馬 鞍 山 鋼 鐵 股 份 有 限 公 司

Maanshan Iron & Steel Company Limited

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

(Stock Code: 00323)

2026 INTERIM RESULTS ANNOUNCEMENT

I. IMPORTANT NOTICE

1 This interim results announcement is abstracted from the full text of the current interim report. To fully understand the business performance, financial position and future development plans of the Company, investors shall carefully read the full Interim Report published on website designated by China Securities Regulatory Commission such as the website of The Stock Exchange of Hong Kong Limited as well as the website of the Shanghai Stock Exchange.

2 The board of directors (the "**Board**"), the directors, and senior management of the Company warrant that there are no false representations or misleading statements contained in, or material omissions from this interim report; and jointly and severally accept full responsibility for the truthfulness, accuracy and completeness of the information contained in this interim report.

3 All directors attended the Board meeting.

4 The financial report for the interim report has not been audited, but has been reviewed by the audit and compliance committee of the Board of the Company (the "**Audit Committee**").

5 Profit distribution plan or plan for the capitalization of capital reserve during the reporting period proposed by the Board: None

II. BASIC INFORMATION OF THE COMPANY

2.1 Company Profile

Type of shares	Stock Exchange for Listing of Shares	Stock abbreviation	Stock code
A Shares	The Shanghai Stock Exchange	Magang Stock	600808
H Shares	The Stock Exchange of Hong Kong Limited	Maanshan Iron & Steel	00323

	Secretary of the Board of Directors, Joint Company Secretary	Joint Company Secretary
Name	He Hongyun	Rebecca Chi
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2.2 Major Financial Data of the Company

Unit: Yuan Currency: RMB

	At the end of the reporting period	At the end of the previous year	Increase/decrease at the end of the reporting period compared to the end of last year *(%)*
Total assets	**80,784,992,995**	81,746,797,461	-1.18
Net assets attributable to owners of the parent	**23,960,527,904**	24,026,672,263	-0.28

	Reporting period	Corresponding period of the previous year	**Increase/decrease at the reporting period compared to the same period of last year** *(%)*
Revenue	**37,224,556,728**	38,075,533,544	-2.23
Total profit	**119,903,073**	117,712,960	1.86
Net profit attributable to owners of the parent	**-69,898,789**	-74,780,316	N/A
Net profit excluding non-recurring gains or losses attributable to owners of the parent	**-222,777,647**	-108,239,155	N/A
Net cash flows from operating activities	**3,715,856,893**	940,725,426	295.00
Return on net assets (weighted average) *(%)*	**-0.29**	-0.32	Increased by 0.03 percentage point
Basic earnings per share *(RMB/share)*	**-0.01**	-0.01	N/A
Diluted earnings per share *(RMB/share)*	**-0.01**	-0.01	N/A

2.3 Shareholding of the top ten shareholders

Unit: Share

Total number of shareholders at the end of the reporting period	127,414

Shareholding of the top ten shareholders

Name of Shareholder	**Shareholder Nature**	**Shareholding Ratio** *(%)*	**Number of Shares**	**No. of Share under Restricted Condition for Sales**	**Number of Shares Pledged, Marked or Frozen**	
Magang (Group) Holding Co., Limited	State-owned shareholder	48.49	3,733,677,149	–	None	–
Hong Kong Securities Clearing Company (Nominees) Limited	Overseas legal person	22.34	1,720,448,295	–	Unknown	Unknown
Hong Kong Securities Clearing Company Ltd.	Overseas legal person	0.56	43,117,321	–	Unknown	Unknown
Beijing Guoxing Real Estate Management Co., Ltd.	Domestic non-state-owned legal person	0.55	42,376,601	–	Unknown	Unknown

Shareholding of the top ten shareholders

Name of Shareholder	Shareholder Nature	Shareholding Ratio (%)	Number of Shares	No. of Share under Restricted Condition for Sales	Number of Shares Pledged, Marked or Frozen	
Bank of Ningbo Co., Ltd. – Dongfanghong Zhiyuan 3-Year Holding Period Hybrid Securities Investment Fund	Other	0.28	21,407,000	–	Unknown	Unknown
Industrial and Commercial Bank of China Limited – Dongfanghong China Advantage Flexible Allocation Hybrid Securities Investment Fund	Other	0.20	15,293,000	–	Unknown	Unknown
Wang Xiaohua	Domestic natural person	0.19	15,000,000	–	Unknown	Unknown
CITIC Securities Asset Management (Hong Kong) Co., Limited – Client Funds – RMB Inward Remittance	Other	0.19	14,862,092	–	Unknown	Unknown
Industrial and Commercial Bank of China Limited – Rongtong China Style No.1 Flexible Allocation Hybrid Securities Investment Fund	Other	0.17	12,800,000	–	Unknown	Unknown
Bank of China Limited – Manulife Jili Bond Securities Investment Fund	Other	0.16	12,498,600	–	Unknown	Unknown
Notes on the above shareholders' affiliated relation or concerted action	Magang (Group) Holding Co., Limited has no affiliated relation with any of the other foregoing shareholders, nor is a person acting in concerted action. It is not in the knowledge of the Company whether there is any affiliated relation among other foregoing shareholders and whether they are persons acting in concerted action.					

Note: As at the end of the reporting period, Hong Kong Securities Clearing Company (Nominees) Limited held 1,720,448,295 H Shares of the Company, which were held on behalf of its customers, including 358,950,000 H Shares of the Company held on behalf of Baosteel Hong Kong Investment Ltd.

2.4 During the reporting period, there was no change of controlling shareholder or actual controller of the Company.

2.5 During the reporting period, the Company does not have any undue or overdue corporate bonds.

III. DISCUSSION AND ANALYSIS ON OPERATION

3.1 Major operational overview

In the first half of 2026, the Company thoroughly implemented China Baowu's strategic deployment of "new stage, new strategy, new model", adhered to the principles of the "three innovations, four directions and five strategies", and focused on material tasks including operational accounting, integration and synergy, the "three reductions and three enhancements" initiative and deepening reform, achieving a continuously improved operational performance and further consolidating the positive momentum. During the reporting period, the Group produced 9.2539 million tonnes of pig iron, 10.0233 million tonnes of crude steel, and 9.9304 million tonnes of finished billets and steel products, representing a decreases of 1.18%, 3.19% and 1.64% compared to the same period of last year, respectively. Under Chinese Accounting Standards for Business Enterprises, the Group recorded revenue of RMB37.225 billion, representing a year-on-year decrease of 2.23%; total profit amounted to RMB120 million, representing a slight year-on-year increase; and a net profit attributable to shareholders of the listed company amounted to RMB-70 million, representing a slight year-on-year loss reduction.

