2024	Increase	Decrease	30 June 2025
Safety production Expenses	52	100	33	119
Total	52	100	33	119

42. Surplus reserve

Items	31 December 2024	Increase	Decrease	30 June 2025
Statutory surplus reserve	4,457			4,457
Total	4,457			4,457

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Retained earnings

Items	This period
Balance as of 31 Dec. 2024	(321)
Changes in accounting policies	
Business combination under common control	
Balance as of 1 Jan. 2025	(321)
Increase in 2025	(1,144)
Including: Net profit transferred this period	(1,144)
Other adjustment factors	
Decrease in 2025	
Including: Extraction of surplus reserve this period	
Extraction of general risk provisions in this period	
Distribution of cash dividend this period	
Conversed capital	
Other decreases	
Balance as of 30 June. 2025	(1,465)

44. Operating revenue and operating cost

(1) Classified by production

Items	This period		Last period	
	Income	Cost	Income	Cost
Prime operating	48,391	48,096	55,351	56,447
Other operating				
(Note 2)	208	187	98	86
Total	48,599	48,283	55,449	56,533

Note 1: The Group is classified into an operating segment based on the type of business: production and sale of steel products.

Note 2: Other business income and other business costs of the Group are mainly generated from the sales of materials and scrap materials.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Operating revenue and operating cost (Continued)

- (2) The net profit before and after deduction of non-recurring gains and losses audited is negative.

Items	This period	Specific deduction situation	Last period	Specific deduction situation
Operating revenue	48,599		55,449	
The total amount of deductions for operating revenue	208	Generated from materials sales, waste materials sales, etc.	1,327	Generated from materials sales, waste materials sales, Operating revenue of subsidiaries from the beginning of the current period to the date of the merger arising from business combination under the common control, etc.
The proportion of total deductions for operating revenue to operating revenue	0.43%		2.39%	
1. Unrelated Revenue to the main business	208		1,327	
Other revenue outside normal operations	208	Generated from materials sales, waste materials sales, etc.	98	Generated from materials sales, waste materials sales, etc.
2. Operating revenue of subsidiaries from the beginning of the current period to the date of the merger arising from business combination under the common control			1,229	Anshan Scrap Resources (Anshan) Co., Ltd.
3. revenue without commercial substance				
4. Other revenue unrelated to the main business or without commercial substance				
The amount of operating revenue after deduction	48,391		54,122	

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Operating revenue and operating cost (Continued)

(3) Classified by region

Items	This period	Last period
Foreign transaction income from the within borders	45,158	51,767
Foreign exchange income from outside borders	3,441	3,682
Total	48,599	55,449

(4) Classified by the time when the revenue is confirmed

Items	This period	Last period
Confirmed at a certain point	48,599	55,449
Total	48,599	55,449

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Taxes and surcharges

Items	This period	Last period
Land use tax	219	220
Environmental protection tax	112	35
Property tax	91	86
Stamp tax	53	59
City maintenance and construction tax	18	9
Resources tax	15	1
Educational surcharge and local educational surcharge	13	7
Consumption tax	5	
Others	1	1
Total	527	418

Note: Please refer to Note V "Taxation" for details of various taxes and surcharges payment standards.

46. Selling expenses

Items	This period	Last period
Employee benefits	87	118
Warehouse storage expense	35	38
Handling charge	18	21
Rental fee	17	22
Agency fee for commissioned sales	16	16
Packing expense	13	12
Sales and service expense	9	7
Others	36	33
Total	231	267

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. Administrative expenses

Items	This period	Last period
Employee benefits	188	336
Amortization of intangible asset	114	103
Depreciation	51	43
Information system maintenance expense	23	20
Environmental protection fee	11	16
Agency fee	6	10
Fee for the exploitation of patent	5	3
Others	88	117
Total	486	648

48. Research and development expenses

Items	This period	Last period
Raw material consumption fee	88	21
Labor cost	73	85
Depreciation	12	12
Outsourcing expenses	76	65
Travel expenses	3	3
Others	7	5
Total	259	191

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Finance expenses

Items	This period	Last period
Interest expense	185	136
Including: Interests expense from the long-term loans and long-term bonds	145	69
Interests expense from the short-term loans and letters of credit	33	38
Other interest expenditures	7	29
Less: Interest income	26	26
Less: Capitalized interest expense	3	9
Exchange gain or loss		
Less: Capitalized exchange gain or loss		
Others	14	19
Total	170	120

50. Other incomes

Items	This period	Last period	Recorded into Extraordinary gains and losses
The government grants related to environment protection	21	3	21
The government grants related to scientific research	29	1	29
Other government grants	51	7	51
Others	45	54	
Total	146	65	101

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

51. Investment income

Items	This period	Last period
Long-term equity income under the equity method	234	256
Investment income of other investments in equity instruments invested in the holding period	1	2
Others	(17)	(5)
Total	218	253

52. Gain from fair-value changes

Items	This period	Last period
Changes in fair value of financial assets held for trading	1	
Changes in fair value of derivative financial assets	8	35
Changes in fair value of other non-current financial assets	(37)	(6)
Changes in fair value of derivative financial liabilities	16	5
Total	(12)	34

53. Credit impairment losses

Items	This period	Last period
Accounts receivable	(1)	(4)
Other receivables	1	1
Total		(3)

Note: The positive numbers refer to gains and negative numbers refer to losses.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

54. Impairment on assets

Items	This period	Last period
inventory falling price loss	(81)	(205)
Total	(81)	(205)

Note: The positive numbers refer to gains and negative numbers refer to losses.

55. Gains on disposal of assets

Items	This period	Last period
Fixed assets disposal income		11
Intangible assets disposal income		24
Total		35

56. Non-operating income

Items	This period	Last period	Recorded into extraordinary gains and losses
Gains from scrap of non-current assets	4		4
Liquidated damages	4	6	4
unpayable accounts payable	12		12
Others	1	1	1
Total	21	7	21

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

57. Non-operating expenses

Items	This period	Last period	Recorded into extraordinary gains and losses
The loss on scrap of non-current assets	2	79	2
Compensation and liquidated damages		2	
Penalty expenses	1		1
Others	1		1
Total	4	81	4

58. Income tax expenses

(1) Income tax expenses

Items	This period	Last period
Income tax during this period	38	34
Changes on deferred income tax expenses	7	16
Total	45	50

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

58. Income tax expenses (Continued)

- (2) The reconciliation between accounting profit and income tax expenses

Items	This period
Total profit	(1,069)
Income tax expenses calculated at statutory/ applicable tax rates	(160)
Effect of different tax rates applied by subsidiary companies	(3)
Effect of current unrecognized deductible temporary difference or deductible loss arising from deferred tax income assets	208
Income tax expenses	45

59. The other comprehensive income

Please refer to Note VI.40

60. Items on statements of cash flow

- (1) Other cash receipts related to operating activities

Items	This period	Last period
Government grants	98	76
Deposit income	70	58
Others	81	79
Total	249	213

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

60. Items on statements of cash flow (Continued)

(2) Other cash payments relating to operating activities

Items	This period	Last period
Air pollution fee	154	95
Environmental monitoring fee	107	94
Research and development expenses	79	62
Renewable energy development fund	79	65
Funeral expenses	45	43
Collecting and paying retirement wages	33	35
Miscellaneous expenses for procurement and sales business	15	75
Travel expenses	14	17
Insurance fee	10	36
Rental fee	8	9
Donation expenditure	8	8
Hazardous materials disposal fee	4	5
Party affairs activity expenses	4	2
Other operating expenses	255	225
Total	815	771

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

60. Items on statements of cash flow (Continued)

- (3) Other cash receipts relating to investing activities

Items	This period	Last period
Time deposit	977	
Interest revenue	26	22
Future contract income	4	38
Total	1,007	60

- (4) Other cash payments relating to investing activities

Items	This period	Last period
Time deposit	1,563	144
Futures contract losses	16	2
Total	1,579	146

- (5) Other cash payments relating to financing activities

Items	This period	Last period
Pay rental fees	34	35
Payment for share repurchase	26	
Agency fee	12	21
Total	72	56

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

61. Supplement of cash flow statement

- (1) Reconciliation of net profit to cash flows from operating activities

Items	This period	Last period
1. Reconciliation of net profit to cash flows from operating activities		
Net profit	(1,114)	(2,673)
Add: Provision for impairment on asset	81	205
Provision for impairment on credit		3
Depreciation of fixed assets	1,907	1,802
Depreciation of right-of-use asset	32	31
Amortization of intangible assets	225	203
Loss on disposal of fixed assets, Intangible assets and other non-current assets ("-" for gains)		(35)
Loss on scrap of fixed assets ("-" for gains)	(2)	79
Loss on the change of fair value ("-" for gains)	12	(34)
Financial expenses ("-" for gains)	140	102
Investment loss ("-" for gains)	(218)	(253)
Decrease in deferred tax assets ("-" for increase)	9	(32)
Increase in deferred tax liabilities ("-" for decrease)	(2)	49
Decrease in inventories ("-" for increase)	852	1,928
Decrease in operating receivables ("-" for increase)	(575)	(1,726)
Increase in operating payable ("-" for decrease)	(1,000)	926
Others	58	(3)
Net cash flow from operating activities	405	572
2. Change in cash and cash equivalent		
Cash at the end of the period	3,134	3,055
Less: cash at the beginning of the period	4,544	3,319
Add: cash equivalent at the end of the period		
Less: cash equivalent at the beginning of the period		
Net increase in cash and cash equivalents	(1,410)	(264)

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

61. Supplement of cash flow statement (Continued)

(2) Composition of cash and cash equivalent

Items	30 June 2025	31 December 2024
1. Cash at bank and on hands	3,134	4,544
Of which: Cash		
Bank deposits available	2,877	4,250
Other cash and cash equivalents available	257	294
2. Cash equivalents		
Of which: Bonds due within 3 months		
3. Closing balance of cash and cash equivalents	3,134	4,544

VII. RESEARCH AND DEVELOPMENT EXPENDITURE

1. Research and development expenditure

Items	This period	Last period
Raw material consumption fee	88	21
Labor cost	73	85
Depreciation	12	12
Outsourcing expenses	76	65
Travel expenses	3	3
Others	7	5
Total	259	191
Including: Expensing	259	191
Capitalization		

