

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)**

## **2025 INTERIM RESULTS ANNOUNCEMENT**

### **FINANCIAL HIGHLIGHTS**

- Operating income amounted to RMB48,599 million
- Total profit amounted to RMB-1,069 million
- Net profit attributable to shareholders of the Company amounted to RMB-1,144 million
- Basic earnings per share amounted to RMB-0.122 (January to June 2024: basic earnings per share of RMB-0.287)
- 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 is pleased to announce the unaudited results of the Company and its subsidiaries for the six months ended 30 June 2025 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:

<b>Term</b>	<b>Meaning</b>
“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)
“Bayuquan Branch Company”	Bayuquan Iron & Steel Branch Company of Angang Steel (鞍鋼股份鱗魚圈鋼鐵分公司)
“Chaoyang Iron and Steel”	Angang Group Chaoyang Iron and Steel Co., Ltd. (鞍鋼集團朝陽鋼鐵有限公司)
“Angang International Trade”	Angang Group International Economic and Trade Co., Ltd. (鞍鋼集團國際經濟貿易有限公司)
“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 Company needs to retroactively adjust or restate the accounting data for previous year

☐ Yes ☒ No

*Unit: RMB million*

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

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

#### Non-Recurring Gains or Losses Items

*Unit: RMB million*

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

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

☐ Applicable ☒ Not Applicable

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

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

☐ Applicable ☒ Not Applicable

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

## **II. REPORT OF THE BOARD OF DIRECTORS**

### **(I) Overview**

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

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

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

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

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

micro-level entities. Fourth, in-depth lean management were enforced. It established seven work mechanisms, set two lean projects, 20 lean topics, and optimise 39 indicators, continuously promoting management improvements and enhancing operational efficiency.

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

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

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

First, channel construction was strengthened. The Company coordinated both domestic and international markets, consolidated its advantage in the Northeast region, with sales in the Northeast area increasing by 9.5% as compared to the corresponding period of the previous year. Moreover, it seized export opportunities, with export shipments rising by 3.9% as compared to the corresponding period of the previous year, and increased efforts in the development of key projects, with sales of major projects growing by 22.3% as compared to the corresponding period of the previous year. Second, customer service was refined. The Company took the initiative to visit 1,116 customers, formed a “Steel Triangle” service team, and further enhanced its service advantages and overall strength. Throughout the entire lifecycle, the contract



execution rate increased by 2.8 percentage points as compared to the corresponding period of the previous year. Third, green branding campaigns were conducted. Progress was made in refining the pilot line for the innovative zero-carbon fluidised bed iron making technology utilising green hydrogen. The LNG and hydrogen co-production project from coke oven gas achieved design capacity and operational targets. Chaoyang Iron and Steel completed full-process ultra-low emission upgrades and received public disclosure, while the Anshan Base is expected to complete its full-process ultra-low emission retrofit and receive disclosure by the end of 2025.

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

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

## (II) Analysis of Principal Businesses

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

### 1. Year-on-year changes in 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	48,599	55,449	-12.35	-
Operating costs	48,283	56,533	-14.59	-
Marketing expenses	231	267	-13.48	-
Administrative expenses	486	648	-25.00	-
Financial expenses	170	120	41.67	Financial expenses increased by RMB50 million as compared with the corresponding period of the previous year, mainly due to the need to compensate for operating losses and investment expenditure gaps in the second half of 2024, which led to a reasonable increase in interest-bearing debt.
Income tax expenses	45	50	-10.00	-

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

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

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

☐ Applicable ☒ Not applicable

### 3. Composition of operating income

Unit: RMB million

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

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



Applicable



Not Applicable

Unit: RMB million

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)
<b>By industry</b>						
Steel pressing and processing industry	48,391	48,096	0.61	-12.57	-14.79	2.59
<b>By product</b>						
Hot-rolled sheets products	15,085	15,384	-1.98	-13.26	-14.62	1.63
Cold-rolled sheets products	16,468	16,022	2.71	-10.18	-13.39	3.60
Medium-thick plates	8,509	8,024	5.70	-7.20	-13.25	6.58
<b>By geographical location</b>						
Domestic China	44,950	44,518	0.96	-13.00	-15.41	2.82
Export sales	3,441	3,578	-3.98	-6.55	-6.26	-0.31