Key initiatives and operational highlights:

First, we strived to advance the operational performance of the core steel business. In the face of the severe market environment, Magang Limited insisted on "quality, efficiency and profitability", and fully advanced product operation, operational accounting and lean operation, thereby continuously boosting operational performance improvement. It produced 7.3377 million tonnes of pig iron, 7.8740 million tonnes of crude steel, and 7.6923 million tonnes of finished billets and steel products, and recorded a total profit of RMB119 million, representing a year-on-year increase of RMB115 million. By implementing the business philosophy of "low cost, differentiation, high efficiency and fast pace", Changjiang Steel made in-depth efforts in operational accounting and lean operation. It produced 1.9162 million tonnes of pig iron, 2.1493 million tonnes of crude steel, and 2.2381 million tonnes of steel products, and the total profit amounted to RMB154 million, representing a year-on-year increase of RMB45 million.

Second, we devoted to deepening product structure adjustment. Magang Limited recorded sales of 3.63 million tonnes of key products, representing a year-on-year increase of 11%, and continued to consolidate and enhance its performance. Specifically, sales of new products reached 1.06 million tonnes, representing a year-on-year increase of 22%; while cumulative sales of automotive steel plates amounted to 1.24 million tonnes, representing a year-on-year increase of 12%. The Company actively expanded the application market for high-speed railway and subway wheel products, with Magang wheels adopted in the entire Nanjing-Ma'anshan Urban Railway. Cumulative deliveries of high-speed railway wheels reached 2,444 units, 10 new official CRCC certificates were obtained, and wheels for 4 additional high-speed train models entered on-train trial operation. In terms of new product R&D, the high-performance extra-large size hot-rolled H-beam for nuclear power was launched for the first time, and the ER7-φ920mm high-hardness wheel for high-speed EMUs and the T-φ1250mm high-strength high-toughness locomotive wheel for alpine-region railways passed provincial-level new product certification. Changjiang Steel continued to optimize its product structure, with the output of high-strength steel reaching 129,900 tonnes; its direct rolling rate peaked at 91.67%, hitting an all-time high.

Third, we strived to drive cost reduction and efficiency enhancement. As Magang Limited completely carried out the "four major costs" improvement program, compared with the average level of the previous year, the costs of ironmaking, energy, end-to-end logistics and quality during the reporting period decreased by RMB732 million, RMB153 million, RMB137 million and RMB70 million respectively. As Changjiang Steel vigorously advanced the "four major costs PLUS" program, compared with the same period last year, the costs of molten iron, logistics, energy, quality and post-steel-making during the reporting period declined by RMB30 million, RMB23 million, RMB26 million, RMB7 million and RMB36 million respectively.

Fourth, we devoted to consolidate the foundation for work safety. Magang Limited thoroughly implemented the deployment requirements of the "ten hard measures" for work safety in central state-owned enterprises to prepare and practice special plans. It strengthened the application of Baowu's major work safety risk monitoring platform, smart security system platform, and video visualization platform for safety monitoring at man-machine interaction work points to accelerate the development of AI agents for safety hazard identification. It launched special rectifications on personnel gathering sites in hazardous areas, risk points of man-machine interaction operations and lifting operations to conduct in-depth screening of hidden dangers. Changjiang Steel put in place the "1+2+3+4+N" full-domain safety system, and two of its operation areas were awarded as safety demonstration operation areas by Baowu Group.

Fifth, we strived to consolidate the foundation for environmental protection. The Company refined the long-term environmental protection mechanism and supervised compliant operation, ensuring the dual zero target of "zero Class-A and major environmental incidents, and zero administrative penalties" in the first half of the year. Magang Limited was included in the first batch of leading standardized enterprises under the Normative Conditions for the Iron and Steel Industry (2025 Edition) (《鋼鐵行業規範條件(2025年版)》) released by the Ministry of Industry and Information Technology, with a clean transportation ratio accounting for 81.07%. Changjiang Steel was included in the first batch of standardized enterprises under the Normative Conditions for the Iron and Steel Industry (2025 Edition), and was awarded the title of "Dual Carbon Best Practice Energy Efficiency Benchmark Demonstration Process". Its energy consumption in the steel rolling process reduced by 8.54% year on year, and its clean transportation ratio remained stable at 82.52%.

Sixth, we strived to improve ESG management capabilities. The Company systematically advanced critical tasks including energy conservation and consumption reduction, emission reduction and pollution control, and rural revitalization, enhanced ESG capacity building and internal and external communication, and continuously consolidated the management foundation, propelling a continuous improvement in ESG performance. During the reporting period, the Company's WIND ESG rating was upgraded from A to AA.

Seventh, we strived to shape the strategic planning. Concentrated on the goals of "strengthening special steel, optimizing plate products, refining section steel, and expanding wheels and axles", Magang Limited optimized its industrial layout, implemented key projects such as the second phase of the new special steel project, and built a competitive leading high-quality steel manufacturing base. Also, it phased out the production lines in Area 1 of the Section Steel Business Unit and the CSP production line in an orderly manner. Changjiang Steel actively took over Magang's building materials brand, and focused on high-end building materials, so as to build the most competitive high-quality building materials base in the region as well as a demonstration benchmark for mixed-ownership reform.

3.2 Outlook and tasks for the second half of the year

The iron and steel industry remains in a phase of volume reduction and structural adjustment; whilst there are structural opportunities in market demand, overall supply outstrips demand, making it increasingly difficult to improve profitability. For the Group, as product structure adjustment is not yet completed, coupled with the impacts of crude steel production control and coal consumption indicator reduction, operational performance improvement will continue to face pressure. In response, the Company will remain unwavering in its full-year targets, focus on value creation, deepen operational accounting, and strengthen synergy-driven value creation, making every effort to fulfill tasks for the full year. Specifically, the Company will focus on five key tasks:

First, continuously advancing operational performance improvement. Magang Limited will enhance the market competitiveness of its products. Focusing on product operation and product differentiation, it will consolidate and upgrade key product categories, accelerate the mass application of high-speed railway wheels and axles, consistently strengthen the development of key section steel and special steel products, as well as reinforce R&D and application of high-end automotive steel products, thereby continuously elevating product market competitiveness. Meanwhile, it will orderly carry out the construction of material projects, including the No.4 slab continuous caster project, the 750,000-unit high-quality wheel supporting project of Masteel Transit Materials, and the southern area resilient wheel production line project. By continuously deepening the operating policy of "low cost, differentiation, high efficiency and fast pace", Changjiang Steel will broaden business concepts, actively respond to crude steel production reduction, fully implement the "four major costs PLUS" management and control, carry out the steelmaking area renovation project, and further reduce expenses, so as to optimise production organisation under the economic operation mode.

Second, continuously advancing technological innovation. The Company will leverage sci-tech innovation as a growth engine and lay emphasis on breakthroughs in key core technologies, aiming to strengthen its core capabilities. The Company will reinforce R&D of high-performance advanced steel materials, refine innovation in critical process technologies, and complete national major special R&D tasks with high quality, with compliance in the management of major sci-tech special projects reaching 100%. Through implementation of the high-end development strategy, the Company will advance the development of pivotal products such as bearing steel, marine section steel, and high-speed railway wheels for the Sichuan-Tibet Railway, striving to reach new product annual sales of 1.67 million tonnes and maintaining R&D investment intensity at no less than 4.25%. The Company will deepen technological breakthroughs in low-cost alloy substitution, precise composition design and process optimization, attach great importance to resolving key issues in sci-tech innovation, and lift core indicators.