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VIII. INTERESTS IN OTHER ENTITIES

1. The constitution of the enterprise group

(1) The constitution of the enterprise group

Full Name of Subsidiaries	Principal place of business	Registration place	Registration capital	Nature of the business	Holding(%)		Acquisition	Nature of Subsidiaries
					Direct	Indirect		
Angang Steel Distribution (Wuhan) Co., Ltd. ("Angang Wuhan")	Wuhan	Wuhan	237	Steel processing and distribution	100		Establishment	Wholly-owned
Angang Steel Distribution (Hefei) Co., Ltd. ("Angang Hefei")	Hefei	Hefei	281	Steel processing and distribution	100		Establishment	Wholly-owned
Shenyang Angang steel International Trade Co., Ltd. ("Shenyang International Trade")	Shenyang	Shenyang	300	Sales of metal materials and products, building materials, etc	100		Combination under common control	Wholly-owned
Shanghai Anshan Iron and Steel International Trade Co., Ltd. ("Shanghai Trade")	Shanghai	Shanghai	300	Wholesale and retail purchasing services	100		Combination under Common control	Wholly-owned
Tianjin Anshan Iron and Steel International Trade Co., Ltd. ("Tianjin Trade")	Tianjin	Tianjin	200	Purchase and sale of metal and other materials	100		Combination under common control	Wholly-owned
Guangzhou Anshan Iron and Steel International Trade Co., Ltd. ("Guangzhou Trade")	Guangzhou	Guangzhou	300	Wholesale of steel, sales of steel, import and export of goods	100		Combination under common control	Wholly-owned
Shenyang Anshan Iron and Steel Processing and Distribution Co., Ltd. ("Angang Shenyang")	Shenyang	Shenyang	187	Steel processing and distribution	100		Combination under common control	Wholly-owned
Anshan Iron and Steel Processing and Distribution (Dalian) Co., Ltd. ("Angang Dalian")	Dalian	Dalian	266	Steel processing and distribution	100		Establishment	Wholly-owned
Ningbo Anshan Iron and Steel International Trade Co., Ltd. ("Ningbo Trade")	Ningbo	Ningbo	100	Steel trade	100		Establishment	Wholly-owned

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VIII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. The constitution of the enterprise group (Continued)

(1) The constitution of the enterprise group (Continued)

Full Name of Subsidiaries	Principal place of business	Registration place	Registration capital	Nature of the business	Holding(%)		Acquisition	Nature of Subsidiaries
					Direct	Indirect		
Yantai Anshan Iron and Steel International Trade Co., Ltd. ("Yantai Trade")	Yantai	Yantai	200	Steel trade	100		Establishment	Wholly-owned
Angang Steel Distribution (Zhengzhou) Co., Ltd. ("Angang Zhengzhou")	Zhengzhou	Zhengzhou	229	Steel processing and distribution	100		Establishment	Wholly-owned
Anshan Iron and Steel Processing and Distribution (Guangzhou) Co., Ltd. ("Angang Guangzhou")	Guangzhou	Guangzhou	120	Steel processing and distribution	75		Establishment	Joint venture
Anshan Iron and Steel Processing and Distribution (Tianjin) Co., Ltd. ("Angang Tianjin")	Tianjin	Tianjin	43	Steel processing and distribution	51		Combination under common control	Joint venture
Angang Kobelco	Anshan	Anshan	700	Steel calendering and sales	51		Establishment	Sino-Japanese joint venture
ASPD-CC	Changchun	Changchun	427	Research and development of sales and logistics distribution technology of self-produced products	100		Combination not under common control	Wholly-owned
Liaoning Jinsuoju Material Technology Co., Ltd. (hereinafter referred to as "Jinsuoju")	Anshan	Anshan	60	Sales of metal ropes and production	71.62		Establishment	Joint venture
Chemical Technology	Anshan	Anshan	2,500	Coking gas purification, coal chemical products processing and production	100		Establishment	Wholly-owned
Sichuan Luxin Ding Carbon Industry Co., Ltd.(hereinafter referred to as "Luxinding")	Panzhihua	Panzhihua	180	Coking and chemical products processing and production		60	Establishment	Joint venture

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VIII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. The constitution of the enterprise group (Continued)

(1) The constitution of the enterprise group (Continued)

Full Name of Subsidiaries	Principal place of business	Registration place	Registration capital	Nature of the business	Holding(%)		Acquisition	Nature of Subsidiaries
					Direct	Indirect		
Energy and Technology	Anshan	Anshan	201	Dissolved acetylene manufacturing; Distribution of compressed and liquefied gases	60		Combination under common control	Joint venture
Changchun Angang Jiefang Steel Processing and Distribution Co., Ltd. (hereinafter referred to as "Jiefang Angang")	Changchun	Changchun	90	Steel processing and distribution	60		Combination not under common control	Joint venture
Chaoyang Iron and Steel	Chaoyang	Chaoyang	8,000	Steel calendaring and sales	100		Combination under common control	Wholly-owned
Angang (Hangzhou) Automobile Material Technology Co., Ltd. ("Hangzhou Auto Material")	Hangzhou	Hangzhou	118	Steel, steel coil processing and sales, distribution	51	49	Establishment	Wholly-owned
Xinneng Air Products (Liaoning) Co., Ltd. ("Xinneng Air")	Anshan	Anshan	100	Sales of gas and liquid separation and purification equipment		51	Establishment	Joint venture
Beijing Angang Trade Co., Ltd. ("Beijing International Trade")	Beijing	Beijing	198	Sales of metal materials and products, building materials, etc	100		Establishment	Wholly-owned
Delin Industrial Product Co., Ltd. ("Delin Industrial Products")	Anshan	Anshan	180	Purchasing and consulting services for industrial products such as equipment and materials; E-commerce transactions of industrial products and supply chain financial services	91		Establishment	Joint venture

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VIII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. The constitution of the enterprise group (Continued)

(1) The constitution of the enterprise group (Continued)

Full Name of Subsidiaries	Principal place of business	Registration place	Registration capital	Nature of the business	Holding(%)		Acquisition	Nature of Subsidiaries
					Direct	Indirect		
Ansteel (Liaoning) Materials Technology Co., Ltd.("Material Technology")	Anshan	Anshan	20	Sales of metal materials and production	100		Establishment	Wholly-owned
Ansteel Green Gold Industry Development Co., Ltd. (hereinafter referred to as "Green Gold Industry")	Anshan	Anshan	469	Comprehensive utilization of waste resources	34.4804		Establishment	Joint venture
Anshan Scrap Resources (Anshan) Co., Ltd. (hereinafter referred to as "Scrap Resources")	Anshan	Anshan	196	Comprehensive utilization of waste resources		77.5589	Combination under common control	Joint venture
Green Gold (Yingkou Bayuquan) Renewable Resources Co., Ltd. (hereinafter referred to as "Green Gold Bayuquan")	Yingkou	Yingkou	20	Comprehensive utilization of waste resources		100	Establishment	Wholly-owned
Green Gold (Chaoyang) Renewable Resources Co., Ltd. (hereinafter referred to as "Green Gold Chaoyang")	Chaoyang	Chaoyang	20	Comprehensive utilization of waste resources		100	Establishment	Wholly-owned

Note1: All of the above subsidiaries are incorporated under the laws of the People's Republic of China and are limited liability companies.

(2) As of June 30, 2025, none of our subsidiaries issued share capital or debt securities.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VIII. INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Interests in joint ventures or associates

(1) The joint ventures or associates

The name of the joint venture or associated enterprise	Principal place of business	Registration place	Nature of the business	Direct shareholding ratio (%)	Accounting Treatment
ANSC-TKS	Dalian	Dalian	Galvanized and alloyed steel Board production and sales	50	Equity method
ANSC – Dachuan	Dalian	Dalian	Steel processing and selling	50	Equity method
Guangzhou Automobile Steel	Guangzhou	Guangzhou	Manufacturing Steel products	50	Equity method
Anji Yingkou	Yingkou	Yingkou	Hazardous chemicals	50	Equity method
Angang Finance	Anshan	Anshan	Deposits and loans and financing	20	Equity method
Iron Oxide Powder Company	Anshan	Anshan	Iron powder processing	35.29	Equity method
Nansha Logistical	Guangzhou	Guangzhou	Freight Forwarding, steel packaging, trade, warehousing services	49.8	Equity method
AISSG	Hangzhou	Hangzhou	Steel processing and selling	49	Equity method
GAC Baoshang	Guangzhou	Guangzhou	Steel processing and distribution	30	Equity method
Meizhou Motor Company	Meizhou	Meizhou	Automobile parts	25	Equity method
Zhong'an Water	Chaoyang	Chaoyang	Water production and supply	45	Equity method
Green Gold Benxi	Benxi	Benxi	Comprehensive utilization of waste resources	49	Equity method

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VIII. INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Interests in joint ventures or associates (Continued)

(2) The accounting information of the important joint ventures

Items	ANSC-TKS	
	30 June 2025/ This period	31 December 2024/ Last period
Current assets	2,929	2,769
Including: Cash and cash equivalents	1,690	1,756
Non- Current assets	949	925
Total Assets	3,878	3,694
Current liabilities	2,453	1,783
Non- Current liabilities	1	1
Total Liabilities	2,454	1,784
Minority interests		
Subtotal of Shareholders' equity	1,424	1,910
attributable to shareholders of parent Company	712	955
Adjusting events		
– goodwill		
– unrealized profit resulting from trade within the group	(83)	(49)
– others		
The book value of equity investments in joint ventures	629	906
Fair value of equity investment in joint ventures with publicly quoted price		
Operating revenue	2,616	2,913
Finance costs	(10)	(17)
Income tax expenses	64	66
Net profit	320	454
Net profit from discontinued operations		
Other comprehensive income		
The total of comprehensive income	320	454
Dividends received from joint ventures this period	407	217

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VIII. INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Interests in joint ventures or associates (Continued)

