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**鞍鋼股份有限公司**

**ANGANG STEEL COMPANY LIMITED\***

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

(Stock Code: 0347)

**ANGANG STEEL COMPANY LIMITED\***  
**2025 ANNUAL RESULTS ANNOUNCEMENT**

**FINANCIAL HIGHLIGHTS**

- Operating income amounted to RMB96,052 million
- Total profit amounted to RMB-3,894 million
- Net profit attributable to shareholders of the Company amounted to RMB-4,068 million
- Basic earnings per share amounted to RMB-0.434 (2024: Basic earnings per share RMB-0.759)
- The financial information contained in this announcement was prepared in accordance with the Accounting Standards for Business Enterprises in the PRC

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

“the Company”, “Company”, “Parent Company”	Angang Steel Company Limited* (鞍鋼股份有限公司)
“Group”	Angang Steel Company Limited* (鞍鋼股份有限公司) 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 Complex”	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)
“Mutual Supply of Goods Framework Agreement (2025–2027)”	the Mutual Supply of Goods Framework Agreement (2025–2027) entered into between the Company and Angang, which was considered and approved at the first extraordinary general meeting of the Company in 2024 held on 30 December 2024
Mutual Supply of Services Framework Agreement (2025–2027)	the Mutual Supply of Services Framework Agreement (2025–2027) entered into between the Company and Angang, which was considered and approved at the first extraordinary general meeting of the Company in 2024 held on 30 December 2024
Financial Services Agreement (2025–2027)	the Financial Services Agreement (2025–2027) entered into between the Company and Angang Financial Company, which was considered and approved by the Company’s first extraordinary general meeting in 2024 held 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 Holding Co., Ltd., which was considered and approved by the Company’s first extraordinary general meeting in 2024 held on 30 December 2024
“Continuing Connected Transaction Framework Agreements”	the collectively, the Mutual Supply of Goods Framework Agreement (2025–2027), Mutual Supply of Services Framework Agreement (2025–2027), Financial Services Agreement (2025–2027) and Industrial Financial Services Framework Agreement (2025–2027)
“Bayuquan Branch Company”	Bayuquan Iron & Steel Branch Company* of Angang Steel Company Limited*
“Chaoyang Iron and Steel”	Angang Group Chaoyang Iron and Steel Co., Ltd.* (鞍鋼集團朝陽鋼鐵有限公司)
“Energy and Technology”	Angang Energy and Technology Co., Ltd. *(鞍鋼能源科技有限公司)
Lvxinding	Sichuan Lvxinding Carbon Industry Co., Ltd.*(四川綠鑫鼎碳業有限公司)
“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
“Listing Rules of the HKEX”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Corporate Governance Code”	the Corporate Governance Code in Appendix C1 to the Listing Rules of the HKEX (as amended from time to time)
“Director(s)”	the director(s) of the Company
“Reporting Period”	year ended 31 December 2025

## PRINCIPAL ACCOUNTING FIGURES AND FINANCIAL INDICATORS

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

Yes       No

Reason for retroactive adjustment: Business combination under common control

*Unit: RMB million*

Item	2025	2024	Changes over the preceding year (%)	2023	
				before adjustment	after adjustment
Operating income	<b>96,052</b>	105,101	-8.61	113,502	115,571
Operating profit	<b>-3,897</b>	-6,953	43.95	-4,149	-4,135
Total profit	<b>-3,894</b>	-7,035	44.65	-4,142	-4,129
Net profit attributable to shareholders of the Company	<b>-4,068</b>	-7,122	42.88	-3,257	-3,255
Net profit attributable to shareholders of the Company after extraordinary items	<b>-4,218</b>	-7,202	41.43	-3,315	-3,315
Net cash flow from operating activities	<b>1,788</b>	-787	327.19	1,579	1,637
Basic earnings per share (RMB/share)	<b>-0.434</b>	-0.759	42.82	-0.347	-0.347
Diluted earnings per share (RMB/share)	<b>-0.434</b>	-0.759	42.82	-0.347	-0.347
Weighted average return on net assets (%)	<b>-8.90</b>	-13.91	Increase by 5.01 percentage points	-5.78	-5.77

Item	End of 2025	End of 2024	Changes over the end of the preceding year (%)	At the end of 2023	
				before adjustment	after adjustment
Total assets	<u>96,047</u>	<u>100,578</u>	<u>-4.50</u>	<u>97,014</u>	<u>97,506</u>
Total liabilities	<u>51,065</u>	<u>51,907</u>	<u>-1.62</u>	<u>41,623</u>	<u>41,901</u>
Owner's equity attributable to shareholders of the Company	<u>43,880</u>	<u>47,679</u>	<u>-7.97</u> Increase by 1.56 percentage points	<u>54,704</u>	<u>54,761</u>
Assets-liability ratio (%)	<u>53.17</u>	<u>51.61</u>	<u></u>	<u>42.90</u>	<u>42.97</u>
Total share capital	<u>9,369</u>	<u>9,383</u>	<u>-0.15</u>	<u>9,384</u>	<u>9,384</u>

*Note:* In 2024, the Company's subsidiary Angang Green Gold Industry Development Co., Ltd. (鞍鋼綠金產業發展有限公司) completed a business combination under common control with Angang Steel Scrap Resources (Anshan) Limited (鞍鋼廢鋼資源(鞍山)有限公司), resulting in retrospective adjustments to the 2023 financial data.

In recent three fiscal years of the Group, the lower of net profit before or after deducting non-recurring gain or loss was negative. Moreover, the auditor's report for recent one year suggests that the Group's ability to continue as a going concern is plagued by uncertainties

Yes

No

The lowest among the Group's audited total profit, net profit and net profit after deducting non-recurring gains and losses for the reporting period was negative

Yes  No

*Unit: RMB million*

<b>Item</b>	<b>2025</b>	2024	Notes
Operating income	<b>96,052</b>	105,101	
Amount deducted from operating income	<b>368</b>	1,626	Other business income generated from sales of materials, sales of waste materials and other items, as well as the income of Angang Steel Scrap Resources (Anshan) Limited from the beginning of the period to the combination date in respect of a business combination under common control.
Amount of operating income after deduction	<b>95,684</b>	103,475	

#### **MAJOR FINANCIAL INDICATOR BY QUARTER**

*Unit: RMB million*

<b>Item</b>	<b>First Quarter</b>	<b>Second Quarter</b>	<b>Third Quarter</b>	<b>Fourth Quarter</b>
Operating income	25,079	23,520	24,493	22,960
Net profit attributable to shareholders of the Company	-554	-590	-896	-2,028
Net profit attributable to shareholders of the Company after extraordinary items	-587	-644	-938	-2,049
Net cash flow from operating activities	381	24	1,563	-180

Whether there is substantial difference between the aforesaid financial indicators or their sum and those disclosed in the quarterly report and interim report

Yes  No

## ITEMS OF NON-RECURRING GAINS AND LOSSES AND EFFECT ON PROFIT

*Unit: RMB million*

Items of Non-Recurring Gain and Losses	2025	2024	2023
1. Gains/losses from disposal or retirement of non-current assets	1	7	-22
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	188	113	60
3. Changes in fair value of trading financial assets	5	-2	-
4. Changes in fair value of other non-current financial Assets	38	-3	6
5. Other non-current liabilities-part of embedded derivative financial instruments, derivative financial liabilities-changes in fair value of foreign exchange swap contracts and related gains and losses on disposal	-	-	-37
6. Reversal of the allowance for impairment of receivables that is individually tested for impairment	1	15	19
7. Current net profit and loss of subsidiaries from the beginning of the period to the date of the combination arising from business combination under common control	-	3	-
8. Net profit or loss of subsidiaries from business combinations under common control in the prior period	-	-	10
9. Gains/losses on debt restructuring	-	-	30
10. Other non-operating revenue and expenses except those mentioned above	16	-1	22
Sub-totals	<u>249</u>	<u>132</u>	<u>88</u>
Less: Effect on income tax	49	26	20
Effect on minority shareholders (after tax)	<u>50</u>	<u>26</u>	<u>8</u>
Total	<u>150</u>	<u>80</u>	<u>60</u>

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

Applicable       Not Applicable

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

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

Applicable       Not Applicable

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

## **OPERATING RESULTS FOR 2025**

The Group recorded a net loss attributable to shareholders of the Company of RMB4,068 million and basic loss per share of RMB0.434 for the year ended 31 December 2025. The Group recorded a net loss attributable to shareholders of the Company of RMB7,122 million and basic loss per share of RMB0.759 for the year ended 31 December 2024.

## **PROFIT DISTRIBUTION**

Net profit attributable to shareholders of the Company amounted to RMB-4,068 million for the year of 2025 in accordance with the PRC Accounting Standard for Business Enterprise, as audited and confirmed by BDO China Shu Lun Pan Certified Public Accountants LLP.

The Board, taking into account the Company's development and financial requirements, and in order to better ensure the sustainable development of the Company and the long-term interests of all shareholders, proposed not to distribute cash dividends, issue bonus shares or transfer reserve into share capital for 2025.

## **BUSINESS REVIEW**

In 2025, the Company fully implemented the work deployment of “Focusing on Five Key Areas to Drive Four New Improvements”. The Company has united and led all cadres and employees to strive persistently amid challenges. Its operating performance improved year-on-year. The net profit attributable to shareholders of the Company reduced losses by RMB3.054 billion year-on-year, and sound progress was made in the development of the “Five-Type” enterprise. Annual production volumes of iron, crude steel, and steel products reached 24.0957 million tons, 25.1456 million tons, and 23.7183 million tons respectively, representing decreases of 0.85%, 1.17%, and 1.07% year-on-year. Steel product sales amounted to 23.8432 million tons, a 0.45% decrease year-on-year, achieving a production-to-sales ratio of 100.53%.

### **1. Deepening the development of “vitalized” enterprises, with sustained unleashing of endogenous momentum.**

First, the organizational structure has been further optimized. We promoted the development of a highly efficient and collaborative “self-driven” headquarters, broke the bureaucratic hierarchy within departments, streamlined management levels, shortened the management chain, optimized business processes, and established personnel mobility and incentive mechanisms, resulting in a significant improvement in management efficiency. We promoted the Chaoyang Steel Reform 3.0, establishing an operational model of “direct company supervision over operating units,” shifting the management focus downward to achieve “lean efficiency and agile responsiveness.” Second, integration efforts have yielded remarkable results. We established a centralized procurement center to strengthen centralized material procurement and supplier management. The procurement prices of PCI coal and imported fine ore consistently outperformed the market average, while material consumption per ton of steel decreased by 9.67% year-on-year. Also, we formed a product development center to precisely define product development directions, tap into market potential and customer-specific demands, and comprehensively enhance product innovation, influence, and competitiveness. Sales of high-end products saw a significant year-on-year increase. Third, performance incentives were precise and effective. Built a “2+3+1” performance evaluation system centered on “dynamic + static” dual-dimensional assessments, supported by specialized incentives such as “star production lines + collaborative breakthroughs + challenge-based initiatives,” and driven by the segmentation of accounting units. This “quick calculation, quick decision, quick execution” mechanism reform drove dual improvements in value creation and profitability.

## **2. Deepening the Development of “Innovative” Enterprises, with Core Momentum Increasingly Strengthened.**

First, remarkable achievements have been made in technological research and development. We actively advanced 32 original technology source research projects and achieved breakthroughs in 7 new technologies. Five products, including high-thickness steel for locomotives in extremely cold regions and high-strength spherical tank steel for deep-sea containers, were launched globally for the first time. Four projects were awarded the Metallurgical Science and Technology Prize, eight projects received the Liaoning Provincial Science and Technology Progress Award, and three projects were honored with the China Corrosion and Protection Society Science and Technology Award. Second, technological support was precise and robust. Efforts were made to advance the initiative of “optimizing design across all product categories and improving yield and recovery rates.” Quality designs were refined for 93 product varieties spanning eight major categories, including hot-rolled steel, medium-thick plates, and silicon steel. The billet recovery rate and comprehensive finished product yield of steel increased by 0.5 percentage points and 0.22 percentage points year-on-year, respectively. A total of 68 projects including quality improvement and cost reduction for major products were implemented, resolving multiple production bottlenecks and significantly reducing the per-ton steel cost of key products. Third, new breakthroughs were achieved in scientific and technological innovation platforms and major science and technology projects. The Pilot Test Platform for Transportation and Energy Steel Materials became one of the first key cultivated pilot test platforms of the Ministry of Industry and Information Technology. The Company led 3 national major science and technology projects, and the full-process process of the pilot test line for hydrogen metallurgy based on green power and green hydrogen in a fluidized bed was successfully connected. Fourth, digital and intelligent empowerment accelerated upgrades. We accelerated intelligent upgrades of key processes, completing the transformation of 25 intelligent production lines cumulatively, with digitalization projects such as continuous casting in steelmaking and unmanned crane operations achieving design capacity and efficiency; the Decision Support System 2.0 underwent comprehensive upgrades, and the system’s approval processes were streamlined and optimized, improving decision-making efficiency by over 20%. The “Anyun Zhiding (鞍雲智鼎)” AI large model platform commenced operations, with 48 digital employees including “Zhijixing” deployed, 17 AI application scenarios implemented effectively, achieving a 42.6% AI adoption rate across core production lines, significantly enhancing human-machine collaboration efficiency. Digitalization and intelligentization have become new hallmarks of corporate development.