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

☐ Applicable ☒ Not applicable

#### **4. *Liquidity and financial resources***

##### **(1) *Loan and credit***

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

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

##### **(2) *Capital commitment***

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

#### **5. *Foreign exchange risk***

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



### (III) Analysis of Non-Principal Businesses

*Unit: RMB million*

Item	Amount	As a percentage of total profit (%)	Reasons	Sustainable or not
Investment income	218	N/A	Mainly included income from long-term equity investments accounted for using equity method.	Yes
Gains or losses arising from changes in fair value	-12	N/A	Mainly included changes in fair value of derivative financial instruments and other non-current financial assets.	Yes
Asset impairment loss (“-” for loss)	-81	N/A	Included provision for impairment on inventories.	No
Other gains	146	N/A	Mainly included gains on government grants and preferential tax policy.	No
Non-operating income	21	N/A	Mainly included gains on scrap of non-current assets and unpaid payables.	No
Non-operating expenses	4	N/A	Mainly included losses on destroy or scrap 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		Increase/ decrease (percentage point)	Explanation for significant changes
	Amount	As a percentage of total assets (%)	Amount	As a percentage of total assets (%)		
Monetary capital	3,134	3.18	4,544	4.52	-1.34	–
Accounts receivables	2,711	2.75	2,952	2.94	-0.19	–
Inventories	13,853	14.08	14,769	14.68	-0.60	–
Long-term equity investments	3,804	3.87	3,840	3.82	0.05	–
Fixed assets	52,714	53.56	51,842	51.54	2.02	–
Construction in progress	4,806	4.88	5,802	5.77	-0.89	–
Right-of-use assets	94	0.10	123	0.12	-0.02	–
Short-term loans	7,749	7.87	1,174	1.17	6.70	–
Contract liabilities	4,917	5.00	4,557	4.53	0.47	–
Long-term loans	3,880	3.94	10,991	10.93	-6.99	–
Lease liabilities	98	0.10	125	0.12	-0.02	–

### 2. Information on main overseas assets

☐ Applicable ☒ Not Applicable

### 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
<b>Financial assets</b>								
1. Financial assets held for trading (excluding derivative financial assets)	15	1						16
2. Derivative financial assets		4						4
3. Other debt investment								
4. Other equity instrument investments	690		258					696
5. Other non-current financial assets	104	16						120
Sub-total of financial assets	809	21	258					836
Investment properties								
Productive biological assets								
Others								
Total	809	21	258					836
Financial liabilities	1	21						22

Material changes in measurement of major assets during the Reporting Period

☐ Yes      ☒ No

#### **4. *Gearing ratio***

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

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

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

#### **6. *Contingent liabilities***

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

### **(V) Work Plan for the Second Half of 2025**

The Company will resolutely implement President Xi Jinping's important speech during his inspection of Liaoning and Bensteel of Angang Group. It will focus on the high-end, intelligent, and green development directions, as well as the construction of a "Five-Orientation Enterprise." The Company will further deepen reforms, vigorously improve quality, reduce costs, and enhance efficiency, maintain the rebound trend, increase the rebound's magnitude, and strive to achieve the annual operational goals.

1. Exercise strict Party management and governance with practical measures and push the construction of a "sample-oriented" enterprise to new heights.
2. Persist in deepening reforms on all fronts and ensure the construction of a "dynamic-oriented" enterprise can make new breakthroughs.
3. Strengthen technological innovation leadership and assist in the construction of an "innovation-oriented" enterprise to achieve new leaps.
4. Focus on outstanding brand development and advance the construction of a "brand-oriented" enterprise with new strides.
5. Focus on improving quality and efficiency and accelerate the construction of an "operation-oriented" enterprise to achieve new results.

