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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: 0347)

2026 INTERIM RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

- Operating income amounted to RMB45,907 million
- Total profit amounted to RMB-1,924 million
- Net profit attributable to shareholders of the Company amounted to RMB-2,047 million
- Basic earnings per share amounted to RMB-0.218 (January to June 2025: Adjusted basic earnings per share of RMB-0.119)
- The financial information contained in this announcement was prepared in accordance with the China Accounting Standards for Business Enterprises

The board of directors of the Company announces the unaudited results of the Company and its subsidiaries for the six months ended 30 June 2026 together with the comparative figures as stated herein.

DEFINITIONS:

In this announcement, the following expressions shall have the following meanings unless the context indicates otherwise:

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)
"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
"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)
"Anshan Base"	the Anshan production base of Angang Steel Company Limited.
"Bayuquan Branch Company"	Bayuquan Iron & Steel Branch Company of Angang Steel (鞍鋼股份鱍魚圈鋼鐵分公司)
"Chaoyang Iron and Steel"	Angang Group Chaoyang Iron and Steel Co., Ltd. (鞍鋼集團朝陽鋼鐵有限公司)
"Yingkou Port"	Angang Yingkou Port Co., Ltd.
"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)
"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

I. PRINCIPAL ACCOUNTING FIGURES AND FINANCIAL INDICATORS OF THE GROUP

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

☑ Yes ☐ No

Reason for retroactive adjustment: Business combination under common control

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 (after adjustment)(%)
		Before adjustment	After adjustment	
Operating income	45,907	48,599	48,618	-5.58
Net profit attributable to the shareholders of the Company	-2,047	-1,144	-1,115	-83.59
Net profit attributable to the shareholders of the Company after extraordinary items	-2,166	-1,231	-1,231	-75.95
Net cash flow from operating activities	1,672	405	386	333.16
Basic earnings per share *(RMB/share)*	-0.218	-0.122	-0.119	-83.19
Diluted earnings per share *(RMB/share)*	-0.218	-0.122	-0.119	-83.19
Returns on net assets on weighted average basis *(%)*	-4.69	-2.43	-2.33	Decreased by 2.36 percentage points

Items	As at the end of the Reporting Period	As at the end of the previous year		Increase/ decrease for the end of Reporting Period as compared with the end of the previous year (After adjustment)(%)
		Before adjustment	After adjustment	
Total assets	97,367	96,047	97,065	0.31
Owner's equity attributable to shareholders of the Company	41,636	43,880	44,661	-6.77

Note: Pursuant to the approval at the sixth meeting of the tenth session of the Board of Directors of the Company held on 30 March 2026, the Company entered into the Equity Transfer Agreement with Anshan Iron and Steel on 30 March 2026, pursuant to which the Company acquired 80% equity interest in Yingkou Port held by Anshan Iron and Steel, and Yingkou Port became a controlled subsidiary of the Company. During the Reporting Period, the Company has completed the capital contribution and, in accordance with the principles of business combination under common control, the accounting data for the corresponding period of the previous year have been retrospectively adjusted.

Non-Recurring Gains or Losses Items

Unit: RMB million

Items	Amount
1. Gains/losses from disposal or retirement of non-current assets	-16
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	67
3. Changes in fair value of financial assets held for trading	-5
4. Changes in fair value of other non-current financial assets	21
5. Gains or losses arising from disposal of other non-current financial assets	63
6. Net profit or loss of subsidiaries arising from business combinations under common control from the beginning of the period to the date of combination	16
7. Other non-operating revenue and expenses except those mentioned above	6
Subtotal	152
Less: Effect on income tax	22
Effect on minority shareholders (after tax)	11
Total	119

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 Group.

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 Group as its recurring gain or loss items.

II. REPORT OF THE BOARD OF DIRECTORS

(I) Overview

In the first half of the year, the Company thoroughly implemented the spirit of the important speech delivered by General Secretary Xi Jinping during his inspection at Liaoning and Bensteel Group Corporation Limited, adhered to the principles of prioritizing stability and efficiency, and effectively prevented various risks by strengthening system coordination, refining cost reduction and potential tapping, deepening product mix optimization and efficiency enhancement, and reinforcing fund control and other measures. The production and operation remained generally stable and orderly, and continuous new progress was made in various work. The Company was recognized by the Ministry of Industry and Information Technology as a "leading standard-compliant enterprise" in the national steel industry, being the only long-process steel enterprise in Liaoning Province to receive this title.

1. Centralized and intensive control of production operations. The Group reasonably managed the production pace in light of market conditions, optimized resource allocation, adopted intensive production scheduling, enhanced efficiency and controlled production output. The production volumes of iron, steel and steel products were 11.2722 million tons, 12.1372 million tons and 11.5295 million tons, respectively, representing year-on-year decreases of 7.33%, 5.11% and 4.20%, respectively. Steel product sales volume was 11.4591 million tons, representing a year-on-year decrease of 4.68%, and the steel product production-sales ratio reached 99.39%.

2. Cost reduction efforts were precise and effective. First, significant results were achieved in enhancing the efficiency and quality of logistics. The Group deepened the coordination among "ports, roads and enterprises" and carried out targeted initiatives to "improve the operation" of the logistics system. Logistics costs at the Anshan headquarters, Bayuquan Branch and Chaoyang Steel decreased by 3.9%, 11.3% and 5.8% year on year, respectively, representing a substantial improvement in logistics efficiency. Second, procurement costs were effectively controlled. The purchase prices of pulverized coal injection and imported iron ore fines both outperformed the market benchmark. The Group accelerated the domestic substitution of imported spare parts, achieving notable cost reduction results in categories such as bearings, instruments and filter elements. Third, the cost of externally purchased energy per tonne of steel decreased by 29% year on year, reaching the best level in history. The self-generated power ratio increased by 4.04 percentage points year on year, and the comprehensive energy consumption per tonne of steel decreased by 10kg year on year, marking a historic breakthrough.