Third, continuously deepening collaboration with Baosteel. Magang Limited will deepen collaboration with Baosteel in the numerous fields such as procurement, production operations and marketing, maximize synergy effects by taking advantage of its strengths in channels, talents and technologies, and enhance overall value creation capabilities. This will advance the effective practice in terms of the strategic investment value. The Company will optimize the promotion mechanism for collaborative support work, focus on quality, efficiency and profitability, and strengthen management diagnosis and benchmarking analysis, ensuring the effective implementation of all support projects.

Fourth, continuously strengthening the management of invested companies. The Company will refine the management of invested companies in compliance with laws and regulations, continue to perfect the working mechanism of full-time directors, and boost standardized corporate governance and lawful as well as compliant operation of invested companies.

Fifth, continuously enhancing work safety. The Company will firmly uphold the safety development philosophy of "people first, life first", properly handle the relationship between development and safety, and implement safety work in a solid and meticulous manner with a sense of responsibility of"constant vigilance", creating a work safety pattern characterized by joint management among all employees, across all businesses and throughout all processes.

3.3 Financial position and exchange risks

At the end of the reporting period, the total loans of the Group were denominated in RMB with an aggregate amount of RMB14.335 billion, including short-term loans of RMB10.163 billion, long-term loans of RMB1.371 billion and long-term loans due within one year of RMB2.801 billion. Loans amounting to RMB11.283 billion carried fixed interest rates and loans amounting to RMB3.052 billion carried floating interest rates. At the end of the reporting period, the Group's asset liability ratio was 55.12%, 0.55 percentage point lower than that of the end of 2025.

The amount of all loans of the Group changed with the scale of production, operation and construction. At present, the Company finances its construction projects mainly with its own funds. There was no overdue loan during the reporting period. At the end of the reporting period, banking facilities available to the Group amounted to approximately RMB79.350 billion, of which the unutilised facilities amounted to approximately RMB44.211 billion.

The Group's import and export operations are mainly settled in US dollars. In response to the exchange rate and interest rate volatility risks arising from divergent global monetary policies, the Company adheres to the operational principles of "cost locking, instrument locking, exposure locking, and cash flow locking". It comprehensively enhances lean management of cross-border funds and implements the specialized "three hedges and three reductions" initiative, coordinates the implementation of the "three combinations" strategy combining market hedging with natural hedging, short-term risk avoidance with long-term structural adjustment, and exchange rate control with interest rate control, thereby strengthening foreign exchange risk management.

3.4 Internal control and risk management

The Company has an internal auditing system for internally auditing and supervising the financial revenue, expenditure and every economic activity of the Company, and establishes an internal control system for paying extra attention to high-risk areas. The system acts as a guideline for the Company's operation, helping the Company recognize and control its major risks of production and operation.

The Audit Committee reviewed the 2025 internal audit work report of the Company on 25 February 2026, agreeing to the internal audit work arrangements for 2026 and submitted it to the Board for consideration. The Board reviewed the 2025 anti-fraud work report and 2026 work arrangements on 26 February 2026.

The Board reviewed the 2025 Comprehensive Risk Management and Internal Control Work Report and the 2026 Work Plan on 25 March 2026, confirming that the Company would take appropriate control measures for risks relating to safety (including production and cyber security), environmental protection, the market, legal matters, the management of accounts receivable and payables, and credit risks, and other risks in 2025 and the risks were under control. Deloitte Touche Tohmatsu audited the effectiveness of the Company's internal controls over financial statements as at 31 December 2025, and issued a standard unqualified opinion on the internal control audit report.

During the reporting period, the Company evaluated the risks, formulated the measures for identified risks, and carried out key prevention and control to ensure that the risks were under control. The Board heard the comprehensive risk management and internal control work reports for the first quarter and the first half of 2026 on 24 April and 28 August 2026, respectively, and were in the views that the internal controls were effective, as well as overall risks were under control.

3.5 Operating results

Yuan Currency: RMB

Accounts	Amount of the current period	Amount of the same period of last year	Change (%)
Revenue	**37,224,556,728**	38,075,533,544	-2.23
Cost of sales	**35,434,155,007**	36,244,525,052	-2.24
Selling expenses	**116,765,154**	137,798,991	-15.26
General and administrative expenses	**520,973,738**	437,312,708	19.13
Financial expenses	**125,097,501**	245,618,668	-49.07
R&D expenses	**382,428,506**	549,322,312	-30.38
Credit impairment gains/losses	**12,697,963**	-9,568,661	N/A
Investment loss/income	**-193,448,397**	13,557,382	-1,526.89
Gains from disposal of assets	**168,140,266**	11,386,204	1,376.70
Operating profit	**184,367,638**	112,596,584	63.74
Non-operating income	**1,463,023**	17,953,725	-91.85
Non-operating expenses	**65,927,588**	12,837,349	413.56
Income tax expense	**46,659,899**	77,493,175	-39.79
Net profit	**73,243,174**	40,219,785	82.11
Net cash flows from operating activities	**3,715,856,893**	940,725,426	295.00
Net cash flows from investing activities	**-5,633,199,561**	-1,619,631,859	N/A
Net cash flows from financing activities	**-1,680,790,732**	2,297,776,926	-173.15

Compared to the same period last year:

Revenue decreased by 2.23%, mainly due to the year-on-year decrease in average selling price of steel during the period as a result of continuous weak demand from downstream industries.

Cost of sales decreased by 2.24%, mainly due to the corresponding reduction in the cost of sales carried forward as a result of the year-on-year decrease in steel sales volumes during the period.

Financial expenses decreased by 49.07%, mainly due to the year-on-year reduction in interest expenses as a result of the decrease in both total interest-bearing liabilities and financing costs during the period as compared to the same period of last year.

R&D expenses decreased by 30.38%, mainly due to the adjustment made to the project structure to concentrate resources on key R&D tasks; meanwhile, the reduction of losses on new products achieved through collaboration with Baosteel during the period.

Investment income decreased by 1,526.89%, mainly due to the fact that Xinyang Jingang, a subsidiary of the invested company Jinma Energy, was ordered by the court to enter into bankruptcy liquidation proceedings during the period, resulting in the Company recognising a corresponding investment loss under the equity method.

Credit impairment gains increased by RMB22 million, mainly due to the reversal of bad debt provisions previously recognised during the period.

Gains from disposal of assets increased by 1,376.70%, mainly due to the receipt of compensation for the land expropriation during the period, as well as an increase in gains from the disposal of assets of wire production line.

Operating profit increased by 63.74%, and net profit increased by 82.11%, mainly due to the fact that the Company insisted on quality improvement and efficiency enhancement as the core, and solidly advanced key initiatives including collaborative support, cost reduction and product structure optimisation, which led to a sustained improvement in operational performance.