(3) The accounting information of the important association

Items	Angang Finance	
	30 June 2025/ This period	31 December 2024/ Last period
Current assets	14,524	21,542
Including: Cash and cash equivalents	13,720	20,616
Non- Current assets	21,487	21,831
Total Assets	36,011	43,373
Current liabilities	27,403	34,986
Non- Current liabilities	13	18
Total Liabilities	27,416	35,004
Minority interests		
Subtotal of Shareholders' equity	8,595	8,369
attributable to shareholders of parent Company	1,719	1,674
Adjusting events		
– goodwill		
– unrealized profit resulting from trade within the group		
– others		
The book value of equity investments in joint ventures	1,719	1,674
Fair value of equity investment in joint ventures with publicly quoted price		
Operating revenue	426	482
Finance costs		
Income tax expenses	71	73
Net profit	212	237
Net profit from discontinued operations		
Other comprehensive income	13	6
The total of comprehensive income	225	244
Dividends received from joint ventures this period		

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VIII. INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Interests in joint ventures or associates (Continued)

- (4) The accounting information of the unimportant joint ventures and associations

Items	30 June 2025/ This period	31 December 2024/ Last period
Associations:		
The book value of equity investments	1,060	888
The followings are calculated by shares		
–Net profit	38	9
–Other comprehensive income		
–The total of comprehensive income	38	9
Joint ventures:		
The book value of equity investments	396	372
The followings are calculated by shares		
–Net profit	6	1
–Other comprehensive income		
–The total of comprehensive income	6	1

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IX. GOVERNMENT GRANTS

1. The basic situation of government grants

(1) Government grants included in the profit or loss

Items	The basic situation of government grants identified at the beginning of the period		Government grants included in the profit or loss
	Amounts	Items	
The government grants related to environmental protection	43	Deferred income/ other income	21
The government grants related to scientific research	20	Deferred income/ other income	29
Others	47	Deferred income/ other income	51
Total	110		101

(2) Debt projects involved the government grants

Items	31 December 2024	Increase	Belong to Non-business income	Belong to other income	Offset cost expenses	30 June 2025	Related to assets/ income
Deferred income	844	110		101		853	Related to assets/ income

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IX. GOVERNMENT GRANTS (CONTINUED)

2. Return of government grants

There is no return of government grants in the current period.

X. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS

1. Market risk

(1) Exchange risk

Foreign exchange risk refers to the risk of losses arising from changes in exchange rates. The foreign exchange risk borne by the Group is mainly related to the US dollar and Hong Kong dollar. As of June 30, 2025, except for the assets or liabilities mentioned in the table below which are in US dollars and Hong Kong dollars, the assets and liabilities of the Group are all in RMB balance.

Unit: Yuan

Items	30 June 2025	31 December 2024
Bank deposits (USD)	100,380.98	100,355.66
Bank deposits (HKD)	1,884.48	1,884.38

In terms of the major foreign currency transactions such as exporting sales of products, importing and procurement of raw materials for production and engineering equipment, the Group conducts imports and exports agency transactions through trading with Angang Group International Economic and Trade Co., Ltd ("Angang International Trade"). The foreign exchange risk is mainly reflected in the impact of exchange rate changes on sales and purchase costs during agency settlement.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

X. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Market risk (Continued)

(1) Exchange risk (Continued)

- A. The foreign exchange risk exposure of various foreign currency asset liability items listed in the local currency by the Group as of June 30, 2025 is set out in Note VI.1.
- B. The Group's main foreign exchange rates apply as follows:

Items	Average Exchange Rate		Middle Exchange Rate on the Reporting Date	
	This period	Last period	This period	Last period
U.S. dollar	7.1837	7.1053	7.1586	7.1268
H.K. dollar	0.9219	0.9087	0.9120	0.9127

C. Sensitivity analysis

The increase of one percentage point in the exchange rate between the US dollar and Hong Kong dollar to the Chinese yuan on 30 June 2025, will result in an increase (decrease) of RMB0 million in the Group's shareholders' equity and net profit.

As of June 30, 2025, assuming other variables remain unchanged, a decrease of one percentage point in the exchange rate between the US dollar and Hong Kong dollar against the Chinese yuan will result in changes in shareholder equity and profit and loss, which are the same as the amounts listed in the table above but in the opposite direction.

X. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Market risk (Continued)

(1) Exchange risk (Continued)

C. Sensitivity analysis (Continued)

The above sensitivity analysis is based on the assumption that there is a change in exchange rate on the balance sheet date, and this change applies to all derivative and non derivative financial instruments of the group. The change of one percentage point is based on the Group's reasonable expectation of exchange rate changes from the balance sheet date to the next balance sheet date. The analysis of the previous year was also based on this assumption.

(2) Interest rate risk

The interest bearing financial instruments held by the Group as of June 30, 2025 are listed in Notes VI 1, 21, 29, 31 and 32. (Monetary funds, short-term loans, Non-current liabilities due within 1 year, long-term loans, bonds payable)

Sensitivity analysis:

The principle of managing interest rate risk for the Group is to reduce the impact of short-term fluctuations on the Group's profits. However, in the long run, permanent changes in interest rates will have an impact on profits.

As of June 30, 2025, assuming other variables remain unchanged, an increase of one percentage point in the interest rates of bank deposits, short-term loans, non current liabilities due within one year, short-term financing bonds, long-term loans, and bonds payable will result in a decrease of RMB89 million in the net profit and shareholder's equity of the group (December 31, 2024: RMB75 million).

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

X. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Market risk (Continued)

(2) Interest rate risk (Continued)

The above sensitivity analysis is based on the assumption that there is a change in interest rates on the balance sheet date, and this change applies to all derivative and non derivative financial instruments of the group. The change of one percentage point is based on the reasonable expectation of the Group's interest rate changes from the balance sheet date to the next balance sheet date. The previous analysis was also based on this assumption.

2. Credit risk

Credit risk refers to the risk that one party to a financial instrument cannot fulfill its obligations, resulting in financial losses for the other party. The credit risk of the group mainly comes from accounts receivable. The management will continuously check the exposure of these credit risks.

For accounts receivable, the group has formulated credit policies based on actual situations, and conducted credit assessments on customers to determine the credit sales limit. Our group requires most customers to prepay the full amount of the goods in cash or bills before shipping them. The accounts receivable related to credit customers expire within 1-4 months from the date of issuance of the invoice. Debtors who are overdue for more than a month will be required to settle all outstanding balances before obtaining further credit limits. In general, the Group does not require customers to provide collateral.

The vast majority of our clients have had years of business dealings with our group and rarely experience credit losses. To monitor the credit risk of the Group, the Group analyzes its customer information based on factors such as aging and maturity.

X. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

2. Credit risk (Continued)

As of June 30, 2025, the Group has no significant impairment of other accounts receivable except for accounts receivable transferred from overdue notes receivable with an impairment provision of RMB311 million.

On the balance sheet date, due to the fact that the accounts receivable of the top five customers of the group accounted for 60% of the total accounts receivable and other receivables of the group (at the beginning of the period: 53%), the group experienced a certain degree of concentration of credit risk.

The maximum credit risk exposure that the group is exposed to is the carrying amount of each financial asset on the balance sheet. The Group has not provided any other guarantees that may expose the Group to credit risk.

3. Liquidity risk

The group is responsible for its own cash management work, including short-term investments in cash surplus and borrowing loans to meet expected cash needs. The policy of the Group is to regularly monitor short-term and long-term liquidity needs, as well as compliance with loan agreements, to ensure the maintenance of sufficient cash reserves and marketable securities available for immediate realization, while obtaining commitments from major financial institutions to provide sufficient backup funds to meet short-term and longer-term liquidity needs.

The analysis of the repayment period of the Group's long-term debts is set out in Notes VI.31, and 32 (long-term loans, bonds payable).

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

X. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

3. Liquidity risk (Continued)

The group's various financial liabilities are listed as follows based on the undiscounted contractual cash flow based on the maturity date:

Items	30 June 2025					Book value
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total undiscounted contract amounts	
Short-term loans	7,749				7,749	7,749
Notes payable	17,609				17,609	17,609
Accounts payable	6,904				6,904	6,904
Other payable	5,797				5,797	5,797
Non-current liabilities due within 1 year	1,574				1,574	1,574
Long-term loans		1,039	2,770	71	3,880	3,880
Bonds payable						
Short-term loans, long-term loans and bonds payable(Generated interest)	237	87	33	6	363	
Lease liability	42	55	4		101	101

(Continued)

Items	31December 2024					Book value
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total undiscounted contract amounts	
Short-term loans	1,174				1,174	1,174
Notes payable	17,957				17,957	17,957
Accounts payable	8,281				8,281	8,281
Other payable	6,066				6,066	6,066
Non-current liabilities due within 1 year	700				700	700
Long-term loans		5,385	5,547	59	10,991	10,991
Bonds payable						
Short-term loans, long-term loans and bonds payable (Generated interest)	288	213	99	2	602	
Lease liability	65	65			130	130

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

X. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

4. Hedging

- (1) The Company carries out hedging business for risk management

Items	Corresponding risk management strategies and objectives	Qualitative and quantitative information on hedged risk	The economic relationship between the hedged item and the related hedging instrument	Expected achievement of risk management objectives	The impact of hedging activities on risk exposure
Commodity price risk	The raw materials required for the production of the Company include iron ore, thermal coal, coking coal, coke, nonferrous metals, alloys, etc., and the finished products produced by the Company include hot-rolled coils, etc. The prices of these raw materials and finished products fluctuate significantly, making the Company exposed to the risk of commodity price changes. In order to reduce the impact of large fluctuations in commodity prices on the company's operations, the company chooses to use financial instruments (commodity futures) to generate reverse risk exposure for risk management, so as to achieve the purpose of preserving value, on the premise that funds can be effectively supported and the scale can be carefully controlled.	Fluctuations in the prices of raw materials and finished products will impact the stability of the Company's operations.	There is an economic relationship between the hedged item and the hedged item, which causes the value of the hedged item and the hedged item to change in the opposite direction due to the same hedged risk.	Anticipatory risk management objectives can be achieved	By engaging in hedging activities, the Company can fully utilize the hedging functions of the futures market to mitigate the risks associated with fluctuations in the prices of raw materials and finished products.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

X. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

4. Hedging (Continued)

- (2) The Company engages in hedging activities for risk management purposes with the expectation of achieving its risk management objectives; however, hedge accounting is not applied.

The Company's hedging activities do not satisfy the criteria for applying hedge accounting as outlined in Article 15 of the Accounting Standards for Business Enterprises No. 24 – Hedge Accounting. Consequently, hedge accounting has not been applied. For the current period, the net profit resulting from the cumulative value changes of the hedging instruments and the hedged items amounted to RMB11 million.