3. Product operations continued to improve. First, the Group adhered to a benefit-oriented approach, continuously deepened product mix optimization and efficiency enhancement, with the sales proportion of high-end products increasing by 9.3 percentage points year-on-year. Second, sales of steel for major projects increased by 44.59% year-on-year, and the Group successfully won bids for major projects including the State Grid Daya River Pumped Storage Power Station Project (國家電網大雅河抽水蓄能電站項目), Dalian Jinzhou Bay International Airport (大連金州灣國際機場), and the renovation and upgrade project of old equipment at Sinopec Qilu Petrochemical (中石化齊魯石化老舊設備改造升級項目). Third, the Group strengthened contract execution, with the full life-cycle contract execution rate improving by 0.61 percentage point year-on-year.

4. Reform and innovation have been accelerated. First, the Group deepened internal institutional reforms by establishing an integrated operation team for the ironmaking front-end system and a dedicated team for integrated silicon steel management and control, implementing integrated and coordinated management to further enhance cost reduction effectiveness in the ironmaking front-end system and improve the quality of silicon steel products. Second, technological innovation has achieved remarkable results, with significant progress made in three national major science and technology projects that we led, two products achieving global first launches, and the "Jinsuo Ju (金索聚)" brand steel wire rope successfully applied in the traction of the feed cabin of China's Five-hundred-meter Aperture Spherical Radio Telescope ("**FAST (中國天眼)**"). Third, digital and intelligent transformation has been steadily advanced, with deepened application of AI technologies and the launch of 55 intelligent agents; innovative BI+AI analytical tools have been introduced to enhance the efficiency of addressing procurement and sales issues; the Company has been selected as a benchmark enterprise for intelligent transformation and digital upgrading in Liaoning Province in 2026.

5. Effective prevention and control of various risks. First, the Group deepened the three-year action plan for addressing root causes and achieving fundamental improvement, improved the safety responsibility supervision system, standardized the management of relevant parties, and continued to carry out investigation and rectification of hidden dangers, so as to continuously enhance the intrinsic safety level. Second, the Group strengthened environmental protection management across the entire system, and the Anshan headquarters was successfully upgraded to an A-level enterprise in terms of environmental protection performance. Third, the Group strengthened the control over fund operations, continued to reduce the occupation of "two funds (兩金)", improved operational efficiency, continuously expanded financing channels such as bonds and letter of credit forfaiting, increased the depth of financial institution credit resources, and ensured the stable and safe operation of capital flows.

(II) Analysis of Principal Businesses

In the first half of the year, the Group achieved operating income of RMB45,907 million, representing a decrease of 5.58% over the corresponding period of the previous year. The total profit reached RMB-1,924 million, representing a decrease of 88.63% over the corresponding period of the previous year. The net profit attributable to shareholders of the Company was RMB-2,047 million, representing a decrease of 83.59% over the corresponding period of the previous year. The basic earnings per share were RMB-0.218 per share, representing a decrease of 83.19% over the corresponding period of the previous year.

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

Unit: RMB million

Item	The Reporting Period	Corresponding period of the previous year	Year-on-year increase/ decrease *(%)*	Reasons for the changes
Operating income	45,907	48,618	-5.58	–
Operating costs	46,733	48,247	-3.14	–
Marketing expenses	214	242	-11.57	–
Administrative expenses	491	486	1.03	–
Financial expenses	235	163	44.17	Finance costs increased by RMB72 million year-on-year. The primary reasons are: first, by expanding the scale of letter of credit forfaiting business, procurement costs were further reduced, and the related interest expenses were recognized in full at the time of occurrence, contributing to the increase in finance expenses; second, to supplement cash flow, the scale of interest-bearing liabilities increased, which also affected the increase.
Income tax expenses	55	57	-3.51	–

Item	The Reporting Period	Corresponding period of the previous year	Year-on-year increase/ decrease *(%)*	Reasons for the changes
R&D expenditure	222	259	-14.29	–
Total profit	-1,924	-1,020	-88.63	In the first half of 2026, the steel industry experienced oversupply, a weak cycle and low prosperity, with steel prices remaining persistently depressed. Coupled with the high prices of raw fuels such as iron ore and coking coal, the price spread between procurement and sales continued to narrow.
Net profit attributable to the shareholders of the Company	-2,047	-1,115	-83.59	
Net cash flow from operating activities	1,672	386	333.16	Net cash flow from operating activities increased by RMB1,286 million year-on-year. The primary reason is that the Company fully utilized its bill resources to expand its letter of credit forfaiting business, thereby reducing monetary capital expenditures. Meanwhile, affected by factors such as procurement pace and payment terms, net cash flow from operating activities increased year-on-year.

Item	The Reporting Period	Corresponding period of the previous year	Year-on-year increase/ decrease *(%)*	Reasons for the changes
Net cash flow from investing activities	-2,459	-1,929	-27.48	–
Net cash flow from financing activities	1,993	121	1,547.11	Net cash flow from financing activities increased by RMB1,872 million year-on-year. The increase was primarily attributable to the expansion of financing scale for the acquisition of Yingkou Port, payment of construction costs and replenishment of working capital.
Net increase in cash and cash equivalents	1,206	-1,422	184.81	Net increase in cash and cash equivalents increased by RMB2,628 million as compared to the corresponding period of the previous year, mainly due to (i) the increase of RMB1,286 million in the net cash flow from operating activities as compared to the corresponding period of the previous year; (ii) decrease of RMB530 million in the net cash flow from investing activities as compared to the corresponding period of the previous year; (iii) increase of RMB1,872 million in the net cash flow from financing activities as compared to the corresponding period of the previous year.