Non-operating income decreased by 91.85%, mainly due to the fact that the Company wrote off certain long-outstanding receivables for which no payment was required during the corresponding period of the previous year, whereas no such items arose during the period.

Non-operating expenses increased by 413.56%, mainly due to the scrapping of assets of converters in the Long-Material Zone-I and relevant assets of the Iron-Making Plant of Magang Limited in the current period and the increase in losses on the scrapping of fixed assets during the period compared with the same period of last year.

Income tax expense decreased by 39.79%, mainly due to the reduction in income tax expense for Magang Limited and its subsidiaries during the period compared with the previous period.

Net cash flows from operating activities increased by 295.00%, mainly due to the fact that the Company increased the proportion of bill settlements during the period, leading to the reduction in cash paid for the purchase of goods as a result of the increase in bills payable.

Net cash outflows from investing activities increased by RMB4.013 billion, mainly due to the Company's engagement in time deposit business during the period.

Net cash inflows from financing activities decreased by RMB3.979 billion, mainly due to the fact that the Company received the first instalment of RMB2.57 billion as consideration for the transfer of 35.42% equity interests in Magang Limited acquired by Baosteel during the period, whereas the Company continued to reduce its interest-bearing liabilities and repaid part of its long-term borrowings during the period.

IV. RELEVANT MATTERS INVOLVING FINANCIAL REPORT

4.1 There was no change in accounting policies, accounting estimates and accounting methods of the Company as compared with the previous period.

4.2 During the reporting period, the Company did not have significant accounting errors that need to be retrospectively restated.

4.3 There was no change in the scope of consolidation of the financial statements.

V. OTHER EVENTS

5.1 The Audit Committee of the Company comprises independent directors Ms. Zeng Xiangfei, Mr. Guan Bingchun, Mr. He Anrui and Mr. Qiu Shengtao. The Audit Committee has reviewed the 2026 interim results.

5.2 On 28 August 2026, Mr. Fu Ming was appointed as the general manager of the Company upon consideration at the 54th meeting of the 10th session of the Board of the Company. Apart from this, there have been no events materially affecting the Group from the end of the reporting period to the date of this announcement.

5.3 Purchase, Sale or Redemption of Listed Securities

During the reporting period, the Company did not redeem any of its listed stocks, nor did the Company and its subsidiaries purchase or resale any of the listed stocks.

5.4 Pre-emptive Rights

There are no requirements under Chinese laws and the Articles of Association of the Company that the current shareholders shall purchase new shares based on their holding shares before the Company issues news shares.

5.5 Code on Corporate Governance Practices

During the reporting period, the Company had complied with all the code provisions of the Code on Corporate Governance Practices set out in Appendix C1 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

5.6 Model Code for Securities Transactions by Directors of Listed Issuers

During the reporting period, all the directors of the Company had complied with the requirements stipulated by the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange. No deviation behavior from the code was found.

5.7 Shareholders' Rights

Any shareholder who holds shares carrying 10% or more of the voting rights in the Company, either individually or jointly, has the right to demand an extraordinary general meeting according to the Articles of Association. When the Company convenes a general meeting, any shareholder who meets the conditions specified in Article 74 of the Articles of Association is entitled to file a new bill with the Company in writing. Shareholders may send inquiries or comments to the Board by mail to the Company (No. 8 Jiu Hua Xi Road, Maanshan City, Anhui Province, the PRC).

CONSOLIDATED AND COMPANY'S STATEMENTS OF FINANCIAL POSITION

As at 30 June 2026
Renminbi Yuan

ASSETS	*Notes*	**30 June 2026 Group**	31 December 2025 Group	**30 June 2026 Company**	31 December 2025 Company
CURRENT ASSETS					
Cash and bank balances		**12,937,958,265**	11,769,801,934	**6,774,013,036**	7,057,410,027
Notes receivable		**407,847,184**	572,691,130	**611,444**	–
Trade receivables	4	**2,204,079,808**	2,816,512,581	**12,975,473**	14,526,932
Financing receivables	5	**1,319,332,544**	1,279,050,625	**–**	–
Prepayments	6	**375,316,812**	439,550,590	**56,159,052**	55,455,103
Other receivables		**487,144,689**	376,522,535	**389,299,099**	1,886,077,914
Inventories		**7,320,140,650**	7,410,383,368	**60,531**	173,206,485
Other current assets		**206,712,172**	191,002,772	**38,435,439**	37,375,493
Total current assets		**25,258,532,124**	24,855,515,535	**7,271,554,074**	9,224,051,954
NON-CURRENT ASSETS					
Long-term equity investments		**5,834,014,879**	6,171,725,674	**12,922,868,080**	13,273,853,207
Other equity instruments investments		**526,200,874**	529,512,184	**414,529,323**	419,317,959
Investment properties		**222,426,198**	51,174,126	**214,550,924**	43,122,499
Property, plant and equipment		**45,431,470,737**	45,747,321,970	**2,656,368**	181,639,214
Construction in progress		**1,405,880,444**	1,976,324,641	**–**	–
Right-of-use assets		**50,995,123**	297,919,634	**–**	–
Intangible assets		**1,760,148,292**	1,815,809,118	**19,607**	21,599
Deferred tax assets		**295,324,324**	301,494,579	**217,552,335**	216,355,176
Total non-current assets		**55,526,460,871**	56,891,281,926	**13,772,176,637**	14,134,309,654
TOTAL ASSETS		**80,784,992,995**	81,746,797,461	**21,043,730,711**	23,358,361,608

CONSOLIDATED AND COMPANY'S STATEMENTS OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2026

Renminbi Yuan

LIABILITIES AND SHAREHOLDERS' EQUITY	*Notes*	**30 June 2026 Group**	31 December 2025 Group	**30 June 2026 Company**	31 December 2025 Company
CURRENT LIABILITIES					
Short-term loans		**10,163,299,748**	10,759,496,729	**–**	–
Notes payable	7	**13,717,916,553**	10,452,314,143	**–**	–
Trade payables	8	**7,697,419,839**	9,381,832,392	**303,164**	16,611,000
Contract liabilities		**3,969,422,260**	4,247,904,586	**25,016,475**	49,841,815
Payroll and employee benefits payable		**214,038,891**	274,397,346	**8,351,664**	18,626,522
Taxes payable		**206,625,712**	238,476,858	**473,156**	15,960,836
Other payables		**3,029,393,636**	3,031,625,066	**106,395,408**	2,250,122,312
Non-current liabilities due within one year		**2,821,089,336**	2,372,076,286	**–**	–
Accrued liabilities		**2,964,376**	11,218,478	**–**	–
Other current liabilities		**525,208,383**	548,260,463	**27,565,239**	6,479,436
Total current liabilities		**42,347,378,734**	41,317,602,347	**168,105,106**	2,357,641,921
NON-CURRENT LIABILITIES					
Long-term loans		**1,370,964,421**	3,049,493,813	**–**	–
Lease liabilities		**41,184,071**	336,261,229	**–**	–
Long-term employee benefits payable		**265,081**	265,081	**–**	–
Deferred revenue		**771,572,816**	804,941,750	**370,711**	–
Total non-current liabilities		**2,183,986,389**	4,190,961,873	**370,711**	–
Total liabilities		**44,531,365,123**	45,508,564,220	**168,475,817**	2,357,641,921