## (VI) Analysis of Investments

### 1. Overview

*Unit: RMB million*

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

### 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	36	16				16	52	Financial asset held for trading	Self-owned funds
Shares	601777	Qianli Technology (千里科技)	17	Measured at fair value	15	1				1	16	Financial asset held for trading	Debt reorganisation

##### (2) Derivatives investments

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

☒ Applicable ☐ Not Applicable

Unit: RMB million

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

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 was 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 products 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 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 28 March 2025, the Resolution in relation to the Company's 2025 Annual Hedging Business Amount was approved at the 35th meeting of the ninth session of the Board.

Date of the announcement disclosing the approval of derivatives investment at shareholders' meeting (if any)

Nil

- 2) Derivatives investments for speculative purposes during the Reporting Period

☐ Applicable ☒ Not Applicable

## 5. *Use of proceeds*

☐ Applicable ☒ Not Applicable

## (VII) Disposal of Major Assets and Equity Interests

### 1. *Disposal of major assets*

☐ Applicable ☒ Not Applicable

### 2. *Disposal of major equity interests*

☐ Applicable ☒ Not Applicable

## (VIII) Analysis of Major Subsidiaries and 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	6,468	3,522	3,660	-204	-203
TAGAL (TKAS Auto Steel Co., Ltd.)	Manufacturing enterprise	Metal products	USD132 million	3,878	1,424	2,616	384	320

Acquisition and disposal of subsidiaries during the Reporting Period:

☐

Applicable

☒

Not applicable

## (IX) Structured Entities Controlled by the Company

☐

Applicable

☒

Not Applicable

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

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

Save for the aforementioned matters, 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 committee (the "**Audit Committee**") in compliance with Rule 3.21 of the Hong Kong Stock Exchange Listing Rules.

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

### III. SIGNIFICANT MATTERS

#### (I) Proposals of 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) Use of the Capital of the Listed Company by the Controlling Shareholder and Its Connected Parties for Non-operating Purposes

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	As a percentage of	Approved transaction cap	Whether exceeding approved cap	Settlement method of connected transactions	Market price of available similar transactions
							the amount of similar transactions				
						(RMB million)	(%)	(RMB million)			
Ansteel Group Mining Co., Ltd.	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Purchase goods	Market principle	-	7,929	12.75			In cash	-
Angang Green Gold Industry Development Co., Ltd.	Associate of controlling shareholder	Purchase goods/ Receive services	Purchase goods	Market principle	-	1,538	2.47			In cash	-
Delin Lugang Supply Chain Service Co., Ltd.	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Purchase goods	Market principle	-	1,203	1.93			In cash	-

Connected party	Related relationship	Type of connected transaction	Content of connected transaction	Pricing	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
				principle of connected transaction			(%)				
Shanxi Wuchan International Energy Co., Ltd.	Associate of controlling shareholder	Purchase goods/ Receive services	Purchase goods	Market principle	–	497	0.80			In cash	–
Angang Group Zhongyuan Industry Development Co., Ltd.	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Purchase goods	Market principle	–	478	0.77			In cash	–
Anshan Iron and Steel Metallurgical Furnace Materials Technology Co., Ltd.	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Purchase goods	Market principle	–	400	0.64			In cash	–
Anshan Iron and Steel Group Refractory Materials Co., Ltd.	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Purchase goods	Market principle	–	399	0.64			In cash	–
Bensteel Group Corporation Limited	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Purchase goods	Market principle	–	324	0.52			In cash	–
Ansteel Cast Steel Co., Ltd.	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Purchase goods	Market principle	–	262	0.42			In cash	–
Ling Steel Group	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Purchase goods	Market principle	–	259	0.42			In cash	–
Other subsidiaries of Angang Group	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Purchase goods	Market principle	–	510	0.82			In cash	–
Subtotal	–	–	Purchase goods	–	–	13,799	22.18	50,598	No	–	–