**3. Deepening the development of a “brand-oriented” enterprise, with competitive advantages continuously emerging.**

First, the industrial brands underwent quality enhancement and upgrading. The silicon steel project for new energy vehicles was successfully put into production. Energy Technology takes a leading position in the low-temperature liquid market in Liaoning Province, with a continuous increase in market share. The Lvxingding Panzhihua tar processing project was completed. Second, product brands were refined and strengthened. The Company implemented a product premiumization strategy, accelerated the structural layout of high-end products, deeply explored the potential demand in the high-end product market, expanded sales channels for premium products, and strengthened the R&D of high-price, high-margin premium products and new products. The sales proportion of “6+N” high-end products increased by 3.2% year-on-year. Medium and heavy plate products were awarded the “State-Owned Enterprise Premium Medium and Heavy Plate Brand.” Thirdly, the service brand garnered acclaim. We actively conducted customer visits, organized various customer cooperation exchange meetings, gained in-depth insights into market demands, and established dedicated “three-dimensional integrated” service teams to further expand service advantages and collaborative value. We made every effort to enhance overall contract delivery efficiency and customer delivery experience, with the contract execution rate across the entire lifecycle improving by 4.32 percentage points year-on-year. With superior service and product quality, the Company has earned accolades such as “Excellent Supplier” from leading enterprises such as CIMC Containers and Haier Smart Home, continuously enhancing customer satisfaction and brand reputation.

**4. Deepening the development of an “operation-oriented” enterprise, effectively improving efficiency and profitability.**

First, resource allocation has become more precise and efficient. Adhering to a profit-centric approach, the Company optimized production line resources and adjusted regional distribution flows, achieving a 6.5% year-on-year increase in product mix adjustment index. Sales volume in the Northeast region rose by 1.9% year-on-year, while export shipment volume grew by 6.3% year-on-year. Second, systematic cost reduction has yielded outstanding results. We strengthened end-to-end cost reduction and potential tapping, integrated accounting-based operation throughout the entire process and all areas, and achieved a cost reduction of RMB90 per ton of steel. We optimized logistics management, resulting in a significant drop in logistics costs; among others, the logistics cost at the Anshan base decreased by 9.5% year-on-year. We strengthened energy management and control, with the proportion of self-generated power increasing by 12.3 percentage points year-on-year and the purchased energy cost per ton

of steel decreasing by 14% year-on-year. Third, production efficiency improved substantially. We enhanced process coordination and interface efficiency, and the turnover rate of hot metal ladles and the hot charging rate of steel billets rose steadily. We enhanced production and efficiency of profitable production lines, with seven lines setting new monthly production records.

**5. Deepening the development of “exemplary” enterprises to consolidate synergy and demonstrate responsibility.**

First, remarkable achievements were made in green and low-carbon development. The Anshan Base successfully passed the public notice of full-process ultra-low emissions. Chaoyang Steel was awarded as an Environmentally Friendly Enterprise for Clean Production in China’s Iron and Steel Industry and successfully upgraded to an A-level enterprise in environmental performance. The Anshan Base and Chaoyang Steel both successfully passed the public notice as Dual-Carbon Best Practice Energy Efficiency Benchmark Demonstration Processes/Equipment. Second, employee vitality has been continuously stimulated. The Company organized 96 annual employee skills competitions and specialized labor contests, with 69 achievements winning awards at the 11th International Invention Exhibition. One individual was honored with the title of “National Model Worker,” and one received the “New Era Youth Pioneer Award.” We strengthened the development of employee innovation studios, with innovation studios at various levels undertaking 389 key research projects. Three were recognized as National Demonstration Innovation Studios in the Machinery, Metallurgy, and Building Materials Industry, three as Liaoning Province Model Worker Innovation Studios, and two as Anshan City Model Worker Innovation Studios. Third, continuous improvement in people’s livelihood and well-being. The Company focused on the needs of frontline employees, precisely completed 27 company-level key livelihood projects, and renovated 297 operational and rest areas, ensuring that development outcomes better benefit employees. We demonstrated care for employee health by consistently providing corporate relief liability insurance for all employees.

## **DEVELOPMENT PLAN FOR 2026**

### **1. Industry Landscape and Trends**

In 2026, the external environment remains complex and challenging. The domestic steel market continues to face prominent issues of strong supply and weak demand as well as supply-demand imbalance. Nevertheless, the fundamentals of China's economy, which feature long-term positive growth, remain unchanged. The country adheres to the general principle of seeking progress while maintaining stability, adopts proactive macro policies to expand domestic demand, optimize supply, foster new-quality productive forces, and build a unified national market, so as to pursue both higher quality and better efficiency in economic development.

The steel industry has now entered a new normal of development with volume reduction and structural restructuring, with coordinated efforts focused on “controlling total output, optimizing supply, promoting stability, enhancing profitability, and advancing transformation.” The industry will focus on three major initiatives: quality and product enhancement, energy and carbon efficiency improvement, and digital and intelligent transformation. It will continue to deepen capacity governance and corporate consolidation, implement two key plans for iron resource development and steel application expansion, accelerate the pace of green and low-carbon development, intelligent and efficient operations, and structural optimization, and strive to enhance the resilience of the industrial chain and core competitiveness. These efforts will lay a solid foundation for the high-quality transformation of the steel industry, ensuring a steady start to the “15th Five-Year Plan.”

### **2. Development Strategy**

Guided by the mission of “producing superior materials and creating a better life,” the Company will adhere to serving national strategies and value creation during the “15th Five-Year Plan” period. It will focus on its core responsibilities and businesses, further advance comprehensive reforms, and implement the “1345” development strategy. This strategy entails anchoring “one positioning,” steadfastly pursuing “three directions,” leveraging “four roles,” and building a “Five-Type” enterprise, continuously strengthening core functions and enhancing core competitiveness to accelerate the creation of a world-class steel enterprise.

### 3. Business Guidelines for 2026

In 2026, the Company will adhere to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly study and implement the spirit of the 20th National Congress of the Communist Party of China, the Second, Third, and Fourth Plenary Sessions of the 20th Central Committee, and the Central Economic Work Conference. It will earnestly implement the important speeches and directives of General Secretary Xi Jinping, fully carry out the work deployment of “focusing efforts on five key areas to achieve breakthroughs and driving strategic, managerial, and Party-building initiatives for a new beginning,” and concentrate on the “five enhancements and five new initiatives” to comprehensively elevate the company’s core competitiveness.

***(1) Focusing on reform and efficiency enhancement to invigorate new momentum for building a “vibrant” enterprise with greater intensity.***

First, further optimize corporate governance. Implement the Two Consistencies, improve the modern enterprise system, deepen the “Lean and Strong” reform of headquarters, promote organizational flattening, digital management and lean processes, improve the investment supervision and risk prevention system, build an excellent ESG system, and continuously enhance modern governance and sustainable development capabilities. Second, deepen the reform of the operating mechanism. Implement the state-owned enterprise reform arrangements, build a reform model, deepen the reform of the new operating responsibility system and market-oriented operating mechanism, establish cross-departmental and cross-unit virtual operating entities, and continuously enhance the internal vitality, innovation impetus, efficiency and effectiveness of the Company. Third, further promote integration and consolidation. Carry out specialized integration and consolidated collaborative management, redirect resources to competitive enterprises, high-quality assets and core businesses, form stronger synergy, higher economies of scale and a better industrial ecosystem, and foster strategic emerging industries and new-quality productive forces. Fourth, continuously refine performance evaluation. Establish differentiated, long-cycle assessment systems, rigidly linking compensation to performance, deepening micro-accounting units and instant incentives, optimizing workforce mobility and allocation, and advancing the “unveiling the list and assuming command” mechanism to unleash innovation and efficiency across the organization, thereby comprehensively enhancing the enterprise’s core competitiveness and developmental momentum.

**(2) *Accelerating Technological Advancement with Greater Commitment to Forge a New Engine for Building an “Innovative” Enterprise.***

First, enhancing the capability in original technology supply. Focus on national major projects and defense security, tackling key “bottleneck” steel products, expanding the application of high-end materials, and consolidating the industry’s leading position. Second, improving the ability to transform and apply achievements. Refine the conversion mechanism, strengthening pilot platforms, advancing the integration of “R&D-production-application,” intensifying high-value patent layouts, and accelerating technology industrialization. Third, strengthening the capacity to shape an innovation ecosystem. Deepen industry-university-research collaboration and open innovation, improving talent cultivation and the construction of innovation consortia, implementing enterprise echelon cultivation, and invigorating the vitality of innovation entities. Fourth, elevating digital and intelligent empowerment capabilities. Execute the “1232” digital transformation strategy, promoting smart factories and intelligent operations, launching “AI+” initiatives, reinforcing data governance and security, and driving efficiency transformation and value creation through digitalization and intelligence to comprehensively enhance the enterprise’s innovation engine and core competitiveness.

**(3) *Focusing on industrial upgrading to forge a new image as a “brand-oriented” enterprise with superior quality.***

First, advancing high-end industrial transformation. The Company will focus on high efficiency, intensification and smart transformation to accelerate the renovation and upgrading of key production lines; foster emerging industrial platforms such as industrial gases and clean energy; adhere to green and low-carbon development, innovate low-carbon metallurgical processes, and advance the construction of ultimate energy efficiency, so that its overall performance will reach the first echelon of the industry. Second, driving excellence in product development by optimizing the product mix and increasing the proportion of high-end products, aiming to establish market-leading “single champion” products. Quality management and cost control will be strengthened to enhance product cost-performance ratios and overall profitability. Third, achieving value-added service improvements through IPD projects to build a closed-loop value chain. The digital service system will be refined, expanding value-added channels such as e-commerce and supply chain finance. An efficient, collaborative supply chain and rapid delivery channels will be established to boost customer satisfaction and loyalty, thereby reinforcing core market competitiveness.

**(4) *Concentrating on quality and efficiency gains to solidify new achievements in building an “operation-oriented” enterprise with more pragmatic measures.***

First, strengthening the value chain by centering on profitability, enhancing the alignment of production line efficiency rankings with “sales, R&D, production, and finance,” deepening value creation from premium products, continuously expanding overseas markets, and improving product premium and export profitability capabilities. Second, refining the cost chain by advancing lean management, focusing on breakthroughs in molten iron costs, optimizing procurement supply chains and supplier structures, strictly controlling expenses, and deepening cost reduction and efficiency improvement. Third, optimizing the operational chain by comprehensively improving eight key efficiencies—production lines, material consumption, energy, logistics, capital, assets, personnel, and investments—to drive intensive and efficient production alongside extreme cost control. Fourth, solidifying the management chain by strengthening legal compliance and risk prevention, rigorously enforcing safety production and environmental management, and safeguarding high-quality development.

**(5) *Focusing on service excellence to establish new benchmarks in building a “model” enterprise from a higher perspective.***

First, strengthening the role of employees as the main force to consolidate development synergy. We shall organize labor and skills competitions centered on product competitiveness, green and low-carbon initiatives, and process coordination, extensively collect rational suggestions, promoting advanced operational methods, and refining the employee innovation studio system to fully unleash the creativity and efficiency of the workforce. Second, upholding the principle of sharing development achievements to enhance employee well-being. We shall prioritize the vital interests of employees, tilting compensation distribution toward frontline staff, advancing livelihood projects with tangible results, continuously improving working and living conditions, and steadily elevating employees’ sense of security, fulfillment, and happiness. We will improve employee communication mechanisms, encourage staff to contribute ideas and suggestions, fully leverage the vital role of young employees as a new force, and guide them to excel in their positions and demonstrate responsibility, thereby laying a solid foundation for the Company’s sustained and healthy development.

#### **4. Capital Expenditure Plan**

In 2026, the Group plans to allocate RMB3,978 million for fixed asset investments and external investments, with funding to be sourced from internal capital, bank loans, and bond issuances.