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

☐ Applicable ☑ Not applicable

3. Composition of operating income

Unit: RMB million

Item	The Reporting Period Amount	The Reporting Period As a percentage of the operating income *(%)*	Corresponding period of the previous year Amount	Corresponding period of the previous year As a percentage of the operating income *(%)*	Year-on-year increase/decrease *(%)*
Total operating income	45,907	100	48,618	100	-5.58
By industry					
Steel pressing and processing industry	45,843	99.86	48,410	99.57	-5.30
Others	64	0.14	208	0.43	-69.23
By product					
Steel products	40,458	88.13	43,189	88.83	-6.32
Others	5,449	11.87	5,429	11.17	0.37
By geographical location					
Domestic China	43,370	94.47	45,177	92.92	-4.00
Export sales	2,537	5.53	3,441	7.08	-26.27

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

☑ Applicable ☐ Not Applicable

Unit: RMB million

Item	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 pressing and processing industry	45,843	46,684	-1.83	-5.30	-2.86	-2.55
By product						
Hot-rolled sheets products	14,032	14,506	-3.38	-6.98	-5.71	-1.40
Cold-rolled sheets products	15,409	15,907	-3.23	-6.43	-0.72	-5.94
Medium-thick plates	8,376	8,401	-0.30	-1.56	4.70	-6.00
By geographical location						
Domestic China	43,306	43,843	-1.24	-3.70	-1.44	-2.32
Export sales	2,537	2,841	-11.98	-26.27	-20.60	-8.00

In case of adjustment in statistical calibres of principal businesses of the Group during the Reporting Period, the principal business data of the Group 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 2026, the Group's total loans amounted to RMB13,712 million with average interest rate of 2.19% per annum and a term of one to nine years. The loans are mainly used for replenishing the working capital and payment of construction payable. All bank loans of the Group are at fixed interest rates or LPR floating interest rates.

In 2026, 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, ultra-short-term financing quota and medium-term notes in the interbank market, the Group is capable of repaying its debts when they become due.

(2) Capital commitment

As at 30 June 2026, the Group had a total capital commitment of RMB642 million, which was primarily the construction and renovation contracts of RMB628 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.

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 exchange risk is mainly reflected in the impact of exchange rate changes when settling through agent on sales revenue and procurement costs.

(III) Analysis of Non-Principal Businesses

Unit: RMB million

Items	Amount	As a percentage of total profit *(%)*	Reasons	Sustainable or not
Investment income	233	N/A	Mainly included investment income from long-term equity investments accounted for using equity method, investment income from other equity instrument investments during the holding period, and investment income from the disposal of other non-current financial assets.	Yes
Gains or losses arising from changes in fair value	39	N/A	Included changes in fair value of derivative financial instruments, changes in fair value of other non-current financial assets, and changes in fair value of trading financial assets.	Yes
Asset impairment loss ("-" for loss)	-219	N/A	Included accrual of provision for impairment on inventories.	No
Credit impairment loss ("-" for loss)	2	N/A	Included reversal of impairment provision for other receivables.	No
Other gains	452	N/A	Included gains on government grants and preferential tax policy.	No
Non-operating income	8	N/A	Mainly included gains from destruction or scrapping of non-current assets and compensation income from contract breaches.	No
Non-operating expenses	18	N/A	Mainly included scrapping of non-current assets.	No

(IV) 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			
	Amount	As a percentage of total assets	Amount	As a percentage of total assets	Increase/ decrease	Explanation for significant changes
		(%)		*(%)*	*(percentage point)*	
Monetary capital	5,175	5.31	3,936	4.06	1.25	–
Accounts receivables	3,809	3.91	3,084	3.18	0.73	–
Inventories	10,928	11.22	11,995	12.36	-1.14	–
Long-term equity investments	4,015	4.12	4,211	4.34	-0.22	–
Fixed assets	54,693	56.17	55,615	57.30	-1.13	–
Construction in progress	2,118	2.18	2,373	2.44	-0.26	–
Right-of-use assets	1,588	1.63	105	0.11	1.52	–
Short-term loans	6,259	6.43	8,070	8.31	-1.88	–
Contract liabilities	4,356	4.47	4,739	4.88	-0.41	–
Long-term loans	6,423	6.60	6,121	6.31	0.29	–
Lease liabilities	1,350	1.39	36	0.04	1.35	–

2. Information on main overseas assets

☐ Applicable ☑ Not Applicable

3. Assets and liabilities measured at fair value

☑ Applicable ☐ Not Applicable

Unit: RMB million

Item	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)	20	-5	–	–	–	–	–	**15**
2. Derivative financial assets	4	-2	–	–	–	–	–	**2**
3. Other debt investment	–	–	–	–	–	–	–	**–**
4. Other equity instrument investments	675	–	233	–	–	–	–	**671**
5. Other non-current financial assets	142	21	–	–	–	126	–	**100**
Sub-total of financial assets	841	14	233	–	–	126	–	**788**
Investment properties	–	–	–	–	–	–	–	**–**
Productive biological assets	–	–	–	–	–	–	–	**–**
Others	–	–	–	–	–	–	–	**–**
Total	841	14	233	–	–	126	–	**788**
Financial liabilities	1	4	–	–	–	–	–	**5**

Material changes in measurement of the Group's major assets during the Reporting Period

☐ Yes ☑ No

4. Gearing ratio

As at 30 June 2026 and 31 December 2025, the Group's equity-to-debt ratio was 0.79 times and 0.90 times, respectively.

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

As at June 30, 2026, the Group's restricted assets amounted to RMB42 million in aggregate, consisting of RMB3 million of bill guarantee deposits presented under cash and cash equivalents and RMB39 million of futures margin deposits.

