

Beijing Shougang Co., Ltd.

2025 Annual Report

16 April 2026

2025 Annual Report

SECTION I. IMPORTANT NOTICE, CONTENT, DEFINITIONS

The Board of Directors (the “Board”), all directors, and senior executives of the Company warrant that there are no false representations, misleading statements, or material omissions in this annual report; and are jointly and individually responsible for the truthfulness, accuracy and completeness of the information contained in this annual report.

Chairman Zhu Guosen, General Manager Sun Maolin, Chief Accountant Liu Tonghe, and Accounting Officer Cui Xiumei declare that they guarantee the authenticity, accuracy, and completeness of the financial reports in this year's report.

Whether any directors failed to attend the Board meeting convened to deliberate on the annual report in person

☒ YES ☐ NO

Except for the following directors, all other directors attended the Board meeting for deliberating the current annual report in person

Name of director not attending in person	Position of the director not attending in person	Reason for not attending in person	Name of the entrusted person
Chen Xiaowei	Employee Representative Director	Out on official business	Wang Cuimin

Peng Feng	Independent Director	Out on official business	Yu Xingxi
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Certain risks that may exist have been elaborated by the Company in this report. Please refer to Discussion and Analysis of Business Operations for details.

The profit distribution plan approved by the board of directors is as follows: based on 7,754,967,370, cash dividends of RMB 0.4 (including tax) will be distributed to all shareholders for every 10 shares, and 0 bonus shares (including tax) will be issued, and there is no conversion of reserve into share capital.

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File directory for reference

1. Accounting statements signed and stamped by the Chairman, General Manager, Chief Accountant, and Head of Accounting Institution.
2. Original audit report with the seal of the accounting firm, signature and seal of the CPA.
3. Original copies of all company documents and announcements publicly disclosed in newspapers designated by the China Securities Regulatory Commission during the reporting period.
4. “The Articles of Association of Beijing Shougang Co., Ltd.”, etc.

Interpretation

Items	Refers to	Contents
CSRC	Refers to	China Securities Regulatory Commission
NDRC	Refers to	National Development and Reform Commission
MIIT	Refers to	Ministry of Industry and Information Technology
CISA	Refers to	China Iron and Steel Association
CAAM	Refers to	China Association of Automobile Manufacturers
Guangxi Nanning Yuchai Petronas Lube Co., Ltd.	Refers to	Shenzhen Stock Exchange
Company, the Company/the company or Shougang Co.	Refers to	Beijing Shougang Co., Ltd.
Shougang or Shougang Group	Refers to	Shougang Group (Reforming from an enterprise owned by the whole people to exclusively state-owned companies, name of Shougang Group is changed from Shougang Corporation. The specific content is detailed in 15 June 2017 public announcement.)
<i>Company Law</i>		Company Law of the People's Republic of China
<i>Securities Law</i>		Securities Law of the People's Republic of China
Listing Rules of SZSE	Refers to	Listing Rules of Shenzhen Stock Exchange
The Articles of Association	Refers to	The Articles of Association of Beijing Shougang Co., Ltd.
Board of Directors or the Board	Refers to	The board of directors of Beijing Shougang Co., Ltd.
Supervisory Committee		The supervisory committee of Beijing Shougang Co., Ltd.
Shareholders' Meeting, Shareholders' Meeting of the Company	Refers to	The Shareholders' Meeting/General Meeting of Beijing Shougang Co., Ltd.
Qiangang Co.	Refers to	Shougang Qian'an Iron & Steel Co., Ltd. (Branch of the Company)
Cold-R Co.	Refers to	Beijing Shougang Cold Rolling Co., Ltd. (Holding subsidiary of the Company, the Company holds 70.2806%)
Zhixin Co.	Refers to	Shougang Zhixin Electromagnetic Materials (Qian'an) Co., Ltd. (Holding subsidiary of the Company, the Company holds 66.2310%), was reformed by the shareholding system of Shougang Zhixin Qian'an Electromagnetic Materials Co., Ltd. and changed its name to Shougang Zhixin Electromagnetic Materials (Qian'an) Co., Ltd. The specific content is detailed in 29 March 2024 public announcement.
Steel Trading	Refers to	Beijing Shougang Steel Trading Investment Management Co., Ltd. (Wholly-owned subsidiaries of the Company)
Qianshun Base	Refers to	The integrated production organization and product research and development system formed by Qiangang Co., located in Qian-an, Hebei province, and Cold-R Co., located in Shunyi District, Beijing.
Jingtang Co./Jingtang Base.	Refers to	Shougang Jingtang United Iron&Steel Co., Ltd. (Holding subsidiary of the Company, the Company holds 70.1823%, Steel Trading Co. holds 29.8177%)
First Reorganization, and Previous Major Assets Reorganization	Refers to	Since the shutdown of the main process of iron and steel manufacturing in late 2010, which was operated in Shijingshan District, Beijing, a transaction between the Company and Shougang carried out. The transaction event was announced as "Related Party Transactions between Beijing Shougang Co., Ltd. and Shougang Corporation - Major Assets Swap and Asset Purchase through Issue of Shares". The event was unconditional approved by China Securities Regulatory Commission Restructuring Committee on 16 January 2013. On 29 January 2014, the Company received the approval document, named "The Approval of Related Party Transactions between Beijing Shougang Co., Ltd. and Shougang Corporation - Major Assets Reorganization and Asset Purchase through Issue of Shares", which was issued by China Securities Regulatory Commission. On 25 April 2014, the reorganization was accomplished.
Second Reorganization	Refers to	On 23 April 2015, trading in the shares of the Company was suspended and the major assets swap launched. Main content of the swap is: 100% shareholding of Guizhou Investment Co., Ltd. was replaced with 51% shareholding of Jingtang Co., any insufficiency was paid in cash. These major assets swap was accomplished at the end of 2015. On 27 April 2016, re-election of the board of directors and amendment of Articles of Association of Jingtang Co. was accomplished and the Company was qualified to consolidate the financial statements of Jingtang Co. The second swap was then accomplished.
EVI	Refers to	Early Vendor Involvement means involving the downstream users at early stage of product development process and fully understanding users' requirements for raw material so that high-performance materials and personalized services could be offered to users.
Reporting Period	Refers to	From 1 January 2025 to 31 December 2025
Thousand, Million, Billion	Refers to	RMB Thousand, RMB Million, RMB Billion

SECTION II. COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

I. Company information

Short name of stock	Shougang Stock	Stock code	000959
Stock exchange for listing of shares	Shenzhen Stock Exchange		
Statutory Chinese name of the Company	北京首钢股份有限公司		
The Chinese abbreviation of the Company	首钢股份		
English name of the Company (if any)	Beijing Shougang Co., Ltd.		
Legal representative of the Company	Zhu Guosen		
Registered address	Shijingshan Road, Shijingshan District, Beijing, PRC		
Postal code of the registered address	100041		
Historical changes in the registered address of the Company	N/A		
Office address	Building 3, Courtyard 6, Qunminghu South Road, Shijingshan District, Beijing		
Postal code of the office address	100041		
The Company's website	www.sggf.com.cn		
Email address	sggf@sgqg.com		

II. Contact information

	Secretary of the board
Name	Qiao yufei
Correspondence address	Building 3, Courtyard 6, Qunminghu South Road, Shijingshan District, Beijing
Telephone	010-88293727
Fax	010-88292055
Email address	qiaoyf1827@sgqg.com

III. Information disclosure and place for inspection

Stock exchange website for the disclosure of the annual report	http://www.szse.cn/
Media and website for disclosure of the annual report	China Securities Journal, Securities Times, Shanghai Securities Journal, Securities Daily. Http://www.cninfo.com.cn
Place for inspection of the annual report	Secretary office of the board of the Company

IV. Changes of registration

Organization code	911100007002343182
Changes of the core business since listing (if any)	No changes
Changes of controlling shareholder (if any)	No changes

V. Other relevant information

Accounting firm engaged by the Company

Name of accounting firm	ShineWing Certified Public Accountants (LLP)
Address of accounting firm	8/F, Block A, Fu Hua Mansion, No. 8 Chaoyangmen Beidajie, Dongcheng District, Beijing, P.R. China
Signed CPA	Guo Yong, Lu Min

Sponsor engaged by the Company for performing continuous supervision duties in reporting period

☐Applicable ☒Non-applicable

Financial consultant engaged by the Company for performing continuous supervision duties in reporting period

☐Applicable ☒Non-applicable

VI. Major accounting data and financial indicators

Whether the Company has retroactive adjustment or re-statement on previous accounting data or not

☒ YES ☐ NO

Reasons for retrospective adjustment or re-statement

Business combinations involving entities under common control

	2025	2024		Changes over last year	2023	
		Pre-adjustment	Post-adjustment	Post-adjustment	Pre-adjustment	Post-adjustment
Operating revenue	102,918,417,572.91	108,310,796,466.52	108,461,993,386.29	-5.11%	113,761,443,633.43	113,516,432,884.72
Net profit attributable to shareholders of the listed company	995,635,969.34	471,093,049.04	479,418,078.55	107.68%	663,754,519.41	666,944,382.42
Net profit attributable to shareholders of the listed company after deducting non-recurring profit and loss	991,939,291.02	219,517,106.60	219,517,106.60	351.87%	527,672,139.72	527,672,139.72
Net cash flows from operating activities	8,136,677,049.73	6,328,728,996.69	6,342,221,368.59	28.29%	6,154,306,071.82	6,163,598,210.41
Basic earnings per share	0.1284	0.0607	0.0618	107.77%	0.0856	0.0860
Diluted earnings per share	0.1284	0.0607	0.0618	107.77%	0.0856	0.0860
Weighted average return on net assets	1.99%	0.95%	0.97%	An increase of 1.02 percentage points year-on-year	1.35%	1.36%
	31 December 2025	31 December 2024		Changes over end of last year	31 December 2023	
		Pre-adjustment	Post-adjustment	Post-adjustment	Pre-adjustment	Post-adjustment
Total assets	124,933,669,457.96	131,855,846,492.95	132,047,608,185.06	-5.39%	137,519,661,128.33	137,658,863,874.58
Net assets attributable to shareholders of the listed company	50,330,692,591.43	49,617,240,899.57	49,757,985,979.64	1.15%	49,473,789,412.65	49,478,908,464.02

The Company's net profit before and after deducting non-recurring profit and loss in the last three fiscal years is negative, and the audit profit of the last year presents that the Company's ability of continuing operations is uncertain.

☐ YES ☒ NO

The lower of the Company's audited total profit, net profit, and net profit after deducting non-recurring gains and losses during the reporting period was negative.

☐ YES ☒ NO

VII. Difference of accounting data under accounting rules in and out of China

1. Differences of net profit and net assets in financial statements disclosed according to International Financial Reporting Standards and Chinese Accounting Standards

☐ Applicable ☒ Non-applicable

There is no difference between the net profit and net assets in the financial statements disclosed in accordance with International Financial Reporting Standards and Chinese Accounting Standards during the reporting period of the Company.

2. Difference of net profit and net assets in financial statements disclosed according to foreign accounting standards and Chinese Accounting Standards

☐ Applicable ☒ Non-applicable

There is no difference between the net profit and net assets in the financial statements disclosed in accordance with foreign accounting standards and Chinese Accounting Standards during the reporting period of the Company.

VIII. Major financial indicators by quarter in 2025

Unit: RMB Yuan

	Q1	Q2	Q3	Q4
Operating revenue	26,533,037,954.72	25,984,089,388.57	24,716,459,072.89	25,684,831,156.73
Net profit attributable to shareholders of the listed company	327,883,124.37	329,213,545.37	296,333,424.54	42,205,875.06
Net profit attributable to shareholders of the listed company after deducting non-recurring profit and loss	348,677,588.68	333,715,497.89	305,583,274.58	3,962,929.87
Net cash flows from operating activities	-1,260,364,624.48	3,455,998,571.87	3,264,854,676.87	2,676,188,425.47

Whether there are significant differences between the above-mentioned financial indicators or the sum and the relevant financial indicators disclosed in the Company's quarterly report and semi-annual report

☐ YES ☒ NO

IX. Items and amounts of non-recurring profit and loss

☒ Applicable ☐ Non-applicable

Unit: RMB Yuan

Item	2025	2024	2023	Note
Gains and losses on disposal of non-current assets (including the write-off that accrued for impairment of assets)	-102,355,801.08	-50,614,446.27	-22,066,115.49	
Government grant included in the current profit and loss (except for the government grant which are closely related to the business of the company and are in accordance with the national unified standard quota)	109,865,980.75	190,491,675.13	137,487,616.66	
Reversal of impairment provisions for accounts receivable subject to separate impairment testing	2,352,368.89	1,172,292.00	33,127,315.83	
Current net profit and loss of subsidiaries from the beginning of the period to the date of business combination under the common control	8,027,162.83	8,325,029.51	3,189,863.01	
Profit and loss from debt reorganization	384,337.24	2,537,679.85		
Profit and loss from external entrusted loans			8,990,991.36	
Other non-operating income and expenses except the above items	-6,625,899.35	136,430,176.66	4,157,902.31	
Other items that meet the definition of exceptional gain/loss:				
Less: The impact of income tax	5,532,744.99	25,267,923.93	21,652,772.59	
The impact on non-controlling interests (post-tax)	2,418,725.97	3,173,511.00	3,962,558.39	
Total	3,696,678.32	259,900,971.95	139,272,242.70	--

Particulars about other items that meet the definition of exceptional gain/loss:

☐ Applicable ☒ Non-applicable

During the reporting period, there is no other item that meet the definition of exceptional gain/loss.

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

☐ Applicable ☒ Non-applicable

During the reporting period, there is no non-recurring profit and loss item defined and listed in "Explanatory Announcement No. 1 of Information Disclosure of Companies offering securities to the public non-recurring profit and loss" as recurring profit and loss items.

SECTION III. DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS

I. Main business of the Company during the reporting period

The Company is firmly adhering to the strategic determination of "green manufacturing, intelligent manufacturing, boutique manufacturing, lean manufacturing, and precision services", adheres to innovation-driven, and promotes technological innovation to become the Company's primary competitiveness, and strives to become a globally competitive and influential listed iron and steel company. Adhere to create "manufacturing + service" competitive advantage, continuously optimizing product structure, production line structure, and customer structure, and continuously promoting high-end product research and development with a focus on electrical steel, automotive panels, and tin-plated (chromium-plated) plates, and medium and heavy plates, thereby ensuring the supply of independent materials and the guarantee of independent technologies for major projects related to national economy and people's livelihood.

The Company's main business is the production and sale of steel products and soft magnetic metallic materials (electrical steel). Its main products are used in traditional high-end manufacturing sectors such as automotive, power, energy, home appliances, food packaging, and shipbuilding and offshore engineering, as well as in strategic emerging industries and future industries such as new energy vehicles, civil aviation, and humanoid robots.

1. Zhixin Co.

Zhixin Co. is a research and development, manufacturing, and sales base for metal soft magnetic materials (electrical steel), and is a leading global manufacturer and service provider of electrical steel.

The products include two major series: oriented electrical steel and non-oriented electrical steel. Among them, oriented electrical steel includes six categories of products: high magnetic induction, magnetic domain refinement, low noise, low excitation, no bottom layer, and medium frequency. Zhixin Co. has independently developed low-temperature slab heating technology to produce high magnetic induction oriented electrical steel, becoming the fourth enterprise in the world to industrialize all low-temperature processes; Non-oriented electrical steel includes four major categories of products: new energy vehicles, stress relief annealing, high-efficiency, and general-purpose, with stable batch production capacity for all grades.

The company has the world's first high-grade non-oriented electrical steel production line for new energy vehicles and the world's first specialized production line with 100% thin specification and high magnetic induction oriented electrical steel.

2. Jingtang Co.

Jingtang Co, the large steel base, is a company with international advanced level designed and constructed in accordance with the concept of circular economy. It has the obvious advantages of being near the sea and near the harbor, large equipment, high production efficiency and low cost.

The products include two major series of hot and cold plates, of which the hot plates are mainly hot-rolled pickling plates, weather-resistant steels, automobile structural steels, high-performance construction steel, pipeline steels, and medium thickness plates for bridge steel, energy steels, pipeline steels, marine steel and offshore steels; and the cold plates are mainly automobile sheets, tin sheet, cold-rolled special-use plate and color color-coated sheet series.

3. Qianshun Base

Iron and steel products of Qianshun Base is an important high-end plate production base in China, with world-class equipment and industry-leading clean steel manufacturing technology, with high-end auto plate, high-end household appliance board full range of supply capacity.

The products include two major series of hot and cold plates, of which the hot plates mainly contain: hot-rolled pickle sheet, weather-resistant steel, automobile structure steel, high-strength construction machinery steel, pipeline steel, medium to high carbon special steel, etc. The cold plates mainly contain: automobile sheet, cold-rolled special-use plate, etc.

II. The industry situation of the Company during the reporting period

In 2025, China's economy maintained steady progress, with its resilience further demonstrated. The annual GDP increased by 5.0% year-on-year. The steel market continued to exhibit strong supply and weak demand. Steel enterprises strengthened their sense of self-discipline, focusing on "controlling total output, optimizing supply, strengthening foundations, and promoting transformation" to prevent vicious "rat race" competition and

jointly maintain stable market operations, resulting in a significant year-on-year increase in the industry's economic performance.

In terms of product output, domestic crude steel output declined year-on-year, and the product structure continued to be optimized. According to data from the National Bureau of Statistics, China's crude steel output in 2025 was 0.961 billion tons, a decrease of 4.4% year-on-year, while steel output was 1.446 billion tons, an increase of 3.1% year-on-year. Under the guidance of industry self-discipline, China's crude steel output has steadily declined since reaching a historical peak of 1.065 billion tons in 2020.

In terms of product prices, affected by weak demand, steel prices declined year-on-year throughout the year. According to statistics from the CISA, the average value of the China Steel Price Index (CSPI) in 2025 was 93.19 points, a year-on-year decrease of 9.05%. Among them, the average value of the long material index is 94.82 points, a year-on-year decrease of 9.88%; The average value of the board index was 91.71 points, a year-on-year decrease of 8.82%.

On the upstream side, raw fuel costs fluctuate downward. According to customs data, China imported 1.26 billion tons of iron ore in 2025, with an average import price of 107.1 US dollars per ton, representing a year-on-year decrease of 8.8%. The procurement costs of coking coal, metallurgical coke, and scrap steel of key statistical enterprises of CISA decreased by 27.32%, 24.36%, and 9.94% year-on-year, respectively.

Downstream, the structure of steel demand continued to diversify. In 2025, the share of steel used in China's manufacturing sector rose to 51%, while that used in the construction sector fell to 49%. High-end manufacturing sectors, represented by the automotive and new energy industries, gradually became the main drivers of steel consumption, while new quality productive forces, such as the low-altitude economy and robotics, saw rapid development. In terms of automotive manufacturing, data from the CAAM shows that China's cumulative automobile production and sales reached 34.531 million units and 34.40 million units in 2025, increase 10.4% and 9.4% year-on-year respectively, setting new historical highs for both production and sales. Among them, the annual production and sales of new energy vehicles both exceeded 16 million units. In terms of new energy infrastructure development, information from the National Energy Administration (NEA) indicates that China's newly installed capacity of wind power and solar power generation exceeded 430 million kilowatts nationwide in 2025, a year-on-year increase of 22.0%, reaching another all-time high. In terms of imports and exports, steel exports increased in volume but declined in price, while imports continued to decline. According to customs data, steel exports in 2025 totaled 119.019 million tons, representing a year-on-year increase of 7.5%, with an average export price of USD 694 per ton, a decrease of 8.1% year-on-year. Steel imports totaled 6.059 million tons, a decrease of 11.1% year-on-year. In terms of the export product mix, steel billets and wire rods recorded substantial year-on-year increases in export volume. Among flat steel products, high-end varieties such as coated and plated steel sheets and electrical steel also saw notable year-on-year growth.

Driven by these factors, profitability in the steel industry has recovered. According to statistics from the CISA, in 2025, the cumulative operating revenue of key surveyed enterprises reached RMB 6.1 trillion, a year-on-year decrease of 3.1%. Operating costs totaled RMB 5.7 trillion, a year-on-year decrease of 4.5%. Total profit was RMB 115.1 billion, a year-on-year increase of 140%. The average profit margin was 1.9%, up 1.13 percentage points year-on-year.

In general, China's economy enjoys a solid foundation, diverse competitive strengths, strong resilience and enormous potential. The supporting conditions and fundamental trend of its long-term positive development remain unchanged. As the first year of the 15th Five-Year Plan period, 2026 will see the iron and steel industry further implement three major renovation initiatives: quality improvement and product innovation, energy and carbon efficiency enhancement, and digital and intelligent transformation. The industry's supply-demand pattern is expected to improve over the long term.