## ANALYSIS OF FINANCIAL INFORMATION

### 1. Overview

*Unit: RMB million*

Item	Reporting Period	Corresponding period of the previous year	Increase/ decrease during the Reporting Period as compared with the corresponding period of the previous year	Explanation and reasons for significant change
Operating income	96,052	105,101	-8.61	In 2025, the strong supply and weak demand situation in the steel market had not fundamentally improved. Faced with market pressure, the Group continued to advance the initiative of “Focusing on Value Creation and Implementing Full-Cycle Accounting Management”. We intensified market expansion and product mix optimization, enhanced operational efficiency, tapped energy-saving potential, optimized procurement radius, and strived for systematic cost reduction. As a result, the Group achieved a year-on-year reduction in losses in 2025.
Operating cost	97,255	108,825	-10.63	
Marketing expenses	534	560	-4.64	
Administrative expenses	1,096	1,339	-18.15	
Financial expenses	305	266	14.66	
R&D expenditure	478	468	2.14	
Total profit	-3,894	-7,035	44.65	

Item	Reporting Period	Corresponding period of the previous year	Increase/ decrease during the Reporting Period as compared with the corresponding period of the previous year	Explanation and reasons for significant change
Net profit attributable to shareholders of the Company	-4,068	-7,122	42.88	
Net increase of cash and cash equivalents	-640	1,225	-152.24	The net increase in cash and cash equivalents decreased by RMB1,865 million year-on-year, primarily due to: (i) a year-on-year increase of RMB2,575 million in net cash flows from operating activities, mainly attributable to the rise in net profit; (ii) a year-on-year decrease of RMB172 million in net cash flows from investing activities, primarily resulting from increased capital expenditure on fixed assets; and (iii) a year-on-year reduction of RMB4,268 million in net cash flows from financing activities, mainly due to the lower net increase in interest-bearing debt.

## 2. Income and Cost

### (1) Composition of operating income

*Unit: RMB million*

	2025		2024		Year-on-year increase/ decrease
	Amount	As a percentage of the operating income	Amount	As a percentage of the operating income	
Total operating Income	<b>96,052</b>	<b>100</b>	105,101	100	-8.61
<b>By industries</b>					
Steel rolling and processing industry	<b>95,684</b>	<b>99.62</b>	104,704	99.62	-8.61
Others	<b>368</b>	<b>0.38</b>	397	0.38	-7.30
<b>By products</b>					
Steel products	<b>85,251</b>	<b>88.76</b>	91,570	87.13	-6.90
Others	<b>10,801</b>	<b>11.24</b>	13,531	12.87	-20.18
<b>By geographical locations</b>					
Domestic China	<b>88,829</b>	<b>92.48</b>	97,804	93.06	-9.18
Export Sales	<b>7,223</b>	<b>7.52</b>	7,297	6.94	-1.01
<b>By sales modes</b>					
Direct selling	<b>47,807</b>	<b>49.77</b>	51,928	49.41	-7.94
Distribution	<b>48,245</b>	<b>50.23</b>	53,173	50.59	-9.27

**(2) Industries, products, geographical locations and sales modes accounting for more than 10% of the operating income or operating profit of the Group**

*Unit: RMB million*

	Operating income	Operating cost	Gross profit margin (%)	Increase/decrease in operating income as compared with the corresponding period of the previous year (%)	Increase/decrease in operating cost 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 industries</b>						
Steel rolling and processing industry	95,684	96,905	-1.28	-8.61	-10.65	2.30
<b>By products</b>						
Hot-rolled sheets products	30,004	31,218	-4.05	-9.17	-10.74	1.83
Cold-rolled sheets products	32,138	32,075	0.20	-6.32	-8.40	2.27
Medium and thick plates	16,871	16,171	4.15	-6.00	-11.25	5.67
<b>By geographical locations</b>						
Domestic China	88,461	89,170	-0.80	-9.18	-11.44	2.57
Export Sales	7,223	7,735	-7.09	-1.01	-0.32	-0.74
<b>By sales modes</b>						
Direct selling	47,442	48,010	-1.20	-7.94	-10.40	2.77
Distribution	48,242	48,895	-1.35	-9.27	-10.89	1.85

In case of adjustment in statistical calibers of principal businesses of the Group during the Reporting Period, the principal businesses data of the Group in the latest year according to adjusted calibers at the end of the Reporting Period

Applicable       Not Applicable

**(3) Whether the Company's income from the sale of goods is greater than its income from the provision of services**

Applicable       Not Applicable

Industry Classification	Item	2025	2024	Year-on-year increase/decrease
Steel rolling and processing industry	Sales Volume (0,000 tons)	<b>2,384.32</b>	2,395.13	-0.45
	Production Volume (0,000 tons)	<b>2,371.83</b>	2,397.54	-1.07
	Stock volume (0,000 tons)	<b>68.03</b>	74.76	-9.00

Reasons for the year-on-year change of over 30% in the relevant data

Applicable       Not Applicable

**(4) Performance of material sales contracts and material procurement contracts entered into by the Group as of the end of the Reporting Period**

Applicable       Not Applicable

**(5) Composition of operating costs**

*Unit: RMB million*

Industry Category	Item	2025		2024		Year-on-year increase/decrease in operating costs (percentage point)
		Amount	As a percentage of operating costs (%)	Amount	As a percentage of operating costs (%)	
Steel rolling and processing industry	Raw materials and fuels	<b>77,195</b>	<b>79.66</b>	84,570	77.98	1.68
	Others	<b>19,710</b>	<b>20.34</b>	23,881	22.02	-1.68
	Total	<b>96,905</b>	<b>100.00</b>	108,451	100.00	-

**(6) Whether the scope of consolidation was changed during the Reporting Period**

Applicable       Not Applicable

The Company established a new wholly-owned subsidiary, Anshan Youcai Trading Co., Ltd.; the Company's subsidiary, Angang Green Gold Industry Development Co., Ltd., established a new wholly-owned subsidiary, Green Gold (Lingyuan) Renewable Resources Co., Ltd.

**(7) Material changes or adjustment in businesses, products or services of the Group during the Reporting Period**

Applicable       Not Applicable

**(8) Major customers and suppliers**

① *Information on the Company's major sales customers and major suppliers (on a consolidated basis)*

Sales to major customers of the Company:

	<i>Unit: RMB million</i>	
	<b>2025</b>	2024
Total sales amount of the top five customers	<b>27,369</b>	29,704
Proportion of total sales amount of the top five customers over total sales amount for the year (%)	<b>28.49</b>	28.25
Proportion of sales to related parties of total sales amount of the top five customers over total sales amount for the year (%)	<b>14.16</b>	13.32

Top five customers of the Company:

*Unit: RMB million*

No.	Customer name	Sales amount	Proportion of sales amount over total sales amount for the year (%)
1	Customer A	7,776	8.09
2	Customer A	5,829	6.07
3	Customer C	5,753	5.99
4	Customer D	4,464	4.65
5	Customer E	3,547	3.69
Total	–	<u>27,369</u>	<u>28.49</u>

*Note:* Among the top five customers on a consolidated basis, Customer E is a new addition this year, namely BYD Company Limited.

Major suppliers of the Group:

*Unit: RMB million*

	2025	2024
Total sales amount of the top five suppliers	<b>40,015</b>	42,624
Proportion of total sales amount of the top five suppliers over total sales amount (%)	<b>42.79</b>	38.75
Proportion of sales to related parties of total sales amount of the top five suppliers over total sales amount for the year (%)	<b>35.08</b>	30.56

Top five suppliers of the Company:

*Unit: RMB million*

No.	Supplier name	Procurement Amount	Proportion of purchase amount over total purchase (%)
1	Supplier A	15,617	16.70
2	Supplier B	12,268	13.12
3	Supplier C	4,923	5.26
4	Supplier D	4,392	4.70
5	Supplier D	2,815	3.01
Total	–	<u>40,015</u>	<u>42.79</u>

② *Information on the Company's major sales customers and major suppliers (on a parent company basis)*

Sales to major customers of the Company:

*Unit: RMB million*

	2025	2024
Total sales amount of the top five customers	<b>38,320</b>	43,643
Proportion of total sales amount of the top five customers over total sales amount for the year (%)	<b>47.09</b>	41.52
Proportion of sales to related parties of total sales amount of the top five customers over total sales amount for the year (%)	<b>40.65</b>	37.32

Top five customers of the Company:

*Unit: RMB million*

No.	Customer name	Sales amount	Percentage of Total Annual Sales (%)
1	Customer a	10,842	13.32
2	Customer b	9,653	11.86
3	Customer b	7,343	9.02
4	Customer d	5,244	6.45
5	Customer e	5,238	6.44
Total	–	<u>38,320</u>	<u>47.09</u>

Major suppliers of the Company:

*Unit: RMB million*

	2025	2024
Total sales amount of the top five suppliers	<b>36,411</b>	39,701
Proportion of total sales amount of the top five suppliers over total sales amount for the year (%)	<b>46.51</b>	43.77
Proportion of sales to related parties of total sales amount of the top five suppliers over total sales amount for the year (%)	<b>37.97</b>	31.55

Top five suppliers of the Company:

*Unit: RMB million*

No.	Supplier name	Procurement Amount	Proportion of purchase amount over total purchase (%)
1	Supplier a	15,440	19.72
2	Supplier b	12,256	15.65
3	Supplier c	4,198	5.37
4	Supplier d	2,484	3.17
5	Supplier e	2,033	2.60
Total	–	<u>36,411</u>	<u>46.51</u>

*Note:* Among the top five suppliers based on the parent company's perspective, supplier E is newly added this year, namely Delin Land Port Supply Chain Service Co., Ltd.

During the Reporting Period, the proportion of trade business revenue to total operating revenue exceeded 10%

Applicable       Not Applicable

In 2025, save as disclosed in this annual report, none of the Directors and their associates nor any shareholders (who to the knowledge of the Directors hold 5% or more of the shares of the Company) had any interest in any of the top five suppliers or top five customers of the Group.

### 3. Expenses

*Unit: RMB million*

	2025	2024	Year-on-year increase/ decrease (%)	Explanation for significant change
Marketing expenses	534	560	-4.64	–
Administrative expenses	1,096	1,339	-18.15	–
Financial expenses	305	266	14.66	–
R&D expenditure	478	468	2.14	–
Income tax expenses	99	59	67.80	The income tax expenses increased by RMB40 million year on year, which was mainly due to the year-on-year increase in the deferred tax expense recognized this year.

#### 4. R&D Expenditure

Applicable       Not Applicable

Names of main R&D projects	Purpose	Progress	Proposed objectives	Expected effects on the future development of the Company
Key Technology Research on Medium-High Silicon Alkaline Pellet Preparation and High-Proportion Pellet Application in Blast Furnaces	Overcome the challenges in preparing alkaline pellets, fully utilizing internal resources; achieve large-scale application of alkaline pellets, optimized the burden structure to reduce ironmaking costs.	Completed research on pellet ore blending and alkalinity optimization, significantly improving economic and technical indicators. Conducted in-depth research on low-carbon metallurgy mechanisms, formulating a low-carbon pellet ore blending solution. Developed a comprehensive burden optimization plan to guide resource allocation decisions.	Custom-developed medium-to-high silicon alkaline pellets to meet blast furnace material requirements. Achieved stable smelting with a high proportion of pellets in blast furnaces, significantly improving technical indicators. Established a high-proportion pellet smelting operation system compatible with blast furnaces.	Upon successful completion of the project, it will enable green, efficient, and low-carbon smelting in blast furnaces under high-proportion pellet conditions, reducing iron production costs.
Key Technology Research for High-Proportion Iron Concentrate Sintering with Thick Layers Above 800mm	Significantly increase the proportion of concentrate, lowering raw material costs; achieve thick-layer sintering, markedly boosting production and reducing consumption.	Completed fundamental research on raw material characteristics. Preliminarily achieved stable production with high-concentrate ratios, demonstrating notable cost reduction and efficiency gains.	Implement large-scale thick-layer sintering with high iron concentrate ratios at the Company's Anshan bases, achieving both production increase and energy consumption reduction.	Upon successful project completion, the proportion of concentrates in sintering raw materials will be further elevated, thereby reducing ironmaking production costs.

Names of main R&D projects	Purpose	Progress	Proposed objectives	Expected effects on the future development of the Company
Research on High-Ratio Application of Weakly Caking Coal for Quality-Stabilized Coke Production in Large Top-Charging Coke Ovens	Significantly reduced the blending ratio of coking and fat coal, markedly optimizing raw material costs; research achievements were successfully commercialized, enabling stable industrial-scale production.	By leveraging widely adopted advanced desulfurization systems, brake through made on the limitation on sulfur content of traditional single coal type, successfully applied high-sulfur and high-strength coal, increased the blending ratio of weakly caking coal, and reduced coal blending costs. Concurrently, utilizing unique low-ash, low-sulfur coal resources from Northeast China ensured compliance with environmental standards and product quality while achieving cost-efficient utilization of high-sulfur resources.	Achieved a record low ratio of coking coal and fat coal in the industry. Notably lowercoal blending costs, with procurement unit prices consistently outperforming market benchmarks.	Upon successful implementation, this project will make a significant contribution to the optimized and rational utilization of coking coal, laying a technical foundation for the sustainable development and efficient use of high-quality coking coal, while supporting the company's efforts to turn losses into profits.