5. Transfer of financial assets

On June 30, 2025, the Group has endorsed a bank acceptance bill of RMB2,750 million to suppliers for settlement of accounts payable, and a commercial acceptance bill of RMB0 million; The amount of bank acceptance bills discounted to financial institutions is RMB10,394 million, while the amount of commercial acceptance bills is RMB0 million. On June 30, 2025, its expiration date is 1 to 12 months. According to the relevant provisions of the Negotiable Instruments Law, if the issuer refuses to make payment, its holder has the right to pursue compensation from the Group. The Group believes that almost all of its risks and rewards have been transferred, therefore, the book value of its and related settled accounts payable has been derecognized.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XI. DISCLOSURE OF THE FAIR VALUE

1. The amount of asset and liability measured at fair value and the measurement hierarchies

The fair value measurement is classified into three hierarchies, listed as follows:

Level 1: The quoted price (unadjusted) in dynamic market for identical asset or liability.

Level 2: In puts other than quoted price included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: The unobservable inputs for asset or liability (unobservable inputs).

Items	The Fair Value on 30 June 2025			Total
	The Fair Value Measured at First Level	The Fair Value Measured at Second Level	The Fair Value Measured at Third Level	
Continues fair value measurement:				
Trading financial assets	16			16
Derivative financial assets	4			4
Receivables financing		1,809		1,809
Other investments in equity instruments			696	696
Other non-current financial assets	52		68	120
Derivative financial liabilities	22			22

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XI. DISCLOSURE OF THE FAIR VALUE (CONTINUED)

1. The amount of asset and liability measured at fair value and the measurement hierarchies (Continued)

(Continued)

Items	The Fair Value on 31 December 2024			Total
	The Fair Value	The Fair Value	The Fair Value	
	Measured at	Measured at	Measured at	
	First Level	Second Level	Third Level	
Continues fair value measurement:				
Trading financial assets	15			15
Derivative financial assets				
Receivables financing		918		918
Other investments in equity instruments			690	690
Other non-current financial assets	36		68	104
Derivative financial liabilities	1			1

2. The qualitative and quantitative information of the valuation techniques and significant parameters used for the continuous and non-continuous third-level fair value measurement projects.

The determination of fair value relies on the third tier input value. For other equity instrument investments, the net assets at the end of the investment entity's period serve as a crucial reference point for assessing its fair value. If the net assets at the end of the period can essentially mirror its fair value, these net assets should be utilized as the foundation for evaluating its fair value.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XI. DISCLOSURE OF THE FAIR VALUE (CONTINUED)

3. Adjustment information between the book value of the continuous third-level fair value measurement project

	Other investments in equity instruments	Other non-current financial assets
Balance at 31 December 2024	690	68
Additional investment		
Changes in fair value (included in other comprehensive income)	6	
Changes in fair value (included in current profit and loss)		
Balance at 30 June 2025	696	68

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Information on the parent company

Group Name	Registration Place	The Nature of Business	Registered Capital	The Group's Shareholding (%)	Proportion of Voting-Right (%)
Ansteel Group	Tie Xi District Anshan Liaoning Province	Production and sale of steel and metal products, steel filament Tubes, and etc.	26,000	53.86	53.86

Note: Angang Group Co., Ltd. is the ultimate controlling party.

2. Information on the subsidiaries of the parent company

Please refer to Note VIII.1 The constitution of the enterprise group.

3. Information on the joint ventures and associates of the group

Please refer to Note VIII.2 Interests in joint ventures or associates.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Related parties without control relationship

Name of Enterprise	Relation with the Parent Company
Guangzhou Automobile Steel	Joint venture
ANSC-TKS	Joint venture
Anji Yingkou	Joint venture
AISSG	Associate
Nansha Logistical	Associate
Zhong'an Water	Associate
GAC Baoshang	Associate
Meizhou Motor Company	Associate
Iron Oxide Powder Company	Associate
Angang Finance	Associate, Fellow subsidiary
Shanxi Wuchan International Energy Co., Ltd.	Associate of Angang Group
Falan Packing	Fellow subsidiary
Angang Steel Casting Co., Ltd.	Fellow subsidiary
Angang Group Mining Co., Ltd.	Fellow subsidiary
Angang Steel Rope Co., Ltd.	Fellow subsidiary
Anshan Iron and Steel Group Refractory Materials Co., Ltd	Fellow subsidiary
Ansteel Automobile Transportation Co., Ltd	Fellow subsidiary
Ansteel Cold Rolled Steel Plate (Putian) Co., Ltd	Fellow subsidiary
Ansteel Group Real Estate Property Co., Ltd	Fellow subsidiary
Anshan Iron and Steel Labor Research Institute Technology Co., Ltd	Fellow subsidiary
Delin land Port Supply Chain Service Co., Ltd	Fellow subsidiary
Anshan Iron and Steel Metallurgical Furnace Materials Technology Co., Ltd	Fellow subsidiary
Ansteel Electric Co., Ltd	Fellow subsidiary
Yingkou Ansteel Water Industry Co., Ltd	Fellow subsidiary
Yingkou Angang International Freight Forwarding Co., Ltd	Fellow subsidiary
Dalian Ansteel International Trade Freight Agency Co., Ltd.	Fellow subsidiary
Angang Steel Group Engineering Technology Co., Ltd	Joint venture of Angang Group
Ansteel Mining Construction Co., Ltd	Joint venture of Angang Group
Angang Chongqing High Strength Auto Co., Ltd	Joint venture of Angang Group
Sichuan Pangang Jiade Precision Engineering Technology Co., Ltd.	Joint venture of Angang Group
Anshan Jidong Cement Co., Ltd.	Joint venture of Angang Group
Anshan Kede Roll Surface Treatment Co., Ltd.	Joint venture of Angang Group
Ansteel Mining Engineering Corporation Co., Ltd.	Joint venture of Angang Group

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Related parties without control relationship (Continued)

Name of Enterprise	Relation with the Parent Company
Benxi Steel (Group) Co., Ltd	Fellow subsidiary
Lingyuan Iron and Steel Group Co., Ltd.	Fellow subsidiary
Lingyuan Iron and Steel Co., Ltd	Fellow subsidiary
Ansteel Group Information Industry Co., Ltd	Fellow subsidiary
Angang International Trade	Fellow subsidiary
Ansteel Lianzhong (Guangzhou) Stainless Steel Co., Ltd	Fellow subsidiary
Pangang Group International Economic and Trade Co., Ltd	Fellow subsidiary
Pangang Group Jiangyou Changcheng Special Steel Co., Ltd	Fellow subsidiary
Angang Group Engineering Technology Development Co., Ltd.	Fellow subsidiary
Anshan Group and Angang Group Zhongyuan Industry Development Co., Ltd.	Fellow subsidiary
Benxi Steel (Group) Co., Ltd	Fellow subsidiary
Benxi Beiyang Iron and Steel (Group) Co., Ltd	Fellow subsidiary
Benxi Iron and Steel (Group) Mining Co., Ltd	Fellow subsidiary
Bengang steel plates Co., Ltd	Fellow subsidiary
Ansteel Group Beijing Research Institute Co., Ltd	Fellow subsidiary
Chengdu Xingyun Zhilian Technology Co., Ltd	Fellow subsidiary
Northern Hengda Logistics Co., Ltd	Fellow subsidiary
Panzhuhua Iron and Steel Group Mining Co., Ltd.	Fellow subsidiary
Benxi Iron&Steel(Group)Machinery Manufacture Co., Ltd.	Fellow subsidiary
Ansteel Group Capital Holdings Co., Ltd.	Fellow subsidiary
Ansteel Commercial Factoring (Shenzhen) Co., Ltd.	Fellow subsidiary
Benxi Iron and Steel (Group) Information Automation Co., Ltd.	Fellow subsidiary
Liaoning Hengtai Heavy Machinery Co., Ltd.	Fellow subsidiary
Panzhuhua Iron and Steel Group Chengdu Vanadium-Titanium Resources Development Co., Ltd.	Fellow subsidiary
Angang Resources Co., Ltd	Fellow subsidiary

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related-party transactions

(1) Related-party transactions within Angang Group Co., Ltd.

① Related-party transactions on Procurement of Goods and Services

Contents	Pricing policy	This period	Last period
Purchasing of goods	Note.1	13,799	15,765
Acceptance of services	Note.2	3,266	3,614
Total	–	17,065	19,379

② Related-party transactions on Sales of Goods and Services

Contents	Pricing Policy	This period	Last period
Sale of goods	Note.3	5,033	5,660
Provision of services	Note.4	210	202
Total	–	5,243	5,862

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related-party transactions (Continued)

(1) Related-party transactions within Angang Group Co., Ltd.
(Continued)

② Related-party transactions on Sales of Goods and Services (Continued)

Note 1: The pricing of iron concentrate, pellet ore, scrap steel, billets, ingots, pig iron, alloys, non-ferrous metals, coke, coal, coking by-products, limestone, quicklime, refractory materials, spare parts, renewable resources, etc. shall be based on market prices; The pricing of sinter shall be determined as the iron concentrate price plus the (T-1) month's process cost; The pricing of steel products shall be determined as either the price at which Angang Steel Co., Ltd. sells to third parties minus a consignment fee of not less than RMB15 per ton, or the market price.

Note 2: Electricity, water, etc., are priced at government-set prices; Railway, road, pipeline and water transportation and services; Port agency services; Agency services; Equipment maintenance and services; Design and engineering services; Telecommunication services; Information systems; Education and training, translation services; Newspapers and other publications; Production collaboration and maintenance; Living collaboration and maintenance; Official vehicle services; Energy conservation, environmental protection, safety, testing, technology development and services; Medical and health services; Business entertainment and conference expenses; Greening services; Security services; Land and house leasing; Wastewater treatment; Energy supply services (such as steam); Entrusted management; Other specialized services, etc., are priced at market prices; Processing with supplied materials is priced at market prices or cost plus reasonable profit.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related-party transactions (Continued)

(1) Related-party transactions within Angang Group Co., Ltd.
(Continued)

② Related-party transactions on Sales of Goods and Services (Continued)

Note 3: Steel products, scrap steel, pig iron, billets, by-products of iron and steel production, coke, coal, coking by-products, ores, e-commerce products, scrap steel materials, waste materials, scrapped assets or idle assets, etc., are priced at market prices.