On the supply side, policies continue to be implemented to further promote capacity reduction, quality improvement, and efficiency enhancement in the steel industry. In early 2025, the Ministry of Industry and Information Technology of the People's Republic of China (MIIT) issued the *Steel Industry Standard Conditions (2025 Edition)*. In April 2026, MIIT published the first list of enterprises that meet the *Steel Industry Standard Conditions (2025 Edition)*, which provides a strong support for further promoting the high-quality development of the industry and implementing categorized and graded management and control. In September 2025, five departments including the MIIT issued the *Work Plan for Stabilizing Growth in the Steel Industry (2025-2026)*, focusing on "maintaining steady growth" "preventing 'involutionary' vicious competition", and proposed to promote effective improvement in quality and reasonable growth in quantity, with an average annual growth rate of industrial added value of about 4%. In December 2025, the National Development and Reform

Commission's document *Vigorously Promoting the Optimization and Upgrading of Traditional Industries* clarified that during the 15th Five-Year Plan period, China will continue to regulate crude steel output, strictly prohibit the unauthorized addition of new production capacity, and encourage the survival of the fittest. The above policies will continue to drive the steel industry's development toward reduced output and improved quality, charting a clear path for the industry's structural adjustment and high-quality development.

On the demand side, new quality demands continue to be released, and market opportunities in downstream green and high-end sectors are rapidly emerging. Against the backdrop of China's in-depth advancement of the "carbon peaking and carbon neutrality" goals and the accelerated development of the new electricity system, the iron and steel industry has seen distinct growth opportunities in power grid upgrades and renewable energy facilities such as wind power and photovoltaic projects. Concurrently, the implementation of the EU Carbon Border Adjustment Mechanism (CBAM) and the integration of the steel sector into China's national carbon market compliance framework are driving steady growth in demand for green and low-carbon products. Meanwhile, new quality productive forces centered on high-end manufacturing continue to spur incremental demand for high-grade steel products, with rapid advancements in new energy vehicles, the low-altitude economy, and the artificial intelligence sectors significantly boosting consumption of high-strength automotive steel and electrical steel. Furthermore, the 2026 Government Work Report has allocated RMB 250 billion in ultra-long special treasury bonds to support the trade-in of old consumer goods, promoting the expansion and upgrading of commodity consumption. This initiative will further stimulate demand for high-performance, lightweight, and long-service-life steel in home appliances, mechanical equipment, and other fields, thereby creating greater room for structural upgrading and value enhancement in the iron and steel industry.

III. Analysis of core competitiveness

1. Leading level of technology

The Company adheres to the innovation driven approach and promotes technological innovation as its primary competitive advantage, and continuously applies its technological achievements to high-end product development, efficient production and manufacturing, green and low-carbon manufacturing and other fields. Beijing Shougang Co., Ltd. and its subsidiaries, Jingtang Co., Zhixin Co., and Cold-R Co., are all high-tech enterprises and advanced manufacturing enterprises. During the reporting period, the Company was awarded the 4th Beijing Municipal People's Government Quality Award. Zhixin Co. was awarded the 5th China Quality Award Nomination Award and was listed on the *Global Unicorn Index 2025* released by Hurun Research Institute, and Jingtang Co. was honored as an "Advanced Unit in Scientific and Technological Work of China's Iron and Steel Industry During the 14th Five-Year Plan Period". The Company integrates internal and external resources, relying on the "one institute, multiple centers" R&D system, the Company carries out in-depth technical research projects, optimize expert workstations, and solidify external cooperation platforms. The incubation and value creation of new products, technologies, and processes are accelerating, and scientific and technological achievements are emerging in rapid succession. Major achievements during the reporting period:

Patents: During the reporting period, the Company was granted 469 patents, including 206 invention patents. The cumulative number of patents granted reached 4,261, including 1,583 invention patents.

Standards: The Company participated in the formulation and publication of 46 international, national, industry, and group standards, and took the lead in formulating 8 of these standards.

Science and technology awards: The Company has won numerous awards for advanced process manufacturing technology and pollutant treatment. Among them, the project *Development and Application of High-Performance Electrical Steel for New-Generation Drive Motors* won the First Prize of the Hebei Provincial Science and Technology Progress Award. Two other achievements, including the *Development and Application of Technologies for Advanced Purification of Multiple Pollutants and Sulfur Resource Utilization*, received the First Prize of Metallurgical Science and Technology Award.

2. High-end products

The Company adheres to the development strategy of continuously leading the way in electrical steel, refining and strengthening automotive panels, and breaking through the high-end of tin plated (chromium plated) plate. It continuously increases the proportion of strategic and key products, promoting both product quality and efficiency improvement. During the reporting period, the total output of the three major strategic products (electrical steel, automotive panels, and tinned (chrome) panels) reached 7.825 million tons, representing a year-on-year increase of approximately 11%.

Production of electrical steel increased by approximately 25% year-on-year. The output of high magnetic

induction oriented electrical steel increased by approximately 8% year-on-year, and the ultra-thin specification of high magnetic induction oriented electrical steel of 0.20mm and below continues to maintain the leading sales volume in China. The product structure of non-oriented electrical steel has been continuously optimized. The output of high-grade non-oriented electrical steel rose by approximately 17% year-on-year, with production of products for new energy vehicles increasing by around 28% year-on-year. Stable supply has been provided to the world's and China's top 10 best-selling new energy vehicle manufacturers, and one out of every three new energy vehicles in China is equipped with the "Shougang Core".

Production of automotive panels increased by approximately 6% year-on-year. Product structure has been further optimized. Output of galvanized steel, high-strength steel and outer plates rose by approximately 8%, 19% and 9% year-on-year, respectively. Output of flagship products has grown substantially. Production of zinc-aluminum-magnesium and aluminum-silicon products increased by around 39% and 12% year-on-year. Meanwhile, 2200MPa-grade hot-formed steel and high-strength, high-formability automotive outer plates are now capable of mass supply. Customer structure has been further upgraded. Supply volume of products for new energy vehicles increased by roughly 34% year-on-year, and low-carbon automotive steel products have been adopted at scale by leading automakers.

Production of tin-plated (chromium-plated) plates remained unchanged year-on-year. The Company's high-end manufacturing capacity has been further enhanced. The supply volume of Drawn and Ironed (DI) steel increased by 25% year-on-year, and that of sulfur-resistant products rose by 81% year-on-year, with the application scale of high-end products steadily expanding among leading domestic and international customers.

By giving full play to its advantages in technology, equipment and management, the Company has made new progress in developing medium and heavy plate into its fourth strategic product. During the reporting period, considerable improvements were achieved in the structural adjustment, manufacturing capacity enhancement and new channel development of medium and heavy plate products. Steel output for wind power saw a year-on-year increase of approximately 18%, with the share of steel for offshore wind power reaching an all-time high. Output of high-grade pipeline steel rose by around 10% year-on-year, while vessel steel output grew by roughly 2% year-on-year. The Company developed Q690 variable-thickness steel plates, which have been mass-applied to crane legs and other components, effectively cutting down welding seams and enhancing both safety and lightweight performance.

3. Green and low-carbon

As the world's first steel enterprise to achieve full process ultra-low emissions, the Company has deeply promoted ultra-low emission governance and maintained an A-level environmental performance evaluation in Hebei Province. The Company adheres to the high-quality development path of green and low-carbon, and actively promotes the practice of ultra-high energy efficiency and carbon reduction technologies in line with national low-carbon strategies and customers' decarbonization needs. In 2024, it was honored as one of the first batch of "Dual Carbon Best Practice Energy Efficiency Benchmark Demonstration Plant" by the CISA.

During the reporting period, the Company implemented its low-carbon action plan, advanced high-quality steel projects with near-zero carbon emissions, jointly built a green ecosystem chain with suppliers and customers, and pushed forward the development of a zero-waste group. The resource utilization efficiency of general industrial solid waste and hazardous waste has been remarkably improved. The Company successfully issued RMB 500 million of green technology innovation corporate bonds, demonstrating the market's confidence in Shougang Stock's achievements in green development and its long-term comprehensive value. It has been awarded the "Low-carbon Supplier" certification by the Automotive Industry Energy Conservation and Green Development Evaluation Center, and named a "Leading Enterprise for A-level Environmental Performance in Hebei Province". Qiangang Co. was recognized as an innovation project under the 14th Five-Year Plan by the China Iron and CISA. Jingtang Co. became the first enterprise in the industry to win the title of "Energy Efficiency Leader" for the pelletizing process, and also received the "Water Efficiency Leader" title. In addition, the Company passed the acceptance inspection of the national pilot program for circular economy standardization. The EPD for eight products, including the Company's color-coated steel strips, has been successfully released, achieving full EPD coverage across major typical product categories.

4. Intelligent manufacturing

The Company has established a cross-region, multi-base, consistent integrated production and sales collaborative management platform, empowers high-quality development with digital transformation, makes full use of the strategic opportunities brought by new-generation information technologies such as big data, cloud computing, artificial intelligence, 5G, etc., and carries out in-depth construction of intelligent

manufacturing projects, which has made great progress in terms of efficiency and benefits, products and services, management and control system, and prevention and control capabilities, and has constructed a solid foundation for high-quality development. The digitization rate of the production equipment of the Company exceeds 91%, the number of “one-button control” processes reaches 51, 242 sets of industrial robots are applied, 27 unmanned intelligent warehouses are constructed, the digital workforce platform is established by applying the RPA (Robotic Process Automation) technology, and 26 use cases of process robots are constructed. The AI large model platform has been launched. Leveraging open-source models, the Company has independently developed a vertical large model tailored for the steelmaking process, which has significantly boosted the efficiency of its business operations.

During the reporting period, *AI-Driven Intelligent Whole-Process Control of Steel Quality* by Shougang Stock was selected as one of the Top 10 Benchmark Applications of Beijing Digital Economy at the Global Digital Economy Conference. Cold-R Co. was included in the 13th batch of Global Lighthouse Factories by the World Economic Forum, becoming the 3rd Lighthouse Factory in China’s steel industry and the 7th in the global steel industry. With its achievements in building a data-driven “One Core, Four Levels, Multiple Dimensions” intelligent steel plant, Jingtang Co. was recognized as a National Benchmark Enterprise for Intelligent Manufacturing. In addition, both Cold-R Co. and Jingtang Co. were selected into the first batch of Excellence-level Intelligent Factories by the MIIT.

5. Supply chain security

The Company is the only platform for the development and integration of the steel and upstream iron ore resources industry of Shougang Group, the controlling shareholder, in China. The supply of iron ore, coke, and coal resources for production is guaranteed to be safe. In terms of iron ore, Shougang Group has an annual production capacity of approximately 30 million tons of iron ore concentrate at home and abroad, which effectively guarantees the Company’s iron ore resource supply. In terms of coke, Qiangang Co.’s coke is mainly supplied by Qian'an Zhonghua Coal Chemical Co., Ltd., a joint venture between Shougang Group and Kailuan Group, while Jingtang Co.’s coke is supplied by Tangshan Shougang Jingtang Xishan Coking Co., Ltd., a joint venture between Jingtang Co. and Shanxi Coking Coal. The supply of coke resources is strongly guaranteed. In terms of coal, the Company has signed long-term agreements with state-owned large coal groups, and Shougang Fushan Resources Group Co., Ltd., a holding subsidiary of Shougang Group, also provides the Company with some high-quality coking coal resources, providing a strong coal supply guarantee.

6. “Technology + Service” marketing

The Company takes the customer as the center to deepen the marketing strategy of “technology + service”, and creates Shougang service to enhance the brand value. The Company continues to improve the service system, enhance service efficiency, strengthen the construction of a new energy vehicle service team, and meet customers' ever-increasing requirements for quality, delivery, research and development, service, and technical marketing. During the reporting period, EVI supply volume increased by approximately 17% year-on-year. By intensifying product R&D and upgrading manufacturing capabilities, the Company has maintained the competitive advantages of key products and expanded the leading edge of strategic products.

The Company has formed a centralized, unified, rapid-response and efficient marketing management network with the marketing center as the core, integrating 5 regional steel trading subsidiaries and 11 processing centers, effectively ensuring stable supply to downstream customers. It has continuously optimized large customer service teams to consolidate and improve the channel structure that combines leading enterprises in the industry chain with high-quality small and medium-sized customers. Cultivate comparative advantages in industrial chain cooperation, carry out comprehensive, multi-level, and high-quality cooperation with key customers in the industry, further enhance cooperation depth, enhance cooperation viscosity, and stabilize market share.

During the reporting period, the Company successfully held the Automotive Sheet Steel Low-carbon Technology Forum, the Development Symposium on Medium and Heavy Plate Steel for Energy Applications and the Zhongshan Green Guard Low-Carbon Project Launch Conference. It carried out “Shougang Day” activities with 7 automakers, and jointly built joint laboratories with 5 leading industry customers. The Company was honored with 54 awards in total, including the “Green & Low-carbon Excellent Supplier” by GAC Honda, the “Excellent Supplier” by Chery and Seres, and the “Supply Guarantee Pioneer Award” by Great Wall Motors. The recognition of Shougang’s “Manufacturing + Service” model has been continuously enhanced. The Company has signed a Memorandum of Understanding (MoU) on Strategic Cooperation for Green Steel with FAW-Volkswagen, and Strategic Cooperation Agreements with Geely Group, TBEA, and INOVANCE. The parties will conduct in-

depth cooperation in the fields of green and low-carbon transition, smart supply chain development, new product development, humanoid robots and the low-altitude economy.

7. Strengthening Enterprises with Talents

The Company has fully advanced its strategy of strengthening the enterprise with talents, established a multi-level training system covering all employees, improved its talent promotion and appraisal mechanism, and broadened career development channels for talents. A career development system for high potential talents throughout their entire life cycle has been established, and solidly promoted the "four horizontal and three vertical" training system for all employees, held training programs such as Deep Blue Special Training Camp and Future Craftsman Youth Training Camp, strengthen talent empowerment, and build a platform for cadres to improve and grow; Optimize the top-level design of talent development channels, strengthen the performance-oriented and practical orientation, strengthen the training and development of high-level personnel, and steadily increase the proportion of high-tech and high skilled talents.

During the reporting period, the Company launched a new round of equity incentives, granting stock options and restricted shares to eligible middle and senior management personnel and core backbone employees. By improving the long-term incentive mechanism, the Company has stimulated the entrepreneurship and vitality of the core team, providing strong support for the strategy of strengthening the enterprise with talents and promoting the long-term and steady development of the Company.

During the reporting period, four employees of the Company were conferred the title of 2025 Beijing Model Worker, and one employee won the Second Prize for Frontline Workers' Scientific and Technological Achievements of the Metallurgical Science and Technology Award. The Company has continued to strengthen team building and technological innovation. Among its achievements, one project won the First Prize at both the 2025 Beijing Innovation Methods Competition and the 2025 China Innovation Methods Competition. Two innovation studios were recognized as Beijing Municipal Innovation Studios. Zhixin Co. was honored as the 2025 Model Collective of Beijing.

IV. Analysis of principal business

1. Overview

(1) Completion status of the Company's main business indicators

During the reporting period, the Company's operating revenue was RMB 102.918 billion, a year-on-year decrease of 5.11%. The total profit was RMB 1.29 billion, a year-on-year increase of 71.17%. The net profit attributable to shareholders of the listed company was RMB 996 million, a year-on-year increase of 107.68%. Earnings per share was RMB 0.1284, a year-on-year increase of RMB 0.0666. The total assets were RMB 124.934 billion, and the equity attributable to the shareholders of the listed company was RMB 50.331 billion.

(2) Highlights of the Company

In 2025, the Company's operation and production were stable, with significant achievements in product mix, technological innovation, green and low-carbon, intelligent manufacturing, internal cost reduction and ESG management.

① Continuous optimization of product structure

The Company closely monitors changes in downstream demand, focuses on efficiency, and continuously promotes product structure optimization and upgrading, striving to develop medium and heavy plate into its fourth strategic product.

During the reporting period, the total production of electrical steel, automotive steel, tin (chromium) plate, and the fourth strategic product (medium and heavy plate) reached approximately 10.52 million tons, accounting for about 46% of the Company's total steel production, a year-on-year increase of 4.2 percentage points.

② Comprehensive promotion of technological innovation

The Company is led by technological innovation, focusing on forging key core technology strengths. It continues to make new breakthroughs in new product research and development, key process technologies, and promotes the transformation of enterprise development quality towards higher efficiency, resilience, and sustainability. During the reporting period, five first products and two first processes were completed. The Company has continuously promoted 16 localization projects for import substitution.

In terms of **new product research and development**, the Company has launched 5 new products, including 2 oriented electrical steels, 2 non-oriented electrical steels, and 1 high-strength & high-ductility automotive outer panel steel. Among them, the grain-oriented electrical steel products for high-efficiency transformers have

achieved a breakthrough in resolving the long-standing industry technical bottleneck of reconciling "low core loss" and "low noise", providing core material support for the construction of a new type of power grid featuring high efficiency, energy conservation and environmental protection. The newly launched non-oriented electrical steel products are applied to motors for new energy vehicles and humanoid robots respectively, precisely meeting the requirements of high rotational speed and high efficiency for new energy vehicle motors, as well as the design demands of high torque and high efficiency for humanoid robot motors, delivering leading material solutions for improving motor efficiency and energy efficiency levels. The launch of a high-strength, high-formability automotive outer panel reduces part thickness while significantly enhancing dent resistance, leading to the leapfrogging upgrade of steel for automotive outer body panels toward lightweight, high-quality, and green development.

In terms of **key process technologies**, the Company has independently developed low-carbon & high-efficiency converter steelmaking technology with a high scrap ratio, overcoming core bottlenecks, including difficult scrap melting and continuous casting under ultra-high scrap ratios. The converter has achieved multi-heat continuous casting with a high scrap ratio, resulting in a carbon-emission reduction rate of over 40%. Its products include high-end varieties such as automotive outer panel steel, tinplate, and wind power steel, leveraging Shougang's expertise to reduce carbon emissions in the integrated steelmaking process.

③ Green and low-carbon benchmark leading

The Company has actively implemented the *Shougang Group Low-carbon Action Plan*, advanced the development of a low-carbon management system, built a green, low-carbon ecological chain, conducted the production and marketing of low-carbon products, and steadily forged differentiated competitive advantages for its products.

Promote the construction of a low-carbon management system. The Company has set up a specialized organization to promote low-carbon management and established a management mechanism featuring dynamic tracking, regular summaries, and evaluation. Following the "one headquarters, multiple bases" model, it has developed a smart carbon management platform that supports the visualization and traceability of carbon emission data at all production bases. Its Life Cycle Assessment (LCA) system has been granted a Verification Statement by DNV (Det Norske Veritas), a third-party certification body, which lays a solid foundation for the Company in fulfilling compliance obligations in the national carbon trading market, submitting CBAM data, designing low-carbon products and other related work.

Create a green, low-carbon and ecological chain. During the reporting period, the Company promoted carbon reduction initiatives among key suppliers, driving 38 suppliers to carry out carbon footprint certification for key materials and establishing an upstream material real-scenario data factor library. The Company built a closed-loop circular system of "production-consumption-regeneration" with Zhongshan Green Guard, launched a low-carbon project with 40% traceable recycled materials, and signed low-carbon emission steel cooperation agreements with six automakers, including FAW-Volkswagen, NIO and Volvo, realizing cross-sector collaborative carbon reduction and contributing to green and sustainable development.

Upgrading production capacity for low-carbon products. The Company advanced the construction of a near-zero carbon emission, high-quality steel project. During the reporting period, purchased green electricity accounted for 41% of the total purchased electricity, laying a foundation for manufacturing products with more substantial carbon reduction. The Company continued to promote the application of high-proportion pellet smelting technology in blast furnaces, achieving a high scrap ratio, continuous casting of multiple heats in the converter process, and cutting carbon dioxide emissions per ton of steel by more than 40%, providing critical support for significant carbon emission reduction in the long-process steelmaking. The Company steadily promoted carbon reduction benchmark certification and low-carbon technology certification for products such as automotive steel sheets and electrical steel, formulated Shougang's green and low-carbon product pricing system, officially launched the "SOGREECO" series of green and low-carbon trademarks, and took the industry lead in issuing a series of enterprise standards for *Green and Low-carbon Cold-rolled and Hot-dip Coated Steel Sheets and Strips*, as well as a pricing system for low-carbon automotive steel sheets.

④ Digital intelligence empowerment continues to deepen

The Company promotes the deep integration of digitalization and industrialization, and drives management improvement, manufacturing upgrading and cost compression and reduction by digitalization and informationization. The Digital and Intelligent Transformation Center has vigorously advanced the *Action Plan for Digital Transformation of Shougang Group (2024–2026)*, strengthened manufacturing collaboration, and promoted digital transformation and the improvement of intelligent manufacturing capabilities.