CONSOLIDATED AND COMPANY'S STATEMENTS OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2026

Renminbi Yuan

LIABILITIES AND SHAREHOLDERS' EQUITY	*Notes*	**30 June 2026 Group**	31 December 2025 Group	**30 June 2026 Company**	31 December 2025 Company
SHAREHOLDERS' EQUITY					
Share capital		**7,700,681,186**	7,700,681,186	**7,700,681,186**	7,700,681,186
Capital reserve		**9,532,614,062**	9,531,206,765	**8,422,334,530**	8,421,248,921
Other comprehensive income		**(12,947,741)**	(6,674,030)	**100,991,945**	96,940,327
Special reserve		**74,297,736**	65,676,892	**–**	–
Surplus reserve		**4,720,262,452**	4,720,262,452	**3,883,475,865**	3,883,475,865
Retained earnings		**1,945,620,209**	2,015,518,998	**767,771,368**	898,373,388
Equity attributable to owners of the parent		**23,960,527,904**	24,026,672,263	**–**	–
Non-controlling interests		**12,293,099,968**	12,211,560,978	**–**	–
Total shareholders' equity		**36,253,627,872**	36,238,233,241	**20,875,254,894**	21,000,719,687
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**80,784,992,995**	81,746,797,461	**21,043,730,711**	23,358,361,608

CONSOLIDATED AND COMPANY'S INCOME STATEMENT

For the six months ended 30 June 2026

Renminbi Yuan

	Notes	**For the six months ended 30 June 2026 Group**	For the six months ended 30 June 2025 Group	**For the six months ended 30 June 2026 Company**	For the six months ended 30 June 2025 Company
Revenue	10	**37,224,556,728**	38,075,533,544	**9,469,180**	11,072,793,087
Less: Cost of sales	10	**35,434,155,007**	36,244,525,052	**1,717,529**	11,054,955,948
Taxes and surcharges		**235,361,162**	244,529,804	**838,098**	52,990,604
Selling expenses		**116,765,154**	137,798,991	**–**	30,521,384
General and administrative expenses		**520,973,738**	437,312,708	**39,203,888**	127,644,748
R&D expenses		**382,428,506**	549,322,312	**196,760**	92,465,674
Financial expenses	11	**125,097,501**	245,618,668	**(42,354,946)**	76,687,319
including: interest expense		**177,435,964**	285,555,450	**10,194,040**	91,826,378
interest income		**79,806,315**	66,937,989	**52,902,817**	21,670,500
Add: Other income		**92,016,400**	219,162,236	**687,994**	84,849,288
Investment (loss)/income		**(193,448,397)**	13,557,382	**(160,510,247)**	1,568,207,319
including: share of (loss)/profits of associates and joint ventures		**(178,253,695)**	14,747,429	**(222,468,290)**	(2,332,241)
Credit impairment (losses)/ reverse		**12,697,963**	(9,568,661)	**–**	(3,381,357)
Assets Impairment losses		**(304,814,254)**	(338,366,586)	**–**	(45,730,035)
Gain from disposal of assets	12	**168,140,266**	11,386,204	**19,352,382**	(5,775)
Operating profit/(losses)		**184,367,638**	112,596,584	**(130,602,020)**	1,241,466,850
Add: Non-operating income	13	**1,463,023**	17,953,725	**–**	13,218,802
Less: Non-operating expenses	14	**65,927,588**	12,837,349	**–**	3,817,002
Profit/(losses) before tax		**119,903,073**	117,712,960	**(130,602,020)**	1,250,868,650
Less: Income tax expenses	15	**46,659,899**	77,493,175	**–**	25,785,577
Net profit/(losses)		**73,243,174**	40,219,785	**(130,602,020)**	1,225,083,073
Categorized by operation continuity					
Net profit from continuing operations		**73,243,174**	40,219,785	**(130,602,020)**	1,225,083,073

CONSOLIDATED AND COMPANY'S INCOME STATEMENT (CONTINUED)

For the six months ended 30 June 2026

Renminbi Yuan

	Notes	**For the six months ended 30 June 2026 Group**	For the six months ended 30 June 2025 Group	**For the six months ended 30 June 2026 Company**	For the six months ended 30 June 2025 Company
Categorized by ownership					
Net profit attributable to owners of the parent		**(69,898,789)**	(74,780,316)	**–**	–
Net profit attributable to non-controlling interests		**143,141,963**	115,000,101	**–**	–
Other comprehensive income, net of tax		**(15,143,375)**	(4,214,751)	**4,051,618**	(3,344,874)
Other comprehensive income attributable to owners of the parent, net of tax		**(6,273,711)**	(4,214,751)	**–**	–
Other comprehensive income that will not be reclassified to profit or loss		**(2,839,011)**	(2,469,678)	**(3,591,477)**	(2,469,678)
Changes in fair value of other equity investments		**(2,839,011)**	(2,469,678)	**(3,591,477)**	(2,469,678)
Other comprehensive income that may be reclassified to profit or loss		**(3,434,700)**	(1,745,073)	**7,643,095**	(875,196)
Other comprehensive income using the equity method that may be reclassified to profit or loss		**7,643,095**	(875,196)	**7,643,095**	(875,196)
Exchange differences on translation of foreign operations		**(11,077,795)**	(869,877)	**–**	–
Other comprehensive income attributable to non-controlling interests, net of tax		**(8,869,664)**	–	**–**	–
Total comprehensive income		**58,099,799**	36,005,034	**(126,550,402)**	1,221,738,199

CONSOLIDATED AND COMPANY'S INCOME STATEMENT (CONTINUED)

For the six months ended 30 June 2026
Renminbi Yuan

	Notes	**For the six months ended 30 June 2026 Group**	For the six months ended 30 June 2025 Group	**For the six months ended 30 June 2026 Company**	For the six months ended 30 June 2025 Company
Attributable to:					
Owners of the parent		**(76,172,500)**	(78,995,067)	**–**	–
Non-controlling interests		**134,272,299**	115,000,101	**–**	–
EARNINGS PER SHARE:					
Basic earnings per share *(cent/share)*	16	**(1.00)**	(1.00)	**–**	–
Diluted earnings per share *(cent/share)*	16	**(1.00)**	(1.00)	**–**	–