Connected party	Related relationship	Type of connected transaction	Content of connected transaction	Pricing	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
				principle of connected transaction			(%)				
Delin Lugang Supply Chain Service Co., Ltd.	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Receive services	Market principle	–	1,295	18.49			In cash	–
Angang Group Engineering Technology Development Co., Ltd.	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Receive services	Market principle	–	502	7.17			In cash	–
Anshan Iron & Steel Group	Controlling shareholder	Purchase goods/ Receive services	Receive services	Market principle	–	336	4.80			In cash	–
Angang Group Engineering Technology Co., Ltd.	Associate of controlling shareholder	Purchase goods/ Receive services	Receive services	Market principle	–	334	4.77			In cash	–
Other subsidiaries of Angang Group	Controlled by the same controlling shareholder	Purchase goods/ Receive services	Receive services	Market principle	–	799	11.41			In cash	–
Subtotal	–	–	Receive services	–	–	3,266	46.64	12,346	No	–	–
Delin Lugang Supply Chain Service Co., Ltd.	Controlled by the same controlling shareholder	Sales of products/ Provision of services	Sales of products	Market principle	–	2,425	3.68			In cash	–
Angang Cold Rolled Steel Plate (Putian) Co., Ltd.	Controlled by the same controlling shareholder	Sales of products/ Provision of services	Sales of products	Market principle	–	957	1.45			In cash	–
Bensteel Group Corporation Limited	Controlled by the same controlling shareholder	Sales of products/ Provision of services	Sales of products	Market principle	–	573	0.87			In cash	–
Angang Group International Economic and Trade Co., Ltd.	Controlled by the same controlling shareholder	Sales of products/ Provision of services	Sales of products	Market principle	–	377	0.57			In cash	–

Connected party	Related relationship	Type of connected transaction	Content of connected transaction	Pricing	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
				principle of connected transaction			(%)				
Angang Group Zhongyuan Industry Development Co., Ltd.	Controlled by the same controlling shareholder	Sales of products/ Provision of services	Sales of products	Market principle	–	277	0.42			In cash	–
Other subsidiaries of Angang Group	Controlled by the same controlling shareholder	Sales of products/ Provision of services	Sales of products	Market principle	–	424	0.64			In cash	–
Subtotal	–	–	Sales of products	–	–	5,033	7.63	23,260	No	–	–
Angang Group	Controlled by the same controlling shareholder	Sales of products/ Provision of services	Provision of services	Market principle	–	210	23.57			In cash	–
Subtotal	–	–	Provision of services	–	–	210	23.57	544	No	–	–
Angang Financial Company	Controlled by the same controlling shareholder	Receive finance services	Settle fund and deposit interests	Market principle	–	18	69.23	100	No	In cash	–
Angang Financial Company	Controlled by the same controlling shareholder	Receive finance services	Maximum daily deposit balance	Market principle	–	4,781	–	5,000	No	–	–
Angang Financial Company	Controlled by the same controlling shareholder	Receive finance services	Credit business interest	Market principle	–	1	0.57	250	No	In cash	–
Angang Financial Company	Controlled by the same controlling shareholder	Receive finance services	Entrusted 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	–

Connected party	Related relationship	Type of connected transaction	Content of connected transaction	Pricing	Connected transaction price	Connected transaction amount	As a percentage of	Approved transaction cap	Whether exceeding approved cap	Settlement method of connected transactions	Market price of available similar transactions
				principle of connected transaction			the amount of similar transactions				
						(RMB million)	(%)	(RMB million)			
Angang Group Capital Holding Co., Ltd.	Controlled by the same controlling shareholder	Receive finance services	Commercial factoring interest	Market principle	-	-	-	50	No	In cash	-
Angang Group Capital Holding Co., Ltd.	Controlled by the same controlling shareholder	Receive finance services	Provide commercial factoring services to the Company's suppliers.	Market principle	-	29	16.86	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 Company's daily connected transactions did not exceed the relevant caps applicable to such category as set out in the relevant daily connected transaction agreements approved at the general meeting and the estimated amounts of each type of daily connected transactions expected at the beginning of the year.							
Reason for the large difference between transaction price and market reference price				-							
Relevant explanation on connected transactions				As production in the iron and steel industry is on a continuous basis, Angang Group has been engaged in mining, supplying, processing and manufacturing of raw materials, auxiliary materials and energy and power, which is a part of the supply chain of the Company. In the meantime, its subsidiaries have a high technological level and service capabilities, which can provide necessary support services for production and operation of the Company. The Company would sell certain products, abandoned steel, abandoned materials and integrated services to Angang Group which is a client of the Company.							