6. Contingent liabilities

As at 30 June 2026, the Group had no contingent liabilities.

(V) Work Plan for the Second Half of 2026

In the face of difficulties and challenges, the Company will firmly implement the work plan of "pooling efforts to tackle five key priorities, and striving to achieve a new start in strategy, management, and Party building." We will maintain our strategic resolve, withstand external pressures, focus on improving quality, efficiency, and stable growth, and make every effort to accomplish the full year's production and operational targets.

1. Focus on "Ultimate Cost Control" to safeguard the bottom line of survival.

2. Focus on "Lean Management" to rebuild an efficient operating system.

3. Focus on "Value Creation" to enhance competitive advantages.

4. Focus on "Reform and Innovation" to unleash internal drivers of growth.

5. Focus on "Risk Prevention and Control" to solidify the foundation for development.

6. Focus on "Strict Party Discipline" to strengthen safeguarding capabilities.

(VI) Analysis of Investments

1. Overview

☑ Applicable ☐ Not Applicable

Unit: RMB million

External investments Investments for the Reporting Period	Investments for the corresponding period of the previous year	Change
1,029	271	279.70%

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	Book value 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 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 item	Source of funds
Shares	600961	Zhuye Group (株冶集團)	81	Measured at fair value	74	21	–	–	126	84	32	Financial asset held for trading	Self-owned funds
Shares	601777	Qianli Technology (千里科技)	17	Measured at fair value	20	-5	–	–	–	-5	15	Financial asset held for trading	Self-owned funds

(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	102	23	–	653	421	309	0.72%
Total	1	102	23	–	653	421	309	0.72%

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.
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.
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.
Source of funds for derivatives investments	Self-owned funds

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: 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. 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.
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.
Litigation case (if applicable)	N/A
Date of the announcement disclosing the approval of derivatives investment by the Board (if any)	On 3 February 2026, the Resolution in relation to the Company's 2026 Annual Hedging Business Amount was approved at the 5th meeting of the tenth session of the Board.
Date of the announcement disclosing the approval of derivatives investment at shareholders' meeting (if any)	N/A

2) Derivatives investments for speculative purposes during the Reporting Period

☐ Applicable ☑ Not Applicable

5. Use of proceeds

☐ Applicable ☑ Not Applicable

There was no use of proceeds of the Company during the Reporting Period.

(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 holdings and Investees

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 pressing and processing	8,000	5,457	3,021	3,737	-218	-218

Acquisition and disposal of subsidiaries during the Reporting Period:

☑ Applicable ☐ Not applicable

Name of companies	Acquisitions and disposals of subsidiaries during the reporting period	Impact on overall operations and performance
Anjin Automotive Components (Hefei) Co., Ltd.	Newly established	Not significant
Yingkou Port	Combination under common control	Not significant
Ningbo Anshan Iron and Steel International Trade Co., Ltd.	Cancelled	Not significant

(IX) Structured Entities Controlled by the Company

☐ Applicable ☑ Not Applicable

(X) Purchase, Sale or Redemption of Listed Shares of the Company

There was no purchase, sale or redemption by the Company or any of its subsidiaries of any securities of the Company during the Reporting Period.

(XI) 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.

(XII) 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.

(XIII) Audit Committee

The Company has established an audit and risk committee (the "**Audit and risk 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 2026.

III. EXPLANATION OF SIGNIFICANT MATTERS

(I) Profit Distribution and Transfer of Reserve to Share Capital During the Reporting Period

The Company proposed not to distribute cash dividends, issue bonus shares or transfer reserve to share capital for the Reporting Period.

(II) Information on the Non-Operating Use of Funds of the Company by the Controlling Shareholder and Other Related Parties

During the Reporting Period, neither the controlling shareholder nor the other connected parties of the Company used the capital of the Company for non-operating purposes.

(III) 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 Stock Exchange Listing Rules. Relevant connected transactions have complied with the disclosure requirements under Chapter 14A of the Hong Kong Stock Exchange Listing Rules.

1. Connected transactions related to daily operations

Connected party	Related 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 of similar transactions *(%)*	Approved transaction cap *(RMB million)*	Whether exceeding approved cap	Settlement method of connected transactions	Market price of available similar transactions
Ansteel Group Mining Co., Ltd.	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Purchase goods	Market principle	–	7,019	11.78	52,662	No	In cash	–
Angang Green Gold Industry Development Co., Ltd.	Associate of controlling shareholder	Purchase goods/ Receive services	Purchase goods	Market principle	–	1,806	3.03			In cash	–
Delin Lugang Supply Chain Service Co., Ltd.	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Purchase goods	Market principle	–	702	1.18			In cash	–

Connected party	Related 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 of similar transactions *(%)*	Approved transaction cap *(RMB million)*	Whether exceeding approved cap	Settlement method of connected transactions	Market price of available similar transactions
Anshan Iron and Steel Group Refractory Materials Co., Ltd.	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Purchase goods	Market principle	–	403	0.68			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	–	398	0.67			In cash	–
Bensteel Group Corporation Limited	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Purchase goods	Market principle	–	308	0.52			In cash	–
Shanxi Wuchan International Energy Co., Ltd.	Associate of controlling shareholder	Purchase goods/ Receive services	Purchase goods	Market principle	–	285	0.48			In cash	–
Angang Group Zhongyuan Industry Development Co., Ltd.	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Purchase goods	Market principle	–	256	0.43			In cash	–
Other subsidiaries of Angang Group	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Purchase goods	Market principle	–	653	1.09			In cash	–
Subtotal	–	–	Purchase goods	–	–	11,830	19.86			–	–