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

Renminbi Yuan

For the six months ended 30 June 2026

	Attributable to owners of the parent									
	Share capital	Capital reserve	Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Sub-total	Non-controlling Interests	Total Shareholders' equity
1. Balance at the beginning of the term	7,700,681,186	9,531,206,765	-	(6,674,030)	65,676,892	4,720,262,452	2,015,518,998	24,026,672,263	12,211,560,978	36,238,233,241
2. Increase/(decrease) during the term										
1) Total comprehensive income	-	-	-	(6,273,711)	-	-	(69,898,789)	(76,172,500)	134,272,299	58,099,799
2) Shareholders' contributions and reduction in capital	-	-	-	-	-	-	-	-	-	-
(i) Cancellation of Restricted Stock	-	-	-	-	-	-	-	-	-	-
(ii) Changes in the share of other equity of associates and joint ventures	-	1,407,297	-	-	-	-	-	1,407,297	(48,987)	1,358,310
(iii) Amount of share-based payments recognized in equity	-	-	-	-	-	-	-	-	-	-
(iv) others	-	-	-	-	-	-	-	-	-	-
3) Profits appropriation										
(i) Distribution to shareholders	-	-	-	-	-	-	-	-	(62,352,898)	(62,352,898)
4) Special reserve										
(i) Additions	-	-	-	-	23,267,387	-	-	23,267,387	26,561,409	49,828,796
(ii) Utilization	-	-	-	-	(14,646,543)	-	-	(14,646,543)	(16,892,833)	(31,539,376)
3. Balance at the end of the term	7,700,681,186	9,532,614,062	-	(12,947,741)	74,297,736	4,720,262,452	1,945,620,209	23,960,527,904	12,293,099,968	36,253,627,872

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2026
Renminbi Yuan

For the six months ended 30 June 2025

	Attributable to owners of the parent									
	Share capital	Capital reserve	Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Sub-total	Non-controlling Interests	Total Shareholders' equity
1. Balance at the beginning of the term	7,746,937,986	8,576,312,133	105,928,072	(2,023,545)	97,574,394	4,720,262,452	2,224,325,312	23,257,460,660	4,063,591,541	27,321,052,201
2. Increase/(decrease) during the term										
1) Total comprehensive income	–	–	–	(4,214,751)	–	–	(74,780,316)	(78,995,067)	115,000,101	36,005,034
2) Shareholders' contributions and reduction in capital	–	–	–	–	–	–	–	–	–	–
(i) Cancellation of Restricted Stock	(24,833,400)	(32,035,086)	(56,868,486)	–	–	–	–	–	–	–
(ii) Changes in the share of other equity of associates and joint ventures	–	6,416,063	–	–	–	–	–	6,416,063	–	6,416,063
(iii) Amount of share-based payments recognized in equity	–	–	–	–	–	–	–	–	–	–
(iv) others	–	700,938,635	–	–	–	–	–	700,938,635	4,437,820,637	5,138,759,272
3) Profits appropriation										
(i) Distribution to shareholders	–	–	–	–	–	–	–	–	(1,611,424)	(1,611,424)
4) Special reserve										
(i) Additions	–	–	–	–	46,530,115	–	–	46,530,115	19,434,369	65,964,484
(ii) Utilization	–	–	–	–	(30,874,706)	–	–	(30,874,706)	(11,131,350)	(42,006,056)
3. Balance at the end of the term	7,722,104,586	9,251,631,745	49,059,586	(6,238,296)	113,229,803	4,720,262,452	2,149,544,996	23,901,475,700	8,623,103,874	32,524,579,574

CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2026
Renminbi Yuan

		For the six months ended 30 June 2026	For the six months ended 30 June 2025
1.	**Cash flows from operating activities**		
	Cash received from sale of goods and rendering of services	**34,249,270,107**	35,033,101,595
	Tax refunds received	**26,774,918**	307,531,376
	Net decrease in deposits in central bank	**–**	–
	Net increase in repurchase agreements	**–**	–
	Net decrease in financial assets purchased under agreements to resell	**–**	–
	Net increase in customer deposits and balances from banks and other financial institutions	**–**	–
	Net decrease in loans and advances to customers	**–**	–
	Cash received for interest charges, fees and commissions	**–**	–
	Cash received relating to other operating activities	**231,196,743**	116,180,195
	Sub-total of cash inflows	**34,507,241,768**	35,456,813,166

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
For the six months ended 30 June 2026
Renminbi Yuan

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Cash paid for purchases of goods and services	**(27,703,519,148)**	(31,664,728,272)
Net decrease in repurchase agreements	**–**	–
Net decrease in deposits and balances from banks and other financial institutions and customer deposits	**–**	–
Net increase in loans and advances to customers	**–**	–
Cash paid to or on behalf of employees	**(1,741,302,930)**	(1,735,936,262)
Taxes and surcharges paid	**(917,477,794)**	(771,144,842)
Net increase in financial assets purchased under agreements to resell	**–**	–
Cash paid for interest charges, fees and commissions	**–**	–
Cash paid relating to other operating activities	**(429,085,003)**	(344,278,364)
Sub-total of cash outflows	**(30,791,384,875)**	(34,516,087,740)
Net cash flows from operating activities	**3,715,856,893**	940,725,426

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 30 June 2026
Renminbi Yuan

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
2. Cash flows from investing activities		
Cash received from disposal of investments	**697,523,611**	270,000,000
Cash received from investment income	**170,838,649**	50,651,288
Proceeds from disposal of items of property, plant and equipment, intangible assets, and other non-current assets	**54,997,211**	76,660,904
Net cash received from disposal of subsidiaries and other business units	**–**	–
Cash received relating to other investing activities	**–**	86,712,277
Sub-total of cash inflows	**923,359,471**	484,024,469
Purchases of property, plant and equipment, intangible assets and other non-current assets	**(1,003,583,204)**	(1,440,942,155)
Cash paid for investments	**(5,552,975,828)**	(662,714,173)
Cash paid relating to other investing activities	**–**	–
Sub-total of cash outflows	**(6,556,559,032)**	(2,103,656,328)
Net cash flows used in investing activities	**(5,633,199,561)**	(1,619,631,859)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
For the six months ended 30 June 2026
Renminbi Yuan

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
3. Cash flows from financing activities		
Cash received from borrowings	**10,652,301,831**	9,603,904,725
Cash received from issuing short-term financing bonds	**–**	–
Cash received from investors	**–**	2,569,379,636
Including: capital injection from a subsidiary's non-controlling interests	**–**	–
Cash received relating to other financing activities	**104,658,019**	238,654,381
Sub-total of cash inflows	**10,756,959,850**	12,411,938,742
Repayment of borrowings	**(12,174,351,465)**	(9,831,174,564)
Cash paid for distribution of dividends or profits and for interest expenses	**(239,612,437)**	(282,037,803)
Including: dividends or profits paid to non-controlling interests by subsidiaries	**(62,352,898)**	(1,611,424)
Cash paid relating to other financing activities	**(23,786,680)**	(949,449)
Sub-total of cash outflows	**(12,437,750,582)**	(10,114,161,816)
Net cash flows used in financing activities	**(1,680,790,732)**	2,297,776,926

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
For the six months ended 30 June 2026
Renminbi Yuan

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
4. Effect of foreign exchange rate changes on cash and cash equivalents	**(14,873,032)**	8,636,839
5. Net (decrease)/increase in cash and cash equivalents	**(3,613,006,432)**	1,627,507,332
Add: cash and cash equivalents at the beginning of the term/year	**9,214,167,914**	3,687,116,397
6. Cash and cash equivalents at the end of the term/year	**5,601,161,482**	5,314,623,729

NOTES TO FINANCIAL STATEMENTS
As at 30 June 2026
Renminbi Yuan

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation

The financial statements are prepared in accordance with "China Accounting Standards for Business Enterprises – General Principles" and other issued application guidance, interpretations and other related regulations issued later (collectively known as the "**CAS**").