Note 4: Metrology, testing, product testing, transportation services, agency services, heating services, leasing services, etc., are priced at market prices; Energy supply services (including but not limited to clean circulating water, waste circulating water, soft water, gas, steam, nitrogen, oxygen, argon, compressed air, hydrogen, residual hot water, liquid oxygen, liquid nitrogen, liquid argon, gas products, etc.), contract processing, entrusted asset management, etc., are priced at market prices or cost plus reasonable profit; Electricity, water, etc., are priced at government-set prices.

③ Related party transactions of asset acquisition

The company has no related party transactions for asset acquisition in the current period.

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related-party transactions (Continued)

- (1) Related-party transactions within Angang Group Co., Ltd.
(Continued)

④ Related-party guarantee

The company applied to become the designated rebar delivery factory warehouse of Shanghai Futures Exchange (hereinafter referred to as the Shanghai Futures Exchange), and Anshan Iron and steel provided guarantee for the company's application for delivery factory warehouse qualification to the Shanghai Futures Exchange and signed the guarantee letter (hereinafter referred to as the guarantee letter). Anshan Iron and steel requires the company to provide counter guarantee to the company for the above guarantee provided by it. The amount of counter guarantee shall not exceed 300 million. The period of counter guarantee shall be from the date of signing the agreement on designated rebar futures factory warehouse of Shanghai futures exchange with the company in the previous period to the date of termination of the contract (I. E. The duration of the contract) and two years after the end of the duration of the contract.

- (2) Other related party transactions

- ① In this period, Angang international trade provided export agents to sell 1,030,000 tons of steel products (last period: 940,000 tons).
- ② Ansteel Commercial Factoring (Shenzhen) Co., Ltd., a subsidiary of Ansteel Group Capital Holdings Co., Ltd., has provided commercial factoring services of RMB2.9 million to the suppliers of the Company.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related-party transactions (Continued)

- (3) Borrowings, deposits and interest payments from Angang finance

Items	Annual interest rate (%)	31 December 2024	Increment	Decrement	30 June 2025	Terms
Deposit	0.2-0.65	4,006	175,134	176,199	2,941	
Loan	2.11		315		315	

During the current period, the group's deposit interest income in Angang finance was 18 million (previous period: 17 million), and the loan interest expenditure (including discount) was 1 million (previous period: 2 million). The maximum daily deposit of the group in Anshan finance in the current period is 4,781 million (previous period: 3,962 million).

- (4) The group's related party transactions with joint ventures and associates

- ① Statement of purchasing products

Name	This period	Last period
ANSC-TKS	229	277
Guangzhou Automobile Steel	17	6
Anji Yingkou	7	
Iron Oxide Powder Company	5	3
Zhong'an Water	10	10
GAC Baoshang	3	2
AISSG	3	3
Total	274	301

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related-party transactions (Continued)

- (4) The group's related party transactions with joint ventures and associates

- ② Statement of selling products

Name	This period	Last period
ANSC-TKS	1,679	1,771
Guangzhou Automobile Steel	825	749
AISSG	188	78
Anji Yingkou	164	22
Iron Oxide Powder Company	26	26
Nansha Logistical	4	7
Meizhou Motor Company	3	4
GAC Baoshang	3	3
Total	2,892	2,660

- (5) Remuneration of the directors, supervisors and senior management

Name	This period	Last period
Key management compensation	1.74	4.80
Total	1.74	4.80

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

6. Balances of related-party transactions

(1) Accounts receivable

Items	Related party	30 June 2025	31 December 2024
Accounts receivable	Angang International Trade	1,033	393
Accounts receivable	Angang Steel Rope Co., Ltd.	82	83
Accounts receivable	ANSC-TKS	61	15
Accounts receivable	Benxi Beiyang Iron and Steel (Group) Co., Ltd	60	29
Accounts receivable	Angang Group Engineering Technology Development Co., Ltd.	52	42
Accounts receivable	Ansteel Lianzhong (Guangzhou) Stainless Steel Co., Ltd	51	
Accounts receivable	Bengang steel plates Co., Ltd	38	95
Accounts receivable	Anshan Group and Angang Group Zhongyuan Industry Development Co., Ltd.	27	25
Accounts receivable	Angang Steel Casting Co., Ltd.	14	20
Accounts receivable	Lingyuan Iron and Steel Group Co., Ltd.	12	1
Accounts receivable	Ansteel Group	7	3
Accounts receivable	Sichuan Pangang Jiade Precision Engineering Technology Co., Ltd.	4	
Accounts receivable	Angang Group Mining Co., Ltd.	3	16
Accounts receivable	Guangzhou Automobile Steel	2	1
Accounts receivable	Benxi Iron and Steel (Group) Mining Co., Ltd	2	3
Accounts receivable	Ansteel Group Information Industry Co., Ltd	1	2
Accounts receivable	AISSG	1	1
Accounts receivable	Panzhuhua Iron and Steel Group Mining Co., Ltd.	1	
Accounts receivable	Chengdu Xingyun Zhilian Technology Co., Ltd	1	1
Accounts receivable	Anshan Iron and Steel Group Refractory Materials Co., Ltd	1	1
Accounts receivable	Angang Chongqing High Strength Auto Co., Ltd		5
Accounts receivable	Benxi Iron&Steel(Group)Machinery Manufacture Co., Ltd.		1
Total		1,453	737

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

6. Balances of related-party transactions (Continued)

(1) Accounts receivable (Continued)

Items	Related party	30 June 2025	31 December 2024
Other receivables	Angang Group Engineering Technology Development Co., Ltd.	1	1
Other receivables	Bengang steel plates Co., Ltd	1	1
Other receivables	Lingyuan Iron and Steel Group Co., Ltd.		1
Total		2	3
Prepayment	Angang International Trade	1,061	1,420
Prepayment	Delin land Port Supply Chain Service Co., Ltd	163	106
Prepayment	Ansteel Cold Rolled Steel Plate (Putian) Co., Ltd	98	10
Prepayment	ANSC-TKS	79	20
Prepayment	Bengang steel plates Co., Ltd	58	30
Prepayment	Lingyuan Iron and Steel Co., Ltd	53	35
Prepayment	Benxi Beiyang Iron and Steel (Group) Co., Ltd	27	11
Prepayment	Lingyuan Iron and Steel Group Co., Ltd.	6	
Prepayment	Ansteel Lianzhong (Guangzhou) Stainless Steel Co., Ltd	4	138
Prepayment	Angang Group Mining Co., Ltd.		8
Prepayment	Ansteel Automobile Transportation Co., Ltd		7
Prepayment	Northern Hengda Logistics Co., Ltd		4
Prepayment	Pangang Group Jiangyou Changcheng Special Steel Co., Ltd		2
Total		1,549	1,791

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

6. Balances of related-party transactions (Continued)

(2) Accounts payable

Items	Related party	30 June 2025	31 December 2024
Accounts payable	Angang International Trade	508	367
Accounts payable	Delin land Port Supply Chain Service Co., Ltd	249	534
Accounts payable	Angang Group Engineering Technology Development Co., Ltd.	115	105
Accounts payable	Yingkou Ansteel Water Industry Co., Ltd	100	39
Accounts payable	Angang Group Mining Co., Ltd.	89	510
Accounts payable	Ansteel Group	75	57
Accounts payable	Anshan Iron and Steel Metallurgical Furnace Materials Technology Co., Ltd	68	196
Accounts payable	Anshan Group and Angang Group Zhongyuan Industry Development Co., Ltd.	59	196
Accounts payable	Anshan Iron and Steel Group Refractory Materials Co., Ltd	59	133
Accounts payable	ANSC-TKS	53	52
Accounts payable	Bengang steel plates Co., Ltd	44	21
Accounts payable	Ansteel Mining Construction Co., Ltd	42	49
Accounts payable	Lingyuan Iron and Steel Co., Ltd	36	
Accounts payable	Benxi Beiyang Iron and Steel (Group) Co., Ltd	28	1
Accounts payable	Pangang Group International Economic and Trade Co., Ltd	24	28
Accounts payable	Ansteel Cold Rolled Steel Plate (Putian) Co., Ltd	23	130
Accounts payable	Angang Resources Co., Ltd	22	27
Accounts payable	Zhong'an Water	14	10
Accounts payable	Angang Steel Casting Co., Ltd.	9	43
Accounts payable	Angang Steel Rope Co., Ltd.	7	9
Accounts payable	Ansteel Group Engineering Technology Co., Ltd	6	31
Accounts payable	Ansteel Group Information Industry Co., Ltd	6	13
Accounts payable	Anshan Kede Roll Surface Treatment Co., Ltd.	4	
Accounts payable	Ansteel Group Real Estate Property Co., Ltd	3	8
Accounts payable	Ansteel Electric Co., Ltd	3	7
Accounts payable	Guangzhou Automobile Steel	2	22

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

6. Balances of related-party transactions (Continued)

(2) Accounts payable (Continued)

Items	Related party	30 June 2025	31 December 2024
Accounts payable	Ansteel Group Capital Holdings Co., Ltd.	1	
Accounts payable	Benxi Steel (Group) Co., Ltd	1	
Accounts payable	AISSG	1	1
Accounts payable	GAC Baoshang	1	1
Accounts payable	Lingyuan Iron and Steel Group Co., Ltd.	1	
Accounts payable	Yingkou Angang International Freight Forwarding Co., Ltd	1	1
Accounts payable	Ansteel Lianzhong (Guangzhou) Stainless Steel Co., Ltd		128
Accounts payable	Ansteel Automobile Transportation Co., Ltd		40
Accounts payable	Falan Packing		9
Accounts payable	Angang Chongqing High Strength Auto Co., Ltd		4
Accounts payable	Anji Yingkou		2
Accounts payable	Iron Oxide Powder Company		2
Accounts payable	Pangang Group Jiangyou Changcheng Special Steel Co., Ltd		1
Accounts payable	Panzhuhua Iron and Steel Group Chengdu Vanadium-Titanium Resources Development Co., Ltd.		1
Accounts payable	Dalian Ansteel International Trade Freight Agency Co., Ltd.		1
Accounts payable	Benxi Iron and Steel (Group) Information Automation Co., Ltd.		1
Total		1,654	2,780