Names of main R&D projects	Purpose	Progress	Proposed objectives	Expected effects on the future development of the Company
Research on Fluidized Bed Hydrogen Ironmaking Technology	<p>Develop a set of electrolytic water-based green hydrogen production technology and equipment powered by renewable energy, with a hydrogen output capacity of 1,200 Nm<sup>3</sup>/h.</p> <p>Establish a pilot-scale fluidized hydrogen direct reduction test facility with an annual capacity of 10,000 tons of direct reduced iron (DRI) and complete pilot testing.</p>	<p>The maximum hydrogen production capacity per electrolyzer reaches 1,576 Nm<sup>3</sup>/h, with stable operation for 2,721 hours; hydrogen purity exceeds 99.7%; DC power consumption for hydrogen production is 4.21 kWh/m<sup>3</sup> H<sub>2</sub>; and the adjustable power range for the entire process spans 8.37% to 105%. The metallization rate of DRI ranged between 92% and 98%, with cumulative production of direct reduced iron reaching 248.4 tons.</p>	<p>The full-process flow of the fluidized bed hydrogen metallurgy pilot line has been connected, and continuous and stable production has been achieved.</p>	<p>Develop a novel hydrogen-based fluidized bed direct reduction ironmaking technology, laying the foundation for the Company's large-scale application of hydrogen-based steelmaking.</p>
Research on Process Technologies to Reduce Steel Material Consumption Across the Entire Steelmaking Process	<p>Minimized iron loss during hot metal pretreatment, implemented slag-retaining and low-slag converter steelmaking processes to reduce flux and steel material consumption, thereby lowering overall steel material usage throughout the steelmaking process.</p>	<p>At present, the research on the converter slag washing desulfurization process for steel grades with relatively loose finished product sulfur content requirements has been completed.</p>	<p>The full-process steelmaking iron-steel material consumption was reduced to as low as 1,095 kg/t.</p>	<p>Steelmaking costs directly impact the manufacturing costs of steel products, with iron-steel material consumption accounting for approximately 80% of steelmaking production costs, making it a critical comprehensive economic and technical indicator in steel production. This project reduces the full-process steelmaking iron-steel material consumption, thereby lowering the steelmaking production costs of the Company and enhancing its competitiveness.</p>

Names of main R&D projects	Purpose	Progress	Proposed objectives	Expected effects on the future development of the Company
Research on Electroslag Remelting Process Technology for Shipbuilding Steel	Electroslag remelting remains the primary method for producing extra-thick shipbuilding steel plates. However, increased plate thickness tends to reduce the qualified rate of ultrasonic testing for finished Electroslag remelting ingots. The current qualified rate for cast steel Electroslag remelting ingots stands at only 92.2%, indicating significant room for improvement.	Conduct a literature review on quality control of ESR steel for shipbuilding to clarify material properties, application scenarios, and global technological status. Employ thermo-mechanical simulators, scanning electron microscopes, and other equipment for multidimensional evaluation of physical properties. Optimize key ESR process parameters through numerical simulation and laboratory experiments to study the influence of core parameters on solidification quality. Analyze defect formation mechanisms during ESR and implement control measures, with industrial trials validating optimization effects to enhance both ultrasonic testing and macro-examination qualification rates.	Increase the ultrasonic testing qualification rate of shipbuilding ESR ingots to 95%	Upon successful project completion, this R&D initiative will reduce production losses in ESR processes, improve yield rates and economic benefits, while strengthening the competitiveness of high-end marine steel products.

Names of main R&D projects	Purpose	Progress	Proposed objectives	Expected effects on the future development of the Company
Extra-thick Locomotive Steel for Extreme Cold Regions	Developed high-thickness locomotive steel for extreme cold regions, meeting the low-temperature toughness requirement of -50° C, supporting the upgrade of manufacturing materials for railway locomotives.	Developed 100mm-thick 460MPa high-strength and high-toughness locomotive steel, with performance meeting the low-temperature toughness requirement of -50° C.	Achieved full-range supply of 3-100mm high-strength and high-toughness locomotive steel, providing critical material support for the longevity and high reliability of rail transit equipment.	Future annual sales of full-specification high-strength and high-toughness locomotive steel are expected to exceed 10,000 tons, generating estimated benefits of over RMB3 million.
High-strength Spherical Tank Steel for Deep-sea Containers	Met the material requirements for a national major engineering demonstration project.	Completed the supply of the first set of AG785 spherical tank steel plates and forgings with 785MPa-grade high strength, toughness, and pressure resistance for deep-sea containers.	Develop new products to meet the ultra-high-pressure design needs of end-users.	Effectively supported the smooth progress of a national major engineering demonstration project, reserving new profit growth points for the Company.
Heterogeneous Composite Steel Plates for Nuclear Power Containment Cooling Auxiliary Water Tanks	Successfully developed AG728+316L heterogeneous clad steel plates for nuclear power applications, achieving mass production supply with a market share exceeding 60%.	Completed the development of AG728+316L heterogeneous clad steel plates for a specific nuclear power project, realizing exclusive mass production supply and accomplishing the product's global debut.	Comprehensively finalized the R&D of AG728+316L heterogeneous clad steel plates for various nuclear power units, achieving widespread application.	Driving the manufacturing and transformation of corrosion-resistant equipment materials for nuclear power, further enhancing the Company's market influence in nuclear power steel products.

Names of main R&D projects	Purpose	Progress	Proposed objectives	Expected effects on the future development of the Company
Specialized Steel Plates for X65MO Steel Catenary Riser Welded Pipes With a Thickness of 32mm	To address the urgent demand for equipment materials in China's deep-sea oil and gas resource development, break foreign technological monopolies, and achieve independent control over key materials for deep-sea oil and gas exploitation.	A joint research team was formed with domestic steel pipe manufacturers, research institutes, and universities, successfully developing 32mm-thick steel plates for steel catenary risers and manufacturing straight-seam submerged arc welded pipes with a diameter of $\Phi$ 559mm, filling the international gap for large-diameter, thick-walled, high-strength steel catenary riser welded pipe materials.	Breakthroughs were made in the toughening and plasticizing technology for riser pipe materials, as well as the preparation, forming, and welding manufacturing technologies for steel plates used in steel catenary risers, achieving material preparation for high-toughness, plasticity, and fatigue-resistant steel catenary risers, meeting engineering application conditions.	This provides an effective solution for riser pipe materials used in deep-sea oil and gas exploitation to meet marine service conditions, enhancing the company's overall supply capability for equipment materials in marine oil and gas resource development.
460mpa-Grade Thick-Gauge Rare-Earth Hot-Rolled Wheel Steel for Commercial Vehicles	Developed a 460MPa-grade rare earth hot-rolled wheel steel with thick specifications for commercial vehicles, meeting the high fatigue performance requirements of automotive wheels.	Completed the industrial development of A460LF rare earth hot-rolled wheel steel with thick specifications for commercial vehicles, achieving a global debut.	The product fulfills the safety and lightweight development requirements of commercial vehicle wheels with high fatigue performance.	The related process technologies can be rapidly extended to the entire wheel steel product system, enabling product iteration and upgrading while enhancing the Group's market share in wheel steel products.

### ***R&D staff of the Group***

	<b>2025</b>	2024	Year-on-year increase/decrease
Number of R&D staff ( <i>person</i> )	<b>2,308</b>	2,373	-2.74%
Percentage of the number of R&D staff in the Company	<b>9.62%</b>	9.48%	Increase by 0.14 percentage points

#### **Educational background of R&D staff**

Bachelor	<b>1,479</b>	1,545	-4.27%
Master	<b>488</b>	497	-1.81%

#### **Age structure of R&D staff**

Under 30	<b>96</b>	103	-6.80%
30~40	<b>616</b>	731	-15.73%
Above 41	<b>1,596</b>	1,539	3.7%

### ***R&D expenditure of the Group***

	<b>2025</b>	2024	Year-on-year increase/decrease
Amount of R&D expenditure ( <i>RMB million</i> )	<b>3,837</b>	3,972	-3.40%
Percentage of R&D expenditure in operating income	<b>3.99%</b>	3.78%	Increase by 0.21 percentage point
Amount of capitalized R&D expenditure ( <i>RMB million</i> )	-	-	-
Percentage of capitalization of R&D expenditure in the R&D expenditure	-	-	-

Reasons for and effects of the significant change in the composition of R&D staff

Applicable       Not Applicable

Reasons for the significant change in the proportion of total R&D expenditure in operating income as compared with the previous year

Applicable       Not Applicable

Reasons for and reasonableness of the significant change of the capitalization rate of R&D expenditure

Applicable       Not Applicable

## 5. Cash Flow

*Unit: RMB million*

Item	2025	2024	Year-on-year increase/ decrease (%)
Sub-total of cash inflow from operating activities	<b>102,695</b>	96,159	6.80
Sub-total of cash outflow from operating activities	<b>100,907</b>	96,946	4.09
Net cash flow from operating activities	<b>1,788</b>	-787	327.19
Sub-total of cash inflow from investing activities	<b>3,557</b>	727	389.27
Sub-total of cash outflow from investing activities	<b>7,456</b>	4,454	67.40
Net cash flow from investing activities	<b>-3,899</b>	-3,727	-4.61
Sub-total of cash inflow from financing activities	<b>21,483</b>	19,511	10.11
Sub-total of cash outflow from financing activities	<b>20,012</b>	13,772	45.31
Net cash flow from financing activities	<b>1,471</b>	5,739	-74.37
Net increase of cash and cash equivalents	<b>-640</b>	1,225	-152.24

➤ Explanations of the main factors for significant year-on-year changes of the relevant figures:

Applicable       Not Applicable

- (1) Net cash flow from operating activities was RMB1,788 million, an increase of RMB2,575 million, primarily due to the year-on-year growth in net profit.
- (2) Net cash flow from investing activities was RMB-3,899 million, a decrease of RMB172 million, mainly attributable to the year-on-year increase in capital expenditure for fixed assets.
- (3) Net cash flow from financing activities amounted to RMB1,471 million, a decrease of RMB4,268 million, primarily due to a year-on-year reduction in the net increase of interest-bearing liabilities.

- Explanations on reasons for significant differences in cash flow from operating activities and net profit of the Group during the Reporting Period:

Applicable       Not Applicable

*Unit: RMB million*

<b>Item</b>	<b>This year</b>
<b>Reconciliation of net profit to cash flow from operating activities:</b>	
Net profit	-3,993
Add: Provision for impairment on assets	348
Credit impairment loss	6
Depreciation of fixed assets	3,830
Amortization of intangible assets	451
Depreciation of right to use assets	80
Loss on disposal of fixed assets, intangible assets and other non-current assets (“-” for gains)	-16
Loss on scrap of fixed assets (“-” for gains)	15
Loss on the change of fair value (“-” for gains)	-53
Financial expenses (“-” for gains)	275
Investment loss (“-” for gains)	-503
Decrease in deferred tax assets (“-” for increase)	31
Increase in deferred tax liabilities (“-” for decrease)	8
Decrease in inventories (“-” for increase)	2,417
Decrease in operating receivables (“-” for increase)	-493
Increase in operating payables (“-” for decrease)	-672
Others	57
Net cash flow from operating activities	1,788

## 6. Liquidity and financial resources

### (1) *Loan and credit*

As at 31 December 2025, the Group's total borrowings amounted to RMB14,737 million. The interest rates on bank borrowings were either fixed or floating based on LPR, with an average borrowing rate of 2.18%. The loan tenors ranged from 1 to 9 years, primarily utilized for working capital replenishment and payment of construction payable. The Group maintains ample credit facilities with financial institutions and holds approved but unutilized short-term financing quota in the interbank market, ensuring smooth financing channels and demonstrating its capability to repay maturing debts.

### (2) *Working capital*

As at 31 December 2025, the Group's cash and bank balances denominated in foreign currencies stood at RMB1 million (31 December 2024: RMB1 million).

Cash and bank balances denominated in the currencies as set out below:

*Unit: RMB million*

	<b>31 December 2025</b>	31 December 2024
RMB	<b>3,912</b>	4,543
USD	<b>1</b>	1
HKD	–	–
Others	–	–
	_____	_____
Sub-totals	<b><u>3,913</u></b>	<b><u>4,544</u></b>

### (3) *Capital commitments*

As at 31 December 2025, the Group had a total capital commitment of RMB1,097 million, which was primarily the construction and renovation contracts of RMB1,083 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.

## **7. Pension Plans**

In accordance with the requirements of national insurance policies of the PRC, the Group provides all employees with basic pension (which are contributed as to 16% by the employer and as to 8% by the individual employee), pursuant to which the employee is entitled to receive pension payments on a monthly basis after retirement. For each month, the Group makes contribution to the basic pension scheme at 16% of the aggregate sum of individual employee's contribution basis. In addition, the Group maintains corporate annuity scheme for all of its employees and compensates employees for the number of years of service prior to the establishment of the corporate annuity scheme. The Group, as an employer, cannot use forfeited contributions (by the employer on behalf of employees who leave the scheme prior to vesting fully in such contributions) to reduce the existing level of contributions.