The financial statements are prepared on a going concern basis.

As of 30 June 2026, the net current liabilities of the Group amounted to RMB17,088,846,610. The directors of the Company have considered the availability of funding sources, including but not limited to an unutilised banking facilities of RMB44.2 billion as at 30 June 2026 and the expected cash inflows from the operating activities in the upcoming 12 months. The board of directors of the Company believes that the Group has sufficient working capital to continue as a going concern for not less than 12 months after the end of reporting period. Therefore, the board of directors of the Company continues to prepare the Group's financial statements for the year ended 30 June 2026 on a going concern basis.

The financial statements have been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value. Assets classified as held for sale are disclosed at the lower of carrying amount and fair value less costs to disposal on the date of classification. Provision for asset impairment is provided in accordance with related regulations.

1.2 Statement of compliance with the CAS

The financial statements have been prepared in accordance with the CAS, and present truly and completely the financial position of the Company and the Group as of 30 June 2026, and the results of their operations and cash flows for the six months ended 30 June 2026.

2. SCOPE OF CONSOLIDATION

The scope of consolidation has not changed during the current period.

3. OPERATING SEGMENT INFORMATION

Operating segments

The Group is treated as an integrated entity for the review of internal reporting, resource allocation and performance evaluation which are determined based on the internal organization structure, management requirements and internal reporting system:

- Production and sale of iron and steel products and related by-products

Other information

Product and service information

External principal operating income	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Sale of steel products	**33,098,461,832**	33,619,563,472
Sale of steel billets and pig iron	**2,065,891,970**	1,917,491,289
Others	**2,060,202,926**	2,538,478,783
	37,224,556,728	38,075,533,544

3. OPERATING SEGMENT INFORMATION

Other information (continued)

Geographical information

External principal operating income	**For the six months ended 30 June 2026**	For the six months ended 30 June 2025
Mainland China	**33,979,392,513**	35,432,194,574
Overseas and Hong Kong	**3,245,164,215**	2,643,338,970
	37,224,556,728	38,075,533,544

Non-current assets	**30 June 2026**	31 December 2025
Mainland China	**54,617,688,531**	55,971,315,398
Overseas and Hong Kong	**87,247,142**	88,959,765
	54,704,935,673	56,060,275,163

The non-current assets information above is based on the locations of the assets and excludes financial assets and deferred tax assets.

Major customer information

Revenue from a major customer amounted to RMB16.2 billion, accounting for44% of the Group's total operating revenue for the six months ended 30 June 2026.

4. TRADE RECEIVABLES

The ageing of trade receivables, based on the invoice date, is analyzed below:

	30 June 2026	31 December 2025
Within one year	**2,231,288,836**	2,852,874,798
One to two years	**17,237,242**	20,074,532
Two to three years	**2,997,624**	114,187,377
Over three years	**176,603,940**	76,289,372
	2,428,127,642	3,063,426,079
Less: Provisions for bad debts	**224,047,834**	246,913,498
	2,204,079,808	2,816,512,581

As of June 30, 2026, the Group had no actual write-offs of allowance for doubtful accounts on receivables (2025: None).

As of June 30, 2026, and December 31, 2025, the carrying amounts of the Group's receivables did not include any receivables derecognized due to financial asset transfers.

As of June 30, 2026, the Group had no assets or liabilities arising from transferred receivables where it continues to be involved (2025: None).

5. FINANCING RECEIVABLES

	30 June 2026	31 December 2025
Bank acceptance notes	**1,319,332,544**	1,279,050,625

As of 30 June 2026, the Group pledged the bank acceptance notes of RMB0 (31 December 2025: Nil) for the short-term loan.

The undue notes discounted or endorsed were as follows：

	Derecognized	**Not derecognized**
Bank acceptance notes	**9,094,671,157**	**–**

As of 30 June 2026 and 31 December 2025, there were no trade receivable transferred from notes receivable because of the drawers' inability to pay.

As of 30 June 2026, the Group derecognized notes receivable discounted to financial institutions amounting to RMB3,657,434,159, and recognized discount expense amounting to RMB20,516,696.

6. PREPAYMENTS

An ageing analysis of the prepayments is as follows:

	30 June 2026		31 December 2025	
	Book value	**Ratio** *(%)*	Book value	Ratio *(%)*
Within one year	**346,058,445**	**92**	434,612,811	99
One to two years	**27,852,286**	**8**	2,971,248	1
Two to three years	**145**	**–**	149	–
Over three years	**1,405,936**	**–**	1,966,382	–
	375,316,812	**100**	439,550,590	100

7. NOTES PAYABLE

	30 June 2026	31 December 2025
Bank acceptance notes	**12,904,418,957**	10,452,314,143
Trade acceptance notes	**813,497,596**	–
	13,717,916,553	10,452,314,143

As of 30 June 2026, the Group had no matured and unpaid accounts payable.

8. TRADE PAYABLES

The ageing analysis of trade payables, based on the invoice date, is as follows:

	30 June 2026	31 December 2025
Within one year	**7,553,322,373**	9,179,470,136
One to two years	**48,580,408**	92,773,928
Two to three years	**37,279,602**	70,138,975
Over three years	**58,237,456**	39,449,353
	7,697,419,839	9,381,832,392

9. DIVIDENDS

The board of directors does not recommend the payment of any dividends for the year ended June 30, 2026.