During the reporting period, in accordance with the plan for building a digital and intelligent technical talent team, the Company established a digital and intelligent talent pool and completed the review and appointment of the first batch of digital and intelligent technical talents. The Company's AI large model platform was officially launched, featuring a four-tier architecture of "computing power + models + platform + scenarios". The local deployment of the DeepSeek large model was completed, and 10 AI application scenarios, including intelligent customer service and a regulatory expert system, were developed.

⑤ Continuous improvement in internal cost reduction

The Company intensified benchmarking with leading enterprises, deeply explored the potential of cost reduction in the whole process and elements, established a sustainable cost reduction system, and advanced key cost reduction tasks on a rolling basis, resulting in lower costs for each production process.

In terms of consumption and cost reduction, the Company has broken down process boundaries and implemented iron-steel synergy to reduce hot metal temperature drop. During the reporting period, the hot metal temperature drop of Qiangang Co. continued to decrease year-on-year, reaching an industry-leading level. The operation of the integrated pre-iron platform was strengthened. Qiangang Co. and Jingtang Co. adhered to cost-effective material utilization and realized resource synergy and mutual backup. Focusing on key indicators such as coal blending & ore blending costs and iron & steel material consumption, the costs of iron and steel processes have been continuously reduced.

In terms of cost reduction through technological innovation, the Company continuously promoted alloy substitution and optimized product material design, developed an intelligent control model for alloying, and steadily reduced alloy consumption. It also advanced whole-process metal loss management, with process control accuracy and product yield rate improved year-on-year.

In terms of cost reduction through synergy, a production-supply synergy mechanism was established to carry out all-around and all-factor material cost reduction. Multi-department collaboration was implemented; guided by the principle of "technical standard adaptation + optimal cost", technical standards were scientifically adjusted, and suitable resources were accurately selected, resulting in a year-on-year decrease in the procurement costs of raw materials, fuels, auxiliary materials and spare parts. Equipment cost control was strengthened, and operating costs were reduced through measures such as negotiated fee reduction, localization substitution, and independent maintenance. The Company firmly pursued ultimate energy efficiency, coordinated energy balance and structural optimization, and continuously promoted the efficient recycling of solid waste resources.

⑥ Significant improvement of ESG management system

The Company highly attaches importance to ESG management and has established an ESG governance structure consisting of the Board, the Strategy, Risk, ESG and Compliance Management Committee and the ESG Working Group, and has continued to improve ESG management through the formulation of ESG-related systems, ESG training and other initiatives.

During the reporting period, the Company achieved a notable improvement in its ESG ratings. Its ESG rating from Sino-Securities Index Information Service (Shanghai) Co., Ltd. was upgraded to AAA, the highest rating level in the industry. Meanwhile, its ESG scores from S&P Global and FTSE Russell rose substantially, with its overall rating standing among the industry's leading ranks. This reflects the capital market's recognition of the Company's performance in environmental protection, social responsibility, corporate governance and other areas, further enhancing its brand value. The Company was selected into the 2025 Best Practice Cases for Sustainable Development of Listed Companies by the China Association for Public Companies, the "Excellent Practice Cases of Green and Low-carbon Development of Enterprises in 2025" by the China Enterprise Confederation, and the 2025 Excellent Cases of Corporate Social Responsibility in Beijing. It was also shortlisted as one of the 2025 Top 100 A-Share Listed Companies with the Most Improved ESG Ratings by Sino-Securities Index Information Service (Shanghai) Co., Ltd. In addition, the Company was conferred the 2025 China ESG Golden Responsibility Award for Best Social Responsibility by Sina Finance, the Top 100 of the 3rd China Reform Cup ESG Golden Bull Award, the 19th China Listed Companies ESG Top 100 Award, and the 2025 Beijing Top 100 Listed Companies Award.

2. Revenue and cost

(1) Composition of operating revenue

Unit: RMB Yuan

	2025	2024	Year-on-
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	Amount	Proportion of operating	Amount	Proportion of operating	year changes
Total operating revenue	102,918,417,572.91	100%	108,461,993,386.29	100%	-5.11%
According to industries					
Metallurgy	102,918,417,572.91	100.00%	108,461,993,386.29	100.00%	-5.11%
According to products					
Industrial pure iron	435,717,597.41	0.42%	329,725,948.36	0.30%	32.15%
Hot-rolled steel	40,724,797,478.10	39.57%	43,490,893,729.26	40.10%	-6.36%
Cold-rolled steel	57,607,711,298.23	55.97%	59,429,232,318.97	54.79%	-3.07%
Other steels	1,082,604,710.31	1.05%	1,774,661,698.81	1.64%	-39.00%
Other businesses	3,067,586,488.86	2.98%	3,437,479,690.89	3.17%	-10.76%
According to regions					
Domestic	94,547,407,271.67	91.87%	100,438,451,320.36	92.60%	-5.87%
Overseas	8,371,010,301.24	8.13%	8,023,542,065.93	7.40%	4.33%
Distribution model					
Direct selling	96,549,207,346.32	93.81%	101,914,039,449.62	93.96%	-5.26%
Sale by proxy	6,369,210,226.59	6.19%	6,547,953,936.67	6.04%	-2.73%

(2) Industries, products, or regions that generated operating revenue or operating profit that over 10% of the total operating revenue or operating profit of the Company

☒ Applicable ☐ Non-applicable

Unit: RMB Yuan

	Operating revenue	Operating costs	Gross margin	Year-on-year change of operating revenue	Year-on-year change of operating costs	Year-on-year change of gross margin
According to industries						
Metallurgy	99,850,831,084.05	94,813,774,812.10	5.04%	-4.93%	-6.01%	1.09%
According to products						
Industrial pure iron	435,717,597.41	416,946,095.88	4.31%	32.15%	29.64%	1.85%
Hot-rolled steel	40,724,797,478.10	38,858,463,234.24	4.58%	-6.36%	-8.62%	2.36%
Cold-rolled steel	57,607,711,298.23	54,526,271,485.91	5.35%	-3.07%	-3.83%	0.75%
Other steels	1,082,604,710.31	1,012,093,996.07	6.51%	-39.00%	-24.29%	-18.16%
According to regions						
Domestic	91,479,820,782.81	86,807,508,253.25	5.11%	-5.69%	-6.83%	1.16%
Overseas	8,371,010,301.24	8,006,266,558.85	4.36%	4.33%	3.87%	0.43%
Distribution model						
Direct selling	93,481,620,857.46	88,624,414,662.42	5.20%	-5.07%	-6.23%	1.17%
Sale by proxy	6,369,210,226.59	6,189,360,149.68	2.82%	-2.73%	-2.85%	0.12%

The adjusted principal business data according to the financial report of the Company under the circumstances that the statistical ranges of the Company's principal business data changed during the reporting period.

☐ Applicable ☒ Non-applicable

(3) Whether revenue from sales of goods is more than from render of services

☒ YES ☐ NO

Industry	Item	Unit	2025	2024	Year-on-year changes
Metallurgy	Sales	Ton	22,671,834	23,538,522	-3.68%
	Output	Ton	22,822,442	23,297,612	-2.04%
	Storage	Ton	1,069,555	1,065,385	0.39%

Explanation in the year-on-year change more than 30% based on above data

☐ Applicable ☒ Non-applicable

(4) Fulfillment of the signed significant sales contracts and purchase contracts during the reporting period

□Applicable √ Non-applicable

(5) Composition of costs of sales

Industry

Unit: RMB Yuan

Industry	Item	2025		2024		Year-on-year changes
		Amount	Proportion of operating costs	Amount	Proportion of operating costs	
Metallurgy	Raw materials	50,402,010,080.86	53.16%	52,979,125,487.43	52.52%	-4.86%
Metallurgy	Fuels	17,654,782,623.53	18.62%	22,226,802,554.51	22.03%	-20.57%
Metallurgy	Power cost	2,908,339,016.04	3.07%	3,061,580,337.98	3.03%	-5.01%
Metallurgy	Employee benefits	3,306,838,401.03	3.49%	3,086,012,767.45	3.06%	7.16%
Metallurgy	Depreciation	7,703,998,087.00	8.13%	7,608,190,471.05	7.54%	1.26%
Metallurgy	Manufacturing cost	12,837,806,603.64	13.54%	11,917,325,428.67	11.81%	7.72%
Total		94,813,774,812.10	100.00%	100,879,037,047.09	100.00%	

(6) Whether the scope of consolidation changes during the reporting period

√ YES □ NO

Business combinations involving entities under common control

① Business combinations involving entities under common control occurred during the period

Unit: RMB Yuan

Name of the acquiree	Interest percentage obtained in the business combination	Basis for constituting a business combination under common control	Combination date	Basis for determining the combination date	Revenue of the acquiree from the beginning of the combination period to the combination date	Net profit of the acquiree from the beginning of the combination period to the combination date (in RMB ten thousand)	Revenue of the acquiree for the comparative period	Net profit of the acquiree for the comparative period
Hebei Shougang Jingtang Machinery Co., Ltd.	100.00%	Both parties were under the control of Shougang Group Co., Ltd. before and after the combination, and such control is not temporary.	25 December 2025	Obtained actual control on the date of industrial and commercial change registration and the date of equity delivery.	898,185,414.93	8,027,162.83	635,582,699.08	8,325,029.51

During the current period, Jingtang Co. acquired 100% equity of Hebei Shougang Jingtang Machinery Co., Ltd. through business combinations involving entities under common control. In accordance with the Accounting Standards for Business Enterprises and relevant provisions, the Company and Jingtang Co. have retrospectively adjusted the opening data of the consolidated financial statements and relevant data for the comparative period.

② Cost of combination

Unit: RMB Yuan

Cost of combination	Hebei Shougang Jingtang Machinery Co., Ltd.
--Cash	150,366,403.60
--Book value of non-cash assets	
--Book value of debts issued or assumed	
--Nominal value of equity securities issued	

--Contingent consideration	
Total cost of combination	

③ Book values of assets and liabilities of the acquiree on the combination date

Item	Hebei Shougang Jingtang Machinery Co., Ltd.	
	Combination date	End of previous year
Assets:		
Cash at bank and on hand	69,327,577.54	49,363,845.95
Receivables	101,484,835.80	90,228,620.55
Summary of other current asset items	15,449,037.88	36,910,278.01
Summary of non-current asset items	71,113,671.49	64,924,972.12
Liabilities:		
Accounts payable	90,609,890.46	65,723,717.27
Employee benefits payable	2,133,284.69	1,944,360.82
Summary of other current liability items	17,641,244.31	33,014,558.47
Summary of non-current liability items		
Net assets	146,990,703.25	140,745,080.07
Less: Non-controlling interests		
Net assets acquired	146,990,703.25	140,745,080.07

(7) Significant adjustments or changes in businesses, products, or services during the reporting period

☐ Applicable ☒ Non-applicable

(8) Major clients and suppliers

Major clients of the Company

Total top five clients in sales (RMB Yuan)	17,143,107,575.07
Proportion of total sales for the top 5 clients in total annual sales	16.66%
Proportion of the sales from related parties in total annual sales among the top five clients	1.89%

Information for top five clients of the Company

No.	Name	Sales (RMB Yuan)	Proportion of total annual sales
1	Client A	7,709,404,303.14	7.49%
2	Client B	3,468,144,983.72	3.37%
3	Client C	2,069,006,705.09	2.01%
4	Client D	1,956,445,560.61	1.90%
5	Client E	1,940,106,022.51	1.89%
Total	--	17,143,107,575.07	16.66%

Other information for the major customers of the Company

☐ Applicable ☒ Non-applicable

☐ Applicable ☒ Non-applicable

Major suppliers

Total purchase amount from top five suppliers (RMB)	67,290,059,387.35
Proportion of total annual purchase amount for top five suppliers	66.99%
Proportion of the purchase from related parties in total annual purchase among the top five suppliers	62.36%

Information for the top five suppliers of the Company

No.	Name	Procurement (RMB Yuan)	Proportion of total annual procurement
1	Supplier A	46,245,760,919.47	46.04%
2	Supplier B	11,608,336,887.70	11.56%
3	Supplier C	5,303,784,004.75	5.28%
4	Supplier D	3,073,245,093.31	3.06%

5	Supplier E	1,058,932,482.12	1.05%
Total	--	67,290,059,387.35	66.99%

Other information for the major suppliers of the Company

☐ Applicable ☒ Non-applicable

During the reporting period, revenue from the Company's trading operations accounted for more than 10% of total operating revenue.

☐ Applicable ☒ Non-applicable

3. Expenses

Unit: RMB Yuan

	2025	2024	Year-on-year changes	Notes of material changes
Selling expenses	245,806,944.27	234,747,148.62	4.71%	
General and administrative expenses	1,320,732,685.70	1,284,458,666.57	2.82%	
Financial expenses	737,756,998.85	1,101,077,928.47	-33.00%	This is mainly driven by the reduction of interest-bearing liabilities and the decline in interest rates in 2025.
R&D expenses	556,830,229.55	532,698,755.48	4.53%	

4. Research and development investment

☒ Applicable ☐ Non-applicable

Name of main R&D project	Project objective	Progress of the project	Goals to be achieved	The expected impact on the company's future development
Research on Loss Prediction and Application of Electrical Steel under Service Conditions	Aiming at the large errors in traditional loss calculation for electrical steel and motor cores, this project carries out research on the loss prediction of electrical steel sheets under service conditions and its application in motor iron loss calculation. It intends to tackle three key technical issues: the construction of a broadband calculation model for motor core loss, loss calculation considering the influences of processing stress and excitation harmonics, and the secondary development of commercial electromagnetic calculation software. This research will support the design of motor cores and enhance the operational efficiency of motors.	R&D stage	Developing new technologies	The development of new technologies can not only improve motor design efficiency by constructing a relevant model of computation, helping customers shorten the new product development cycle and reduce costs, but also effectively promote the application and popularization of Shougang electrical steel products in the motor sector, creating economic benefits for the Company. This aligns with the social development needs of energy conservation and environmental protection, and can further enhance the Company's product competitiveness and industry influence.
Magnetic Property Enhancement of High-Performance Extremely Thin Non-Oriented Electrical Steel Strips	This project identifies the performance enhancement approaches of benchmark products through testing and reverse engineering, and further optimizes product performance via microstructure and texture optimization. By establishing distinct performance advantages over the benchmark products, it supports the market promotion of Shougang's extremely thin strip products.	R&D stage	Developing new technologies	The development of new technologies fills the gap in non-oriented electrical steel with high magnetic induction and low core loss, enhances Shougang's market influence in extremely thin non-oriented electrical steel, and provides downstream users with domestic substitution solutions as well as stable-performance product supply.
Research on the Influence Mechanism of Heat Treatment	This research carries out a targeted investigation on the characteristics of microstructure, texture, and inclusions in each process of the entire production flow for mainstream high-grade new energy materials, as well as their evolution laws	R&D stage	Developing new technologies	The development of new technologies clarifies the influence mechanism of core heat treatment processes on microstructure and properties, so as to provide theoretical support for process selection in the initial stage of product

Process on the Microstructure and Properties of New Energy High-Grade Materials	during processing, so as to provide a reference basis for process adjustment, defect analysis and new product development in on-site production.			research and development.
Research on High-Efficiency Heat-Resistant Scribing Technology for Grain-Oriented Silicon Steel	This research is carried out on the high-efficiency scribing process of Shougang's grain-oriented electrical steel to rapidly achieve the research and development of grain-oriented silicon steel with heat-resistant refined magnetic domains.	R&D stage	Developing new technologies	The development of new technologies fills the technological gap of Shougang in this product series, establishes a technical reserve for production line construction and mass production, elevates Shougang's brand image and market influence, and contributes to Shougang's strength in the upgrading of energy efficiency standards and the green development of the power industry.
Research on Residual Stress Control Technology for Post-Rolling Finishing Treatment of Hot-Rolled High-Strength Steel	The research of this project is designed to achieve the following goals: 1. By studying the formation mechanism and control technology of residual stress defects, including strip warpage and lateral bending during the temper rolling process, the residual stress control performance of hot-rolled high-strength strip produced via the hot rolling + temper rolling process route will be guaranteed. 2. By studying the formation mechanism and control technology of post-hot-rolling residual stress, the residual stress control level of hot-rolled high-strength coils will be improved, and the temper rolling process will be gradually phased out. This will not only eliminate the risk of new residual stress defects caused by temper rolling, but also cut down production costs. 3. The variation pattern and corresponding relationship of residual stress in hot-rolled high-strength products between the factory delivery stage and the end-user application stage will be explored, to provide technical support for meeting users' higher quality requirements.	Completion	Developing new technologies and processes	The formation mechanism of residual stress during continuous cooling and the relaxation mechanism of residual stress during skin passing revealed in this project have laid an important theoretical foundation for fundamentally solving the long-standing problem of impaired service performance of materials and components caused by residual stress in the manufacturing industry. This project has developed a series of residual stress control technologies based on reconstructing plastic behavior during microstructural transformation, which has realized the controllable stress distribution in the process of microstructural evolution. It provides a new method to break through the residual stress bottleneck restricting the improvement of manufacturing capacity and possesses significant application value.
Development of Cleaning Technology for Automotive Steel via Magnesium Treatment	At present, China is vigorously promoting the sustainable development of the "green metallurgy" innovative industry. In the field of R&D for new steel grades and their application technologies, the main challenges lie in molten steel purification, composition regulation, and product performance enhancement. The production of high-purity steel is closely associated with inclusion control during smelting, which constitutes a major technical issue that urgently needs to be solved. In China, research on magnesium (Mg) treatment technology for molten steel is still mainly at the laboratory and basic theoretical stage, with only a small number of industrial applications in wheel steel. To reduce the oxygen content and inclusion count in	Completion	Developing new technologies	Automotive steel sheets are mainly supplied to renowned automakers, including BMW, Great Wall Motors and Geely. Improving the quality of automotive steel sheet products helps boost the Company's market share and social reputation in the automotive steel sheet field, and elevates the Company's overall corporate image.

	automotive steel during refining and develop green low-carbon steel products, there is an urgent need to conduct research on technologies for controlling oxygen content and inclusions in automotive steel.			
Research on Thermal Technology Based on Intelligent Pellet Control	Improving the qualified rate of pellet compressive strength and reducing its non-uniformity are key problems to be solved for pellets produced by straight grate machines. This has significant research value and application potential for enhancing operational efficiency, reducing carbon emissions, and ensuring stable, smooth operation. Firstly, there is insufficient experience in producing high-basicity pellets ($R > 1.0$) at home and abroad. Secondly, under the draft-dominated roasting system, there is a large vertical heat deviation between the upper and lower layers, which leads to non-uniform pellet quality. Thirdly, the current manual adjustment method exhibits hysteresis and uncertainty, leading to unstable production processes, inferior product quality, and increased energy consumption. Therefore, it is urgent to conduct research on intelligent thermal optimization technology for straight-grate machine pellets. A pellet thermal process simulation model and a material-hot air balance model shall be established to implement intelligent optimization and control of thermal systems for different production demands. This will not only help improve the overall product quality of straight grate machines but also reduce process energy consumption.	Completion	Developing new technologies and processes	This project optimizes and adjusts the thermal system, stabilizes the production process of the belt roaster, improves labor efficiency, reduces fuel consumption, and thereby cuts carbon emissions. The technical achievements of this project can be promoted and applied to other belt roaster production lines within Shougang, laying a technical foundation for low-carbon and green smelting. Meanwhile, it sets an exemplary and leading example for large-scale pellet production and high-proportion pellet burden application in blast furnace smelting across China's iron and steel industry, yielding remarkable social benefits.
Research on Phase Diagram Calculation, Solidification Microstructure, and Corrosion Resistance of High-Aluminum Zinc-Aluminum-Magnesium Alloys	Currently, blackening occurs across all products—whether low-aluminum zinc-aluminum-magnesium or high-aluminum zinc-aluminum-magnesium—and is particularly prevalent in high-aluminum zinc-aluminum-magnesium products, which directly affects customer trust and order intake. Firstly, from a technical perspective, there has been limited research, both domestically and internationally, on the impact of coating microstructure and production processes on blackening defects. Secondly, in terms of product applications, domestic high-aluminum zinc-aluminum-magnesium products are primarily used as substrates for color-coated steel sheets, with few orders for direct, uncoated use. Therefore, there is an urgent need to research technical solutions to address blackening defects. By integrating factors such as magnesium content, gas knife media, and cooling rates, analysis and technical exploration should be carried out to determine their impact on coating structure.	Completion	Developing new technologies and processes	Resolving the blackening issue in high-aluminum zinc-aluminum-magnesium products will address the shortcomings across the entire zinc-aluminum-magnesium product line, enhance Shougang's market reputation for these products, and play a significant role in the overall promotion of Shougang's zinc-aluminum-magnesium brand.
Digital model and	The research focuses on coarse and fine adjustment thickness control, thickness	Trial production	Improving quality	Develop the core technology of rolling stability control of cold rolling mill with

intelligent optimization research on rolling stability of pickling five-strand rolling and control application	compensation control, inter-stand tension control, thickness-tension coordination and optimization control, etc. The research applies advanced intelligent theories and technologies in the field of data and algorithms to open up and explore the intelligent solution for thickness quality control, and realize the intelligence of quality control.	n		independent intellectual property rights to improve the thickness control precision and stability of the production process, in order to achieve the purpose of improving product quality, reducing the scrap rate and improving the operation rate, so as to improve the market competitiveness of enterprises and expand the market share of products.
Research on surface quality improvement of hot-dip galvanized phosphorus-containing high-strength steel outer plate	Through the research of selective oxidation mechanism of phosphorus-containing high-strength steel, analyzing the causes of annealing furnace rolls tumor, formulating galvanizing annealing process optimization measures (including structural optimization), improving the galvanizing annealing furnace production of phosphorus-containing high-strength steel scratches before plating, and improving product quality, at the same time, to achieve the purpose of stable production of phosphorus-containing high-strength steel in batch.	Trial production	Boosting productivity	Through research on the mechanism of nodule formation on furnace rollers for phosphorus-containing high-strength steel, the incidence of pre-galvanizing scratch defects is reduced, surface quality issues such as pre-galvanizing scratches during the production of phosphorus-containing high-strength steel in galvanizing annealing furnaces are improved, and the consistent mass production of phosphorus-containing high-strength steel is realized.