## **8. 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 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.

## Analysis of Non-Principal Businesses

*Unit: RMB million*

Item	Amount	As a percentage of total profit (%)	Reasons for the changes	Sustainable or not
Investment income	503	Not Applicable	Mainly included investment income from long-term equity investments accounted by equity method and other equity instruments during holding period.	Yes
Gains arising from changes in fair value	53	Not Applicable	Changes in fair value of derivative financial instruments, other non-current financial assets, and trading financial assets.	Yes
Impairment losses on asset (“-” for losses)	-348	Not Applicable	Provision for inventory write-downs.	No
Credit impairment loss (“-” for losses)	-6	Not Applicable	Mainly due to the provision for impairment of other receivables.	No
Other gains	455	Not Applicable	Primarily consists of gains from government grants and preferential tax policies.	No
Gains on disposal of assets	16	Not Applicable	Gains on disposal of assets.	No
Non-operating income	44	Not Applicable	Mainly comprised gains from disposal of non-current assets, compensation income for breach of contract, and write-off of unclaimed payables.	No
Non-operating expenses	41	Not Applicable	Primarily comprised of losses from the disposal of non-current assets and external donation expenses.	No

## ASSETS AND LIABILITIES

### 1. SIGNIFICANT CHANGES IN COMPOSITION OF ASSETS

*Unit: RMB million*

	End of 2025		Beginning of 2025		Proportion change (percentage point)	Explanation for significant change
	Amount	As a percentage of total assets (%)	Amount	As a percentage of total assets (%)		
Monetary capital	3,913	4.07	4,544	4.52	-0.45	–
Account receivables	3,083	3.21	2,952	2.94	0.27	–
Inventories	11,993	12.49	14,769	14.68	-2.19	–
Long-term equity investments	4,211	4.38	3,840	3.82	0.56	–
Fixed assets	55,272	57.55	51,842	51.54	6.01	–
Construction in progress	2,373	2.47	5,802	5.77	-3.30	–
Right-of-use assets	105	0.11	123	0.12	-0.01	–
Short-term loans	8,070	8.40	1,174	1.17	7.23	–
Contract liabilities	4,738	4.93	4,557	4.53	0.40	–
Long-term loans	6,121	6.37	10,991	10.93	-4.56	–
Lease liability	36	0.04	125	0.12	-0.08	–

A high proportion was recorded in offshore assets

Applicable       Not Applicable

## 2. Assets and liabilities measured at fair value

*Unit: RMB million*

Item	Opening balance	Gains or losses on fair value change for the period	Accumulative changes in fair value included in equity	Impairment provision made for the period	Purchase amount for the period	Disposal amount for the period	Other changes	Closing balance
Financial assets								
1. Financial assets held for trading (excluding derivative financial assets)	15	5	-	-	-	-	-	20
2. Derivative financial assets	-	4	-	-	-	-	-	4
3. Other debt investments	-	-	-	-	-	-	-	-
4. Other equity instrument investments	690	-	237	-	-	-	-	675
5. Other non-current financial assets	104	38	-	-	-	-	-	142
Subtotal of financial assets	809	47	237	-	-	-	-	841
Investment properties	-	-	-	-	-	-	-	-
Productive biological assets	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Total of the above	809	47	237	-	-	-	-	841
Financial liabilities	1	-	-	-	-	-	-	1

Whether there were any significant changes in the measurement attributes of the Group's major assets during the Reporting Period

Yes       No

### **3. Gearing ratio**

As at 31 December 2025 and 31 December 2024, the Group's ratio of equity to liability was 0.88 times and 0.94 times, respectively. This ratio was calculated on the basis of total shareholders' equity divided by total liabilities.

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

As at 31 December 2025, the Group's total restricted assets amounted to RMB9 million, comprising RMB1 million in bill deposits and RMB8 million in futures margin deposits under the cash and cash equivalents category.

### **5. Contingent liabilities**

As of 31 December 2025, the Group had no contingent liabilities.

## **ANALYSIS ON THE CORE COMPETITIVENESS**

### **1. Brand Influence**

The brand awareness and influence of our products have continued to grow. Our products, including shipbuilding and offshore engineering steel, automotive sheet, home appliance sheet, container sheet, and heavy rail products, maintain industry leadership. Six product categories, such as high-speed railway rails, were awarded the "Golden Cup Quality Product" title in the Metallurgical Product Quality Brand Cultivation program. Our medium and heavy plates received the "State-Owned Enterprise Medium and Heavy Plate Premium Brand" award, while high-strength steel, shipbuilding steel, and bridge steel were honored with the "Top Ten Premium Brands" award. The Company was recognized as a 2025 Liaoning Province Manufacturing Industry Champion Enterprise for its "high-grade pipeline wide and heavy plate product", ranking first in the industry for 22 consecutive years. The domestic market shares of pipeline steel and cold-rolled products for home appliances are among the industry leaders, with X80 high-end pipeline steel securing the top market share position. Products are highly recognized by leading customers such as Haier, Midea, and CIMC, earning multiple awards such as "Excellent Supplier". The Company launched the ANTHICK brand for medium and heavy plates and the ANocean brand for marine metal materials. Leveraging a full-chain innovation system, it has become the steel enterprise with the most comprehensive and highest-grade certified shipbuilding steel in China, capable of providing customers with one-stop, full-chain solutions and services for marine metal materials across all depths.

## **2. Product Competitive Advantages**

We accelerated the “6+N” high-end product layout, achieving remarkable results in product premiumization and sustainability. Our sales of medium and heavy plates for shipbuilding and railway vehicles increased by 35% and 22% year-on-year, respectively. Sales of heavy rails increased by 22.8% year-on-year. Green steel products have officially entered the stage of large-scale application, obtaining certifications from 16 automakers and passing on-site audits by 7 customers. We have successfully developed ultra-high carbon steel and electromagnetic steel wire products. Breakthroughs were made in technological applications: the AG728+022Cr17Ni12Mo2 heterogeneous composite steel plate for nuclear power was utilized in key domestic nuclear projects, Q500qE bridge steel was applied in world-class major projects, and CR450 EMU bogie steel achieved exclusive domestic supply, continuously enhancing product competitiveness.

## **3. Advantages in Technological Innovation**

The Company possesses profound technical expertise, with comprehensive R&D capabilities maintaining an industry-leading position. It has mastered a portfolio of core technologies including low-carbon metallurgy and clean steel smelting, achieving remarkable results in intellectual property management and ranking third in the industry’s patent innovation index. In 2025, the Company was granted 559 patents, including 404 invention patents. A patent portfolio layout has been formed covering 10 key technical fields with 57 invention patents, and the Company was approved as a “High-Value Patent Cultivation Center” of Liaoning Province. It has taken the lead in undertaking 3 national key science and technology projects, and 5 products have been launched globally for the first time, fully supporting high-level self-reliance and self-improvement in science and technology. The aluminum-iron coated alloyed steel plate with complete independent intellectual property rights achieved import substitution, while minting steel performance indicators reached international advanced levels and was exported to Tanzania. The control technology for fine inclusions and microstructure regulation in high-end steel wire rod for tire cord reached world-leading standards.

#### **4. Advantages in Market Technical Services**

We deepened integration of sales, R&D, production, and finance to build an efficient closed-loop service system. The Company explored Integrated Product Development (IPD) management, strengthened the three-tier service system, and embedded technical services into customers' product R&D chains. Enhanced the technical marketing service team to create a closed-loop value chain of “demand-driven–value creation–delivery assurance,” providing technical marketing services to customers and signing technical agreements to meet multi-dimensional customer needs. We established a “three-dimensional integrated” marketing service system for efficient collaboration, forming dedicated support teams to rapidly respond to customer demands, achieving dual improvements in comprehensive service capabilities and customer satisfaction.

#### **5. Digital and Intelligent Development Edge**

We anchored in the digital intelligence development pathway, the Company has solidified its industry-leading position. By thoroughly implementing the “AI+” initiative and establishing a construction path centered on “lean, we standardized, automated, digital, and intelligent” principles, 11 digital intelligence achievements have garnered prestigious national and provincial-level honors, with multiple outcomes emerging as industry benchmarks. Adhering to the “1232” digital intelligence development framework, the Company has advanced AI technology integration, pioneering a multi-scenario integrated AI large model platform within the industry. It has deepened data governance, attaining the DCMM Level 4 certification. Through intelligent upgrades in key processes, the numerical control rate has reached 92.5%, with digital transformation and data governance capabilities consistently ranking among industry frontrunners.

## **6. Green and Low-Carbon Development Edge**

We made breakthroughs in low-carbon engineering and carbon management with remarkable green development achievements. The Company advanced key projects in green hydrogen, photovoltaic, and energy-efficient power generation. The hydrogen-based direct reduction iron metallization rate of the pilot green hydrogen fluidized bed line in Bayuquan reached 95%, and two 135MW high-efficiency power generation units completed grid-connected power generation. Multi-site photovoltaic projects achieved grid-connected power generation. The annual production of LNG (liquefied natural gas) from coke oven gas reached 110,000 tons. Strengthened carbon management and participated in carbon trading, we completed carbon verification and fulfilling the first-year carbon quota. Established a product carbon intelligence management platform and released two EPD (Environmental Product Declaration) reports. The Company conducted multiple EU CBAM (Carbon Border Adjustment Mechanism) carbon footprint assessments for export products. Low-carbon steel produced using green electricity and a high proportion of scrap steel was supplied to FAW-Volkswagen for the first time. Green steel cord steel has been delivered to customers for application, and the green and low-carbon transformation has been continuously deepened.

## **7. Advantages in Iron Ore Resource Security**

We have abundant resource reserves with a solid and robust supply chain. The Anshan region boasts abundant iron ore reserves, providing stable and reliable resource support for the Company's operations and development. Angang Group Mining Company holds iron ore resources of 7.8 billion tons, with an annual ore dressing capacity of 65 million tons and an annual iron concentrate production capacity of 23 million tons, ranking first in China in terms of production scale. Additionally, in overseas market, Angang Group owns the Karara Iron Ore Base with an annual production capacity of 8 million tons and possesses strong capabilities in international iron ore trade.

## SIGNIFICANT EVENTS

### I. Performance of Undertaking

1. The undertakings performed by the de facto controllers, shareholders, related parties, offerors and the Company during the Reporting Period as well as the undertakings that they have not yet performed as at the end of the Reporting Period

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

Reason for Undertaking	Undertaking Party	Type of Undertaking	Contents of Undertaking	Date of Undertaking	Period of Undertaking	Performance of Undertaking
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(4) If the enterprises in which Angang Holding holds equity interests produce products or engage in business which compete or may compete with the Company, Angang Holding undertakes that it will transfer all the capital contribution, shares or equity interests and grant the Company preemptive rights for such capital contribution, shares or equity interests.

(5) If Angang Holding and its wholly-owned and holding subsidiaries have assets and business which compete or may compete with the Company, when the Company proposes the purchase requirement, Angang Holding and its wholly-owned and holding subsidiaries will transfer relevant assets and business to the Company with priority based on reasonable prices and conditions according to the processes required by laws.

(6) During the effective period of the undertakings, on the premise of equal investment qualifications, Angang Holding shall inform the Company first for the opportunity of new business.

If the Company accepts such opportunity of new business, Angang Holding shall transfer such new business to the Company for free. Angang Holding and its wholly-owned and holding subsidiaries have the rights to invest in the new business only if the Company expressly refuses such opportunity.

If the Company proposes the purchase requirement in the future, Angang Holding and its wholly-owned and holding subsidiaries still need to transfer the assets and business formed by such opportunities to the Company with priority based on reasonable prices and conditions.

Reason for Undertaking	Undertaking Party	Type of Undertaking	Contents of Undertaking	Date of Undertaking	Period of Undertaking	Performance of Undertaking
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(7) Other effective measures to avoid and eliminate horizontal competition.

The above undertakings do not limit the business of Angang Holding and its wholly-owned and holding subsidiaries which do not compete with the Company, especially the business of provision of required materials or services necessary for the operation of the Company.

All the undertakings made by Angang Holding are based on the national requirements and subject to the adjustments according to the national requirements. Angang Holding is eligible for engaging in business not prohibited by the state.

Such undertakings became effective from the date of issuance, and shall be terminated once one of following conditions occurs:

- (1) Angang Holding ceases to be the controlling shareholder of the Company;
- (2) The shares of the Company cease to be listed on any stock exchanges (except for temporary suspension of the shares of the Company due to any reason);
- (3) When the state does not require the contents of certain undertakings, relevant section shall be terminated automatically.

Reason for Undertaking	Undertaking Party	Type of Undertaking	Contents of Undertaking	Date of Undertaking	Period of Undertaking	Performance of Undertaking
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Considering that Angang Holding does not have any iron and steel production projects in production which compete with the Company, therefore, the undertakings made in the undertaking letter shall prevail if any inconsistencies occur between such undertakings and all the undertakings made by Angang Holding concerning the competitions with the Company before the date of the issuance of the undertaking letter.