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

6. Balances of related-party transactions (Continued)

(2) Accounts payable (Continued)

Items	Related party	30 June 2025	31 December 2024
Other payables	Ansteel Group Engineering Technology Co., Ltd	1,955	2,234
Other payables	Angang Group Engineering Technology Development Co., Ltd.	549	618
Other payables	Ansteel Group Information Industry Co., Ltd	269	235
Other payables	Ansteel Electric Co., Ltd	56	67
Other payables	Ansteel Commercial Factoring (Shenzhen) Co., Ltd.	29	86
Other payables	Ansteel Mining Construction Co., Ltd	28	43
Other payables	Angang International Trade	17	17
Other payables	Anshan Iron and Steel Labor Research Institute Technology Co., Ltd	16	15
Other payables	Anshan Group and Angang Group Zhongyuan Industry Development Co., Ltd.	11	17
Other payables	Ansteel Group Beijing Research Institute Co., Ltd	8	6
Other payables	Benxi Steel (Group) Co., Ltd	7	
Other payables	Shanxi Wuchan International Energy Co., Ltd.	4	4
Other payables	Delin land Port Supply Chain Service Co., Ltd	4	3
Other payables	Anshan Iron and Steel Metallurgical Furnace Materials Technology Co., Ltd	3	3
Other payables	Ansteel Group Real Estate Property Co., Ltd	3	3
Other payables	Benxi Iron and Steel (Group) Information Automation Co., Ltd.	2	
Other payables	Ansteel Mining Engineering Corporation Co., Ltd.	1	1
Other payables	Ansteel Group	1	4
Other payables	Liaoning Hengtai Heavy Machinery Co., Ltd.		8
Other payables	Angang Group Co., Ltd.		5
Total		2,963	3,369

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

6. Balances of related-party transactions (Continued)

(2) Accounts payable (Continued)

Items	Related party	30 June 2025	31 December 2024
Contract liabilities	Delin land Port Supply Chain Service Co., Ltd	570	502
Contract liabilities	Ansteel Cold Rolled Steel Plate (Putian) Co., Ltd	174	132
Contract liabilities	Anshan Group and Angang Group Zhongyuan Industry Development Co., Ltd.	68	35
Contract liabilities	Angang Group Mining Co., Ltd.	56	54
Contract liabilities	Falan Packing	41	10
Contract liabilities	AISSG	14	17
Contract liabilities	Anshan Iron and Steel Group Refractory Materials Co., Ltd	13	4
Contract liabilities	Guangzhou Automobile Steel	11	64
Contract liabilities	Angang Group Engineering Technology Development Co., Ltd.	10	12
Contract liabilities	Ansteel Electric Co., Ltd	6	9
Contract liabilities	Angang Steel Casting Co., Ltd.	5	
Contract liabilities	Ansteel Group	3	
Contract liabilities	Nansha Logistical	2	3
Contract liabilities	Pangang Group International Economic and Trade Co., Ltd	2	2
Contract liabilities	Benxi Beiyang Iron and Steel (Group) Co., Ltd	1	
Contract liabilities	Ansteel Mining Construction Co., Ltd	1	1
Contract liabilities	Ansteel Group Engineering Technology Co., Ltd	1	1
Contract liabilities	ANSC-TKS		110
Contract liabilities	Ansteel Automobile Transportation Co., Ltd		27
Contract liabilities	Iron Oxide Powder Company		12
Contract liabilities	Anshan Jidong Cement Co., Ltd.		4
Contract liabilities	Meizhou Motor Company		4
Contract liabilities	Pangang Group Jiangyou Changcheng Special Steel Co., Ltd		1
Total		978	1,004

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

6. Balances of related-party transactions (Continued)

(3) Other non-current assets

		30 June 2025	31 December 2024
Items	Related party		
Other non-current assets	Angang International Trade	431	343
Other non-current assets	Angang Steel Group Engineering Technology Co., Ltd	35	43
Other non-current assets	Ansteel Group Information Industry Co., Ltd	4	4
Other non-current assets	Angang Group Engineering Technology Development Co., Ltd.	1	1
Total		471	391

XIII. SHARE-BASED PAYMENT

1. The general introduction of share-based payment

Awarding object	All equity instruments granted this period		All equity instruments unlocked this period		All equity instruments exercised this period exercised		All equity instruments that have expired this period	
	Quantities	Amounts	Quantities	Amounts	Quantities	Amounts	Quantities	Amounts
Directors, Senior Management, Core personnel							1,418	27
Total							1,418	27

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XIII. SHARE-BASED PAYMENT (CONTINUED)

1. The general introduction of share-based payment (Continued)

(Continued)

Awarding object	Stock options issued to the public at the end of the period		Other equity instruments issued to outward at the end of the period	
	The range of the vesting prices	The remainder of the contractual period	The range of the vesting prices	The remainder of the contractual period
Directors, Senior Management, Core personnel			The initial grant price of the restricted stock incentive plan in 2020 is 1.85 yuan per share, with a reserved portion of the grant price of 2.31 yuan per share	The validity period of the restricted stock incentive plan shall be from the date of completion of the registration of the grant of restricted stocks to the date of the lifting of restrictions or repurchase of all restricted stocks, and shall not exceed 60 months at most.

At the 32nd meeting of the eighth board of directors held on November 26, 2020, the company considered and approved the bill on repurchasing part of the company's A-share public shares (hereinafter referred to as "the repurchase bill"), the bill on authorizing Management to handle matters related to share repurchase Proposals on the 2020 restricted stock incentive plan (Draft) of Angang Steel Co., Ltd. and its summary (hereinafter referred to as "2020 incentive plan" or "incentive plan").

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XIII. SHARE-BASED PAYMENT (CONTINUED)

1. The general introduction of share-based payment (Continued)

According to the repurchase proposal, from December 10, 2020, the company repurchased the company's A-share ordinary shares from the Shenzhen stock exchange through public bidding transactions as the source of restricted shares granted to incentive targets. According to the incentive plan, the grant price of the restricted shares granted for the first time is RMB1.85 per share, and the restricted shares are restricted to sale for 24 months from the date of grant. During the restricted sale period, restricted shares shall not be transferred, used to guarantee or repay debts. The 36 months after the restricted sale period is the lifting of the restricted sale period. During each lifting of the restricted sale period, if the conditions for lifting the restricted sale of restricted stocks are met, the incentive object may apply for lifting the restricted sale of restricted stocks held by it through this plan in three batches, with the proportion of lifting the restricted sale in three batches being 33%, 33% and 34% respectively. If the unlocking conditions for a certain year are not met, the corresponding restricted shares that have not been unlocked shall be repurchased by the company.

As of December 24, 2020, the company's share repurchase for the 2020 incentive plan has been completed, the actual number of repurchased shares is RMB52 million, and the repurchase cost is RMB166 million (excluding transaction costs), which is included in treasury shares.

The third provisional shareholders' meeting of 2020 held by the company on December 31, 2020 decided to consider and approve proposals related to the incentive plan and authorized the board of directors to handle relevant matters.

XIII. SHARE-BASED PAYMENT (CONTINUED)

1. The general introduction of share-based payment (Continued)

On January 8, 2021, the company held the 38th meeting of the eighth board of directors to consider and adopt the bill on adjusting the incentive plan for restricted stocks of Angang Steel Co., Ltd. in 2020 and the bill on granting restricted stocks to incentive targets for the first time. According to the adjusted incentive plan, the number of proposed incentive targets granted for the first time was reduced from 182 to 174, the number of First grants was adjusted from 48.6 million shares to 46.8 million shares, and 5.4 million shares were reserved to remain unchanged. At the same time, the board of Directors believes that the conditions for the grant of this incentive plan have been met, and determines January 8, 2021 as the first grant date, to grant 46.8 million restricted shares to 174 incentive targets for the first time at a price of RMB1.85 per share.

On December 10, 2021, the company held the 54th meeting of the eighth board of directors, deliberated and adopted the bill on granting reserved restricted shares to incentive targets. In accordance with the measures for the administration of equity incentives of listed companies, the relevant provisions of the 2020 incentive plan and the authorization of the third provisional shareholders' meeting of the company in 2020, the board of Directors considers that the conditions for the grant of the incentive plan have been met, and determines December 10, 2021 as the reserved grant date to grant 5.3662 million restricted shares to 38 incentive targets at a grant price of RMB2.31 per share. On the same day, after deliberation and approval by the board of directors, the incentive plan for 2020 granted some 8 incentive targets for the first time, which did not meet the incentive conditions due to the termination or termination of labor relations with the company due to job transfer. The company intends to repurchase and write off 2.23 million A-shares of restricted shares held by the above-mentioned incentive targets at a price of RMB1.88 per share (the repurchase price is calculated according to the grant price plus the interest of fixed deposits in the same period). The total amount of this repurchase is RMB4 million. The above-mentioned repurchase restricted shares were transferred to the special securities account for repurchase opened by the company and cancelled after deliberation and approval by the shareholders' meeting on January 6, 2022. After the cancellation in 2022, the company reduced its share capital and capital reserve by RMB2 million and RMB2 million respectively, and reduced its treasury shares by RMB4 million.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XIII. SHARE-BASED PAYMENT (CONTINUED)

1. The general introduction of share-based payment (Continued)

On November 23, 2022, the company held the eighth meeting of the ninth board of directors, deliberated and approved the bill on the repurchase and cancellation of restricted shares that have been granted to some incentive targets of the restricted stock incentive plan in 2020 but have not yet been lifted, and agreed to repurchase and cancel 2.04 million restricted shares that have been granted but have not yet been lifted held by some incentive targets. The total amount of restricted shares repurchased and cancelled this time is 4 million. The above-mentioned repurchase restricted shares were transferred to the special securities account for repurchase opened by the company and cancelled after deliberation and approval by the shareholders' meeting on December 19, 2022. After the cancellation in 2023, the company reduced its share capital and capital reserve by RMB2 million and RMB2 million respectively, and reduced its treasury shares by RMB4 million.