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

☐

Applicable

☒

Not applicable



### 3. *Related party transactions in relation to joint external investments*

☒ Applicable ☐ Not Applicable

*Unit: RMB million*

Joint Investors	Related relationship	Name of the investee	Principal business of the investee	Registered capital of the investee	Total assets of the investee	Net assets of the investee	Net profit of the investee
Angang Green Gold Industry Development Co., Ltd., Bengang Steel Plates Co., Ltd.	Controlled by the same controlling shareholder	Green Gold (Benxi) Renewable Resources Co., Ltd.	Processing of renewable resources, sales of renewable resources, and recycling of renewable resources.	60	142	61	1
Angang Steel Company Limited, Angang Group Engineering Technology Development Co., Ltd.	Controlled by the same controlling shareholder	Ansteel Energy Technology Co., Ltd.	Wholesale and retail of compressed gases and liquefied gases; storage and operation of gas mixtures and standard gases; inspection and maintenance of special equipment; urban civil, public, and industrial central heating and hot water supply; production and sales of thermal products.	201	477	370	21
Progress of major projects (if any) under construction of the investee			-				

### 4. *Related party credit and debt transaction*

☒ Applicable ☐ Not Applicable

Whether there are claims or obligations for non-operating purpose

☐ Yes ☒ No

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

## 5. Transaction with related financial company

☒ Applicable      ☐ Not Applicable

*Unit: RMB million*

### Deposit business

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

### Loan business

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

### Credit extension or other financial business

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

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

☐ Applicable ☒ Not applicable

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

**(2) *Contractual arrangement***

☐ Applicable ☒ Not Applicable

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

**(3) Lease arrangement**

☒ Applicable      ☐ Not Applicable

Lease arrangement explanation:

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

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

☐ Applicable      ☒ Not Applicable

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

**2. Material guarantee**

☐ Applicable      ☒ Not Applicable

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

**3. Entrusted wealth management**

☐ Applicable      ☒ Not Applicable

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

#### **4. *Other significant contracts***

☐

Applicable

☒

Not Applicable

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

### **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 2025, the Company has largely complied with the Corporate Governance Code.

## V. FINANCIAL INFORMATION

### CONSOLIDATED BALANCE SHEET

*As at 30 June, 2025*

Prepared by: Angang Steel Company Limited

*Monetary unit: RMB million*

Item	Notes	30 June 2025	31 December 2024
<b>Current assets :</b>			
Cash and cash equivalents		3,134	4,544
Trading financial assets		16	15
Derivative financial assets		4	
Notes receivable		235	55
Accounts receivable	2	2,711	2,952
Receivables financing		1,809	918
Prepayments		2,794	3,189
Other receivables		104	66
Including: Interests receivable			
Dividends receivable		1	
Inventories		13,853	14,769
Other current assets		1,940	1,742
<b>Total current assets</b>		<b>26,600</b>	<b>28,250</b>

<b>Item</b>	<i>Notes</i>	<b>30 June 2025</b>	<b>31 December 2024</b>
<b>Non-current assets:</b>			
Long-term equity investments		<b>3,804</b>	3,840
Other equity instrument investments		<b>696</b>	690
Other non-current financial assets		<b>120</b>	104
Fixed assets		<b>52,714</b>	51,842
Construction in progress		<b>4,806</b>	5,802
Right-of-use assets		<b>94</b>	123
Intangible assets		<b>6,531</b>	6,710
Deferred income tax assets		<b>2,289</b>	2,296
Other non-current assets		<b>767</b>	921
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>71,821</b>	72,328
		<hr/>	<hr/>
<b>Total assets</b>		<b>98,421</b>	100,578
		<hr/> <hr/>	<hr/> <hr/>