Research and development investment

	2025	2024	Proportion of changes
Number of R&D staff	2,139	2,396	-10.73%
Proportion of R&D staff	11.69%	13.49%	-1.80%
Educational background of R&D personnel			
Bachelor's degree	1,120	1,263	-11.32%
Master's degree	681	701	-2.85%
Age structure of R&D personnel			
Below 30	74	134	-44.78%
Aged 30-40	676	976	-30.74%

Details about R&D investments:

	2025	2024	Proportion of changes
R&D investments (RMB Yuan)	4,791,578,832.70	4,892,267,703.14	-2.06%
R&D investments as % of operating revenue	4.66%	4.51%	0.15%
Capitalized R&D investments (RMB Yuan)	0	0	
Capitalized R&D investments as % of total R&D investments	0	0	

Reasons for any significant change in the composition of R&D personnel and the impact:

☐ Applicable ☒ Non-applicable

Reasons for any significant year-on-year change in the percentage of R&D expense in operating revenue:

☐ Applicable ☒ Non-applicable

Reasons for any sharp variation in the percentage of capitalized R&D expense and rationale:

☐ Applicable ☒ Non-applicable

5. Analysis of cash flow

Unit: RMB Yuan

Item	2025	2024	Year-on-year changes
Cash inflow from operating activities	53,352,217,058.34	50,548,820,108.92	5.55%
Cash outflow from operating activities	45,215,540,008.61	44,206,598,740.33	2.28%
Net cash flows from operating activities	8,136,677,049.73	6,342,221,368.59	28.29%

Cash inflow from investing activities	96,845,685.58	42,178,265.53	129.61%
Cash outflow from investing activities	542,417,257.96	260,403,483.18	108.30%
Net cash flows from investing activities	-445,571,572.38	-218,225,217.65	-104.18%
Cash inflow from financing activities	25,143,230,000.00	29,100,967,580.39	-13.60%
Cash outflow from financing activities	30,789,136,719.85	35,395,303,217.17	-13.01%
Net cash flows from financing activities	-5,645,906,719.85	-6,294,335,636.78	10.30%
Net increase in cash and cash equivalents	2,043,638,676.29	-168,791,378.34	1,310.75%

Main reasons for significant year-on-year changes in relevant data

☒Applicable ☐Non-applicable

(1) The increase in cash inflows from investing activities was mainly attributable to the receipt of refunds of capital contributions from investees.

(2) The increase in cash outflows from investing activities was mainly due to the increased payment for Jingtang Co.'s acquisition of 100% equity interest in Hebei Shougang Jingtang Machinery Co., Ltd. and the rise in cash expenditures for the purchase and construction of fixed assets and intangible assets.

(3) The decrease in net cash flows from investing activities was mainly caused by Jingtang Co.'s acquisition of 100% equity interest in Hebei Shougang Jingtang Machinery Co., Ltd.

(4) The increase in the net increase in cash and cash equivalents was mainly attributable to the growth in net cash flows from both operating activities and financing activities.

☒Applicable ☐Non-applicable

During the reporting period, net cash flow from operating activities was RMB 8.137 billion, the net profit was RMB 1.075 billion, and the difference was RMB 7.062 billion. The main reasons are: assets impairment provision and credit impairment losses of RMB 567 million, depreciation and amortization of RMB 8.155 billion, financial expenses of RMB 845 million, a decrease in operating receivables (less: increase) of RMB -539 million, an increase in operating payables (less: decrease) of RMB -2.537 billion, a decrease in inventory (less: increase) of RMB 506 million, an investment loss of RMB -45 million, and RMB 110 million for others.

V. Non-principal business analysis

☐Applicable ☒Non-applicable

VI. Assets and liabilities

1. Significant changes in the composition of assets

Unit: RMB Yuan

	31 December 2025		1 January 2025		Proportion changes	Notes of material changes
	Amount	Proportion of total assets	Amount	Proportion of total assets		
Cash at bank and on hand	10,842,460,836.85	8.68%	8,826,637,471.96	6.68%	2.00%	
Accounts receivable	1,669,376,228.53	1.34%	1,638,506,083.77	1.24%	0.10%	
Inventories	10,329,511,689.20	8.27%	11,407,824,092.03	8.64%	-0.37%	
Long-term equity investments	2,093,849,485.50	1.68%	2,070,713,423.51	1.57%	0.11%	
Fixed assets	82,509,872,123.34	66.04%	87,165,864,980.07	66.01%	0.03%	
Construction in progress	2,706,288,021.43	2.17%	3,263,187,574.42	2.47%	-0.30%	

Right-of-use assets	458,303,069.01	0.37%	468,243,465.30	0.35%	0.02%	
Short-term borrowings	21,445,498,282.76	17.17%	22,251,284,791.74	16.85%	0.32%	
Contract liabilities	4,529,764,861.53	3.63%	5,101,055,378.93	3.86%	-0.23%	
Long-term borrowings	7,966,470,000.00	6.38%	11,864,070,000.00	8.98%	-2.60%	
Lease liabilities	463,907,672.86	0.37%	465,190,839.65	0.35%	0.02%	

Foreign assets account for a relatively high proportion:

☐Applicable ☒Non-applicable

2. Assets and liabilities measured at fair value

☒Applicable ☐Non-applicable

Unit: RMB Yuan

Item	Opening balance	Fair value changes in the period	Accumulated fair value changes in equity	Impairment accrual in the period	Amount of purchase in the period	Amount of sales in the period	Other changes	Closing balance
Financial assets								
Other equity instruments investments	268,404,638.58		3,038,382.23					271,443,020.81
Financing receivables	3,626,515,941.48						-1,498,534,715.77	2,127,981,225.71
Other non-current financial assets	70,218,671.35	-44,273,694.51						25,944,976.84
Total	3,965,139,251.41	-44,273,694.51	3,038,382.23	0.00	0.00	0.00	-1,498,534,715.77	2,425,369,223.36
Financial liabilities	0.00							0.00

Whether the Company's main asset measurement attributes have changed significantly during the reporting period

☐ YES ☒ NO

3. Major restricted assets at the end of the reporting period

Unit: RMB Yuan

Item	Year-end			
	Book balance	Book value	Type of restriction	Restriction reason
Cash at bank and on hand	45,515,135.17	45,515,135.17	Freeze	All kinds of deposits, frozen funds, etc.
Total	45,515,135.17	45,515,135.17		

VII. Investment analysis

1. Overall situation

☒Applicable ☐Non-applicable

Invested amount during the reporting period (RMB Yuan)	Investment amount during the previous reporting period (RMB Yuan)	Range of change
2, 878,365,636.54	3,847,317,002.84	-25.19%

2. Significant equity investment during the reporting period

☐Applicable ☒Non-applicable

3. Significant non-equity investment during the reporting period

☒Applicable ☐Non-applicable

Unit: RMB Yuan

Item	Investment method	Whether it is fixed asset investment	Industry involved in investment project	Investment amount in current reporting period	Accumulated actual investment amount by the end of reporting period	Source of funds	Project progress	Expected income	Accumulated realized income by the end of reporting period	Reasons for failure to achieve planned progress and expected	Disclosure date (if any)	Disclosure index (if any)
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		t							g period	income		
Project for smelting high-quality steel with near-zero carbon emissions	Self-construction	Yes	Iron and steel	529,588,381.95	535,658,095.73	Own funds / green bonds	65.00%	155,550,000.00		Project under construction		
Total	--	--	--	529,588,381.95	535,658,095.73	--	--	155,550,000.00		--	--	--

4. Financial assets investment

(1) Securities investment

☐Applicable ☒Non-applicable

(2) Derivatives investment

☐Applicable ☒Non-applicable

VIII. Material disposal of assets and equity

1. Material disposal of assets

☐Applicable ☒Non-applicable

The Company did not dispose of any material assets during the reporting period.

2. Material disposal of equity

☐Applicable ☒Non-applicable

IX. Analysis of main holding companies and stock-jointly companies

☒Applicable ☐Non-applicable

Main subsidiaries and stock-jointly companies that have an impact on the company's net profit of over 10%.

Unit: RMB Yuan

Company name	Type	Main business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Shougang Jingtang United Iron & Steel Co., Ltd.	Subsidiary	Production and sales of steel products and by-products	35,821,676,294.00	69,731,174,501.98	37,087,652,233.02	60,166,559,298.73	1,066,793,969.52	862,817,323.56
Shougang Zhixin Electromagnetic Materials (Qian'an) Co., Ltd.	Subsidiary	Production and sales of steel products and by-products	3,000,000,000.00	20,851,174,545.64	14,584,685,972.76	15,525,092,748.00	223,394,166.30	183,926,564.58

Acquisition and disposal of subsidiaries during the reporting period

☐ Applicable ☒ Non-applicable

X. Structured entity controlled by the Company

☐ Applicable ☒ Non-applicable

XI. Future development prospects

1. Industry pattern and development trend

In 2026, guided by the 15th Five-Year Plan, the steel industry will enter a critical period of deep adjustment and transformation. The overall industry landscape will be characterized by strict capacity control, a weak supply-demand balance, and structural optimization.

On the supply side, the industry adheres to reducing crude steel output and strictly prohibits new capacity, ensuring the continuous elimination of outdated capacity and further contraction of supply. On the demand side, steel consumption from traditional real estate and infrastructure remains weak, while the

proportion of steel used in manufacturing sectors—such as new energy, high-end equipment, automobiles, and shipbuilding—is increasing, leading to an optimized demand structure.

As the development of high-end, green, and intelligent manufacturing deepens and the momentum of the new round of technological revolution grows, the steel industry will accelerate the development of new quality productive forces. It will refine "premium production lines" and create "super steel," driving the qualitative transformation of China from a major steel producer to a leading steel power. In terms of high-end development, the focus is on technological innovation and product upgrades to push the industry toward the high end of the global value chain and continuously enhance core competitiveness. In terms of green development, the industry is being driven to accelerate pollution and carbon reduction as well as energy efficiency improvements. In terms of intelligent development, the pace of transformation from "manufacturing" to "intelligent manufacturing" will continue to accelerate, driving continuous improvements in labor efficiency.

2. Development strategy of the Company

Focusing on the overall goal of “making the steel industry better and stronger”, the Company adheres to the development direction of “high-end, high-efficiency, intelligent and green” and the development position of “global first-class high-end material service provider”. Shougang Co. focuses on promoting and implementing the “Two Strong and Three Excellent” project (strong profitability, innovation ability, asset quality, operational efficiency, and green development), and is determined to pursue the strategy of “Green manufacturing, Intelligent manufacturing, Boutique manufacturing, Lean manufacturing, and Precision service”, adhere to the lead of technological innovation, and the dual drive of “capital + operation” to promote the high-quality development of the enterprise. Continuously promote the development of high-end products focusing on electrical steel, automotive plate and tin (chromium) plate, continuously improve the five core advantages of products, quality, cost, service and technology, continuously improve the level of steel material manufacturing services and operational efficiency, forms a group of strategic product customer clusters with international competitiveness, and strives to build Shougang Co. into a steel listed company with global competitiveness and influence.

3. Operating plans of 2026

(1) Planned product output

Steel output is planned at 23.28 million tons, a year-on-year increase of 2.0%.

(2) Planned operating revenue

Revenue is planned at RMB 106.48 billion, an increase of 3.46% year-on-year.

(3) Financing plan

Interest-bearing debt maturing amounts to RMB 37.655 billion, with RMB 34.176 billion to be refinanced.

(4) Budget arrangement for fixed-assets project capital expenditure

Fixed asset investment is budgeted at RMB 4.191 billion.

(5) Planned R&D intensity (R&D as a percentage of revenue)

R&D expenditure is planned to be no less than 4.4% of operating revenue.

4. Potential risk

(1) Policy and industry risk

2026 marks a critical starting point for the 15th Five-Year Plan, where the steel industry will face dual pressures from policy and the market. Production restrictions in the industry may become a long-term trend, and classification management will provide guidance for targeted production curbs. On one hand, the competitive environment remains severe; on the other hand, policy factors such as the in-depth advancement

of the "Dual Carbon" goals and environmental protection production restrictions will bring greater operational pressure to enterprises.

To address these risks and pressures, first, we must closely monitor national industrial policies and industry changes, deeply research the upstream and downstream industrial chains, strengthen market forecasting and analysis, improve rapid response capabilities, and enhance the ability to cope with market risks. Second, we must strengthen business awareness and market entity awareness, keep pace with market changes, enhance the coordination of various business factors, strengthen the coordinated development of domestic and international markets, expand the export of advantageous products, and enhance the international influence of our products. Third, relying on technological innovation, we will promote near-"zero" carbon emission high-quality steel projects, drive the adjustment of product and channel structures, optimize production processes, reduce energy consumption, strengthen production line coordination, and actively promote precise alignment with high-end demand across the supply chain. Fourth, seize the opportunity of green and low-carbon development, comprehensively promote the whole variety of low-carbon advantageous products and channel construction work, promote green and low-carbon technologies and products, and create enterprise green and low-carbon brand.

(2) Low-carbon environmental risks

In 2025, the steel industry was included in China's national carbon market, and carbon trading compliance work is being carried out in accordance with the Ministry of Ecology and Environment's Guidelines for Carbon Emission Accounting and Verification in the Steel Industry. Against the backdrop of China's "carbon peaking and carbon neutrality" goals, downstream customers are imposing higher demands on the Company's carbon reduction efforts. In 2026, the European Union's Carbon Border Adjustment Mechanism (CBAM) will enter its formal implementation phase, presenting a new challenge that Chinese export enterprises must directly confront. Consequently, domestic industries—from basic raw materials such as steel and aluminum to downstream sectors like automotive components and machinery equipment—will be required to provide more accurate and compliant carbon emission data.

To address the aforementioned risks and demands, first, we will apply integrated carbon-reduction technologies and focus on building dedicated production lines for low-carbon products to meet customers' carbon reduction needs. Second, we will further deepen the construction of our Life Cycle Assessment (LCA) system, standardize carbon data management, improve data quality, and meet verification and certification requirements. The third is to continuously build a low-carbon supply chain system, select low-carbon raw materials, and promote the low-carbon process of procurement, production, transportation, and other processes.

(3) Horizontal competition risk

There is a certain degree of industry competition between the Company and its controlling shareholder Shougang Group and its affiliates.

In order to address industry "Commitment on Measures to Resolve Industry Competition and Avoid Industry Competition After This Restructuring". According to the steel industry development plan of Shougang Group, Shougang Co. will serve as the only platform for the development and integration of Shougang Group's steel and upstream iron ore resource industries in China, ultimately achieving the overall listing of Shougang Group's steel and upstream iron ore resource businesses in China. Afterwards, Shougang Group made further commitments based on the aforementioned industry competition commitments. These commitments have been fulfilled on schedule, please refer to the corresponding content of "Corporate Governance" in this annual report for details.

(5) Related transactions risk

Related party transactions between Shougang Co. and Shougang Group and its affiliated enterprises, Shougang Co. and Shougang Group signed the framework agreement of related transactions in accordance with the “Stock Listing Rules” and other provisions for regular related transactions. If the agreement cannot be strictly executed in the future, interests of the Company will be damaged and also the risks of related transactions will emerge.

The Company will strictly comply with various regulations on related party transactions, fulfill information disclosure obligations in accordance with the “Stock Listing Rules” and “Articles of Association”, ensure the openness, fairness, and impartiality of related party transactions, and safeguard the legitimate rights and interests of the company and all shareholders. The above-mentioned daily related party transactions are ongoing related party transactions that exist in the normal operation and production process of the company. Both parties have followed the legal approval procedures and signed in accordance with regulations, which will not affect the independence of the Company.

XII. Reception of research, communication, interview and other activities during the reporting period

☒Applicable ☐Non-applicable

Time	Location	Method	Type	Counterparty	Main contents and provided material	Reference for basic information
11 February 2025	Company conference room	Field research	Institution	Foresight Fund	Addressing questions from investors regarding the Company's capital expenditures, debt-to-equity ratio, and other related issues.	For further details, please refer to the record of the investor event posted by the Company on the interactive platform on 13 February 2025.
11 February 2025	Company conference room	Field research	Institution	Changjiang Securities, Dacheng Fund	Addressing questions from investors regarding the Company's capital expenditures, dividend plans, environmental investments, depreciation expenses, and other related issues.	For further details, please refer to the record of the investor event posted by the Company on the interactive platform on 13 February 2025.
18 April 2025	Pan-World Network Live Broadcast Room (https://rs.p5w.net/html/145831.shtml)	Online communication via online platforms	Others	Total investors	Providing an explanation of the Company's performance for FY2024 and the first quarter of 2025, and answering investors' questions of interest	For further details, please refer to the record of the investor event posted by the Company on the interactive platform on 21 April 2025.
23 April 2025	Company conference room	Field research	Institution	Huachuang Securities, PICC Asset, Tianhong Asset Management, Hongde Fund Management	Addressing questions from investors regarding dividends, capital expenditure plans, depreciation expenses, and other related issues.	For further details, please refer to the record of the investor event posted by the Company on

						the interactive platform on 24 April 2025.
13 May 2025	Company conference room	Telephone communication	Institution	Huachuang Securities, Bank of Communications Schroder Fund Management	Addressing questions from investors regarding the Company's first-quarter earnings, electrical steel products, capital expenditure plans, depreciation expenses, and other related issues.	For further details, please refer to the record of the investor event posted by the Company on the interactive platform on 15 May 2025.
14 May 2025	Company conference room	Telephone communication	Institution	Huatai Securities, Polymer Capital Management (HK) Limited	Addressing questions from investors regarding the Company's first-quarter earnings, strategic products, capital expenditure plans, depreciation expenses, dividends, and other related issues.	For further details, please refer to the record of the investor event posted by the Company on the interactive platform on 15 May 2025.
28 May 2025	Qiangang Co. conference room	Field research	Institution	China Securities, CICC, Changjiang Securities, Minsheng Royal Fund Management, Huachuang Securities, Hongde Fund Management, Harmony Huiyi Fund, GUOTAI HAITONG SECURITIES, GF Securities, Gongyin Ruixin Fund Management, Fullgoal Fund Management, Dongfang Wealth Securities	Addressing questions from investors regarding the Company's green and low-carbon development, steel electrical products, automotive steel products, medium- and heavy-gauge steel products, cost-reduction and efficiency-enhancement initiatives, capital expenditure plans, depreciation expenses, and other related issues.	For further details, please refer to the record of the investor event posted by the Company on the interactive platform on 30 May 2025.
25 August 2025	Morning: Pan-World Network Live Broadcast Room (https://rs.p5w.net/html/175550771587174.shtml)	Online communication via online platforms	Others	Total investors	Providing an explanation of the Company's first-half 2025 financial results, and addressing investor inquiries regarding products such as electrical steel, automotive steel sheets, and medium- and heavy-gauge plates, as well as issues related to low-carbon development	For further details, please refer to the record of the investor event posted by the Company on the interactive platform on 26 August 2025.
25 August 2025	Afternoon: Company conference room	Telephone communication	Institution	Huachuang Securities, GF Securities, Changjiang Securities, Everbright Securities,	Providing an explanation of the Company's first-half 2025 financial	For further details, please refer to the record of the

				GUOTAI SECURITIES, HAITONG SECURITIES, Minsheng Securities, Zheshang Securities, Dongfang Wealth Securities, CICC, Huatai Securities, China Securities	results, and addressing investor inquiries regarding products such as electrical steel, automotive steel sheets, and medium- and heavy-gauge plates, as well as issues related to low-carbon development	investor event posted by the Company on the interactive platform on 26 August 2025.
31 October 2025	Morning: Pan-World Network Live Broadcast Room (https://rs.p5w.net/html/176128602845051.s.html)	Online communication via online platforms	Others	Total investors	Providing an explanation of the Company's third-quarter 2025 financial results, and address investor inquiries regarding low-carbon development, the construction of electric arc furnace steel production lines, and products such as electrical steel and automotive steel sheets	For further details, please refer to the record of the investor event posted by the Company on the interactive platform on 3 November 2025.
31 October 2025	Afternoon: Company conference room.	Field research	Institution	GF Securities, Changjiang Securities, Everbright Securities, GUOTAI SECURITIES, HAITONG SECURITIES, Zheshang Securities, Dongfang Wealth Securities, CICC, China Securities, Northeast Securities	Providing an explanation of the Company's third-quarter 2025 financial results, and address investor inquiries regarding low-carbon development, the construction of electric arc furnace steel production lines, and products such as electrical steel and automotive steel sheets	For further details, please refer to the record of the investor event posted by the Company on the interactive platform on 3 November 2025.
19 November 2025	Company conference room	Field research	Institution	China Merchants Fund Management, Changjiang Securities	Addressing questions from investors regarding the Company's performance, green and low-carbon development, electrical steel, automotive steel products, capital expenditures, depreciation, and other related issues.	For further details, please refer to the record of the investor event posted by the Company on the interactive platform on 20 November 2025.