On March 30, 2023, the 14th meeting of the ninth board of directors was held to consider and approve the bill on the repurchase and cancellation of restricted shares that have been granted to some incentive targets of the restricted stock incentive plan in 2020 but have not yet been lifted. It is agreed that the company will repurchase and cancel 1.13 million restricted shares that have been granted but have not yet been lifted held by some incentive targets. The total amount of restricted shares repurchased and cancelled this time is 2 million. The above-mentioned repurchase restricted shares were transferred to the company's repurchase professional securities account and cancelled after deliberation by the shareholders' meeting on May 29, 2023. After the cancellation in 2023, the company reduced its share capital and capital reserve by RMB1 million and RMB1 million respectively, and reduced its treasury shares by RMB2 million.

XIII. SHARE-BASED PAYMENT (CONTINUED)

1. The general introduction of share-based payment (Continued)

The 14th meeting of the 9th board of directors and the 7th Meeting of the 9th board of supervisors held on March 30, 2023 considered and approved the bill on cancellation of shares in the company's special securities account for repurchase, and agreed to cancel the remaining 408623 treasury shares in the company's special securities account for repurchase.

On April 18, 2023, the 2020 restricted stock incentive plan of company granted partial first lifting of the restriction period and lifting of the restriction conditions. A total of 172 incentive objects met the lifting of the restriction conditions, and the number of restricted stocks lifted was 14.77905 million shares. After the lifting of the ban, the company reduced treasury shares by 28 million.

The 19th meeting of the 9th board of directors and the 9th Meeting of the 9th board of supervisors held on August 30, 2023 considered and approved the bill on the repurchase and cancellation of restricted shares that have been granted to some incentive targets of the restricted stock incentive plan in 2020 but have not yet been lifted, and agreed to repurchase and cancel 15.59 million restricted shares that have been granted but have not yet been lifted held by some incentive targets. The total amount of restricted shares repurchased and cancelled this time is 30 million. The above-mentioned repurchase restricted shares were transferred to the special securities account for repurchase opened by the company and cancelled after deliberation and approval by the shareholders' meeting on October 26, 2023. After the cancellation in 2023, the company reduced its share capital and capital reserve by RMB16 million and RMB14 million respectively, and reduced its treasury shares by RMB30 million.

On April 18, 2024, the Company's 2020 restricted stock incentive plan reserved grant portion of the first lifting restriction period lifting restriction conditions have been achieved, meeting the lifting restriction conditions of a total of 36 incentive objects, the number of restricted stock lifted 1.64203 million shares. After the lifting of the ban, the company reduced treasury shares by 4 million.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XIII. SHARE-BASED PAYMENT (CONTINUED)

1. The general introduction of share-based payment (Continued)

On March 28, 2024, the 27th Meeting of the Ninth Session of the Board of Directors and the 11th Meeting of the Ninth Session of the Supervisory Board reviewed and approved the "Proposal on the Repurchase and Cancellation of Restricted Shares Granted but Not Yet Unlocked for Some Incentive Objects under the 2020 Restricted Stock Incentive Plan". It was agreed that the Company would repurchase and cancel 450,000 restricted shares that had been granted but not yet unlocked and held by some incentive objects, with the total amount for the repurchase and cancellation of such restricted shares being RMB1 million. The aforesaid repurchased restricted shares were transferred to the Company's special securities account for repurchase, and were cancelled after being reviewed and approved at the shareholders' general meeting on May 29, 2024. After the cancellation in 2024, the Company's share capital and treasury stock were each reduced by RMB1 million.

On August 30, 2024, the 30th Meeting of the Ninth Session of the Board of Directors and the 13th Meeting of the Ninth Session of the Supervisory Board reviewed and approved the "Proposal on the Repurchase and Cancellation of Restricted Shares Granted but Not Yet Unlocked for Some Incentive Objects under the 2020 Restricted Stock Incentive Plan". It was agreed that the Company would repurchase and cancel 14.18 million restricted shares that had been granted but not yet unlocked and held by some incentive objects, with the total amount for the repurchase and cancellation of such restricted shares being RMB27 million. The aforesaid repurchased restricted shares were transferred to the Company's special securities account for repurchase, and were cancelled after being reviewed and approved at the shareholders' general meeting on December 30, 2024. After the cancellation in 2025, the Company's share capital and capital surplus were reduced by RMB14 million and RMB13 million respectively, and the treasury stock was reduced by RMB27 million.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XIII. SHARE-BASED PAYMENT (CONTINUED)

2. Share-based payment settled by equity

Determination method of fair value of equity instruments on grant date	Based on the market value of shares granted to Japanese companies
Determination basis for the number of exercisable equity instruments	Estimated and determined according to the performance conditions of each unlocking period specified in the restricted stock plan
Reasons for the significant differences between the current estimates and the previous estimates	None
Total employee services in exchange for share-based payments	73
Accumulated amount of equity-settled share-based payment included in capital reserve	23
Total expenses recognized for equity-settled share-based payments in the current period	0

3. The expenses of share-based payments

Awarding object	Share-based payment settled by equity	
	This period	Last period
Directors, Senior Management, Core personnel	0	0
Total	0	0

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XIV. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

Items	30 June 2025	31 December 2024
Investment contracts entered but not yet performed or performed partially	14	126
Construction and renovation contracts entered but not yet performed or performed partially	2,488	2,439
Total	2,502	2,565

2. Contingencies

As of June 30, 2025, the group has no material contingencies to disclose.

XV. SUBSEQUENT EVENTS

As of June 30, 2025, there are no post-balance sheet events requiring disclosure for the Group.

XVI. OTHER SIGNIFICANT INTRODUCTIONS

As of June 30, 2025, the group had no other important matters to explain.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XVII. NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

1. Accounts Receivable

(1) Classification of Accounts Receivable

Item	30 June 2025				
	Book Value		Bad Debt Provision		Net Book Value
	Amount	Percentage (%)	Amount	Percentage (%)	
Accounts receivable subject to separate assessment for bad debts provision	431	11.27	376	87.24	55
Account receivable for which bad debt is prepared based on group combination	3,393	88.73	4	0.12	3,389
including: Risk-free group combination	3,028	79.18			3,028
Risk group combination on the basis of aging-matrix	365	9.55	4	1.10	361
Total	3,824	100.00	380	9.94	3,444

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XVII. NOTES TO PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)

1. Accounts Receivable (Continued)

(1) Classification of Accounts Receivable (Continued)

Item	31 December 2024				
	Book Value		Bad Debt Provision		Net Book Value
	Amount	Percentage (%)	Amount	Percentage (%)	
Accounts receivable subject to separate assessment for bad debts provision	433	13.98	378	87.30	55
Account receivable for which bad debt is prepared based on group combination	2,665	86.02	4	0.15	2,661
including: Risk-free group combination	1,595	51.48			1,595
Risk group combination on the basis of aging-matrix	1,070	34.54	4	0.37	1,066
Total	3,098	100.00	382	12.33	2,716

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XVII. NOTES TO PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)

1. Accounts Receivable (Continued)

- (2) Accounts receivable subject to separate assessment for bad debts provision

Debtors	31 December 2024		30 June 2025			
	Book Value	Bad Debt Provision	Book Value	Bad Debt Provision	Percentage (%)	Reason
Tianjin Property Group Finance Co., Ltd.	366	311	366	311	84.97	Notes overdue
Anshan Zhongyou Tianbao Steel Pipe Co., Ltd.	67	67	65	65	100.00	The business is in trouble and it does not have the ability to pay debts
Total	433	378	431	376		

- (3) Accounts Receivable classified by aging

Aging	30 June 2025	31 December 2024
Within 1 year	3,330	2,628
1 to 2 years	59	31
2 to 3 years		2
3 to 4 years		
4 to 5 years		
Over 5 years	435	437
Total	3,824	3,098

Note: In the above analysis, based on the invoice date.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XVII. NOTES TO PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)

1. Accounts Receivable (Continued)

- (4) Bad debt provision at the end of the period

Type	31 December 2024	Increase/Decrease				30 June 2025
		Bad debt provision	Reverse	Resale or verification	Others	
Accounts Receivable	382	(1)			(1)	380

- (5) Accounts receivable written off this period

There are no accounts receivables that have been written off this period.

- (6) The condition of accounts receivable of the top five debtors by the balances as of 30 June 2025

The total amount of top five accounts receivable according to closing balance of debtors of the company was RMB2,630 million as of 30 June 2025, which accounted for 68.78% of the closing balance of the total accounts receivable. The summary closing balance of corresponding bad debt provision amounted to RMB311 million as of 30 June 2025.

- (7) Others

The company transferred accounts receivable on a non-recourse basis of RMB719 million and incurred costs related to derecognition of RMB1 million during the period.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XVII. NOTES TO PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables

Items	30 June 2025	31 December 2024
Dividends receivable	1	
Other receivables	194	53
Total	195	53

2.1 Dividends receivable

The Invested Entity	30 June 2025	31 December 2024
Falan Packing	1	
Total	1	

2.2 Other receivables

(1) Classification of other receivables

Items	30 June 2025				Net Book Value
	Book Value		Bad Debt Provision		
	Amount	Percentage (%)	Amount	Percentage (%)	
Other receivables subject to separate assessment for bad debts provision					
Other receivables for which bad debt is prepared based on group combination	198	100.00	4	2.02	194
Including: Risk-free group combination	150	75.76			150
Risk group combination on the basis of aging-matrix	48	24.24	4	8.33	44
Total	198	100.00	4	2.02	194

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XVII. NOTES TO PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

2.2 Other receivables (Continued)

(1) Classification of other receivables (Continued)

Items	31 December 2024				
	Book Value		Bad Debt Provision		Net Book Value
	Amount	Percentage (%)	Amount	Percentage (%)	
Other receivables subject to separate assessment for bad debts provision					
Other receivables for which bad debt is prepared based on group combination	57	100.00	4	7.02	53
Including: Risk-free group combination	31	54.39			31
Risk group combination on the basis of aging-matrix	26	45.61	4	15.38	22
Total	57	100.00	4	7.02	53

(2) Other receivables classified by the nature

Type	30 June 2025	31 December 2024
Money lent to subsidiary	150	30
Bid security	12	3
Industrial injury loan	3	4
Others	33	20
Total	198	57

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XVII. NOTES TO PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

2.2 Other receivables (Continued)

(3) Other receivables classified by aging

Aging	30 June 2025	31 December 2024
Within 1 year	182	39
1 to 2 years	13	13
2 to 3 years	1	3
3 to 4 years	2	
4 to 5 years		1
Over 5 years		1
Total	198	57

(4) The recognition of bad debt provision

	The first stage Expected credit losses within the next 12 months	The second stage Expected credit losses for the entire duration of the period (no credit impairment)	The third stage Expected credit losses for the entire duration of the period (credit impairment has occurred)	Total
Balance at 1 January 2025	3		1	4
Bad debt provision Reverse				
Resale or verification				
Write of				
Other changes				
Balance at 30 June 2025	3		1	4

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XVII. NOTES TO PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

2.2 Other receivables (Continued)

(5) Bad debt provision at the end of the period

Type	31 December 2024	Increase/Decrease		30 June 2025
		Bad debt provision	Reverse Resale or verification	
Other receivables	4			4

(6) Other receivables with the top five balances on June 30, 2025

The summary amount of the top five other receivables collected by the company according to the debtor on June 30, 2025 is RMB178 million, accounting for 89.90% of the total balance of other receivables on June 30, 2025, and the summary amount of the corresponding bad debt provision on June 30, 2025 is RMB2 million.