Whether the commitments are fulfilled on time	Yes
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2. The explanation provided by the Group for the original profit forecast which assets and projects meet and its reasons in the event that there is a profit forecast for the Group's assets and projects which remain in the profit forecast during the Reporting Period

Applicable       Not applicable

3. The Group involves performance commitments

Applicable       Not applicable

**II. MISAPPROPRIATION OF NON-OPERATING FUNDS OF THE COMPANY BY CONTROLLING SHAREHOLDERS AND ITS RELATED PERSONS**

Applicable       Not applicable

**III. NON-COMPLIED EXTERNAL GUARANTEE**

Applicable       Not applicable

**IV. THE BOARD OF DIRECTORS' EXPLANATION REGARDING THE RELATED INFORMATION OF THE LATEST "NON-STANDARD AUDIT OPINION"**

Applicable       Not applicable

**V. THE EXPLANATION OF THE BOARD OF DIRECTORS, THE SUPERVISORY COMMITTEE AND THE INDEPENDENT DIRECTORS (IF ANY) REGARDING THE ACCOUNTING FIRM’S “NON-STANDARD AUDIT OPINION” FOR THE REPORTING PERIOD**

Applicable       Not applicable

**VI. EXPLANATION OF CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND CORRECTION OF MAJOR ACCOUNTING ERRORS DURING THIS YEAR AS COMPARED WITH THE FINANCIAL REPORT OF THE PREVIOUS YEAR**

Applicable       Not applicable

***(1) Changes in the Group’s accounting policies during the year***

Implemented the provisions of the “Implementation Q&A on Financial Instruments Standards” regarding the accounting treatment of standard warehouse receipt transactions.

On 8 July 2025, the Ministry of Finance issued an implementation Q&A on the accounting treatment of standard warehouse receipt transactions, explicitly stipulating that, in accordance with the recognition and measurement criteria for financial instruments, enterprises that frequently enter into contracts for buying and selling standard warehouse receipts on futures exchanges to profit from price differentials without taking delivery of the underlying commodities typically demonstrate a practice of receiving the contract deliverables and reselling them in the short term to profit from short-term fluctuations. Such enterprises shall treat these contracts for buying and selling standard warehouse receipts as financial instruments and account for them in accordance with the recognition and measurement criteria for financial instruments. If an enterprise acquires standard warehouse receipts under the aforementioned contracts and resells them within a short period, it shall not recognize sales revenue. Instead, the difference between the consideration received and the carrying amount of the sold standard warehouse receipts shall be recorded as investment income. If an enterprise holds standard warehouse receipts that have not been sold by the end of the reporting period, such receipts shall be presented as other current assets.

***(2) The Group did not experience any changes in accounting estimates or corrections of significant accounting errors during the year.***

## VII. EXPLANATION OF CHANGES OF SCOPE IN CONSOLIDATED STATEMENTS AS COMPARED WITH THE FINANCIAL REPORT OF THE PREVIOUS YEAR

Applicable       Not applicable

The Company established a new wholly-owned subsidiary, Anshan Youcai Trading Co., Ltd.; the Company's subsidiary, Angang Green Gold Industry Development Co., Ltd., established a new wholly-owned subsidiary, Green Gold (Lingyuan) Renewable Resources Co., Ltd.

## VIII. APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRMS

### 1. *Accounting Firm Currently Engaged by the Company*

Name of the PRC accounting firm	BDO China Shu Lun Pan Certified Public Accountants LLP
Remuneration of the PRC accounting firm	RMB5 million (including annual financial report audit and internal control audit)
Continued term of auditing service of the PRC accounting firm	3 years
Name of certified public accountants of the PRC accounting firm	Guo Shunxi, Dong Qibin
Continued term of auditing services by certified public accountants of the PRC accounting firm	Guo Shunxi: 1 year, Dong Qibin: 1 year

### 2. *Whether Appointed Another Accounting Firm During the Period*

Applicable       Not applicable

Whether the accounting firm was reappointed during the audit period

Yes       No

**3. *Particulars on Appointment of Accounting Firms, Financial Consultants or Sponsors for Internal Control and Auditing Purposes***

Applicable       Not applicable

The Company engaged BDO China Shu Lun Pan Certified Public Accountants LLP as the internal control and auditing firm of the Company for 2025 and the remuneration was RMB0.70 million.

**4. *Whether the Accounting Firms Has Changed in the Last Three Years***

Applicable       Not applicable

**IX. DELISTING RISKS AFTER THE DISCLOSURE OF ANNUAL REPORT**

Applicable       Not applicable

**X. BANKRUPTCY REORGANIZATION**

Applicable       Not applicable

During the Reporting Period, the Company was not involved in bankruptcy reorganization.

**XI. MATERIAL LITIGATION AND ARBITRATION**

Applicable       Not applicable

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

## **XII. PENALTIES AND RECTIFICATIONS**

Applicable       Not applicable

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

## **XIII. CREDIBILITY OF THE COMPANY, ITS CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS**

Applicable       Not applicable

## **XIV. MAJOR CONNECTED TRANSACTIONS**

The related party 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 related party transactions have complied with the disclosure requirements under Chapter 14A of the Hong Kong Stock Exchange Listing Rules.

## 1. Amount of related transactions related to daily operations

Related party	Related relationship	Type of related party transaction	Content of related party transaction	Pricing principle for related party transaction	Related party transaction price (RMB million)	As a percentage of the amount of similar transactions (%) (RMB million)	Approved Transaction Cap (RMB million)	Whether exceeding approved cap	Settlement method of related party transactions	Market price of available similar transactions
Angang Mining Co., Ltd.	Controlled by the same controlling	Purchase of Goods/Receive Services	Purchase of goods	Market principle	-	15,554	50,598	No	In cash	-
Angang Green Gold Industry Development Co., Ltd. (鞍鋼綠金產業發展有限公司)	Controlling Shareholder Contact Person	Purchase of Goods/Receive Services	Purchase of Goods	Market Principles	-	2,909			In cash	-
Delin Land Port Supply Chain Service Co., Ltd. (德鄰陸港供應鏈服務有限公司)	Controlled by the same controlling	Purchase of Goods/Receive Services	Purchase of goods	Market Principle	-	2,207			In cash	-
Angang Zhongyuan Industry Development Co., Ltd.	Controlled by the same controlling	Purchase of Goods/Receive Services	Purchase of goods	Market Principle	-	891			In cash	-
Anshan Iron and Steel Metallurgical Furnace Material Technology Co., Ltd.	Controlled by the same controlling	Purchase of Goods/Receive Services	Purchase of goods	Market Principle	-	871			In cash	-
Shanxi Wuchan International Energy Co., Ltd. (山西物產國際能源有限公司)	Controlling Shareholder Contact Person	Purchase of Goods/Receive Services	Purchase of goods	Market Principle	-	859			In cash	-
Angang Refractory Co., Ltd.	Controlled by the same controlling	Purchase of Goods/Receive Services	Purchase of goods	Market Principle	-	787			In cash	-
Bensteel Group Co., Ltd.	Controlled by the same controlling	Purchase of Goods/Receive Services	Purchase of goods	Market Principle	-	708			In cash	-
Angang Cast Steel Co., Ltd.	Controlled by the same controlling	Purchase of Goods/Receive Services	Purchase of goods	Market Principle	-	507			In cash	-

Related party	Related relationship	Type of related party transaction	Content of related party transaction	Pricing principle for related party transaction	Related party transaction price	Related party transaction amount	As a		Whether exceeding approved cap	Settlement method of related party transactions	Market price of available similar transactions
							percentage of the amount of similar transactions	Approved Transaction Cap			
						(RMB million)	(%)	(RMB million)			
Angang Cold Rolled Steel Plate (Putian) Co., Ltd. (鞍鋼冷軋鋼板(莆田)有限公司)	Controlled by the same controlling	Purchase of Goods/Receive Services	Purchase of goods	Market Principle	-	397	0.31	-	In cash	-	
Lingyuan Iron and Steel Group Co., Ltd. (凌源鋼鐵集團有限公司)	Controlled by the same controlling	Purchase of Goods/Receive Services	Purchase of goods	Market Principle	-	319	0.25	-	In cash	-	
Angang Engineering Technology Development Co., Ltd.	Controlled by the same controlling	Purchase of Goods/Receive Services	Purchase of Goods	Market Principle	-	290	0.22	-	In cash	-	
Pangang Group Company Limited	Controlled by the same controlling	Purchase of Goods/Receive Services	Purchase of Goods	Market Principle	-	256	0.20	-	In cash	-	
Other subsidiaries of Angang Group	Controlled by the same controlling	Purchase of Goods/Receive Services	Purchase of Goods	Market Principle	-	412	0.32	-	In cash	-	
Sub-totals	-	-	Purchase of Goods	-	-	26,967	20.92	-	-	-	

Related party	Related relationship	Type of related party transaction	Content of related party transaction	Pricing principle for related party transaction	Related party transaction price (RMB million)	Related party transaction amount (RMB million)	As a percentage of the amount of similar transactions (%) (RMB million)	Approved Transaction Cap (RMB million)	Whether exceeding approved cap	Settlement method of related party transactions	Market price of available similar transactions
Delin Land Port Supply Chain Service Co., Ltd. (德鄰陸港供應鏈服務有限公司)	Controlled by the same controlling	Purchase of Goods/Receive Services	Receipt of services	Market Principle	-	2,716	17.16	12,346	No	In cash	-
Angang Engineering Technology Development Co., Ltd.	Controlled by the same controlling	Purchase of Goods/Receive Services	Receipt of services	Market Principle	-	1,127	7.12			In cash	-
Angang Engineering Technology Co., Ltd.	Controlling Shareholder	Purchase of Goods/Receive Services	Receipt of services	Market Principle	-	1,119	7.07			In cash	-
Angang Holding	Contact Person Controlling Shareholder	Purchase of Goods/Receive Services	Receipt of services	Market Principle	-	701	4.43			In cash	-
Angang Zhongyuan Industry Development Co., Ltd.	Controlled by the same controlling	Purchase of Goods/Receive Services	Receipt of services	Market Principle	-	350	2.21			In cash	-
Angang Cold Rolled Steel Plate (Putian) Co., Ltd. (鞍鋼冷軋鋼板(莆田)有限公司)	Controlled by the same controlling	Purchase of Goods/Receive Services	Receipt of services	Market Principle	-	254	1.60			In cash	-
Angang Digital Intelligence Technology (Liaoning) Co., Ltd. (鞍鋼數智科技(遼寧)有限公司)	Controlled by the same controlling	Purchase of Goods/Receive Services	Receipt of services	Market Principle	-	225	1.42			In cash	-
Angang Yingkou Port Affairs Co., Ltd.	Controlled by the same controlling	Purchase of Goods/Receive Services	Receipt of services	Market Principle	-	209	1.32			In cash	-
Other subsidiaries of Angang Group	Controlled by the same controlling	Purchase of Goods/Receive Services	Receipt of services	Market Principle	-	918	5.80			In cash	-
Sub-totals	-	-	Receipt of services	-	-	7,619	48.13			-	-

Related party	Related relationship	Type of related party transaction	Content of related party transaction	Pricing principle for related party transaction	Related party transaction price (RMB million)	Related party transaction amount (RMB million)	As a percentage of the amount of similar transactions (%) (RMB million)	Approved Transaction Cap (RMB million)	Whether exceeding approved cap	Settlement method of related party transactions	Market price of available similar transactions
Delin Land Port Supply Chain Service Co., Ltd. (德鄰陸港供應鏈服務有限公司)	Controlled by the same controlling	Sale of Goods/ Provision of services	Sales of goods	Market Principle	-	5,828	4.43	23,260	No	In cash	-
Angang Cold Rolled Steel Plate (Putian) Co., Ltd. (鞍鋼冷軋鋼板(莆田)有限公司)	Controlled by the same controlling	Sale of Goods/ Provision of Services	Sale of Goods	Market Principle	-	1,541	1.17			In cash	-
Bensteel Group Co., Ltd.	Controlled by the same controlling	Sale of Goods/ Provision of Services	Sale of Goods	Market Principle	-	626	0.48			In cash	-
Angang International Trade (鞍鋼國貿公司)	Controlled by the same controlling	Sale of Goods/ Provision of Services	Sale of Goods	Market Principle	-	553	0.42			In cash	-
Angang Zhongyuan Industry Development Co., Ltd.	Controlled by the same controlling	Sale of Goods/ Provision of Services	Sale of Goods	Market Principle	-	501	0.38			In cash	-
Lingyuan Iron and Steel Group Co., Ltd. (凌源鋼鐵集團有限公司)	Controlled by the same controlling	Sale of Goods/ Provision of Services	Sale of Goods	Market Principle	-	268	0.20			In cash	-
Anshan Falan Co., Ltd.	Controlled by the same controlling	Sale of Goods/ Provision of Services	Sale of Goods	Market Principle	-	238	0.18			In cash	-
Angang Engineering Technology Development Co., Ltd.	Controlled by the same controlling	Sale of Goods/ Provision of Services	Sale of Goods	Market Principle	-	237	0.18			In cash	-
Other subsidiaries of Angang Group	Controlled by the same controlling	Sale of Goods/ Provision of Services	Sale of Goods	Market Principle	-	343	0.26			In cash	-
Sub-totals	-	-	Sale of Goods	-	-	10,135	7.70			-	-