XIII. Formulation and implementation of market value management system and valuation improvement plan

Whether the Company has formulated a market value management system.

☐ YES ☒ NO

Whether the Company has disclosed valuation improvement plan.

√ YES ☐ NO

The “Valuation Improvement Plan of Beijing Shougang Co., Ltd.” (hereinafter referred to as the “Improvement Plan”) has been considered and approved by the Eighty-fourth Board of Directors Meeting of the Company, the main contents of which are as follows: (1) Continuously improve profitability and promote high-quality corporate development; (2) Emphasize investor returns and share the results of development; (3) Improve investor communication and convey the Company's value; (4) Improving the quality of information disclosure and responding to market concerns; (5) Implementing ESG management concepts and improving the level of governance; (6) Exploring diversified forms of incentives and promoting long-term incentive mechanisms; and (7) Encouraging major shareholders to increase their holdings and boosting market confidence. The specific content is detailed in the 1 March 2025 public announcement of the Company's Board of Directors.

The Company's implementation status and achievements regarding the "Improvement Plan" are as follows: In 2025, centering on the valuation improvement plan, the Company further enhanced its profitability, achieving a net profit attributable to shareholders of RMB 996 million for the full year, representing a year-on-year increase of 107.68%. The Company implemented the 2024 profit distribution by distributing RMB 171 million in cash to all shareholders. We strengthened investor communication by convening three earnings briefing sessions, hosting seven research and exchange sessions for investors and analysts, and responding to 199 investor inquiries on the Shenzhen Stock Exchange's "Interactive Easy" platform. Furthermore, the Company actively participated in the formulation of ESG standards and promoted sustainable industry development, winning multiple ESG awards and achieving an ESG ranking at the forefront of the industry. Additionally, a new phase of equity incentive was launched, and as of the end of the reporting period, the amount paid by the Company for share repurchases totaled RMB 117 million. As of the end of 2025, the Company's market capitalization stood at RMB 37.999 billion, representing a 60% increase compared to the end of the previous year.

XIV.Implementation of the Action Plan for "Double Improvement of Quality and Return"

Whether the Company disclosed an action plan for "dual improvement of quality and return" or not.

√ YES ☐ NO

On 30 September 2024, the Company disclosed the “Announcement of Beijing Shougang Co., Ltd. Concerned with the Action Plan of ‘Dual Improvement of Quality and Returns’ (hereinafter referred to as the ‘Action Plan’)”. It mainly includes the following five aspects: (1) Focusing on the main business, promoting the Company's high-quality development; (2) Innovation-driven, fostering new quality productivity; (3) Technology-first, leading the way with green and low-carbon benchmarking; (4) System-building, improving the level of ESG management; and (5) Shareholder-focused, gradually improving the return on investment.

For the specific measures and achievements made by the Company in implementing the “Action Plan”, please refer to the “Analysis of principal business” and other relevant contents in this section.

SECTION IV: CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

I. Information of corporate governance

The Company continuously improves its corporate governance structure in accordance with the "Company Law", "Securities Law" and other relevant laws and regulations, and has formed a corporate governance structure in which the shareholders' meeting, the board of directors, and the management are separated from each other, and mutual checks and balances have been established, so that each level has its own duties and responsibilities within its respective scope of duties and competence, which ensures the standardized operation of the Company, and effectively safeguards the lawful rights and interests of the Company and all shareholders.

During the reporting period, the Company primarily enhanced its corporate governance through the following aspects: First, in accordance with laws, regulations, rules, and normative documents—including the *Company Law*, the *Administrative Measures for Independent Directors of Listed Companies*, the *Guidelines on the Articles of Association of Listed Companies*, the *Listing Rules of Shenzhen Stock Exchange*, and the *Self-regulatory Guide for Listed Companies of Shenzhen Stock Exchange No. 1 - Standardized Operation of Main Board Listed Companies*—and based on actual operational needs, the Company formulated 18 new systems (such as the *Regulations on the Resignation of Directors and Senior Management* and the *Emergency Response Regulations for Contingencies*), revised 62 existing systems (including the *Articles of Association* and the *Regulations on the Management of Raised Funds*), abolished the *Rules of Procedure for the Board of Supervisors*, and completed the reform of the Board of Supervisors, thereby further enhancing its corporate governance level. Second, in response to practical needs arising from system updates and business adjustments, the Company organized and conducted self-evaluations of its internal control in accordance with the *Risk Control Manual* and the *Internal Control Evaluation Manual*. Third, the Company strengthened institutional development in areas such as contract management, case management, authorization management, and basic legal affairs management, promoted the integration of compliance management into daily operations, continuously updated and optimized its "Three Lists," deepened compliance management in key areas, and underwent supervisory audits against the Compliance Management System standard GB/T35770-2022/ISO37301:2021. Fourth, in accordance with relevant provisions of the *Articles of Association*, the *Shareholders' Meeting Rules of Procedure*, and other related regulations, the Company convened shareholders' meetings using a "hybrid" format (in-person plus online voting), implemented the 2024 annual profit distribution, and ensured that all matters submitted to the shareholders' meeting for deliberation and approval were legally compliant.

Whether there are material differences between the actual state of corporate governance and the regulatory documents issued by the CSRC on the governance of listed companies.

☐ YES ☒ NO

There is no material difference between the fact of corporate governance and the regulations for listing companies required by the CSRC.

II. Independence of the Company from the controlling shareholder and actual controller in terms of assets, personnel, finance, organization, business

The Company strictly plans and operates in accordance with the law, maintaining complete independence from its controlling shareholders in terms of assets, personnel, finance, institutions, and business. The company has a complete procurement, production, marketing, and business management

system, a complete product research and development organization and personnel, and the ability to independently produce and operate.

1. Assets: The Company has a production system and its supporting facilities that are independent of the controlling shareholder and its related parties. The Company's assets are independent and complete, with clear ownership.

2. Personnel: The Company has a complete human resources management system, which operates independently and has a sound and effective system. The directors and supervisors of the Company are elected in accordance with the statutory approval procedures such as elections by the Shareholders' General Meeting or the Staff and Workers' Congress; senior management personnel are appointed or dismissed by the Board of Directors, and there are no irregularities in their concurrent positions with controlling shareholders and related parties.

3. Financial: The Company has an independent financial management department, equipped with full-time financial personnel, with a complete internal financial accounting and management system and perfect financial management system, which is sound and capable of making independent financial decisions, and the Company is independently and legally subject to taxation.

4. Institutions: The Company maintains a corporate governance structure comprising the Shareholders' Meeting, the Board of Directors, the Board of Supervisors (which was dissolved on 9 September 2025), and the management team. Its organizational system is sound, operates independently, and exercises its powers autonomously, with no subordination to the controlling shareholder or its related parties.

5. Business: The Company has a complete raw fuel procurement, product manufacturing, product marketing and management system, an independent business system, conducts its business independently, operates independently and bears its own risks.

III. Horizontal competition

☒Applicable ☐Non-applicable

Type	Type of association with the Company	Company name	Nature of controlling shareholder	Causes	Solutions	Work progress and follow-up plan
Horizontal competition	The controlling shareholder	Shougang Group Co., Ltd.	Local SASAC	Since the Company's listing, horizontal competition has persisted as a result of the partial restructuring for the initial public offering.	1. Shougang Group undertakes in respect of measures to resolve inter-sector competition and avoid inter-sector competition after the First Reorganisation (1) Except for the situation of inter-sector competition existing prior to the date of this Letter of Undertaking, if the Company obtains opportunities for acquisition, development and investment in the same or similar business as Shougang Co, the Company will immediately notify Shougang Co and offer them to Shougang Co for selection on a priority basis and make its best efforts to make such business opportunities available for transfer to Shougang Co. (2) In integrating and operating existing steel assets not yet transferred to Shougang Co., the Company will select the appropriate platform and means to achieve resource integration in a manner that is conducive to the future transfer to Shougang Co. and will not include	The process of performance. In December 2024, Shougang Co., Ltd. and Shougang Group signed the "Management Service Agreement between Shougang Group Co., Ltd. and Beijing Shougang Co., Ltd. on the Affiliated Enterprises of Shougang Group Co., Ltd.". Shougang Co., Ltd. provides

				provisions in the relevant agreements or arrangements with partners or third parties that restrict or prohibit the injection of such assets or businesses into Shougang Co. (3) The Company will, as far as possible, safeguard the normal operation and profitability of the existing steel assets not injected into Shougang Co. and ensure that the aforesaid assets and businesses do not fall into operational difficulties due to the Company or other circumstances that prevent the ultimate injection into Shougang Co. or render such injection legally impeded. (4) Each commitment made by the Company in eliminating or avoiding competition in the same line of business shall also apply to other enterprises under the direct or indirect control of the Company other than Shougang Co. and its subsidiaries, and the Company is obliged to supervise and ensure that the other subsidiaries of the Company implement the arrangements for each of the matters described in this document and strictly comply with all the commitments. 2. As approved by the second extraordinary general meeting of the Company for 2018 on 27 December 2018, Shougang Group undertakes to: (1) According to the development plan of Shougang's steel industry, Shougang shares will serve as the sole platform for the development and integration of Shougang Group's steel and upstream iron ore resources industries in the PRC, and ultimately realise the overall listing of Shougang Group's steel and upstream iron ore resources businesses in the PRC. (2) In the event that Shougang Group's other companies engaged in steel operations and production further optimise and adjust their product structure through active implementation of national industrial policies and environmental protection requirements, and achieve profits for three consecutive years, and that the overall situation of the industry does not fluctuate significantly, Shougang Group will, in accordance with the requirements of securities laws and regulations and industry policies, initiate a process including but not limited to acquisition, merger, restructuring and other means in the interests of shareholders of the listed company. The injection of relevant high-quality assets into Shougang will be completed within 36 months after the commencement of the relevant matters.	management services for a total of 11 target enterprises in the steel sector of Shougang Group. Shougang shares will continue to negotiate with Shougang Group and actively promote the follow-up work in accordance with the commitment to resolve horizontal competition. In December 2025, both parties signed a supplementary agreement.
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IV. Directors, Senior Management

1. General information

Name	Gender	Age	Position	Status	Start date of term	End date of term	Number of shares held at the beginning of the period	Number of shares increased in the current period	Number of shares reduced in the current period	Other changes	Number of shares held at the end of the period	Reasons for changes in the increase or decrease of shares
Zhu Guosen	Male	48	Chairman	Incumbent	22 October 2025	22 December 2028	0	0	0	0	0	
Wang Lifeng	Male	51	Director	Incumbent	23 December 2025	22 December 2028	0	0	0	0	0	
Li Ming	Male	51	Director	Incumbent	8 April 2024	22 December 2028	88,740	0	88,740	0	0	Repurchased and canceled because the Company's performance did not meet the conditions for the release of restrictions on sale.
Chen Xiaowei	Female	52	Employee Representative Director	Incumbent	23 December 2025	22 December 2028	88,740	0	88,740	0	0	Repurchased and canceled because the Company's performance did not meet the conditions for the release of restrictions on sale.
Yu Xingxi	Male	67	Independent Director	Incumbent	23 December 2022	22 December 2028	0	0	0	0	0	
Peng Feng	Male	46	Independent Director	Incumbent	23 June 2020	22 June 2026	0	0	0	0	0	
Wang Cuimin	Female	59	Independent Director	Incumbent	22 February 2024	22 December 2028	0	0	0	0	0	
Liu Jun	Female	44	Director	Incumbent	23 December 2025	22 December 2028	0	0	0	0	0	
Jin Xi	Female	35	Director	Incumbent	23 December 2025	22 December 2028	0	0	0	0	0	
Sun Maolin	Male	49	General Manager	Incumbent	22 March 2024	22 December 2028	88,740	0	88,740	0	0	Repurchased and canceled because the Company's performance did not meet the conditions for the release of restrictions on sale.
Zhao Peng	Male	51	Deputy General Manager	Incumbent	18 April 2024	22 December 2028	0	0	0	0	0	
Liu Tonghe	Male	45	Chief Accountant	Incumbent	18 August 2023	22 December 2028	0	0	0	0	0	
Xie Tianwei	Male	44	Deputy General Manager	Incumbent	27 October 2022	22 December 2028	69,320	0	69,020	0	300	Repurchased and canceled because the Company's performance did not meet the conditions for the release of restrictions on sale.
Xu Haiwei	Male	47	Deputy General Manager	Incumbent	29 September 2025	22 December 2028	69,020	0	69,020	0	0	Repurchased and canceled because the Company's performance did not meet the conditions for the release of restrictions on sale.

Qiao yufei	Female	37	Secretary of the board	Incumbent	26 October 2023	22 December 2028	0	0	0	0	0	
Qiao yufei	Female	37	Secretary of the Board, Chief Legal Consultant	Incumbent	29 October 2024	22 December 2028	0	0	0	0	0	
Qiu Yinfu	Male	58	Chairman	Resignation	28 December 2023	21 October 2025	0	0	0	0	0	
Sun Maolin	Male	49	Director	Resignation	8 April 2024	22 December 2025	0	0	0	0	0	
Li Jiantao	Male	47	Director	Resignation	23 December 2022	22 December 2025	0	0	0	0	0	
Liu Shen	Male	50	Independent Director	Resignation	23 June 2020	23 December 2025	0	0	0	0	0	
Wang Kai	Male	43	Deputy General Manager	Resignation	27 October 2022	1 September 2025	69,020	0	69,020	0	0	Repurchased and canceled due to a job transfer and the Company's failure to meet the conditions for lifting the lock-up period.
Total	--	--	--	--	--	--	473,580	0	473,280	0	300	--

Were there any resignations of directors or senior management during the reporting period?

√ YES □ NO

For further details, please refer to the section on the basic information regarding the appointments of directors and senior management mentioned above.

Changes in directors and senior manager

☒ Applicable □ Non-applicable

Name	Position	Type	Date	Reason
Qiu Yinfu	Chairman	Resignation	22 October 2025	Job transfer
Sun Maolin	Director	Resignation	22 December 2025	Re-election
Li Jiantao	Director	Resignation	22 December 2025	Re-election
Liu Shen	Independent Director	Resignation	22 December 2025	Re-election
Wang Kai	Deputy General Manager	Resignation	1 September 2025	Job transfer

2. Current position

Professional background, main work experience and main responsibilities of the current director and senior manager of the Company

A. Board members

1. Zhu Guosen: Chairman of the Board. Postgraduate education, Doctor of Engineering, Professorate Senior Engineer. He previously served as a researcher at the Strip & Plate Research Institute of Shougang Research Institute of Technology; a researcher, deputy director, deputy director (in charge of work), and director of the Sheet Metal Research Institute of Shougang Research Institute of Technology; assistant to the president of Shougang Research Institute of Technology and director of the Sheet Metal Research Institute; chief engineer of Shougang Jingtang United Iron & Steel Co., Ltd.; deputy secretary of the Party Committee and first vice president of the Research Institute of Technology of Shougang Group Co., Ltd.; secretary of the Party Committee and first vice president of the Research Institute of Technology of Shougang Group Co., Ltd.; deputy secretary of the Party Committee of Beijing Shougang Co., Ltd.; deputy secretary of the Party Committee and general manager of Beijing Shougang Co., Ltd.; deputy secretary of the Party Committee, director and general manager of Beijing Shougang Co., Ltd.; deputy general manager of Shougang Group Co., Ltd.; and member of the Standing Committee of the Party Committee and deputy general manager of

Shougang Group Co., Ltd. He is currently a member of the Standing Committee of the Party Committee and Deputy General Manager of Shougang Group Co., Ltd., as well as Chairman of Beijing Shougang Co., Ltd.

2. Wang Lifeng: Director. Postgraduate education, Doctor of Engineering, Professorate Senior Engineer. He previously served as a researcher at the Special Steel Research Institute of Shougang Research Institute of Technology; deputy director of the Special Steel Research Institute of Shougang Research Institute of Technology; deputy director of the Technology Center of Beijing Shougang Co., Ltd. and deputy director of the Special Steel Research Institute of Shougang Research Institute of Technology; deputy chief engineer of Shougang Research Institute of Technology, acting director of the Heavy Plate Research Institute and director of the Special Steel Research Institute, and deputy director of the Technology Center of Beijing Shougang Co., Ltd.; deputy secretary of the Party Committee and deputy director (in charge of work) (first vice president) of the Technology & Quality Department (Shougang Research Institute of Technology) of Shougang Corporation; deputy secretary of the Party Committee and deputy director (in charge of work) (first vice president) of the Technology & Quality Department (Shougang Research Institute of Technology) of Shougang Group Co., Ltd.; secretary of the Party Committee, secretary of the Discipline Inspection Commission and chairman of the Labor Union of the Research Institute of Technology of Shougang Group Co., Ltd.; secretary of the Party Committee and chairman of the Labor Union of the Research Institute of Technology of Shougang Group Co., Ltd.; director of the Human Resources Department (Party Committee Organization Department, Party Committee United Front Work Department), director of the Party Committee Inspection Office, and secretary of the Party Committee of the Authority of Shougang Group Co., Ltd.; and secretary of the Party Committee of Shougang Co., Ltd. He is currently Secretary of the Party Committee and Director of Beijing Shougang Co., Ltd.

3. Li Ming: Director. Postgraduate education, Doctor of Engineering, Professorate Senior Engineer. He previously served as Deputy Chief (Section-level) of the Technical & Research Section of Shougang No.3 Steelmaking Plant; Deputy Director of the Technology & Quality Department of Shougang Qiangang Co.; Deputy General Manager of Shougang Qian'an Iron & Steel Co., Ltd.; Deputy Secretary of the Party Committee and Director of the Marketing Management Department of Beijing Shougang Co., Ltd.; Deputy General Manager, Deputy Secretary of the Party Committee and Director of the Marketing Management Department of Beijing Shougang Co., Ltd.; Director, Deputy General Manager, Deputy Secretary of the Party Committee and General Manager of the Marketing Center of Beijing Shougang Co., Ltd.; Deputy General Manager, Deputy Secretary of the Party Committee and General Manager of the Marketing Center of Beijing Shougang Co., Ltd.; Deputy General Manager, Deputy Secretary of the Party Committee and General Manager of the Marketing Center, as well as Executive Director and General Manager of the Steel Trading of Beijing Shougang Co., Ltd.; Deputy Secretary of the Party Committee, Director and General Manager of Jingtang Co.; and Secretary of the Party Committee and Chairman of Jingtang Co. He is currently Director of Beijing Shougang Co., Ltd., and Secretary of the Party Committee and Chairman of Jingtang Co.