Connected party	Related 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 of 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.	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Receive services	Market principle	–	1,200	17.66	12,349	No	In cash	–
Angang Group Engineering Technology Development Co., Ltd.	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Receive services	Market principle	–	402	5.92			In cash	–
Ansteel Group	Controlling shareholder	Purchase goods/ Receive services	Receive services	Market principle	–	331	4.87			In cash	–
Angang Group Engineering Technology Co., Ltd.	Associate of controlling shareholder	Purchase goods/ Receive services	Receive services	Market principle	–	313	4.61			In cash	–
Angang Group Zhongyuan Industry Development Co., Ltd.	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Receive services	Market principle	–	229	3.37			In cash	–
Other subsidiaries of Angang Group	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Receive services	Market principle	–	802	11.80			In cash	–
Subtotal	–	–	Receive services	–	–	3,277	48.23			–	–

Connected party	Related 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 of 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.	Controlled by the same controlling shareholder	Sales of goods/ Provision of services	Sales of goods	Market principle	–	2,165	3.05	28,756	No	In cash	–
Angang International Trade	Controlled by the same controlling shareholder	Sales of goods/ Provision of services	Sales of goods	Market principle	–	1,204	1.70			In cash	–
Angang Cold Rolled Steel Plate (Putian) Co., Ltd.	Controlled by the same controlling shareholder	Sales of goods/ Provision of services	Sales of goods	Market principle	–	678	0.95			In cash	–
Ling Steel Group	Controlled by the same controlling shareholder	Sales of goods/ Provision of services	Sales of goods	Market principle	–	464	0.65			In cash	–
Other subsidiaries of Angang Group	Controlled by the same controlling shareholder	Sales of goods/ Provision of services	Sales of goods	Market principle	–	559	0.79			In cash	–
Subtotal	–	–	Sales of goods	–	–	5,070	7.14			–	–

Connected party	Related 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 of similar transactions *(%)*	Approved transaction cap *(RMB million)*	Whether exceeding approved cap	Settlement method of connected transactions	Market price of available similar transactions
Angang Group	Controlled by the same controlling shareholder	Sales of goods/ Provision of services	Provision of services	Market principle	–	231	17.32	567	No	In cash	–
Subtotal	–	–	Provision of services	–	–	231	17.32			–	–
Angang Financial Company	Controlled by the same controlling shareholder	Receive finance services	Settle fund and deposit interests	Market principle	–	12	70.59	100	No	In cash	–
Angang Financial Company	Controlled by the same controlling shareholder	Receive finance services	Maximum daily deposit balance	Market principle	–	4,922	–	5,000	No	–	–
Angang Financial Company	Controlled by the same controlling shareholder	Receive finance services	Credit business interest	Market principle	–	4	2.34	250	No	In cash	–
Angang Financial Company	Controlled by the same controlling shareholder	Receive finance services	Entrusted loans 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	–

Connected party	Related 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 of similar transactions *(%)*	Approved transaction cap *(RMB million)*	Whether exceeding approved cap	Settlement method of connected transactions	Market price of available similar transactions
Angang Group Capital Holding Co., Ltd.	Controlled by the same controlling shareholder	Receive finance services	Daily maximum balance of accounts receivable factoring provided to the company's suppliers	Market principle	–	25	-	3,000	No	–	–
Angang Group Capital Holding Co., Ltd.	Controlled by the same controlling shareholder	Receive finance services	Daily maximum balance of financial leasing	Market principle	–	–	–	3,000	No	–	–

Particulars on refund of bulk sale	–
Estimated total amount for continuing connected transactions to be conducted during the period and their actual implementing during the Reporting Period	During the Reporting Period, the total amount of the Group'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 Group. In the meantime, its subsidiaries have a high technological level and service capabilities, which can provide necessary support services for production and operation of the Group. The Group would sell certain products, abandoned steel, abandoned materials and integrated services to Angang Group which is a client of the Group.

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

☑ Applicable ☐ Not applicable

Unit: RMB million

Connected party	Connected relationship	Type of connected transaction	Content of connected transaction	Pricing principle of connected transaction	Carrying amount of assets transferred	Assessed value of assets transferred	Transfer price	Settlement method of related party transactions	Profit and loss of the transaction	Date of disclosure	Disclosure index
Ansteel Group	the controlling shareholder of the Company	Equity acquisition	Acquire 80% of the equity interest in Yingkou Port	Transaction prices are determined based on valuation	781	1,010	1,024	In cash	–	31 March, 2026	Connected transaction in relation to acquisition of equity interest in Angang Yingkou Port Co., Ltd. disclosed in China Securities Journal, Securities Times, Shanghai Securities News and http://www.cninfo.com.cn.

Reasons for the substantial difference between the transfer price and the book value or the appraised value	The difference of RMB14 million between the transfer value and the appraised value is the profit and loss of the transition period from the valuation base date (31 December 2025) to the date of delivery (30 April 2026).
Impact on the operating result and the financial condition of the Company	Net profit for the period increased by RMB26 million.
If the relevant transaction involves the results agreement, the results during the reporting period are as:	Not applicable

3. Related party transactions in relation to joint external investments

☐ Applicable ☑ Not Applicable

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 of the Group during the Reporting Period.

5. *Transaction with related financial company*

☑ Applicable ☐ Not Applicable

Unit: RMB million

Deposit business

Related party	Related relationship	Maximum daily deposit limit	Range of deposit interest rate *(%)*	Balance as at the beginning of the period	Amount during the period: Total amount deposited during the period	Amount during the period: Total amount withdrawn during the period	Balance as at the end of the period
Angang Financial Company	Controlled by the same controlling shareholder	5,000	0.2-1.45	3,493	163,455	162,214	4,734

Loan business

Related party	Related relationship	Loan facility	Range of loan interest rate *(%)*	Balance as at the beginning of the period	Amount during the period: Total loan amount for the period	Amount during the period: Total amount repaid during the period	Balance as at the end of the period
Angang Financial Company	Controlled by the same controlling shareholder	2,790	2.11	615	–	315	300

Credit extension or other financial business

Related party	Related relationship	Type of business	Total amount	Actual amount
Angang Financial Company	Controlled by the same controlling shareholder	Credit extension	2,790	228

Note: During the period, the Company conducted bill discounting transactions with Angang Financial Company, with a total discount amount of RMB228 million, utilising RMB228 million of its credit facility. The discounted bills had not yet matured as at the end of the reporting period.