Related party	Related relationship	Type of related party transaction	Content of related party transaction	Pricing principle for related party transaction	Related party transaction price (RMB million)	Related party transaction amount (RMB million)	As a percentage of the amount of similar transactions (%) (RMB million)	Approved Transaction Cap (RMB million)	Whether exceeding approved cap	Settlement method of related party transactions	Market price of available similar transactions
Angang Group	Controlled by the same controlling	Sale of Goods/ Provision of Services	Provision of Services	Market Principle	-	429	15.58	544	No	In cash	-
Sub-totals	-	-	Provision of Services	-	-	429	15.58	-	-	-	-
Angang Financial Company	Controlled by the same controlling	Receipt of Financial Services	Interest income on settlement fund deposits	Market Principle	-	30	65.22	100	No	In cash	-
Angang Financial Company	Controlled by the same controlling	Receipt of Financial Services	Maximum Daily Deposit Balance	Market Principle	-	4,781	-	5,000	No	-	-
Angang Financial Company	Controlled by the same controlling	Receipt of Financial Services	Interest Income from Credit Business	Market Principle	-	4	1.38	250	No	In cash	-
Angang Financial Company	Controlled by the same controlling	Receipt of Financial Services	Interest on entrusted loans	Market Principle	-	-	-	100	No	In cash	-
Angang Group Capital Holding Co., Ltd.	Controlled by the same controlling	Receipt of Financial Services	Commercial factoring	Market Principle	-	-	-	1,000	No	In cash	-
Angang Group Capital Holding Co., Ltd.	Controlled by the same controlling	Receipt of Financial Services	Factoring Interest Income	Market Principle	-	-	-	50	No	In cash	-

Related party	Related relationship	Type of related party transaction	Content of related party transaction	Pricing principle for related party transaction	Related party transaction price	Related party transaction amount (RMB million)	As a percentage of the amount of similar transactions (%) (RMB million)	Approved Transaction Cap (RMB million)	Whether exceeding approved cap	Settlement method of related party transactions	Market price of available similar transactions
Angang Group Capital Holding Co., Ltd.	Controlled by the same controlling	Receipt of Financial Services	Providing a maximum daily balance for accounts receivable factoring for the Company's suppliers	Market Principle	-	189	-	3,000	No	-	-
Angang Group Capital Holding Co., Ltd.	Controlled by the same controlling	Receipt of Financial Services	Maximum daily balance for financial leasing	Market Principle	-	26	-	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

Reason for the relatively larger difference between transaction price and market reference price

Relevant explanation on connected transactions

The Group's estimated data for recurring connected transactions in 2025 is based on the content and estimated maximum transaction amounts stipulated in the recurring connected transaction framework agreements. In 2025, the total amount of recurring connected transactions did not exceed the relevant caps applicable to such categories as specified in the recurring connected transaction framework agreements. The difference between actual amounts of certain connected transactions and estimated amounts was due to the impact of changes in prices of commodities and trading volumes during actual operation. As the originally estimated data represented the estimated caps of transactions, the existence of difference was reasonable which did not prejudice the interests of non-controlling shareholders and the Company.

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. Concurrently, its internal subsidiaries possess advanced technical capabilities and service competencies, enabling them to provide essential support services required for the Group's production and operational activities. As a customer of the Group, the Group also sells certain products, scrap steel materials, waste materials, and comprehensive services to Angang Group.

**2. Related party transactions involving asset or equity acquisitions and disposals**

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 Industrial Development Co., Ltd. and Bengang Steel Plates Co., Ltd.	Controlled by the same controlling	Green Gold (Benxi) Renewable Resources Co., Ltd.	Renewable resources processing, renewable resources sales, renewable resources recycling.	60	197	69	9
Angang Steel Company Limited, Angang Group Engineering Technology Development Co., Ltd.	Controlled by the same controlling	Energy and Technology	Wholesale and retail of compressed and liquefied gases; storage and operation of mixed gases and standard gases; inspection and maintenance of special equipment; urban civil, public, and industrial centralized heating and heat supply; production and sales of thermal power by-products.	201	640	428	51
Progress of major capital projects of investee companies (if any)		-					

#### 4. *Related party loans and borrowings*

Applicable       Not applicable

Whether there are any claims or obligations for non-operating purposes during the Reporting Period

Yes       No

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

#### 5. *Transaction with connected financial company*

Applicable       Not applicable

*Unit: RMB million*

##### Deposit business

Connected party	Related relationship	Maximum daily deposit	Deposit interest rate range (%)	Balance as at the beginning of the period	Amount during the period		Balance as at the end of the period
					Total amount deposited during the period	Total amount withdrawn during the period	
Angang Financial Company	Controlled by the same controlling	5,000	0.2-1.5	4,006	343,773	344,309	3,470

##### Loan business

Connected party	Related relationship	Loan facility	Loan interest rate range (%)	Balance as at the beginning of the period	Amount during the period		Balance as at the end of the period
					Total loan amount during the period	Total repayment amount during the period	
Angang Financial Company	Controlled by the same controlling	2,100	2.11	-	615	-	615

Credit or other financial business

Connected party	Related relationship	Type of Business	Total Amount	Actual Amount Incurred
Angang Financial Company	Controlled by the same controlling	Credit Facility	2,100	615

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

Applicable  Not Applicable

**7. Other major related party transactions**

None.

**8. Independent Non-Executive Directors' Opinion**

(1) For the year 2025, the Group's continuing connected transactions fall within the Group's ordinary course of business; (2) For the year 2025, the Group's continuing connected transactions were conducted on normal commercial terms (when compared with transactions of a similar nature entered into with similar entities in the PRC); (where no comparable transactions are available) concluded on terms no less favourable than those available to or from independent third parties; (where no reference is available for comparison) conducted on fair and reasonable terms to the Company's shareholders; (3) For the year 2025, the Group's continuing connected transactions were conducted in accordance with the terms of the Continuing Connected Transactions Agreement Framework, with fair and reasonable terms and in the interests of the Group and its shareholders as a whole; (4) For the year 2025, the total amount of the Group's continuing connected transactions did not exceed the relevant caps applicable to such categories as set out in the Continuing Connected Transactions Agreement Framework. The difference between actual amounts of certain connected transactions and estimated amounts was relatively larger, due to the impact of changes in prices of commodities and trading volumes during actual operation. As the originally estimated data represented the estimated caps of transactions, the existence of difference was reasonable which did not prejudice the interests of non-controlling shareholders and the Group.

## **9. *Opinions of auditors***

The auditors have reviewed the non-exempt continuing connected transactions conducted during the year 2025 of the Group and issued a letter to the Board. In respect of the Continuing Connected Transactions disclosed by the Company, the auditors are of the opinion that:

- (1) nothing has come to their attention that causes them to believe that the disclosed Continuing Connected Transactions have not been approved by the Board of the Company.
- (2) in relation to the continuing connected transactions involving the supply of goods or services by the Group, we have not become aware of any matter that causes us to believe that these transactions have not been conducted in all material respects in accordance with the Group's pricing policies.
- (3) nothing has come to their attention that causes them to believe that the disclosed Continuing Connected Transactions were not carried out in accordance with the relevant agreements in all material aspects.
- (4) nothing has come to their attention that causes them to believe that the total amount of each Continuing Connected Transaction attached below exceeds the annual caps set by the Company.

## **XV. MATERIAL CONTRACTS AND THEIR IMPLEMENTATION**

### **1. *Trust, contractual or lease arrangement***

#### **(1) *Trusteeship matters***

The Mutual Supply of Service Framework Agreement (2025–2027) entered into between the Company and Angang, which was considered and approved at the first extraordinary shareholders' meeting of the Company in 2024 held on 30 December 2024. The Company entered into the Entrusted Management Services of Asset and Business Agreement with Anshan Iron and Steel, which serves as the specific implementation agreement under the approved Services Mutual Supply Framework Agreement (2025–2027). Pursuant to the Entrusted Management Services of Asset and Business Agreement, Angang Holding entrusts the Company to daily operate and manage the assets, businesses, additional future assets and businesses of the unlisted units under its control.

During the Reporting Period, the Group did not address any entrusted projects which resulted in profit or loss of the Group amounting to more than 10% of total profit during the Reporting Period.

(2) *Contractual arrangement*

The Group did not enter into any contractual arrangement during the Reporting Period.

(3) *Lease arrangement*

Applicable       Not applicable

The Group used certain land assets of Angang Holding and its subsidiaries for its production and operation. Pursuant to the Asset Lease Agreements entered into between the Group and relevant parties, the Group paid a land leasehold payment with reference to the market rates to Angang Holding and its subsidiaries, with a total amount of RMB66 million in 2025.

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

**2. *Material guarantee***

Applicable       Not Applicable

During the Reporting Period, there was no material guarantee provided by the Group, nor was there any material guarantee subsisting during the Reporting Period.

**3. *Entrusted cash assets management***

(1) *Entrusted wealth management*

Applicable       Not applicable

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

(2) *Entrusted loans*

Applicable       Not applicable

The Group did not engage in any entrusted loans during the Reporting Period.

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

Applicable  Not applicable

#### **XVI. USE OF PROCEEDS FROM FUNDRAISING**

Applicable  Not applicable

The Group had no use of proceeds from fundraising during the Reporting Period.

#### **XVII. EXPLANATION OF OTHER SIGNIFICANT EVENTS**

Applicable  not applicable

The Company had no other significant matters requiring disclosure during the Reporting Period.

#### **XVIII. SIGNIFICANT EVENTS OF THE COMPANY'S SUBSIDIARIES**

Applicable  not applicable

#### **PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES**

On 28 February 2025, the Company completed the repurchase and cancellation of 14,180,048 restricted shares held by 183 incentive participants that had been granted but not yet released from lock-up with Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

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

#### **CORPORATE GOVERNANCE PRACTICE**

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 practices and procedures and the strict implementation of such practices and procedures, in order to protect the interests of the shareholders and to create value for the shareholders in the long term.

The Company has adopted the code provisions set out in Appendix C1 to the Hong Kong Stock Exchange Listing Rules as currently effective. The Company has periodically reviewed its corporate governance practices, and the Company has properly complied with the code provisions of the Corporate Governance Code.

## **AUDIT AND RISK COMMITTEE**

The Audit and Risk Committee of the Company, together with the management, has reviewed the accounting policies adopted by the Group and deliberated on matters related to auditing, internal controls and financial statements (including reviewing the audited financial statements for the year ended 31 December 2025).

## FINANCIAL INFORMATION

### Consolidated Balance Sheet

As at 31 December, 2025

Prepared by: Angang Steel Company Limited

Monetary unit: RMB million

Item	Notes	31 December 2025	31 December 2024
<b>Current assets:</b>			
Cash and cash equivalents		3,913	4,544
Held-for-trading financial assets		20	15
Derivative financial assets		4	
Notes receivable		315	55
Accounts receivable	2	3,083	2,952
Receivables financing		1,480	918
Prepayments		2,482	3,189
Other receivables		95	66
Including: Interests receivable			
Dividends receivable			
Inventories		11,993	14,769
Other current assets		1,107	1,742
<b>Total current assets</b>		<b>24,492</b>	<b>28,250</b>
<b>Non-current assets:</b>			
Long-term equity investments		4,211	3,840
Other equity instrument investments		675	690
Other non-current financial assets		142	104
Fixed assets		55,272	51,842
Construction in progress		2,373	5,802
Right-of-use assets		105	123
Intangible assets		6,352	6,710
Deferred income tax assets		2,169	2,296
Other non-current assets		256	921
<b>Total non-current assets</b>		<b>71,555</b>	<b>72,328</b>
<b>Total assets</b>		<b>96,047</b>	<b>100,578</b>

Legal representative:  
Wang Jun

Financial controller:  
Li Jingdong

Person in charge of  
accounting department:  
Ma li

**Consolidated Balance Sheet (Continued)**  
*As at 31 December, 2025*

*Monetary unit: RMB million*

<b>Item</b>	<i>Notes</i>	<b>31 December 2025</b>	31 December 2024
<b>Current liabilities:</b>			
Short-term loans		<b>8,070</b>	1,174
Derivative financial liabilities		<b>1</b>	1
Notes payable		<b>19,318</b>	17,957
Accounts payable	3	<b>5,908</b>	8,281
Contract liabilities		<b>4,738</b>	4,557
Staff remuneration payable		<b>112</b>	97
Tax payable		<b>146</b>	144
Other payables		<b>4,273</b>	6,066
Including: Interests payable			
Dividends payable			1
Non-current liabilities due within one year		<b>619</b>	700
Other current liabilities		<b>437</b>	462
<b>Total current liabilities</b>		<b><u>43,622</u></b>	<b><u>39,439</u></b>
<b>Non-current liabilities:</b>			
Long-term loans		<b>6,121</b>	10,991
Bonds payable			
Lease liability		<b>36</b>	125
Long-term payables		<b>321</b>	367
Long-term employee benefits payable		<b>40</b>	50
Deferred income		<b>924</b>	844
Deferred income tax liabilities		<b>1</b>	91
<b>Total non-current liabilities</b>		<b><u>7,443</u></b>	<b><u>12,468</u></b>
<b>Total liabilities</b>		<b><u>51,065</u></b>	<b><u>51,907</u></b>
<b>Shareholders' equity:</b>			