4. Chen Xiaowei: Employee Representative Director. Bachelor's degree, Master of Engineering, Senior Political Work Engineer. He previously served as a professional in the General Section and a professional in operation and management in the Operation Section of the Commerce Department of Shougang Mining Corporation, as well as Chief of the Operation Section and Chief of the Operation Management Section; Chief of the Operation Management Section and Secretary of the Authority Party Branch of the Commerce Department of Shougang Mining Corporation; an information officer in the Information Section of the Operation Department of Shougang Qiangang Co.; Deputy Chief of the Secretary Section of Shougang Qiangang Co.; Assistant to the Secretary of the Party Committee and Director of the General Office of the Hot Rolling Operation Department of Shougang Qiangang Co.; Deputy Secretary of the Party Committee of the Hot Rolling Operation Department of Shougang Qiangang Co.; Deputy Secretary of the Party Committee, Secretary

of the Discipline Inspection Commission and Chairman of the Labor Union of the Hot Rolling Operation Department of Beijing Shougang Co., Ltd.; Vice Chairman of the Labor Union, Secretary of the Authority Party Committee, Secretary of the Discipline Inspection Commission, Chairman of the Labor Union and Deputy Director of the Party-Mass Work Department of Beijing Shougang Co., Ltd.; Vice Chairman of the Labor Union, Secretary of the Authority Party Committee and Deputy Director of the Party-Mass Work Department of Beijing Shougang Co., Ltd.; Chairman of the Labor Union of Beijing Shougang Co., Ltd.; Chairman of the Labor Union and Employee Representative Supervisor of Beijing Shougang Co., Ltd.; Chairman of the Labor Union of Beijing Shougang Co., Ltd.; and Deputy Secretary of the Party Committee and Chairman of the Labor Union of Beijing Shougang Co., Ltd. He is currently Deputy Secretary of the Party Committee, Employee Representative Director and Chairman of the Labor Union of Beijing Shougang Co., Ltd.

5. Yu Xingxi: The independent director of the Company. Graduate degree, Master of Management, Senior Accountant. He previously served as a soldier in the 1st Company of the 46th Regiment of the 10th Division of the Railway, accountant in the Qinghai Tibet Line of the Railway (platoon), accountant in the Finance Department of the New Management Department of the 10th Division of the Railway, Deputy President of the Construction Department (Zhengke) of the Railway 20th Bureau, General Manager and Accountant of the Construction Department of the Railway 20th Bureau, General Manager and Senior Manager of the Finance Department of China Railway Construction Corporation, Deputy Director of the Finance Department and Director and Senior Manager in Fund Settlement Center of China Railway Construction Corporation, Minister and Senior Manager of the Finance Department of China Railway Construction Corporation, Minister and Senior Manager of the Finance Department of China Railway Construction Corporation Limited, Secretary of the Board of Directors and Joint Company of China Railway Construction Corporation, News Speaker and Senior Manager of China Railway Construction Corporation, The Secretary General of the Beijing Listed Companies Association and Professor at the School of Economics and Management of Beijing Jiaotong University, he also serves as an independent director of Ruitai Technology Co., Ltd., Beijing Kerui International Co., Ltd., and China National Pharmaceutical Group Co., Ltd. He is currently an independent director of Ruitai Technology Co., Ltd. and independent director of China National Pharmaceutical Group Pharmaceutical Co., Ltd. He was appointed as Independent Director of Beijing Shougang Co., Ltd. on 23 December 2022.

6. Peng Feng: Independent Director. Postgraduate education, Master of Engineering, Professorate Senior Engineer. The major employment history of Mr. Peng is as follows: Mr. Peng once served as assistant engineer, engineer and deputy director of Smelting Raw Materials Department of Metallurgical Industry Planning and Research Institute, chief designer and vice director of Smelting Raw Materials Department of Metallurgical Industry Planning and Research Institute, chief designer and director of Smelting Raw Materials Department of Metallurgical Industry Planning and Research Institute. He is currently Deputy Chief Engineer and Director of the Smelting & Raw Materials Department of the Metallurgical Industry Planning and Research Institute. He also serves as Vice Chairman of the Ferroalloy Branch of the Chinese Society for Metals and Executive Deputy Secretary-General of the Zhongguancun Stainless and Special Alloy New Materials Industry Technology Innovation Alliance. He was appointed as Independent Director of Beijing Shougang Co., Ltd. on 23 June 2020.

8. Wang Cuimin: Independent Director, Postgraduate degree, Senior Engineer, Asset Appraiser, Land Appraiser, Enterprise Risk Internal Controller. She previously served as Project Manager of Zhongji Audit Firm; Vice President of Beijing Chinese Enterprise China Assets Evaluation Co., Ltd., Director and Vice President of Beijing Huaxia Taohoe International Investment Management Company Limited; Partner of Grant Thornton Consulting (Beijing) Co., Ltd.; Partner of Zhitong Consulting (Beijing) Co., Ltd., Independent Director of Nanjing

Iron & Steel Co., Ltd., review expert of China National Aviation Fuel Group Corporation, review expert of Nanfang United Property Right Exchange Center, and review expert of China Development Bank; Independent Director of Nanjing Iron & Steel Co., Ltd., review expert of China National Aviation Fuel Group Corporation, review expert of Nanfang United Property Right Exchange Center, and review expert of China Development Bank. She currently serves as a review expert for China National Aviation Fuel Group Corporation, Nanfang United Property Right Exchange Center, and China Development Bank. He was appointed as Independent Director of Beijing Shougang Co., Ltd. on 22 February 2024.

8. Liu Jun: Director. Postgraduate education, Master of Economics, Chartered Financial Analyst (CFA), Intermediate Economist. He previously worked as an intern at the Stock Index Futures Research Center of Shanghai Futures Exchange; Foreign Exchange Management Specialist of the Finance Department of Baosteel Co.,; Asset Management Manager of the Finance Department of Baosteel Group; Asset Management Manager of the Finance Department of China Baowu; Investment Manager of the Investment Management Department of China Baowu; Financial Industry Management Manager of the Industrial Finance Development Center (Investment Management Department) of China Baowu; Senior Financial Industry Management Manager of the Industrial Finance Development Center of China Baowu; Industrial Financial Asset Director of the Industrial Finance Development Center of China Baowu; Asset Management Director of the Capital Operation Department and Industrial Finance Development Center of China Baowu; and Asset Director of the Finance and Capital Department of China Baowu. He is currently Asset Director of the Finance and Capital Department of China Baowu and Director of Beijing Shougang Co., Ltd.

9. Jin Xi: Director. Postgraduate education, Master of Science, Associate Senior Economist, Chartered Financial Analyst (CFA). He previously served as an intern in the Capital Operation Department of Beijing Capital Group Co., Ltd., Manager of the Capital Operation Department of Beijing Capital Group Co., Ltd., Senior Manager of the Capital Operation Department of Beijing Capital Group Co., Ltd., Senior Manager of the Capital Management Department of Beijing Capital Group Co., Ltd., and Post-Investment Director of Beijing Jingguorui Equity Investment Fund Management Co., Ltd. He is currently Post-Investment Director of Beijing Jingguorui Equity Investment Fund Management Co., Ltd. and Director of Beijing Shougang Co., Ltd.

(2) Senior managers

1. Sun Maolin: General Manager, University degree, Master of Business Administration in Senior Management, Senior Engineer. He previously served as deputy head of the technical and scientific research department in Shougang Medium and Thick Plate Plant; Deputy Director of Silicon Steel Division (presiding over the work) of Shougang Qiangang Co.; Deputy Director of Silicon Steel Division (presiding over the work) in Shougang Qian'an Iron & Steel Co., Ltd.; Minister of the Silicon Steel Business Unit of Beijing Shougang Co., Ltd.; Secretary of the Party Committee and Minister of the Silicon Steel Business Unit of Beijing Shougang Co., Ltd.; Secretary of the Party Committee and Minister of the Silicon Steel Business Unit, and Director of the Silicon Steel Engineering & Technology Research Center of Beijing Shougang Co., Ltd.; Assistant to the General Manager, Secretary of the Party Committee and Minister of the Silicon Steel Business Unit, and Director of the Silicon Steel Engineering & Technology Research Center of Beijing Shougang Co., Ltd.; Deputy General Manager, Director of the Silicon Steel Engineering & Technology Research Center, Secretary of the Party Committee and Executive Director of Zhixin Co. of Beijing Shougang Co., Ltd.; Member of the Party Committee, Deputy General Manager, Director of the Silicon Steel Engineering & Technology Research Center, and Chairman of Zhixin Co. of Beijing Shougang Co., Ltd.; Member of the Party Committee, Deputy General Manager, Deputy Secretary of the Party Committee and General Manager of the Marketing Center, Executive Director and General Manager of the Steel Trading, and Director of Jingtang Co. of Beijing Shougang Co., Ltd.; Deputy Secretary of the Party Committee, General Manager, and Director of Jingtang Co. of Beijing Shougang

Co., Ltd.; Deputy Secretary of the Party Committee, Director and General Manager of Beijing Shougang Co., Ltd. He is currently Deputy Secretary of the Party Committee and General Manager of Beijing Shougang Co., Ltd.

2. Zhao Peng, Deputy General Manager, Bachelor's Degree, Master of Engineering, Economist. Formerly served as head of the Planning Department in the Planning and Finance Division of the Shougang Economy and Trade Department; Deputy Director of the Planning Department in the Planning and Finance Division of Shougang New Steel Sales Company; Head of Marketing Planning Department in the Marketing Management Division of Shougang Corporation Sales Company; Chief of Automobile Plate Sales Department and Chief of Management Department in the Cold Rolled Plate Sales Division of Shougang Corporation Sales Company; Deputy Manager of the Shanghai Sales Branch of Shougang Corporation Sales Company; Deputy Director and Party Secretary of the Marketing Management Division of Shougang Corporation Sales Company; Deputy Director of the Marketing Management Division of Shougang New Steel Sales Company (Nominal Deputy Director of the Market Research Department of China Iron and Steel Association); Deputy Director of the Automobile Plate Sales Division of Shougang Corporation Sales Company (presiding over the work); General manager of Tianjin Shougang Steel Trading Co., Ltd. (Shougang Tianjin Sales Branch); Deputy Director of Marketing Management Department of Beijing Shougang Co., Ltd.; Deputy General Manager of Marketing Center of Beijing Shougang Co., Ltd.; Member of the Party Committee and Deputy General Manager of Marketing Center of Beijing Shougang Co., Ltd.; Member of the Party Committee and Deputy General Manager of Marketing Center of Beijing Shougang Co., Ltd. and Director of Automobile Plate Sales Department; Deputy Secretary of the Party Committee, Director and General Manager of China Shougang International Trade & Engineering Corporation; Deputy Secretary of the Party Committee and General Manager of the Marketing Center, and Director of Jingtang Co. of Beijing Shougang Co., Ltd.; Deputy General Manager, Deputy Secretary of the Party Committee and General Manager of the Marketing Center, Director of Jingtang Co., and Executive Director of the Steel Trading of Beijing Shougang Co., Ltd.; Member of the Party Committee, Deputy General Manager, Deputy Secretary of the Party Committee and General Manager of the Marketing Center, Director of Jingtang Co., and Executive Director of the Steel Trading of Beijing Shougang Co., Ltd. He is currently Member of the Party Committee and Deputy General Manager of Beijing Shougang Co., Ltd., Deputy Secretary of the Party Committee and General Manager of the Marketing Center, Director of Jingtang Co., and Director of the Steel Trading.

3. Liu Tonghe: The Chief Accountant of the Company, Bachelor's Degree, Senior Accountant. He previously served as Financing Administrator of the Capital Division of the Planning & Finance Department of Shougang Corporation; Supervisor and Deputy Director of the Capital Division of the Planning & Finance Department of Shougang Corporation (New Steel Company); Capital Management Director of the Operation & Finance Department of Shougang Corporation; Capital Management Director of the Operation & Finance Department of Shougang Group Co., Ltd., and Deputy General Manager of Shougang Group Finance Co., Ltd.; Secretary of the Party Branch and Deputy General Manager of Shougang Group Finance Co., Ltd.; Chief Accountant of Beijing Shougang Co., Ltd.; Chief Accountant of Beijing Shougang Co., Ltd. and Director of Jingtang Co.; Chief Accountant of Beijing Shougang Co., Director of Jingtang Co. and Director of Cold-R Co.; Member of the Party Committee, Chief Accountant of Beijing Shougang Co., Ltd., Director of Jingtang Co. and Director of Cold-R Co. He is currently Member of the Party Committee and Chief Accountant of Beijing Shougang Co., Ltd., and Director of Jingtang Co.

4. Xie Tianwei: Deputy General Manager, Bachelor's Degree, MBA, Senior Engineer. The major employment history of Mr. Xie is as follows: He used to be an intern of Shougang Medium thick Plate Factory, a member of Shougang 2160 preparatory Group, chief operation officer (seconded) of Operation Area A, chief

operation officer of Operation Area A, director of production technology Office, assistant director of hot rolling operation Department, Assistant director of Production Department and deputy director of hot rolling Operation Department of Shougang Relocated Steel Company, Vice Minister of hot rolling Operation Department, Vice Minister of Production Department, Vice Minister of Manufacturing Department, Vice Minister of Manufacturing Department and Vice Minister of System Innovation Department, Vice Minister of Manufacturing Department and Director of Contract Planning Room of Marketing Center of Beijing Shougang Co., Ltd., Assistant to general manager of Marketing Center of Beijing Shougang Co., Ltd., director (director) of Contract Planning Office of Marketing Management Department, Deputy Director of Manufacturing Department of Beijing Shougang Co., Ltd. Deputy General manager of Beijing Shougang Co., Ltd. He is currently Deputy General Manager of Beijing Shougang Co., Ltd. and Chairman of Zhixin Co.

5. Xu Haiwei: Deputy General Manager, Postgraduate education, Doctor of Engineering, Professorate Senior Engineer. He previously served as Researcher and Assistant to the Director of the Sheet Metal Research Institute of Shougang Research Institute of Technology; Deputy Director of the Sheet Metal Research Institute of Shougang Research Institute of Technology; Assistant to the Minister of the Manufacturing Department of Jingtang Co.; Deputy Minister of the Quality Inspection & Supervision Department of Jingtang Co.; Executive Deputy Director of the Technology Center of Jingtang Co.; Deputy Minister of the Manufacturing Department and Executive Deputy Director of the Technology Center of Jingtang Co. He is currently Deputy General Manager of Beijing Shougang Co., Ltd.

6. Qiao Yufei: Secretary of the Board of Directors, Chief Legal Consultant, Postgraduate education, Master of Economics. Formerly served as Senior Manager and Vice President of the Investment Banking Committee and Equity Investment Department of CITIC Securities Co., Ltd; Senior Vice President of China Minsheng Financial Investment Department; General Manager of Post Investment Management and Service Department of Shougang Fund Co., Ltd., Director and General Manager of Beijing Shouxi Investment Management Co., Ltd., concurrently serving as a supervisor of Beijing Automotive Co., Ltd., director of Shouhui Industrial Financial Services Group Co., Ltd., director of Beijing Chuangye Industrial Operation Management Co., Ltd., supervisor of Beijing Shougang Green Festival Entrepreneurship Investment Co., Ltd., and senior manager of the Board Secretary Office of Beijing Shougang Co., Ltd., Secretary of the Board of Directors of Beijing Shougang Co., Ltd.; Secretary of the Board of Directors and Chief Compliance Officer of Beijing Shougang Co., Ltd., Director of Jingtang Co.; Secretary of the Board of Directors and Chief Compliance Officer of Beijing Shougang Co., Ltd., Director of Jingtang Co., and Director of Cold-R Co. She is currently Secretary of the Board, Chief Legal Consultant, and Chief Compliance Officer of Beijing Shougang Co., Ltd., Director of Jingtang Co., and Director of Cold-R Co.

The situation where the controlling shareholder and the actual controller concurrently serve as the chairman and general manager of a listed company

☐Applicable ☒Non-applicable

Employment at the shareholder of the Company

☒Applicable ☐Non-applicable

Name	Entity	Position in shareholder company	Start date of term	End date of term	Received remuneration from other entity (Y/N)
Zhu Guosen	Shougang Group Co., Ltd.	Member of the Standing Committee of the Party Committee and Deputy General Manager	June 2024		Y
Liu Jun	China Baowu Steel Group	Asset Director of the	May 2025		Y

	Corporation Ltd.	Finance and Capital Department			
Jin Xi	Beijing Jingguorui Equity Investment Fund Management Co., Ltd.	Post-Investment Director	February 2025		Y

Position in other entity

☐ Applicable ☒ Non-applicable

Notes for any punishment from securities review and management authorities, on resigned or current directors and senior managers within the three years

☐ Applicable ☒ Non-applicable

3. Remuneration of directors and senior management

Decision making procedure, determination basis and actual payment of remuneration for directors and senior managers:

Directors' remuneration: Independent directors of the Company receive independent director allowances, the standards of which are determined by the shareholders' meeting; other directors (non-independent directors) receive no directors' remuneration. Director Li Ming receives remuneration from Jingtang Co., which is not directors' remuneration.

Remuneration of senior management personnel: The remuneration of senior management personnel such as the general manager shall be formulated by the Remuneration and Assessment Committee of the Board of Directors of the Company in accordance with regulations, and the *Annual Measures for the Assessment and Distribution of Remuneration for the General Manager and Other Senior Management Personnel* shall be formulated. Assessment and allocation opinions shall be proposed based on the completion of annual tasks and division of responsibilities, and shall be submitted to the annual board of directors for review and approval before settling and realizing performance-based annual salaries. The actual payment of remuneration for 2025 is shown in the table below.

Remuneration of directors and senior management during the reporting period

Unit: RMB 0,000

Name	Gender	Age	Position	Status	Total pretax remuneration received from the Company	Whether to get remuneration from related parties of the Company
Zhu Guosen	Male	48	Chairman	Incumbent	0	Y
Li Ming	Male	51	Director	Incumbent	114.94	No
Wang Lifeng	Male	51	Director	Incumbent	0	No
Chen Xiaowei	Female	52	Employee Representative Director	Incumbent	0	No
Yu Xingxi	Male	67	Independent Director	Incumbent	12	No
Peng Feng	Male	46	Independent Director	Incumbent	0	No
Wang Cuimin	Female	59	Independent Director	Incumbent	12	No
Liu Jun	Female	44	Director	Incumbent	0	Y
Jin Xi	Female	35	Director	Incumbent	0	Y
Sun Maolin	Male	49	General Manager	Incumbent	106.62	No
Zhao Peng	Male	51	Deputy General Manager	Incumbent	95.94	No
Liu Tonghe	Male	45	Chief Accountant	Incumbent	83.45	No
Xie Tianwei	Male	44	Deputy General Manager	Incumbent	89.88	No
Xu Haiwei	Male	47	Deputy General Manager	Incumbent	14.75	No
Qiao yufei	Female	37	Secretary of the Board, Chief Legal	Incumbent	100.37	No

	ale		Consultant			
Qiu Yinfu	Male	58	Chairman	Resignation	0	Y
Sun Maolin	Male	49	Director	Resignation	0	No
Li Jiantao	Male	47	Director	Resignation	0	Y
Liu Shen	Male	50	Independent Director	Resignation	12	No
Wang Kai	Male	43	Deputy General Manager	Resignation	63.83	No
Total	--	--	--	--	705.78	--

Basis for assessment of actual remuneration received by all directors and senior management at the end of the reporting period	Independent directors of the Company receive independent director allowances, the standards of which are determined by the shareholders' meeting. The basis for assessing the remuneration of the General Manager and other senior management personnel is the <i>Measures for the Assessment and Distribution of Remuneration for the General Manager and Other Senior Management Personnel of Beijing Shougang Co., Ltd. for 2025</i> , which was deliberated and adopted at the 15th meeting of the 8th Board of Directors.
Completion status of assessment on actual remuneration received by all directors and senior management at the end of the reporting period	Completed
Deferred payment arrangements for actual remuneration received by all directors and senior management at the end of the reporting period	Senior management personnel are paid 80% of the annual salary standard on a routine basis. The remaining 20% shall be paid together with the performance annual salary (accounting for 70% of the annual salary standard) in the early part of the following year, based on the assessment linked to the completion of annual business objectives and tasks.
Stop-payment and recovery status of actual remuneration received by all directors and senior management at the end of the reporting period	N/A

Other information

☐ Applicable ☒ Non-applicable

V. Performance of Directors during the reporting period

1. Attendance of Directors at Board meetings and shareholders' meetings

Attendance of Directors at Board meetings and shareholders' meetings							
Name of Directors	Number of attendance required for Board meetings during the reporting period	Attendance at Board meetings in person	Attendance at Board meetings by communication	Attendance at Board meetings by proxy	Absence from Board meetings	Absent from Board meetings twice in a row (in person)	Attendance at shareholders' meetings
Zhu Guosen	4	2	2	0	0	No	2
Wang Lifeng	1	1	0	0	0	No	1
Li Ming	12	4	7	1	0	No	2
Chen Xiaowei	1	1	0	0	0	No	1
Yu Xingxi	12	5	7	0	0	No	4
Peng Feng	12	1	7	4	0	No	0
Wang Cuimin	12	5	7	0	0	No	4
Liu Jun	1	1	0	0	0	No	0
Jin Xi	1	1	0	0	0	No	0
Qiu Yinfu	8	2	5	1	0	No	2
Sun Maolin	11	4	7	0	0	No	4

Li Jiantao	11	3	7	1	0	No	3
Liu Shen	11	3	7	1	0	No	2

Note on failure to attend two consecutive Board meetings in person

N/A

2. Objections from Directors on related issues of the Company

Whether the directors raise any objection to the relevant matters of the Company

☐ YES ☒ NO

During the reporting period, the directors did not raise any objection to the relevant matters of the Company.