<i>Legal representative:</i>	<i>Financial controller:</i>	<i>Person in charge of accounting department:</i>
<b>Wang Jun</b>	<b>Li Jingdong</b>	<b>Ma Li</b>

<b>Item</b>	<i>Notes</i>	<b>30 June 2025</b>	<b>31 December 2024</b>
<b>Current liabilities:</b>			
Short-term loans		<b>7,749</b>	1,174
Derivative financial liabilities		<b>22</b>	1
Notes payable		<b>17,609</b>	17,957
Accounts payable	3	<b>6,904</b>	8,281
Contract liabilities		<b>4,917</b>	4,557
Staff remuneration payable		<b>199</b>	97
Tax payable		<b>182</b>	144
Other payables		<b>5,797</b>	6,066
Including: Interests payable			
Dividends payable		<b>1</b>	1
Non-current liabilities due within 1 year		<b>1,574</b>	700
Other current liabilities		<b>483</b>	462
<b>Total current liabilities</b>		<b>45,436</b>	<b>39,439</b>
<b>Non-current liabilities:</b>			
Long-term loans		<b>3,880</b>	10,991
Bonds payable			
Lease liability		<b>98</b>	125
Long-term payables		<b>367</b>	367
Long-term employee benefits payable		<b>50</b>	50
Deferred income		<b>853</b>	844
Deferred income tax liabilities		<b>92</b>	91
<b>Total non-current liabilities</b>		<b>5,340</b>	<b>12,468</b>
<b>Total liabilities</b>		<b>50,776</b>	<b>51,907</b>



<b>Item</b>	<i>Notes</i>	<b>30 June 2025</b>	<b>31 December 2024</b>
<b>Shareholders' equity:</b>			
Share capital		<b>9,369</b>	9,383
Capital reserve		<b>33,907</b>	33,920
Less: Treasury shares			27
Other comprehensive income		<b>223</b>	215
Special reserve		<b>119</b>	52
Surplus reserve		<b>4,457</b>	4,457
Retained earnings	4	<b>(1,465)</b>	(321)
Subtotal of Shareholders' equity attributable to shareholders of parent company		<b>46,610</b>	47,679
Minority interests		<b>1,035</b>	992
<b>Total shareholders' equity</b>		<b>47,645</b>	48,671
<b>Total liabilities and shareholders' equity</b>		<b>98,421</b>	100,578

<i>Legal representative:</i> <b>Wang Jun</b>	<i>Financial controller:</i> <b>Li Jingdong</b>	<i>Person in charge of accounting department:</i> <b>Ma Li</b>
---	--	---

## CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2025

Prepared by: Angang Steel Company Limited

Monetary unit: RMB million

Item	Notes	January to June 2025	January to June 2024
<b>I. Total operating revenue</b>		<b>48,599</b>	55,449
Including: Operating revenue	5	<b>48,599</b>	55,449
<b>II. Total operating cost</b>		<b>49,956</b>	58,177
Including: Operating cost	5	<b>48,283</b>	56,533
Taxes and surcharges	6	<b>527</b>	418
Selling expenses		<b>231</b>	267
Administrative expenses		<b>486</b>	648
Research and development expenses		<b>259</b>	191
Finance expenses	8	<b>170</b>	120
Including: Interest expenses		<b>182</b>	127
Interest income		<b>26</b>	26
Add: Other incomes		<b>146</b>	65
Investment income (Loss is listed with “-”)		<b>218</b>	253
Including: Investment incomes in associates and joint ventures		<b>234</b>	256
Gain from fair-value changes (Loss is listed with “-”)		<b>(12)</b>	34
Credit impairment losses (Loss is listed with “-”)			(3)
Impairment on assets (Loss is listed with “-”)		<b>(81)</b>	(205)
Gains on disposal of assets (Loss is listed with “-”)			35