**Consolidated Balance Sheet (Continued)**  
*As at 31 December, 2025*

<b>Item</b>	<i>Notes</i>	<b>31 December 2025</b>	31 December 2024
Share capital		<b>9,369</b>	9,383
Capital reserve		<b>34,155</b>	33,920
Less: Treasury shares			27
Other comprehensive income		<b>201</b>	215
Special reserve		<b>87</b>	52
Surplus reserve		<b>4,457</b>	4,457
Retained earnings	4	<b>(4,389)</b>	(321)
<b>Subtotal of Shareholders' equity attributable to shareholders of parent company</b>		<b>43,880</b>	47,679
Minority interests		<b>1,102</b>	992
<b>Total shareholders' equity</b>		<b>44,982</b>	48,671
<b>Total liabilities and shareholders' equity</b>		<b>96,047</b>	100,578

*Legal representative:*  
**Wang Jun**

*Financial controller:*  
**Li Jingdong**

*Person in charge of  
accounting department:*  
**Ma li**

## Consolidated Income Statement

For the twelve months ended 31 December 2025

Prepared by: Angang Steel Company Limited

Monetary unit: RMB million

Item	Notes	January to December 2025	January to December 2024
<b>I. Total operating revenue</b>		<b>96,052</b>	105,101
Including: Operating revenue	5	<b>96,052</b>	105,101
<b>II. Total operating cost</b>		<b>100,622</b>	112,308
Including: Operating cost	5	<b>97,255</b>	108,825
Taxes and surcharges	6	<b>954</b>	850
Selling expenses		<b>534</b>	560
Administrative expenses		<b>1,096</b>	1,339
Research and development expenses		<b>478</b>	468
Finance expenses	8	<b>305</b>	266
Including: Interest expenses		<b>332</b>	285
Interest income		<b>46</b>	56
Add: Other incomes		<b>455</b>	217
Investment income (Loss is listed with “-”)		<b>503</b>	556
Including: Investment incomes in associates and joint ventures		<b>575</b>	563
Gain from fair-value changes (Loss is listed with “-”)		<b>53</b>	71
Credit impairment losses (Loss is listed with “-”)		<b>(6)</b>	(2)
Impairment on assets (Loss is listed with “-”)		<b>(348)</b>	(680)
Gains on disposal of assets (Loss is listed with “-”)		<b>16</b>	92
<b>III. Operating profit (Loss is listed with “-”)</b>		<b>(3,897)</b>	(6,953)
Add: Non-operating income		<b>44</b>	38
Less: Non-operating expenses		<b>41</b>	120
<b>IV. Profit before tax (Loss is listed with “-”)</b>		<b>(3,894)</b>	(7,035)
Less: Income tax expenses	9	<b>99</b>	59
<b>V. Net profit (Loss is listed with “-”)</b>		<b>(3,993)</b>	(7,094)
(I) Classification of business operation			

<b>Item</b>	<i>Notes</i>	<b>January to December 2025</b>	January to December 2024
1. Continuous operation profit (Loss is listed with “-”)		<b>(3,993)</b>	(7,094)
2. Termination of business operating profit (Loss is listed with “-”)			
(II) Classification of ownership			
1. Net income attributable to the Company owners		<b>(4,068)</b>	(7,122)
2. Net income attributable to minority shareholders		<b>75</b>	28
<b>VI. Other comprehensive income after tax</b>		<b>(14)</b>	39
Other comprehensive income after tax attributable to parent company owners		<b>(14)</b>	39
(I) Other comprehensive income which cannot be reclassified subsequently to profit or loss		<b>(14)</b>	39
1. Net gain on other equity instruments at fair value through other comprehensive income		<b>(13)</b>	38
2. The shares of the other comprehensive income which cannot be reclassified in profit or loss of the invested company in equity method		<b>(1)</b>	1
(II) Other comprehensive income which will be reclassified subsequently to profit or loss			
1. The shares of the other comprehensive income which can be reclassified in profit or loss of the invested company in equity method			
Other comprehensive income after tax attributable to minority shareholders			
<b>VII. Total comprehensive income</b>		<b>(4,007)</b>	(7,055)
Total comprehensive income attributed to the Company owners		<b>(4,082)</b>	(7,083)
Total comprehensive income attributable to minority shareholders		<b>75</b>	28
<b>VIII. Earnings per share</b>			

<b>Item</b>	<i>Notes</i>	<b>January to December 2025</b>	January to December 2024
Basic earnings per share <i>(RMB/share)</i>	10	<b>(0.434)</b>	(0.759)
Diluted earnings per share <i>(RMB/share)</i>	10	<b>(0.434)</b>	(0.759)

*Legal representative:*  
**Wang Jun**

*Financial controller:*  
**Li Jingdong**

*Person in charge of  
accounting department:*  
**Ma li**

## **NOTES TO FINANCIAL STATEMENTS**

*For The Period Ended 31 December 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 12 months from December 31, 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(abbreviated as “ASBE”) (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 “Accounting Standards for Business Enterprises” or “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 securities listing rules issued by the Stock Exchange of Hong Kong Ltd.

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

Items	31 December 2025				
	Book Value		Bad Debt Provision		Net Book Value
	Amount	Percentage (%)	Amount	Percentage (%)	
Accounts receivable subject to separate assessment for bad debts provision	107	3.37	87	81.31	20
Account receivable for which bad debt is prepared based on group combination	3,067	96.63	4	0.13	3,063
including: Risk-free group combination	1,185	37.34			1,185
Risk group combination on the basis of aging-matrix	1,882	59.29	4	0.21	1,878
<b>Total</b>	<b>3,174</b>	<b>100.00</b>	<b>91</b>	<b>2.87</b>	<b>3,083</b>

  

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

## 2. ACCOUNTS RECEIVABLE (Continued)

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

Debtors	31 December 2024		31 December 2025			
	Book Value	Bad Debt Provision	Book Value	Bad Debt Provision	Percentage (%)	Reason
Tianjin Property Group Finance Co., Ltd.	366	311	20			
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
Dalian material trading Co., Ltd.						
Shanghai Junshang	5	2	5	5	100.00	Business is in trouble. It does not have repayment ability
Supply Chain Management Co., Ltd						
Dongfeng Mochong (Dalian) Punching and Welding Parts Co., Ltd	2	2	2	2	100.00	Bankruptcy of debtor. It does not have repayment ability
<b>Total</b>	<b>455</b>	<b>397</b>	<b>107</b>	<b>87</b>		

## 2. ACCOUNTS RECEIVABLE (Continued)

### (3) Accounts receivable classified by aging

Aging	31 December 2025	31 December 2024
Within 1 year	3,053	2,857
1 to 2 years	12	42
2 to 3 years	5	3
3 to 4 years		
4 to 5 years		
Over 5 years	104	452
Total	<u>3,174</u>	<u>3,354</u>

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

### (4) Bad debt provision

Type	31 December 2024	Increase/Decrease			31 December 2025
		Bad debt provision	Reverse	Resale or verification Others	
Accounts receivable	402	1		(1) (311)	91

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

Accounts receivable of RMB1 million from Anshan Zhongyou Tianbao Steel Pipe Co., Ltd. has been written off during the period.

### (6) The condition of accounts receivable of the top five debtors by the balances as of 31 December 2025

The total amount of top five accounts receivable according to closing balance of debtors of the Group was RMB1,935 million as of 31 December 2025, which accounted for 60.96% of the closing balance of the total accounts receivable. The summary closing balance of corresponding bad debt provision amounted to RMB0 million as of 31 December 2025.

### 3. ACCOUNTS PAYABLE

#### (1) Aging of accounts payable

Items	31 December 2025		31 December 2024	
	Balance	Percentage (%)	Balance	Percentage (%)
Within 1 year	5,826	98.61	8,200	99.02
1 to 2 years	40	0.68	30	0.36
2 to 3 years	9	0.15	10	0.12
Over 3 years	33	0.56	41	0.50
Total	<u>5,908</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.	<u>6</u>	1 to 5 years, over 5 years
Total	<u>6</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	(4,068)
Including: Net profit transferred this period	(4,068)
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 (Note)	
Conversed capital	
Other decreases	
	<hr/>
Balance as of 31 December 2025	<u><u>(4,389)</u></u>

#### 5. OPERATING REVENUE AND OPERATING COST

##### (1) Classified by production

Items	This period		Last period	
	Income	Cost	Income	Cost
Prime operating	95,684	96,905	104,704	108,451
Other operating ( <i>Note2</i> )	368	350	397	374
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u><u>96,052</u></u>	<u><u>97,255</u></u>	<u><u>105,101</u></u>	<u><u>108,825</u></u>

*Note1:* The Group is classified into an operating segment based on the type of business: production and sale of steel products.

*Note2:* Other business income and other business costs of The Group are mainly generated from the sales of materials and scrap materials.

## 5. OPERATING REVENUE AND OPERATING COST (Continued)

### (2) Classified by region

Items	This period	Last period
Foreign transaction income from the within borders	88,829	97,804
Foreign exchange income from outside borders	7,223	7,297
Total	<u>96,052</u>	<u>105,101</u>

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

Items	This period	Last period
Confirmed at a certain point	96,052	105,101
Total	<u>96,052</u>	<u>105,101</u>

## 6 TAXES AND SURCHARGES

Items	This period	Last period
Land use tax	438	440
Property tax	186	174
Environmental protection tax	131	66
Stamp tax	94	103
City maintenance and construction tax	36	25
Resources tax	32	4
Educational surcharge and local educational surcharge	26	18
Consumption tax	9	18
Others	2	2
Total	<u>954</u>	<u>850</u>

## 7. DEPRECIATION AND AMORTIZATION

<b>Items</b>	<b>This period</b>	Last period
Depreciation of fixed assets	<b>3,830</b>	3,619
Amortization of intangible assets	<b>451</b>	423
Depreciation of right-of-use assets	<b>80</b>	62
Total	<b><u>4,361</u></b>	<b><u>4,104</u></b>

## 8. FINANCIAL EXPENSES

<b>Items</b>	<b>This period</b>	Last period
Interest expense	<b>337</b>	310
Less: Interest income	<b>46</b>	56
Less: Capitalized interest expense	<b>5</b>	25
Exchange gain or loss		
Less: Capitalized exchange gain or loss		
Others	<b>19</b>	37
Total	<b><u>305</u></b>	<b><u>266</u></b>

## 9. INCOME TAX EXPENSES

### (1) Income tax expenses

<b>Items</b>	<b>This period</b>	Last period
Income tax during this period	<b>59</b>	78
Changes on deferred income tax expenses	<b>40</b>	(19)
Total	<b><u>99</u></b>	<b><u>59</u></b>

## 9. INCOME TAX EXPENSES *(Continued)*

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

Items	This period
Total profit	(3,894)
Income tax expenses calculated at statutory/applicable tax rates	(584)
Effect of different tax rates applied by subsidiary companies	(70)
Effect of current unrecognized deductible temporary difference or deductible loss arising from deferred tax income assets	753
Income tax expenses	<u>99</u>

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

Profit in this period	Weighted average (ROE) (%)	EPS <i>(Yuan per share)</i>	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders	(8.90)	(0.434)	(0.434)
Net profit (exclusive of non-operating profit) attributable to ordinary shareholders	<u>(9.23)</u>	<u>(0.450)</u>	<u>(0.450)</u>

## 11. OPERATING SEGMENT

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

## 12. COMMITMENTS

Items	31 December 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>1,083</u>	<u>2,439</u>
Total	<u>1,097</u>	<u>2,565</u>

### 13. SUBSEQUENT EVENTS

The Board of Directors of the Company recommended on March 30, 2026 not to distribute a final dividend for the fiscal year ended December 31, 2025.

### 14. NET CURRENT ASSETS

Items	31 December 2025	31 December 2024
Current assets	24,492	28,250
Less : Current liabilities	<u>43,622</u>	<u>39,439</u>
Net current assets/(liabilities)	<u>(19,130)</u>	<u>(11,189)</u>

### 15. TOTAL ASSETS LESS CURRENT LIABILITIES

Items	31 December 2025	31 December 2024
Total assets	96,047	100,578
Less: Current liabilities	<u>43,622</u>	<u>39,439</u>
Total assets less current liabilities	<u>52,425</u>	<u>61,139</u>

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

Anshan City, Liaoning Province, the PRC  
30 March 2026

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

*Executive Directors*

Wang Jun  
Tian Yong  
Li Jingdong

*Independent Non-executive Directors*

Zhu Keshi  
Hu Caimei  
Liu Chaojian

*Non-executive Director*

Tan Yuhai

*Employee Director:*

Zhao Zhongmin

\* For identification purpose only