3. Long-term equity investments

(1) Classification of long-term equity investment

Items	30 June 2025			31 December 2024		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investments in subsidiaries	10,711		10,711	10,651		10,651
Investments in joint ventures and associates	3,541		3,541	3,695		3,695
Total	14,252		14,252	14,346		14,346

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XVII. NOTES TO PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments (Continued)

(2) Investments in subsidiaries

The invested entity	31 December 2024	Increment	Decrement	30 June 2025	Provision for impairment	Provision 30 June 2025
Angang Wuhan	237			237		
Angang Hefei	281			281		
Angang Guangzhou	90			90		
Shenyang International Trade	321			321		
Shanghai Trade	303			303		
Tianjin Trade	203			203		
Guangzhou Trade	315			315		
Angang Shenyang	181			181		
Angang Tianjin	27			27		
Angang Dalian	266			266		
Ningbo Trade	100			100		
Yantai Trade	200			200		
Angang Kobelco	357			357		
ASPD-CC	496			496		
Jinsuoju	35			35		
Angang Zhengzhou	229			229		
Chaoyang Iron and Steel	3,545			3,545		
Energy and Technology	124	60		184		
Chemical Technology	2,677			2,677		
Jiefang Angang	119			119		
Hangzhou Auto Material	60			60		
Beijing International Trade	198			198		
Delin Industrial Products	164			164		
Material Technology	20			20		
GreenGold Industry	103			103		
Total	10,651	60		10,711		

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XVII. NOTES TO PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments (Continued)

- (3) Investments for the joint ventures and associates

Please refer to Note VI.11 (excluding Zhong'an Water, Anji Yingkou and Green Gold Benxi).

4. Operating income and operating cost

- (1) Classified by production

Items	This period		Last period	
	Income	Cost	Income	Cost
Prime operating	41,596	41,449	46,792	47,956
Other operating	212	185	84	85
Total	41,808	41,634	46,876	48,041

Note: The Company is classified into an operating segment based on the type of business: production and sale of steel products.

- (2) Classified by region

Items	This period	Last period
Foreign transaction income from the within borders	38,367	43,194
Foreign exchange income from outside borders	3,441	3,682
Total	41,808	46,876

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XVII. NOTES TO PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)

4. Operating income and operating cost (Continued)

(3) Classified by the time when the revenue is confirmed

Items	This period	Last period
Confirmed at a certain point	41,808	46,876
Total	41,808	46,876

5. Investment income

Items	This period	Last period
Long-term equity investment income measured at cost method	974	113
Long-term equity investment income measured at equity method	193	234
Investment income of other investments in equity instruments	1	2
Others	(15)	(4)
Total	1,153	345

XVIII. NET CURRENT ASSETS

Items	30 June 2025	31 December 2024
Current assets	26,600	28,250
Less : Current liabilities	45,436	39,439
Net current assets/(liabilities)	(18,836)	(11,189)

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XIX. TOTAL ASSETS LESS CURRENT LIABILITIES

Items	30 June 2025	31 December 2024
Total assets	98,421	100,578
Less: Current liabilities	45,436	39,439
Total assets less current liabilities	52,985	61,139

XX. SUPPLEMENTARY DOCUMENTS

1. Non-recurring gains and losses

Items	This period	Last period
Gains and losses from disposal of non-current assets	2	(44)
Government grant recorded into profit and loss for current period (except government subsidies that are closely related to the company's normal business operations, comply with national policies and regulations, enjoyed in accordance with established standards and have a lasting impact on the company's profit and loss)	101	11
Net profit and loss of subsidiaries from the beginning of the current period to the date of the merger arising from business combination under the common control		3
Changes in fair value of trading financial assets	1	
Changes in the fair value of other non-current financial assets	16	5
Allowance for impairment reversal of receivables tested separately for impairment	1	

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XX. SUPPLEMENTARY DOCUMENTS (CONTINUED)

1. Non-recurring gains and losses (Continued)

Items	This period	Last period
Other non-operating income and loss not listed above	15	5
Subtotal	136	(20)
Less: Effect on taxation	26	(6)
Effect on minority interest (after tax)	23	5
Total	87	(19)

The Group's confirmation of non-recurring profit and loss items is carried out in accordance with the provisions of the Interpretive Announcement No. 1 of the company Information Disclosure of Public Offering Securities–Non-recurring Gains and Losses(Revised in 2023). The Group's implementation of the Interpretive Announcement No. 1 of the company Information Disclosure of Public Offering Securities–Non-recurring Gains and Losses (Revised in 2023) has no impact on non-recurring profit and loss in comparable accounting periods.

2. Return on equity (ROE) and Earnings per Share (EPS)

Profit in this period	Weighted average (ROE) (%)	EPS (Yuan per share)	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders	(2.43)	(0.122)	(0.122)
Net profit (exclusive of non-operating profit) attributable to ordinary shareholders	(2.61)	(0.131)	(0.131)

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XX. SUPPLEMENTARY DOCUMENTS (CONTINUED)

2. Return on equity (ROE) and Earnings per Share (EPS) (Continued)

The above data is calculated using the following formula:

- (1) Weighted average return on equity

$$\text{Weighted average return on equity} = P_0 / (E_0 + NP \div 2 + E_i \times M_i \div M_0 - E_j \times M_j \div M_0 \pm E_k \times M_k \div M_0)$$

Among them, P₀ corresponds to the net profit attributable to ordinary shareholders of the company and the net profit attributable to ordinary shareholders of the company after deducting non recurring gains and losses; NP is the net profit attributable to ordinary shareholders of the company; E₀ is the net assets at the beginning of the period attributable to ordinary shareholders of the company; E_i is the new net assets attributable to ordinary shareholders of the company, such as the issuance of new shares or debt to equity swap during the reporting period; E_j is the net assets attributable to ordinary shareholders of the company reduced by repurchase or cash dividend during the reporting period; M₀ is the number of months in the reporting period; M_i is the cumulative number of months from the next month of new net assets to the end of the reporting period; M_j is the cumulative number of months from the next month after the reduction of net assets to the end of the reporting period; E_k is the increase or decrease in net assets attributable to ordinary shareholders of the company due to other transactions or events; M_k is the cumulative number of months from the month following the increase or decrease in other net assets to the end of the reporting period.

XX. SUPPLEMENTARY DOCUMENTS (CONTINUED)

2. Return on equity (ROE) and Earnings per Share (EPS) (Continued)

(2) Basic earnings per share

Basic earnings per share = $P_0 \div S$, $S = S_0 + S_1 + S_i \times M_i \div M_0 - S_j \times M_j \div M_0 - S_k$

Among them, P₀ is the net profit attributable to ordinary shareholders of the company or the net profit attributable to ordinary shareholders after deducting non recurring gains and losses; S is the weighted average number of ordinary shares outstanding; S₀ is the total number of shares at the beginning of the year; S_i is the number of shares increased due to the conversion of provident fund into share capital or stock dividend distribution during the reporting period; S_i is the number of shares increased due to the issuance of new shares or debt to equity swap during the reporting period; S_j is the number of shares reduced due to repurchase during the reporting period; S_k is the number of shares withdrawn during the reporting period; M₀ number of months in the reporting period; M_i is the cumulative number of months from the next month after the increase of shares to the end of the reporting period; M_j is the cumulative number of months from the next month after the reduction of shares to the end of the reporting period.

Financial Report (Continued)

Notes to the Financial Statements (Continued)

As at 30 June, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XX. SUPPLEMENTARY DOCUMENTS (CONTINUED)

2. Return on equity (ROE) and Earnings per Share (EPS) (Continued)

(3) Diluted earnings per share

Diluted earnings per share = $P1 / (S0 + S1 + Si \times Mi \div M0 - Sj \times Mj \div M0 - Sk + \text{Weighted average number of common shares increased by warrants, share options, convertible bonds, etc.})$

Among them, P1 is the net profit attributable to ordinary shareholders of the company or the net profit attributable to ordinary shareholders of the company after deducting non recurring gains and losses, and considering the impact of dilution of potential ordinary shares, it is adjusted in accordance with the accounting standards for business enterprises and relevant provisions. When calculating the diluted earnings per share, the company shall consider the impact of all diluted potential ordinary shares on the net profit attributable to ordinary shareholders of the company or the net profit attributable to ordinary shareholders of the company after deducting non recurring gains and losses and the weighted average number of shares, and shall include them in the diluted earnings per share in the order of dilution from large to small until the diluted earnings per share reaches the minimum.

Documents Available for Inspection

1. Financial statements signed by the Responsible Officer, Chief Accountant and Person-in-charge of the accounting firm and with seal affixed;
2. Originals of all documents and manuscripts of announcements disclosed by the Company at the website designated by the CSRC during the Reporting Period;
3. Text of the Articles of Association;
4. Interim report of the Company disclosed in the Hong Kong stock market.

The above documents are available for inspection at the secretarial office of the Board of Angang Steel Company Limited* situated at Production Area of Angang Steel, Tie Xi District, Anshan City, Liaoning Province, the PRC.

Angang Steel Company Limited*

The Board

26 August 2025

Note: This report is prepared in both Chinese and English. The Chinese version shall prevail in case of any inconsistency between the two versions.



鞍 鋼 股 份 有 限 公 司
ANGANG STEEL COMPANY LIMITED*