3. Other details about the performance of duties by Directors

Whether the directors' suggestions on the Company have been adopted

☒ YES ☐ NO

Explanation on the adoption or non-adoption with related suggestions from the directors

N/A

VI. Special committees under the board of directors during the reporting period

Name of the committee	Member	Number of meeting convened	Convening date	Details of the meeting	Important opinion and advice	Other performance of duty	Details of objection (if any)
Board Management Committee for Strategy, Risk, ESG & Compliance	Composed of 5 directors	1	2 April 2025	<i>Beijing Shougang Co., Ltd. 2023 Annual Sustainability Report</i>	Agreements on matters to be submitted for review at the meeting	N/A	
Board Audit Committee	Composed of 3 independent directors	1	15 January 2025	<i>Letter to Those Charged with Governance</i>	Agreements on matters to be submitted for review at the meeting	N/A	
Board Audit Committee	Composed of 3 independent directors	1	28 February 2025	<i>Internal Control Evaluation Report of Beijing Shougang Co., Ltd. for 2024 and Audit Work Plan for 2025</i>	Agreements on matters to be submitted for review at the meeting	N/A	
Board Audit Committee	Composed of 3 independent directors	1	31 March 2025	<i>Letter to Those Charged with Governance, Draft 2024 Annual Financial Accounts Report of Beijing Shougang Co., Ltd., and Financial Information Report (Draft) to the First Quarterly Report of Beijing Shougang Co., Ltd. for 2025</i>	Agreements on matters to be submitted for review at the meeting	N/A	
Board Audit Committee	Composed of 3 independent directors	1	7 April 2025	<i>Report of the Audit Committee of the Board of Directors of Beijing Shougang Co., Ltd. on the Supervision Duties Performed by the Accounting Firm and Report on the Evaluation of the Performance of Duties by Beijing Shougang Co., Ltd. on the Accounting Firm</i>	Agreements on matters to be submitted for review at the meeting	N/A	
Board Audit	Compos	1	9 May 2025	<i>Proposal on</i>	Agreements	N/A	

Committee	ed of 3 independent directors			<i>Reappointment of Accounting Firm by Beijing Shougang Co., Ltd.</i>	on matters to be submitted for review at the meeting		
Board Audit Committee	Composed of 3 independent directors	1	12 August 2025	<i>Report of Beijing Shougang Co., Ltd. on the Financial Accounts Report for the Semiannual Period of 2025 and Financial Information in the Semiannual Report</i>	Agreements on matters to be submitted for review at the meeting	N/A	
Board Audit Committee	Composed of 3 independent directors	1	21 October 2025	<i>Report of Beijing Shougang Co., Ltd. on Financial Information in the 2025 Third Quarter Report</i>	Agreements on matters to be submitted for review at the meeting	N/A	
Remuneration and Appraisal Committee of the Board	Composed of 3 independent directors	1	31 March 2025	<i>Proposal of Beijing Shougang Co., Ltd. on the Realization of General Manager and Other Senior Management Personnel for the Year 2024 and the Remuneration and Assessment Allocation Measures for the Year 2025</i>	Agreements on matters to be submitted for review at the meeting	N/A	
Remuneration and Appraisal Committee of the Board	Composed of 3 independent directors	1	19 September 2025	<i>Proposal on the <Draft 2025 Share Option and Restricted Share Incentive Plan of Beijing Shougang Co., Ltd.> and its Summary, Proposal on the Assessment and Administration Measures for the Implementation of the 2025 Stock Option and Restricted Stock Incentive Plan, Proposal on the Measures for the Administration of 2025 Stock Options and Restricted Stock of Beijing Shougang Co., Ltd., Proposal on the Grant Plan for 2025 Stock Options and Restricted Stock of Beijing Shougang Co., Ltd., Proposal on Requesting the Shareholders' Meeting to Authorize the Board of Directors to Handle Matters Related to the 2025 Stock Option and Restricted Stock Incentive Plan, List of Grantees under the 2025 Stock Option and Restricted Stock Incentive Plan of Beijing Shougang</i>	Agreements on matters to be submitted for review at the meeting	N/A	

				Co., Ltd.			
Nomination Committee of the Board	Compos ed of 3 directors , including 2 indepen dent directors	1	19 September 2025	<i>Proposal of Beijing Shougang Co., Ltd. on the Recommendation of Director Candidates, Proposal of Beijing Shougang Co., Ltd. on the Nomination of Deputy General Manager Candidates</i>	Agreements on matters to be submitted for review at the meeting	N/A	
Nomination Committee of the Board	Compos ed of 3 directors , including 2 indepen dent directors	1	27 November 2025	<i>Proposal on the Re-election of the Board of Directors of Beijing Shougang Co., Ltd.</i>	Agreements on matters to be submitted for review at the meeting	N/A	
Nomination Committee of the Board	Compos ed of 3 directors , including 2 indepen dent directors	1	11 December 2025	<i>Proposal of Beijing Shougang Co., Ltd. on Nominating Candidates for the General Manager, Proposal of Beijing Shougang Co., Ltd. on Nominating Candidates for the Secretary of the Board of Directors, Proposal of Beijing Shougang Co., Ltd. on Nominating Candidates for Senior Management including Deputy General Managers</i>	Agreements on matters to be submitted for review at the meeting	N/A	

VII. Performance of the Audit Committee

Whether the Committee identified any risks within the Company during supervision activities carried out during the reporting period

☐ YES ☒ NO

None of those issues under the supervision was objected by the audit committee during the reporting period.

VIII. Personnel of the Company

1. Number of employees, professional composition and education background

Number of employees in the parent company	5,247
Number of employees in the main subsidiary	13,046
Total number of employees	18,293
Total number of employees receiving salary in the current period	18,293
Number of retired employees to be borne by parent company and main subsidiary	1,587
Professional composition	
Professional composition category	Number of professional compositions
Production	12,351
Salesman	766
Technician	2,538
Finance	293

Administrative	1,609
Services and other	736
Total	18,293
Education background	
Type	Quantity
Master's degree or above	1,645
Bachelor's degree	8,227
College	5,439
Vocational secondary and below	2,982
Total	18,293

2. Remuneration policies

The middle management of the Company implemented the annual salary system, and the annual salary structure includes three parts: basic annual salary, performance annual salary and term incentive. Of which, the basic salary is paid monthly. The performance bonus (70% of annual salary standard) links to the performing duty monthly or annually, and annual assessment and settlement based on the completion of the *Business Objective Responsibility Agreement*. The term incentive shall be assessed and distributed at the end of the term in accordance with the provisions of the *Term Target Responsibility Agreement*, based on the business and production performance during the term.

The salary system of front-line and blow staff is composed of occupation salary and benefit salary. The occupation salary is influenced by the attendance, and the benefit salary is distributed as the monthly performance on the duty.

3. Training program

The Company is actively refining its institutional framework to take its talent development efforts to the next level. Qianshun Base and Zhixin Co. restructured the organisational learning system, developed course resources by tier and category, and organised senior management, key operational staff and members of the TTT training programme to develop 415 internal courses; 254 high-quality courses were evaluated and certified for inclusion in the Company's knowledge base; Pioneered the 'Master Teachers and Excellent Courses' competition brand and successfully organised the inaugural internal trainer competition, attracting 160 internal trainers to compete. The event culminated in the selection of the "Double Top Ten" benchmarks (Top Ten Trainers and Top Ten Courses), thereby creating a model for others to follow. Establishing a digital and intelligent talent development framework, and in line with strategic development and operational realities, formulating the *Digital and Intelligent Technology Talent Development Plan*, alongside the establishment of corresponding certification, incentive and training mechanisms for digital and intelligent technology professionals, has provided guidance for the systematic advancement of talent development in this field. Jingtang Co. focuses on strategic development and the cultivation of talent pipelines, optimising the construction of a training system that covers the four occupational groups within MPTO and spans the tiers of "Job competence, Skills enhancement and High-potential development"; focusing on operational and managerial staff, organise leadership seminars and training programmes for young key personnel to enhance their professional competence and political awareness; focusing on specialist staff, conduct training programmes to improve the capabilities of operations managers, ensure compliance in tendering and procurement, and empower staff through systems management, thereby promoting both improved management effectiveness and a greater spirit of innovation among specialist staff; focusing on technical and managerial staff, conducting training programmes such as digital and intelligent engineering, low-carbon technology, product performance prediction modelling, and artificial intelligence machine vision applications, to deepen the development of specialist knowledge and technical capabilities; and focusing on skilled

operational staff, organising initiatives such as the Gold-Level Team Leader Training Camp, QTI improvement leader training, and vocational skills certification training, to enhance skills development.

4. Outsourcing of labor source

☐ Applicable ☒ Non-applicable

IX. Proposal for profit distribution and transfer of capital reserve to share capital

Formulation, Implementation and Adjustment of common stock Profit Distribution Policy Especially Cash Dividend policy during the reporting period

☒ Applicable ☐ Non-applicable

1. Since its establishment, the Company has always valued the return of investors and safeguarded the legitimate rights and interests of all shareholders, especially the small and medium-sized shareholders. In accordance with the requirements of regulations and normative documents issued by the regulatory authorities, the Company has promptly revised and improved the provisions of the *Articles of Association* on profit distribution policies, and the criteria and proportion of cash dividends are clear and unambiguous.

2. During the reporting period, the Company amended the *Articles of Association* in accordance with the relevant provisions of the *Guidelines on the Articles of Association of Listed Companies* and other applicable regulations. The profit distribution plan was in compliance with the requirements of the *Articles of Association* in respect of the provisions on profit distribution, and was consistent with the regulations and normative documents issued by the China Securities Regulatory Commission and other regulatory bodies, and had fulfilled the statutory approval procedures.

Special description on cash dividend policy	
Whether it meets the requirements of the Article of Association or the Resolution of the General Meeting (Y/N):	Y
Whether the bonus standards and proportion are clear and well-defined (Y/N):	Y
Whether has a completed relevant decision-making procedures and mechanism (Y/N):	Y
Whether independent directors fulfill duties and play a due role (Y/N):	Y
If the Company does not distribute cash dividends, specific reasons should be disclosed, as well as the measures to be taken next to enhance investor returns:	N/A
Minority shareholders whether has opportunity of full expression and appeals, the legal interest of the minority is being protected adequately (Y/N):	Y
As for the adjustment and change of cash bonus policy, the condition and procedures whether meets regulations and transparent (Y/N):	Y

The Company was profitable during the reporting period and the Parent Company's profit available for distribution to shareholders was positive, but no cash dividend distribution plan was proposed

☐ Applicable ☒ Non-applicable

Profit distribution and conversion of capital reserves into share capital during the reporting period

☒ Applicable ☐ Non-applicable

Number of bonus shares per 10 shares	0
Dividend payout per 10 shares (RMB yuan) (including tax)	0.4
Number of shares converted per 10 shares shares)	0

Distribution plan's share capital base (shares)	7,754,967,370
Cash dividends (RMB yuan) (including tax)	310,198,694.80
Cash dividend amount in other ways (such as repurchase of shares) (RMB yuan)	0.00
Total cash dividends (including other methods) (RMB yuan)	310,198,694.80
Distributable profit (RMB yuan)	995,635,969.34
The proportion of total cash dividends (including other methods) to total profit distribution	100%
Current cash dividend situation	
Others	
Detailed explanation of profit distribution or capital reserve conversion plan	
The Company proposed to distribute a cash dividend of RMB 0.40 (including tax) per 10 shares to all shareholders on the basis of the total number of 7,754,967,370 shares of the share capital, total cash distribution of RMB 310,198,694.80, accounting for 195.18% of the parent company's realizable profit available for distribution in 2025, accounting for 31.72% of the profit available for distribution in the consolidated statement of income for the year of 2025, and accounting for 31.16% of the net profit attributable to the parent company in the consolidated statement of income for the year of 2025. There will be no capital reserves converted to share capital this time. The proposal is subject to the approval of the General Meeting of Shareholders.	

X. Implementation of the equity incentive plan, employee shareholding plan or other employee incentive measures of the Company

☒Applicable ☐Non-applicable

1. Equity incentive

According to the *Reply on The Implementation of Equity Incentive Plan for Beijing Shougang Co., Ltd.* issued by State-owned Assets Supervision and Administration Commission of Beijing Municipal People's Government (Jingguozi [2021] No. 140) and the resolution of the Company's first interim general Meeting of shareholders in 2021, the Company implemented the 2021 restricted stock Incentive plan hereinafter referred to as the "2021 Incentive Plan". 64,901,800 shares were issued to 386 directors, senior management personnel, core technical personnel and management backbones. The restricted stock grant date is 9 December 2021, and the restricted stock is booked as of 23 December 2021.

Pursuant to the *2021 Incentive Plan*, due to the failure to meet the performance assessment conditions of the Company at the corporate level for the 2022, 2023 and 2024 financial years as stipulated in the conditions for the lifting of restrictions under the *2021 Incentive Plan*, as well as staff changes and other reasons, and subject to the approval of the Company's general meeting of shareholders, the Company repurchased and cancelled 25,257,565, 20,630,585 and 19,013,650 shares of the aforementioned restricted shares in 2023, 2024 and 2025 respectively.

Information on share option scheme provided to directors and senior management during the reporting period

☒Applicable ☐Non-applicable

Unit: share

Name	Position	Number of Restricted shares held at the beginning of the period	Number of newly granted restricted shares during the reporting period	Number of shares exercisable during the reporting period	Number of shares exercised during the reporting period	Exercise price of the shares exercised during the reporting period (RMB/share)	Number of restricted shares held at the end of the period	Market price at the end of the reporting period (RMB/share)	Number of restricted shares held at the beginning of the period	Number of unlocked shares during the current period	Number of newly granted restricted shares during the reporting period	Grant price of restricted shares (RMB/share)	Number of restricted shares held at the end of the period
Li Ming	Director	0	0	0	0	0	0		88,740	0	0	3.25	0
Chen Xiaowei	Employee Representative	0	0	0	0	0	0		88,740	0	0	3.25	0

	Director												
Sun Maolin	General Manager	0	0	0	0	0	0		88,740	0	0	3.25	0
Xie Tianwei	Deputy General Manager	0	0	0	0	0	0		69,020	0	0	3.25	0
Xu Haiwei	Deputy General Manager	0	0	0	0	0	0		69,020	0	0	3.25	0
Wang Kai	Deputy General Manager (Resignation)	0	0	0	0	0	0		69,020	0	0	3.25	0
Total	--	0	0	0	0	--	0	--	473,280	0	0	--	0

Evaluation mechanism and incentive of senior management

Senior management, including the General Manager, are remunerated on an annual salary basis, and a medium-to-long-term incentive mechanism has been established. Among them: the basic annual salary is 30% of the standard annual salary and is paid monthly based on attendance; the performance-related annual salary is 70% of the standard annual salary, with a monthly advance payment of 50%. The annual assessment and allocation opinions shall be proposed by the Compensation and Assessment Committee of the Board of Directors of the Company in accordance with regulations, based on the completion of annual tasks and division of responsibilities in the "Salary Assessment and Allocation Method for General Managers and Senior Management Personnel". After being reviewed and approved by the annual board meeting, all performance-based annual salaries shall be settled and fulfilled; The term incentive income is determined based on an annual salary standard of 30%, and will be assessed and fulfilled at the end of the term according to the "Term Target Responsibility Agreement".

2. Implementation of employee stock ownership plan

☐ Applicable ☒ Non-applicable

3. Other employee incentive measures

☐ Applicable ☒ Non-applicable

XI. Construction and implementation of internal control system during the reporting period

1. Construction and implementation of internal control system

The Company has established and improved its internal control system, and has revised and improved it in conjunction with actual operations, fully leveraging its institutional guarantee role. By 2025, the Company has established 18 policies, including the *Regulations on the Resignation of Directors and Senior Management* and the *Emergency Response Regulations for Contingencies*, and revised 62 policies, including the *Articles of Association* and the *Regulations on the Management of Raised Funds*; by the end of 2025, the Company had a total of 528 policies, of which 524 were formulated and implemented by the Company, and four were forwarded from government and regulatory authorities.

2. Particulars of material deficiencies in internal control detected during the reporting period

☐ YES ☒ NO

XII. The Company's management and control of subsidiaries during the reporting period

N/A

Abnormalities exist in the management and control of subsidiaries

☐ YES ☒ NO

XIII. Self-assessment report on internal control or auditor's report on internal control

1. Appraisal Report of Internal Control

Disclosure date of full internal control	18 April 2026
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evaluation report		
Disclosure index of full internal control evaluation report	Beijing Shougang Co., Ltd. 2025 Internal Control Self-Assessment Report, disclosed on CNINFO Website (http://www.cninfo.com.cn/).	
Proportion of total assets included in internal control evaluation report accounting for the total assets in the consolidated financial statements	100.00%	
Proportion of operating revenue included in internal control evaluation report accounting for operating revenue in the consolidated financial statements	100.00%	
Defect identification criteria		
Category	Financial Reports	Non-financial Reports
Qualitative criteria	Material deficiency: (1) it may or has made the Company unable to achieve all operating objectives, resulting in business suspension. It is not an objective reason and has exceeded the budget by more than 20% in terms of time, manpower or cost without proper approval, and has exceeded the level of importance. (2) The Company has financial related fraud, which affects the accuracy of financial statements.	Material deficiency: there is causing multiple casualties among employees and citizens, causing serious damage to the environment, and the situation spiraling out of control; It may or has made the Company unable to achieve all operating objectives, resulting in business suspension. It is not an objective reason and has exceeded the budget by more than 20% in terms of time, manpower or cost without proper approval, and has exceeded the level of importance; May or has already caused significant impact on the Company, negative news is widely circulated, causing significant damage to the reputation of the enterprise, government or regulatory agencies conduct investigations, attracting public attention, and causing irreparable damage to the reputation of the enterprise; Violating national laws and regulations, facing business suspension, legal litigation or economic compensation, which may or have already caused serious social impact, being notified or publicly condemned by regulatory agencies, or even ordered to suspend business for rectification.
	Significant deficiency: it may or has slowed down the business operation, or unable to achieve some business objectives, or exceeding the budget by 6% - 20% in terms of time, manpower or cost for non-objective reasons and without proper approval.	Significant deficiency: failure to establish a "three major and one major" decision-making process, or inadequate or inadequate implementation of the decision-making process, which may or has already had negative impacts; May or has seriously affected the health of multiple employees or citizens, or caused general environmental damage, which requires external support to be controlled; It may or has slowed down the business operation, or unable to achieve some business objectives, or exceeding the budget by 6% - 20% in terms of time, manpower or cost for non-objective reasons and without proper approval; Negative news may or has already had a significant impact on the Company, spreading in a certain region and attracting the attention of relevant stakeholders, such as partners suspending cooperation, low employee efficiency, and reduced customer loyalty; Violation of national or regional regulations or industry norms, facing legal proceedings, economic compensation, which may or have already caused general social impact, has attracted the attention of regulatory agencies, and requires regular rectification.
	General deficiency: it may or has caused slight impact on business activities, which is not an objective reason and has exceeded the budget by 1% - 5% in terms of time, manpower or cost without proper approval.	General deficiency: it may or has temporarily affected the health of employees or citizens; It may or has caused slight impact on business activities, which is not an objective reason and has exceeded the budget by 1% - 5% in terms of time, manpower or cost without proper

		approval; Negative news may or has already had a slight impact on the Company, spreading within the Company or locally, and will not attract the attention of stakeholders; Violation of company regulations or conflicts with self-established rules and regulations may have caused minor social impact and will not attract the attention of regulatory authorities.
Quantitative criteria	Material misstatement: amount of misstatement $\geq 1\%$ of total assets Significant misstatement: 0.5% of total assets $\leq$ amount of misstatement $< 1\%$ of total assets General misstatement: amount of misstatement $< 0.5\%$ of total assets	Material misstatement: amount of direct property losses $\geq$ RMB 10,000,000 Significant misstatement: RMB 5,000,000 $\leq$ amount of direct property losses $<$ RMB 10,000,000 General misstatement: RMB 100,000 $\leq$ amount of property losses $<$ RMB 5,000,000
Number of material defects in financial reports		0
Number of material defects in non-financial reports		0
Number of significant defects in financial reports		0
Number of significant defects in non-financial reports		0

2. Audit report for internal control

☒Applicable ☐Non-applicable

Audit opinion on internal control	
Beijing Shougang Co., Ltd. has kept the effective internal control over financial reporting in all material matters on 31 December 2025, in accordance with the Basic <i>Standards for Internal Control of Enterprises</i> and other relevant regulations.	
Disclosure of internal control audit report	Disclosed
Date of disclosure of the internal control audit report	18 April 2026
Source for the internal control audit report	Searching for: http://www.cninfo.com.cn/ .
Audit opinion on internal control	Standard unqualified opinion
Whether material deficiency over non-financial reporting	No

Whether non-standard opinions from independent auditors in the audit report on internal control

☐ YES ☒ NO

Whether there is consistent opinion between the audit report on internal control and the self-assessment report on internal control

☒ YES ☐ NO

Whether non-standard audit opinions on internal control were issued during the reporting period or the previous financial year

☐ YES ☒ NO

XIV. Rectification of problems found in self-inspection under the special initiative on corporate governance of the listed company

The Company has no problems found in self-inspection under the special initiative on corporate governance of the listed company.