Item	Notes	January to June 2025	January to June 2024
<b>III. Operating profit</b>			
(Loss is listed with “-”)		(1,086)	(2,549)
Add: Non-operating income		21	7
Less: Non-operating expenses		4	81
<b>IV. Profit before tax</b>			
(Loss is listed with “-”)		(1,069)	(2,623)
Less: Income tax expenses	9	45	50
<b>V. Net profit (Loss is listed with “-”)</b>		(1,114)	(2,673)
(I) Classification of business operation			
1. Continuous operation profit			
(Loss is listed with “-”)		(1,114)	(2,673)
2. Termination of business operating profit			
(Loss is listed with “-”)			
(II) Classification of ownership			
1. Net income attributable to the Company owners		(1,144)	(2,689)
2. Net income attributable to minority shareholders		30	16
<b>VI. Other comprehensive income after tax</b>		8	16
Other comprehensive income after tax attributable to parent company owners		8	16
(I) Other comprehensive income which cannot be reclassified subsequently to profit or loss		8	16
1. Net gain on other equity instruments at fair value through other comprehensive income		5	15
2. The shares of the other comprehensive income which cannot be reclassified in profit or loss of the invested company in equity method		3	1

<b>Item</b>	<i>Notes</i>	<b>January to June 2025</b>	January to June 2024
(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			
<b>Other comprehensive income after tax attributable to minority shareholders</b>			
<b>VII. Total comprehensive income</b>		<b>(1,106)</b>	(2,657)
Total comprehensive income attributed to the Company owners		<b>(1,136)</b>	(2,673)
Total comprehensive income attributable to minority shareholders		<b>30</b>	16
<b>VIII. Earnings per share</b>			
(I) Basic earnings per share (RMB/share)	10	<b>(0.122)</b>	(0.287)
(II) Diluted earnings per share (RMB/share)	10	<b>(0.122)</b>	(0.287)
<i>Legal representative:</i> <b>Wang Jun</b>	<i>Financial controller:</i> <b>Li Jingdong</b>	<i>Person in charge of accounting department:</i> <b>Ma Li</b>	

## **NOTES TO FINANCIAL STATEMENTS**

*For The Period Ended 30 June 2025*

*(Expressed in million RMB unless otherwise indicated)*

### **1. PREPARATION BASIS OF THE FINANCIAL STATEMENTS**

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

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

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 2025				
Item	Book Value		Bad Debt Provision		Net Book Value
	Amount	Percentage (%)	Amount	Percentage (%)	
Accounts receivable subject to separate assessment for bad debts provision	453	14.55	398	87.86	55
Account receivable for which bad debt is prepared based on group combination	2,660	85.45	4	0.15	2,656
including: Risk-free group combination	1,444	46.39			1,444
Risk group combination on the basis of aging-matrix	1,216	39.06	4	0.33	1,212
Total	3,113	100.00	402	12.91	2,711
	31 December 2024				
Item	Book Value		Bad Debt Provision		Net Book Value
	Amount	Percentage (%)	Amount	Percentage (%)	
Accounts receivable subject to separate assessment for bad debts provision	455	13.57	397	87.25	58
Account receivable for which bad debt is prepared based on group combination	2,899	86.43	5	0.17	2,894
including: Risk-free group combination	719	21.43			719
Risk group combination on the basis of aging-matrix	2,180	65.00	5	0.23	2,175
Total	3,354	100.00	402	11.99	2,952

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

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

**(3) Accounts receivable classified by aging**

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

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

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

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

**(5) Accounts receivable written off this period**

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

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

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

**(7) Others**

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



### 3. ACCOUNTS PAYABLE

#### (1) Aging of accounts payable

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

*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 to 5 years, over 5 years
Total	<u>5</u>	

#### 4. RETAINED EARNINGS

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

#### 5. OPERATING REVENUE AND OPERATING COST

##### (1) Classified by production

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

*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**

<b>Items</b>	<b>This period</b>	<b>Last period</b>
Foreign transaction income from the within borders	<b>45,158</b>	51,767
Foreign exchange income from outside borders	<b>3,441</b>	3,682
Total	<b>48,599</b>	55,449