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

☐ Applicable ☑ Not applicable

7. Other major connected transactions

☐ Applicable ☑ Not Applicable

There was no other major connected transaction of the Company during the Reporting Period.

(IV) Material Contracts and their Implementation

1. Trust, contractual or lease arrangement

(1) Trust arrangement

The Company entered into the Entrusted Management Services of Assets and Business Agreement with Angang Holding as the specific agreement for execution under the Continuing Connected Transaction Framework Agreements. Pursuant to the Entrusted Management Services of Asset and Business Agreement, Angang Holding entrusts the Company to conduct daily operation and management of the assets, businesses, additional future assets and businesses of the unlisted units under its control.

During the Reporting Period, there weren't any entrusted projects that resulted in profit or loss of the Group amounting to more than 10% of the Group's total profit during the Reporting Period.

(2) Contractual arrangement

☐ Applicable ☑ Not Applicable

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

During the Reporting Period, the Company had no contractual arrangements.

(3) Lease arrangement

☑ Applicable ☐ Not Applicable

Lease arrangement explanation:

During the Reporting Period, the Group leased certain land assets of Angang Holding and its subsidiaries for its production and operation, and paid land leasehold payments of RMB32 million with reference to the market rates.

Items that bring profit or loss of more than 10% of the total profit of the Group 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 Group.

2. Material guarantee

☐ Applicable ☑ Not Applicable

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

3. Entrusted wealth management

☐ Applicable ☑ Not Applicable

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

4. Other significant contracts

☐ Applicable ☑ Not Applicable

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

IV. CORPORATE GOVERNANCE OF THE COMPANY

In strict compliance with the requirements of the Company Law, the Securities Law, the relevant requirements of the China Securities Regulatory Commission (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 practise and the Company Law and the relevant requirements of the CSRC.

With shares listed in both Hong Kong and Shenzhen, 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 practises and procedures and the strict implementation of such practises and procedures, in order to protect the interests of the shareholders and to create return 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. The Company has periodically reviewed its corporate governance practises. During the six months ended 30 June 2026, save for the following matters, the Company has largely complied with the Corporate Governance Code.

Pursuant to the requirement under Rule F.1.3 of Appendix C1 to the Hong Kong Listing Rules, "the chairman of the board should attend the annual general meeting." Mr. Wang Jun, the chairman of the Company, was unable to attend the 2025 annual general meeting of the Company in person due to other official business, and delegated Mr. Tian Yong, a director of the Company, to attend and chair the 2025 annual general meeting.

V. FINANCIAL INFORMATION

CONSOLIDATED BALANCE SHEET

As at 30 June, 2026

Prepared by: Angang Steel Company Limited *Monetary unit: RMB million*

Item	*Notes*	30 June 2026	31 December 2025
Cash and cash equivalents		**5,175**	3,936
Trading financial assets		**15**	20
Derivative financial assets		**2**	4
Notes receivable		**180**	315
Accounts receivable	2	**3,809**	3,084
Receivables financing		**1,625**	1,480
Prepayments		**2,922**	2,482
Other receivables		**91**	675
Including: Interests receivable			
Dividends receivable			
Inventories		**10,928**	11,995
Other current assets		**924**	1,111
Total current assets		**25,671**	25,102

Item	*Notes*	**30 June 2026**	31 December 2025
Non-current assets:			
Long-term equity investments		**4,015**	4,211
Other equity instrument investments		**671**	675
Other non-current financial assets		**100**	142
Fixed assets		**54,693**	55,615
Construction in progress		**2,118**	2,373
Right-of-use assets		**1,588**	105
Intangible assets		**6,174**	6,352
Long-term deferred expenses		**56**	65
Deferred income tax assets		**2,169**	2,169
Other non-current assets		**112**	256
Total non-current assets		**71,696**	71,963
Total assets		**97,367**	97,065

Legal representative: **Wang Jun**   *Financial controller:* **Li Jingdong**   *Person in charge of accounting department:* **Ma Li**

Item	*Notes*	**30 June 2026**	31 December 2025
Current liabilities:			
Short-term loans		**6,259**	8,070
Derivative financial liabilities		**5**	1
Notes payable		**19,943**	19,318
Accounts payable	3	**6,956**	5,904
Contract liabilities		**4,356**	4,739
Staff remuneration payable		**189**	112
Tax payable		**163**	151
Other payables		**2,712**	4,313
Including: Interests payable			
Dividends payable			
Non-current liabilities due within 1 year		**1,243**	619
Other current liabilities		**3,159**	437
Total current liabilities		**44,985**	**43,664**
Non-current liabilities:			
Long-term loans		**6,423**	6,121
Bonds payable			
Lease liability		**1,350**	36
Long-term payables		**321**	321
Long-term employee benefits payable		**40**	40
Deferred income		**1,234**	924
Deferred income tax liabilities		**6**	1
Total non-current liabilities		**9,374**	7,443
Total liabilities		**54,359**	51,107
Shareholders' equity:			

Item	*Notes*	**30 June 2026**	31 December 2025
Share capital		**9,369**	9,369
Capital reserve		**33,816**	34,839
Less: Treasury shares			
Other comprehensive income		**200**	201
Special reserve		**133**	87
Surplus reserve		**4,499**	4,499
Retained earnings	4	**(6,381)**	(4,334)
Subtotal of Shareholders' equity attributable to shareholders of parent company		**41,636**	44,661
Minority interests		**1,372**	1,297
Total shareholders' equity		**43,008**	45,958
Total liabilities and shareholders' equity		**97,367**	97,065