10. REVENUE AND COST OF SALES

	For the six months ended 30 June 2026		For the six months ended 30 June 2025	
	Revenue	**Cost of sales**	Revenue	Cost of sales
Principal operating income	**35,842,261,604**	**34,060,635,895**	36,639,298,472	34,798,921,762
Other operating income	**1,382,295,124**	**1,373,519,112**	1,436,235,072	1,445,603,290
	37,224,556,728	**35,434,155,007**	38,075,533,544	36,244,525,052

Revenue is presented as follows:

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Revenue from contracts with customers	**37,205,179,894**	38,071,807,603
Other income	**19,376,834**	3,725,941
	37,224,556,728	38,075,533,544

Timing of revenue recognition from contracts with customers：

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
At a point in time	**37,174,474,647**	38,031,454,822
Over time	**30,705,247**	40,352,781
	37,205,179,894	38,071,807,603

10. REVENUE AND COST OF SALES (CONTINUED)

Revenue recognized that was included in contract liabilities at the beginning of the year:

	30 June 2026	31 December 2025
Revenue	**4,247,904,586**	4,123,176,032

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) at the year end is expected to be recognized as revenue as follows:

	30 June 2026	31 December 2025
Within one year	**3,969,422,260**	4,247,904,586

Note: For sales of products, the Group satisfies a performance obligation when customer obtained the control of the relevant products, and for provide of services, the Group satisfies a performance obligation based on performance progress over the contract period. The maturity on contract payment of the Group is 30 to 90 days, without existence of significant financing component. The contracts between the Group and its certain customers containing sales rebate arrangements (future price reductions based on cumulative sales volumes), which forms a variable consideration. The Group determines the variable consideration based on the expected or the most probable value. However, the sales price including variable considerations should not exceed the amount accumulatively recognized which is not likely to be significantly reversed when the uncertainty disappears.

11. FINANCIAL EXPENSES

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Interest expenses	**177,435,964**	285,555,450
Less: interest income	**79,806,315**	66,937,989
Exchange (gain)/loss	**21,824,104**	18,748,612
Others	**5,643,748**	8,252,595
	125,097,501	245,618,668

12. GAIN FROM DISPOSAL OF ASSETS

	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Gain on disposal of fixed assets	**53,677,198**	4,245,809
Gain on disposal of intangible assets	**70,014,751**	7,140,395
Gain on disposal of right-of-use assets	**44,448,317**	–
	168,140,266	11,386,204

13. NON-OPERATING INCOME

	For the six months ended 30 June 2026	For the six months ended 30 June 2025	**Included in 2026 non-recurring gains and losses**
Compensation	**691,965**	–	**691,965**
Others	**771,058**	17,953,725	**771,058**
	1,463,023	17,953,725	**1,463,023**

14. NON-OPERATING EXPENSES

	For the six months ended 30 June 2026	For the six months ended 30 June 2025	**Included in 2026 non-recurring gains and losses**
Loss from scrap of fixed assets	**64,132,333**	8,823,155	**64,132,333**
Charity donation	**100,000**	–	**100,000**
Others	**1,695,255**	4,014,194	**1,695,255**
	65,927,588	12,837,349	**65,927,588**

15. INCOME TAX EXPENSES

	For the six month ended 30 June 2026	For the six months ended 30 June 2025
Mainland China current income tax expense	**26,647,187**	55,725,004
Hong Kong current income tax expense	**(298)**	345
Overseas current income tax expense	**12,649,019**	12,488,032
Deferred tax expense	**7,363,991**	9,279,794
	46,659,899	77,493,175

Reconciliation between income tax expenses and profit before tax is as follows:

	For the six month ended 30 June 2026	For the six months ended 30 June 2025
Profit before tax	**119,903,073**	117,712,960
Tax at the applicable tax rate of 25% *(Note)*	**29,975,768**	29,428,240
Effect of different tax rates	**(39,142,127)**	(33,652,799)
Adjustment of income tax of prior period	**(4,213,257)**	455,993
Non-deductible expenses	**544,275**	4,797,359
Unrecognized deductible temporary difference and tax losses	**62,789,681**	141,307,969
Utilised previous years' tax losses	**(39,035,265)**	(15,753,576)
Share of profit or loss of joint ventures and associates	**44,936,817**	(7,153,818)
other taxable preference	**(9,195,993)**	(41,936,193)
Tax charge at the Group's effective rate	**46,659,899**	77,493,175

15. INCOME TAX EXPENSES (CONTINUED)

Note: The Group's income tax has been provided at the rate on the estimated taxable profits arising in the PRC during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries or regions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

16. EARNINGS PER SHARE

	For the six month ended 30 June 2026 ***CNY/share***	For the six months ended 30 June 2025 *CNY/share*
Basic earnings per share		
Continuing operations	**(0.01)**	(0.01)
Diluted earnings per share		
Continuing operations	**(0.01)**	(0.01)

Basic Earnings Per Share (EPS) is calculated by dividing the net profit attributable to ordinary shareholders of the Company for the period by the weighted average number of ordinary shares outstanding during the period.

16. EARNINGS PER SHARE (CONTINUED)

The calculations of the basic earnings per share amounts are based on:

	For the six month ended 30 June 2026	For the six months ended 30 June 2025
Net Income		
Net Loss Attributable to Ordinary Shareholders for the Period Going Concern	**(69,898,789)**	(74,780,316)
Total	**(69,898,789)**	(74,780,316)
Adjusted Net Loss Attributable to Ordinary Shareholders for the Period	**(69,898,789)**	(74,780,316)
Attributable to:		
Going Concern	**(69,898,789)**	(74,780,316)
Total	**(69,898,789)**	(74,780,316)
Shares		
Weighted Average Number of Ordinary Shares Outstanding	**7,700,681,186**	7,700,681,186
Dilution Effect – Weighted Average Number of Ordinary Shares	**–**	–
Adjusted Weighted Average Number of Ordinary Shares Outstanding	**7,700,681,186**	7,700,681,186

For the current year, a net loss was incurred. The potential ordinary shares have antidilutive characteristics; hence, the diluted earnings per share (EPS) is the same as the basic earnings per share (EPS).

17. CONTINGENT EVENTS

Difference of corporate income tax

The State Administration of Taxation issued "The notice of income tax collection and management on Shanghai Petrochemical Company Limited and other eight companies listed overseas corporation" (Guo Shui Han [2007] No. 664) in June 2007, with stated claims that the relevant local tax bureaus must correct immediately the expired tax incentives of the nine overseas listed companies. The income tax difference between the results of the previously expired preferential rate and the applicable rate should be treated in accordance with the relevant provisions of the "People's Republic of China Administration of Tax Collection Law".

The Company was one of the nine companies mentioned above and used a 15% preferential tax rate in the previous period. After understanding the above information, the Company and the tax authorities issued a comprehensive communication and according to the tax authorities, the applicable corporate income tax rate in 2007 was 33%, which was adjusted from the original 15%. The Company had not been recovered prior period income tax differences.

Based on the comprehensive communication between the Company and the tax authorities, the director of the Company believed that it is uncertain whether the tax authorities will recover the difference between the previous period's income tax at this stage, and the final result of this matter cannot be estimated reliably. Therefore, the financial statements have not made any provision or adjustments related to the income tax differences.

18. EVENTS AFTER THE BALANCE SHEET DATE

As of the date of approval of the financial statements, the Group had no material post-balance sheet events requiring disclosure.

By order of the Board
Maanshan Iron & Steel Company Limited
Jiang Yuxiang
Chairman

28 August 2026
Maanshan City, Anhui Province, the PRC

As at the date of this announcement, the directors of the Company include executive director Jiang Yuxiang; employee director Tang Qiming; and independent non-executive directors Guan Bingchun, He Anrui, Qiu Shengtao and Zeng Xiangfei.