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

<b>Items</b>	<b>This period</b>	<b>Last period</b>
Confirmed at a certain point	<b>48,599</b>	55,449
Total	<b>48,599</b>	55,449

**6. TAXES AND SURCHARGES**

<b>Items</b>	<b>This period</b>	<b>Last period</b>
Land use tax	<b>219</b>	220
Environmental protection tax	<b>112</b>	35
Property tax	<b>91</b>	86
Stamp tax	<b>53</b>	59
City maintenance and construction tax	<b>18</b>	9
Resources tax	<b>15</b>	1
Educational surcharge and local educational surcharge	<b>13</b>	7
Consumption tax	<b>5</b>	
Others	<b>1</b>	1
Total	<b>527</b>	418

## 7. DEPRECIATION AND AMORTIZATION

Items	This period	Last period
Depreciation of fixed assets	1,907	1,802
Amortization of intangible assets	225	203
Depreciation of right-of-use assets	32	31
	<hr/>	<hr/>
Total	<b>2,164</b>	<b>2,036</b>
	<hr/> <hr/>	<hr/> <hr/>

## 8. FINANCIAL EXPENSES

Items	This period	Last period
Interest expense	185	136
Including: Interests expense from the long-term loans and long-term bonds	145	69
Interests expense from the short-term loans and letters of credit	33	38
Other interest expenditures	7	29
Less: Interest income	26	26
Less: Capitalized interest expense	3	9
Exchange gain or loss		
Less: Capitalized exchange gain or loss		
Others	14	19
	<hr/>	<hr/>
Total	<b>170</b>	<b>120</b>
	<hr/> <hr/>	<hr/> <hr/>

## 9. INCOME TAX EXPENSES

### (1) Income tax expenses

Items	This period	Last period
Income tax during this period	38	34
Changes on deferred income tax expenses	7	16
	<hr/>	<hr/>
Total	<b>45</b>	<b>50</b>
	<hr/> <hr/>	<hr/> <hr/>

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

<b>Items</b>	<b>This period</b>
Total profit	(1,069)
Income tax expenses calculated at statutory/applicable tax rates	(160)
Effect of different tax rates applied by subsidiary companies	(3)
Effect of current unrecognized deductible temporary difference or deductible loss arising from deferred tax income assets	208
Income tax expenses	<u>45</u>

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

<b>Profit in this period</b>	<b>Weighted average (ROE) (%)</b>	<b>EPS (<i>Yuan per share</i>)</b>	
		<b>Basic EPS</b>	<b>Diluted EPS</b>
Net profit attributable to ordinary shareholders	(2.43)	(0.122)	(0.122)
Net profit (exclusive of non-operating profit) attributable to ordinary shareholders	<u>(2.61)</u>	<u>(0.131)</u>	<u>(0.131)</u>

**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 2025	31 December 2024
Investment contracts entered but not yet performed or performed partially	14	126
Construction and renovation contracts entered but not yet performed or performed partially	<u>2,488</u>	<u>2,439</u>
Total	<u><u>2,502</u></u>	<u><u>2,565</u></u>

## 13. SUBSEQUENT EVENTS

As of June 30, 2025, the group had no other important matters to explain.

## 14. NET CURRENT ASSETS

Items	30 June 2025	31 December 2024
Current assets	26,600	28,250
Less : Current liabilities	<u>45,436</u>	<u>39,439</u>
Net current assets/(liabilities)	<u><u>(18,836)</u></u>	<u><u>(11,189)</u></u>

## 15. TOTAL ASSETS LESS CURRENT LIABILITIES

Items	30 June 2025	31 December 2024
Total assets	98,421	100,578
Less: Current liabilities	45,436	39,439
Total assets less current liabilities	52,985	61,139

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

Anshan City, Liaoning Province, the PRC  
26 August 2025

*Executive Directors:*

Wang Jun  
Li Jingdong

*Independent Non-executive Directors:*

Wang Wanglin  
Zhu Keshi  
Hu Caimei  
Liu Chaojian

*Non-executive Director:*

Tan Yuhai

*Employee Director:*

Zhao Zhongmin