Legal representative:	*Financial controller:*	*Person in charge of accounting department:*
Wang Jun	**Li Jingdong**	**Ma Li**

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2026

Prepared by: Angang Steel Company Limited *Monetary unit: RMB million*

Item	*Notes*	**January to June 2026**	January to June 2025
I. Total operating revenue		**45,907**	48,618
Including: Operating revenue	5	**45,907**	48,618
II. Total operating cost		**48,328**	49,926
Including: Operating cost	5	**46,733**	48,247
Taxes and surcharges	6	**433**	529
Selling expenses		**214**	242
Administrative expenses		**491**	486
Research and development expenses		**222**	259
Finance expenses	8	**235**	163
Including: Interest expenses		**248**	182
Interest income		**20**	33
Add: Other incomes		**452**	146
Investment income (Loss is listed with "-")		**233**	218
Including: Investment incomes in associates and joint ventures		**205**	234
Gain from fair-value changes (Loss is listed with "-")		**39**	(12)
Credit impairment losses (Loss is listed with "-")		**2**	
Impairment on assets (Loss is listed with "-")		**(219)**	(81)
Gains on disposal of assets (Loss is listed with "-")			

Item	*Notes*	**January to June 2026**	January to June 2025
III. Operating profit (Loss is listed with "-")		**(1,914)**	(1,037)
Add: Non-operating income		**8**	21
Less: Non-operating expenses		**18**	4
IV. Profit before tax (Loss is listed with "-")		**(1,924)**	(1,020)
Less: Income tax expenses	9	**55**	57
V. Net profit (Loss is listed with "-")		**(1,979)**	(1,077)
(I) Classification of business operation			
1. Continuous operation profit (Loss is listed with "-")		**(1,979)**	(1,077)
2. Termination of business operating profit (Loss is listed with "-")			
(II) Classification of ownership			
1. Net income attributable to the Company owners		**(2,047)**	(1,115)
2. Net income attributable to minority shareholders		**68**	38
VI. Other comprehensive income after tax		**(1)**	8
Other comprehensive income after tax attributable to parent company owners		**(1)**	8
(I) Other comprehensive income which cannot be reclassified subsequently to profit or loss		**(1)**	8
1. Net gain on other equity instruments at fair value through other comprehensive income		**(3)**	5
2. The shares of the other comprehensive income which cannot be reclassified in profit or loss of the invested company in equity method		**2**	3

Item	*Notes*	**January to June 2026**	January to June 2025
(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		**(1,980)**	(1,069)
Total comprehensive income attributed to the Company owners		**(2,048)**	(1,107)
Total comprehensive income attributable to minority shareholders		**68**	38
VIII. Earnings per share			
(I) Basic earnings per share (RMB/share)	10	**(0.218)**	(0.119)
(II) Diluted earnings per share (RMB/share)	10	**(0.218)**	(0.119)

A business combination under common control took place during the current period. The net profit realised by the combine prior to the combination amounted to RMB16 million, and the corresponding net profit of the combinee for the previous year amounted to RMB36 million.

Legal representative:	*Financial controller:*	*Person in charge of accounting department:*
Wang Jun	**Li Jingdong**	**Ma Li**

NOTES TO FINANCIAL STATEMENTS

for The Period Ended 30 June 2026

(Expressed in million RMB unless otherwise indicated)

1. PREPARATION BASIS OF THE FINANCIAL STATEMENTS

The Group has evaluated the continuous operations ability for the 12 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.

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.

2. ACCOUNTS RECEIVABLE

(1) Classification of accounts receivable

	30 June 2026				
Item	**Book Value**		**Bad Debt Provision**		**Net Book Value**
	Amount	**Percentage** *(%)*	**Amount**	**Percentage** *(%)*	
Accounts receivable subject to separate assessment for bad debts provision	**107**	**2.74**	**87**	**81.31**	**20**
Account receivable for which bad debt is prepared based on group combination	**3,793**	**97.26**	**4**	**0.11**	**3,789**
including: Risk-free group combination	**1,685**	**43.21**			**1,685**
Risk group combination on the basis of aging-matrix	**2,108**	**54.05**	**4**	**0.19**	**2,104**
Total	**3,900**	**100.00**	**91**	**2.33**	**3,809**

	31 December 2025				
Item	Book Value		Bad Debt Provision		Net Book Value
	Amount	Percentage *(%)*	Amount	Percentage *(%)*	
Accounts receivable subject to separate assessment for bad debts provision	107	3.37	87	81.31	20
Account receivable for which bad debt is prepared based on group combination	3,068	96.63	4	0.13	3,064
including: Risk-free group combination	1,187	37.39			1,187
Risk group combination on the basis of aging-matrix	1,881	59.24	4	0.21	1,877
Total	3,175	100.00	91	2.87	3,084

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

	31 December 2025		**30 June 2026**			
Debtors	Book Value	Bad Debt Provision	**Book Value**	**Bad Debt Provision**	**Percentage** *(%)*	**Reason**
Tianjin Property Group Finance Co., Ltd.	20		**20**			
Anshan Zhongyou Tianbao Steel Pipe Co., Ltd.	65	65	**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	5	**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	107	87	**107**	**87**		

(3) Accounts receivable classified by aging

Aging	**30 June 2026**	31 December 2025
Within 1 year	**3,659**	3,054
1 to 2 years	**132**	12
2 to 3 years	**5**	5
3 to 4 years		
4 to 5 years		
Over 5 years	**104**	104
Total	**3,900**	3,175

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

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

Type	31 December 2025	Increase/Decrease: Bad debt provision	Increase/Decrease: Reverse	Increase/Decrease: Resale or verification	Increase/Decrease: Others	30 June 2026
Accounts receivable	91					**91**

(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 2026

The total amount of top five accounts receivable according to closing balance of debtors of the Group was RMB2,519 million as of 30 June 2026, which accounted for 64.59% of the closing balance of the total accounts receivable. The summary closing balance of corresponding bad debt provision amounted to RMB0 million as of 30 June 2026.

3. ACCOUNTS PAYABLE

(1) Aging of accounts payable

Items	30 June 2026		31 December 2025	
	Balance	**Percentage (%)**	Balance	Percentage (%)
Within 1 year	**6,874**	**98.82**	5,822	98.61
1 to 2 years	**36**	**0.52**	40	0.68
2 to 3 years	**13**	**0.19**	9	0.15
Over 3 years	**33**	**0.47**	33	0.56
Total	**6,956**	**100.00**	5,904	100.00

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

(2) Significant account payable aging over 1 year

Creditors	**Balance**	**Aging**
Angang Construction Group Co., Ltd.	5	1–2 years, 2–3 years, Over 3 years
Total	5	

4. RETAINED EARNINGS

Items	This period
Balance as of 31 Dec. 2025	**(4,334)**
Changes in accounting policies	
Business combination under common control	
Balance as of 1 Jan. 2026	**(4,334)**
Increase in 2026	**(2,047)**
Including: Net profit transferred this period	**(2,047)**
Other adjustment factors	
Decrease in 2026	
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. 2026	**(6,381)**

5. OPERATING REVENUE AND OPERATING COST

(1) Classified by production

	This period		Last period	
Items	**Income**	**Cost**	Income	Cost
Prime operating	**45,843**	**46,684**	48,410	48,060
Other operating *(Note 2)*	**64**	**49**	208	187
Total	**45,907**	**46,733**	48,618	48,247

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.

(2) Classified by region

Items	This period	Last period
Foreign transaction income from the within borders	**43,370**	45,177
Foreign exchange income from outside borders	**2,537**	3,441
Total	**45,907**	48,618

(3) Classified by the time when the revenue is confirmed

Items	This period	Last period
Confirmed at a certain point	**45,907**	48,618
Total	**45,907**	48,618

6. TAXES AND SURCHARGES

Items	This period	Last period
Land use tax	**221**	220
Property tax	**94**	92
Stamp tax	**46**	53
Environmental protection tax	**22**	112
City maintenance and construction tax	**17**	18
Resources tax	**15**	15
Educational surcharge and local educational surcharge	**13**	13
Consumption tax	**4**	5
Others	**1**	1
Total	**433**	529

7 · DEPRECIATION AND AMORTIZATION

Items	This period	Last period
Depreciation of fixed assets	**1,979**	1,916
Amortization of intangible assets	**215**	225
Depreciation of right-of-use assets	**82**	32
Amortization of long-term deferred expenses	**9**	
Total	**2,285**	2,173

8 · FINANCIAL EXPENSES

Items	This period	Last period
Interest expense	**249**	185
Less: Interest income	**20**	33
Less: Capitalized interest expense	**1**	3
Exchange gain or loss		
Less: Capitalized exchange gain or loss		
Others	**7**	14
Total	**235**	163

9. INCOME TAX EXPENSES

(1) Income tax expenses

Items	This period	Last period
Income tax during this period	**49**	50
Changes on deferred income tax expenses	**6**	7
Total	**55**	57

(2) The reconciliation between accounting profit and income tax expenses

Items	This period
Total profit	**(1,924)**
Income tax expenses calculated at statutory/applicable tax rates	**(289)**
Effect of different tax rates applied by subsidiary companies	**(13)**
Effect of current unrecognized deductible temporary difference or deductible loss arising from deferred tax income assets	**357**
Income tax expenses	**55**

10. RETURN ON EQUITY (ROE) AND EARNINGS PER SHARE (EPS)

		EPS *(Yuan per share)*	
Profit in this period	**Weighted average (ROE)** *(%)*	**Basic EPS**	**Diluted EPS**
Net profit attributable to ordinary shareholders	(4.69)	(0.218)	(0.218)
Net profit (exclusive of non-operating profit) attributable to ordinary shareholders	(4.96)	(0.231)	(0.231)

11. OPERATING SEGMENT

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

12 · COMMITMENTS

Items	**30 June 2026**	31 December 2025
Investment contracts entered but not yet performed or performed partially	**14**	14
Construction and renovation contracts entered but not yet performed or performed partially	**628**	1,083
Total	**642**	1,097

13. SUBSEQUENT EVENTS

As of June 30, 2026, there are no post-balance sheet events requiring disclosure for the Group.

14. NET CURRENT ASSETS

Items	**30 June 2026**	31 December 2025
Current assets	**25,671**	25,102
Less：Current liabilities	**44,985**	43,664
Net current assets/(liabilities)	**(19,314)**	(18,562)

15. TOTAL ASSETS LESS CURRENT LIABILITIES

Items	**30 June 2026**	31 December 2025
Total assets	**97,367**	97,065
Less: Current liabilities	**44,985**	43,664
Total assets less current liabilities	**52,382**	53,401

By Order of the Board
ANGANG STEEL COMPANY LIMITED*
Wang Jun
Executive Director and Chairman of the Board

Anshan City, Liaoning Province, the PRC
27 August 2026

As at the date of this announcement, the Board comprises of the following directors:

Executive Directors:
Wang Jun
Tian Yong
Li Jingdong

Independent Non-executive Directors:
Zhu Keshi
Hu Caimei
Liu Chaojian

Non-Executive Director:
Tan Yuhai

Employee Director:
Zhao Zhongmin

* *For identification purpose only*