XV. Disclosure of environmental information

Whether listed company and its principal subsidiaries are included in the list of enterprises required by law to disclose environmental information

☒ YES ☐ NO

Number of enterprises included in the list of	4
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companies required by law to disclose environmental information		
No.	Company name	Query index for environmental information disclosure report in accordance with the law
1	Qiangang Co.	Enterprise Environmental Information Disclosure System (Hebei) (http://121.29.48.71:8080/#/fill/detail?enpId=9A8157FA-5F19-4148-81E3-5A9E2D2BF364&year=2024&reportId=21179e3b-49b0-46c7-9016-02163d71d6ef)
2	Jingtang Co./Jingtang Base.	Enterprise Environmental Information Disclosure System (Hebei) (http://121.29.48.71:8080/#/fill/detail?enpId=062847DE-91A3-4942-82C6-BEFFCE5B3AD4&year=2024)
3	Zhixin Co.	Enterprise Environmental Information Disclosure System (Hebei) (http://121.29.48.71:8080/#/fill/detail?enpId=CDC7E0B3-39F8-40A0-B1A3-05D0E0D4E3C8&year=2024)
4	Cold-R Co.	Enterprise Environmental Information Disclosure System (Beijing) (https://hjxxpl.bevoice.com.cn:8002/home)

XVI. Social responsibility

The Company has independently prepared the "2025 Sustainable Development Report" and submitted it for review at the 4th meeting of the 9th Board of Directors. The specific content is detailed in the company announcement on 18 April 2026.

XVII. Consolidate and expand the achievements of poverty alleviation and rural revitalization

The Company actively supports charitable causes, prioritising rural revitalisation, disaster relief, voluntary service, environmental protection and emissions reduction, and educational support as key areas of focus, thereby actively fulfilling its social responsibilities. Through charitable donations, support for the construction of kindergartens, the organisation of a series of "Learn from Lei Feng" activities, and the active encouragement of staff to participate in voluntary work, we strive to improve the quality of life and development of local communities, thereby contributing Shougang Stock's strength to the creation of better communities. To build on the achievements of the poverty alleviation campaign, implement consumption-based poverty alleviation and support rural revitalisation, Shougang Stock has purchased agricultural and sideline products from poverty-stricken areas totalling RMB 15.28 million in recent years, with RMB 2.7195 million worth of such products procured from designated assistance regions in 2025.

SECTION V. SIGNIFICANT EVENTS

I. Implementation of commitment

1. Commitments made by the Company's actual controller, shareholders, related parties, acquirers and the Company and other committed parties have been fulfilled during the reporting period and have not been fulfilled by the end of the reporting period

☒Applicable ☐Non-applicable

Commitment	Commitment party	Type	Contents	Commitment date	Commitment term	Implementation
Commitments made in the acquisition report or the report on changes in equity interests	Shougang Group Co., Ltd.		1. The shares of the listed company acquired by the Company in this transaction shall not be transferred within 36 months from the date when the shares are issued. However, transfers permitted by applicable law are not subject to this restriction. Within six months after completion of the transaction, if the closing price of the shares of the listed company for 20 consecutive trading days is lower than the issuing price of the shares, or the closing price at the end of six months after the completion of this transaction is lower than the issue price of this share, the locking period of shares obtained by the Company through this transaction will be automatically extended for six months on the basis of the above locking period. If such shares are increased due to the listed company's granting of bonus shares, conversion of capital stock and other reasons, the additional shares of the listed company shall be locked in accordance with the above lockup period. 2. If the aforementioned commitment to lock up shares is inconsistent with the latest regulatory opinions of the securities regulatory authority, the company shall adjust the aforementioned commitment according to the regulatory opinions of the relevant securities regulatory authority.	20 December 2022	19 October 2025	Implemented
Commitment in assets restructuring	Shougang Group Co., Ltd.		1. According to the development plan of Shougang's steel industry, Shougang shares will serve as the sole platform for the development and integration of Shougang Group's steel and upstream iron ore resources industries in the PRC, and ultimately realise the overall listing of Shougang Group's steel and upstream iron ore resources businesses in the PRC. 2. In the event that Shougang Group's other companies engaged in steel operations and production further optimise and adjust their product structure through active implementation of national industrial policies and environmental protection requirements, and achieve profits for three consecutive years, and that the overall situation of the industry does not fluctuate significantly, Shougang Group will, in accordance with the requirements of securities laws and regulations and industry policies, initiate a process including but not limited to acquisition, merger, restructuring and other means in the interests of shareholders of the	27 December 2018	Refer to contents of commitment	The process of performance. In December 2024, Shougang Co., Ltd. and Shougang Group signed the "Management Service Agreement between Shougang Group Co., Ltd. and Beijing Shougang Co., Ltd. on the Affiliated Enterprises of Shougang Group Co.,

			listed company The injection of relevant high-quality assets into Shougang will be completed within 36 months after the commencement of the relevant matters.			Ltd.". Shougang Co., Ltd. provides management services for a total of 11 target enterprises in the steel sector of Shougang Group. In December 2025, the two parties signed a supplementary agreement.
Commitment in assets restructuring	Shougang Group Co., Ltd.		When the market improves in the future, Shougang Mining Corporation achieves stable profits for two consecutive years, and the overall situation of the industry is not fluctuated greatly, Shougang Corporation will start the injection of Shougang Mining Corporation in Shougang Co. and complete it within 36 months. Before Shougang Mining Corporation joined in Shougang Co., Shougang Group will urge Shougang Mining Corporation to conduct necessary related party transactions with Shougang Co. in accordance with fair and reasonable market price, strictly conform to the requirements of laws and regulations, normative documents, the articles of association of Shougang Co. and related transaction management system, and perform the corresponding review, approval and information disclosure procedures for the necessary related transactions between Shougang Co. and Shougang Mining Corporation.	20 April 2017	Refer to contents of commitment	The process of performance.
Commitment in assets restructuring	Shougang Group Co., Ltd.		The Company will not damage the independence of Shougang Co. due to the increase of the proportion of shares held by Shougang Co. after the completion of the reorganization. The Company will maintain "the five-aspect separation principle", which means assets, personnel, financial affairs, institution and business should be independent of Shougang Co., strictly conform to relevant provisions of the CSRC on the independence of listed companies, not illegally utilize Shougang Co. to provide guarantees, not illegally occupy the assets of Shougang Co. and keep and maintain the independence of Shougang Co.	20 July 2012	First reorganization/long-term commitment	Implementing of the long-term commitment.
Commitment in assets restructuring	Shougang Group Co., Ltd.		1. The Company will perform its obligations as the controlling shareholder of Shougang Co. in good faith, try to avoid and reduce the related transactions with Shougang Co. (including the enterprises it controls); as for the related transactions, which are unavoidable or occur for reasonable reasons between the Company and other enterprises under the control of the Company, and Shougang Co. and the enterprises it controls, the Company will not require or accept the more favorable conditions provided by Shougang Co. than the conditions to an independent third party in any fair market transaction. The Company and other enterprises under the control of the Company will sign a standardized related party transaction	29 September 2015	Long-term commitment	Implementing of the long-term commitment.

			agreement with Shougang Co. in accordance with the law, follow the market principles of openness, fairness and justice, in accordance with fair and reasonable market price, conform to relevant provisions of laws, regulations and normative documents in the decision-making procedures of related transactions and disclose information in accordance with the law. 2. The Company and other enterprises controlled by the Company will not obtain any improper benefits or make Shougang Co. bear any improper obligations through related party transactions with Shougang Co. or the enterprises controlled by Shougang Co. 3. The Company will be liable for the losses to Shougang Co. and the enterprise controlled by Shougang Co. due to the related party transactions with them in violation of the above commitments.			
Completed on time	Y					

2. Concerning assets or project of the Company, which has profit forecast, and reporting period still in forecasting period, explain reasons of reaching the original profit forecast

☐ Applicable ☒ Non-applicable

3. The Company's performance commitments

☐ Applicable ☒ Non-applicable

II. Non-operational fund occupation from controlling shareholders and its related party

☐ Applicable ☒ Non-applicable

No non-operational fund occupation from controlling shareholders and its related party during the reporting period.

III. External guarantees against the rules and regulations

☐ Applicable ☒ Non-applicable

No external guarantee provided by the Company which against the rules and regulations during the reporting period.

IV. Explanation from board of directors on the latest modified auditor's report

☐ Applicable ☒ Non-applicable

V. Explanation by the Board of Directors and Independent Directors (if any) regarding the "non-standard audit report" issued by the audit firm for the current reporting period

Applicable ☒ Non-applicable

VI. Changes in accounting policies, accounting estimates or correction of major accounting errors as compared to the financial report for the prior year

☐ Applicable ☒ Non-applicable

No changes in accounting policies, accounting estimates or correction of major accounting errors during the Company's reporting period.

VII. Explanation on the change in the scope of consolidated financial statements during the reporting period as compared to financial report of the previous year

☒ Applicable ☐ Non-applicable

During the current period, Jingtang Company, a wholly-owned subsidiary of the Company, acquired 100% of the equity interest in Hebei Shougang Jingtang Machinery Co., Ltd. through a business combination under common control. For further details, please refer to Section VIII.IX. Business combinations involving entities under common control.

VIII. Appointment and non-reappointment (dismissal) of CPA

Current accounting firm

Name of domestic accounting firm	ShineWing Certified Public Accountants (LLP)
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Remuneration for domestic accounting firm (RMB 0,000)	235
Continuous life of auditing service for domestic accounting firm (year)	2
Name of domestic CPA	Guo Yong, Lu Min
Continuous life of auditing service for domestic accounting firm (year)	2

Whether changed the accounting firm in current year

☐ YES ☒ NO

Appointment of internal control auditing accounting firm, financial consultant or sponsor

☒ Applicable ☐ Non-applicable

Approved by the shareholders' general meeting of the Company, the Company appointed ShineWing Certified Public Accountants (LLP) as the audit firm of the Company's financial report and internal control for the year 2025 for a period of one year.

IX. Suspension and termination of listing after disclosure of annual report

☐ Applicable ☒ Non-applicable

X. Insolvency or restructuring related matters

☐ Applicable ☒ Non-applicable

No insolvency or restructuring related matters during the reporting period

XI. Material litigation or arbitration cases

☐ Applicable ☒ Non-applicable

No material litigation or arbitration cases during the reporting period.

XII. Punishment or rectification

☐ Applicable ☒ Non-applicable

No punishment or rectification during the reporting period.

XIII. Integrity of the Company and its controlling shareholders and actual controllers during the reporting period

☐ Applicable ☒ Non-applicable

XIV. Material related party transactions

1. Related transaction with routine operation concerned

☒ Applicable ☐ Non-applicable

Related parties	Relationship	Transaction type	Contents of related transactions	Pricing principle of transaction	Transaction price	Related transaction price (RMB' 0,000)	Proportion in similar transactions	Approved transaction quota (RMB' 0,000)	Whether it exceeds the approved quota (Y/N)	Related transaction settlement methods	Available market prices for similar transactions	Disclosure date	Disclosed Index
Shougang Group and its subsidiaries	Parent company	Related purchase	Raw fuel, power energy, production, living, engineering services, etc.	Market price	Market price	4,624,576		5,149,001	No	Cash at bank and on hand	Market price	11 December 2024	China Securities Journal, Securities Times, Shanghai Securities News,

													Juchao Information Network (http://www.cninfo.com.cn)
Shougang Group and its subsidiaries	Parent company	Related sales	Steel, solid waste, power energy, etc.	Market price	Market price	108,575		246,981	No	Cash at bank and on hand	Market price	11 December 2024	Ditto
Other related parties	Joint venture, associate	Related purchase	Raw fuel, power energy, production services, etc.	Market price	Market price	1,836,516		2,386,040	No	Cash at bank and on hand	Market price	11 December 2024	Ditto
Other related parties	Joint venture, associate	Related sales	Steel, power energy, etc.	Market price	Market price	433,126		416,676	Y	Cash at bank and on hand	Market price	11 December 2024	Ditto
Total				--	--	7,002,793	--	8,198,698	--	--	--	--	--
Details of large sales returns				None									
The Company classifies the daily related transactions by category and estimates the transaction amount that will take place in the current period, and discloses the actual transaction amount (if any)				The Company has estimated the total value of daily related party transactions expected to occur. The <i>Proposal of Beijing Shougang Co., Ltd. on the Estimated Amount of Daily Related Party Transactions for the Year 2025</i> was considered and approved at the 12th Meeting of the 8th Board of Directors in 2024, and was subsequently submitted to and approved by the Company's 3rd Extraordinary General Meeting of Shareholders for the Year 2024 on 27 December 2024. The total transaction amount approved by the shareholders' meeting for this period is RMB 81,986.98 million, with a total amount of RMB 70,027.93 million incurred, which does not exceed the approved limit. Please refer to Section VIII or specific information on related parties and related transactions.									
The reason for the material difference between the transaction price and the market reference price (if applicable)				N/A									

2. Related party transactions by assets or equity acquisition and disposal

☒Applicable ☐Non-applicable

Related party	Relationship	Transaction type	Contents of related transactions	Pricing principle of transaction	Book value of the transferred assets (RMB'0,000)	Appraised value of the transferred assets (RMB'0,000)	Transfer price (RMB'0,000)	Related transaction settlement methods	Gains and losses on trading (RMB'0,000)	Disclosure date	Disclosure index
Shougang Group	Parent company	Equity acquisition	Acquisition of a stake in	Valuation using	14,699.07	15,036.64	15,036.64	Cash at bank and on	0		

Co., Ltd.			Hebei Shougang Jingtang Machinery Co., Ltd.	the asset-based approach				hand			
Reasons for any significant discrepancy between the transfer price and the book value or appraised value (if any)				N/A							
Impact on the Company's operating results and financial position				This equity acquisition facilitates the concentration of resources in the Tangshan region to foster the development of key industries, strengthens business synergies and resource integration with Jingtang Machinery, and is in line with the Company's long-term development strategy. Once the transaction is completed, it will help to increase the Company's net profit attributable to shareholders.							
Where the relevant transaction involves performance targets, the extent to which these targets were met during the reporting period				N/A							

3. Related transactions of joint external investment

☐ Applicable ☒ Non-applicable

No related party transactions in respect of joint external investment during the reporting period.

4. Related creditor's rights and debts

☒ Applicable ☐ Non-applicable

Whether the Company had non-operating contact of related credit and debt

☐ YES ☒ NO

No related creditor's rights and debts in the reporting period

5. Transactions with related financial companies

☒ Applicable ☐ Non-applicable

Related party	Relationship	Maximum daily deposit limit (RMB'0,000)	Range of deposit interest rate	Opening balance (RMB'0,000)	Amount incurred in current period		Closing balance (RMB'0,000)
					Total deposit amount of current period (RMB'0,000)	Total withdrawal amount of current period (RMB'0,000)	
Shougang Group Finance Co., Ltd.	Under the control of the same parent company	1,700,000.00	1.25%-1.6%	876,919.44	13,485,901.86	13,306,436.34	1,056,384.96

Loan

Related party	Relationship	Loan amount (RMB'0,000)	Range of loan interest rate	Opening balance (RMB'0,000)	Amount incurred in current period		Closing balance (RMB'0,000)
					Total loan amount of current period (RMB'0,000)	Total repayment amount of current period (RMB'0,000)	

Shougang Group Finance Co., Ltd.	Under the control of the same parent company	3,051,200.00	1.5%-2.75%	1,487,241.41	1,747,847.16	1,894,049.57	1,341,039.00
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Credit granting or other financial services

Related party	Relationship	Business types	Total amount (RMB'0,000)	Actual amount (RMB'0,000)
Shougang Group Finance Co., Ltd.	Under the control of the same parent company	Credit	3,051,200.00	1,341,039.00

6. Transactions between financial companies controlled by the Company and related parties

☐ Applicable ☒ Non-applicable

No deposits, loans, credit granting or other financial transactions exist between the Company's subsidiary finance company and its related parties.

7. Other significant related party transactions

☐ Applicable ☒ Non-applicable

No other significant related party transaction of the Company during the reporting period.

XV. Material contracts and implementation

1. Entrustment, contract and leasing

(1) Entrustment

☐ Applicable ☒ Non-applicable

No entrustment during the reporting period.

(2) Contract

☐ Applicable ☒ Non-applicable

No contract during the reporting period.

(3) Leasing

☐ Applicable ☒ Non-applicable

No leasing during the reporting period.

2. Material guarantees

☒ Applicable ☐ Non-applicable

Unit: RMB 0,000

External guarantees of the Company and its subsidiaries (excluding guarantees to subsidiaries)										
Name of obligee	Date of the related announcement disclosing the guarantee amount	Amount of guarantee	Guarantee date	Guarantee provided	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term	Fulfilled or not	Guarantee to related parties or not
Shougang (Qingdao) Steel Industry Co., Ltd.	18 April 2025	21,000	18 September 2025	18,445	Guarantee of joint and several liability			1	No	Y
Ningbo Shougang Zhejin	18 April 2025	4,400	3 July 2025	2,200	Guarantee of joint and			1	No	Y

Steel Materials Co., Ltd.					several liability					
Qian'an Sinochem Coal Chemical Industrial Co., Ltd.	17 May 2025	35,000	8 August 2025	35,000	Guarantee of joint and several liability			1	No	Y
Total external guarantees approved during the reporting period (A1)		60,400		Total actual external guarantees during the reporting period (A2)		55,645				
Total external guarantees approved at the end of the reporting period (A3)		60,400		Balance of total actual guarantees at the end of the reporting period (A4)		55,645				
Guarantees between the Company and its subsidiaries										
Name of obligee	Date of the related announcement disclosing the guarantee amount	Amount of guarantee	Guarantee date	Guarantee provided	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term	Fulfilled or not	Guarantee to related parties or not
Shanghai Shougang Steel & Iron Trading Co., Ltd.	18 April 2025	8,000			Guarantee of joint and several liability			1	No	Y
Total amount of guarantee provided for subsidiaries approved during the reporting period (B1)		8,000		Total amount of guarantee provided for subsidiaries during the reporting period (B2)		0				
Total amount of guarantee provided for subsidiaries approved as at the end of the reporting period (B3)		8,000		Total balance of guarantee provided for subsidiaries as at the end of the reporting period (B4)		0				
Guarantees between subsidiaries										
Name of obligee	Date of the related announcement disclosing the guarantee amount	Amount of guarantee	Guarantee date	Guarantee provided	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term	Fulfilled or not	Guarantee to related parties or not
Total corporate guarantees (i.e., total of the top three items)										
Total guarantees approved during the		68,400		Total actual guarantees during		55,645				

reporting period (A1 + B1 + C1)		the reporting period (A2 + B2 + C2)	
Total guarantees approved at the end of the reporting period (A3 + B3 + C3)	68,400	Balance of total actual guarantees at the end of the reporting period (A4 + B4 + C4)	55,645
Total guaranteed balance (i.e. A4 + B4 + C4) as a percentage of the Company's net assets			1.11%
Including:			
Balance of debt guarantees provided, directly or indirectly, to recipients of guarantees with gearing ratios exceeding 70% (E)			53,445
Total amount of the above three guarantees (D + E + F)			53,445

3. Entrusted cash asset management

(1) Entrusted wealth management

☐ Applicable ☒ Non-applicable

No entrusted wealth management during the reporting period.

(2) Entrusted loans

☐ Applicable ☒ Non-applicable

No entrusted loans during the reporting period.

4. Other material contracts

☐ Applicable ☒ Non-applicable

No other material contracts during the reporting period.

XVI. Use of raised funds

☐ Applicable ☒ Non-applicable

The Company has no use of raised funds during the reporting period.

XVII. Explanation of other significant matters

☒ Applicable ☐ Non-applicable

On 29 September 2025, the Company convened the 20th meeting of the 8th Board of Directors, at which it considered and approved the *Proposal on the <Draft 2025 Share Option and Restricted Share Incentive Plan of Beijing Shougang Co., Ltd.> and its Summary*, among other proposals; On 9 January 2026, the Company received the *Approval on the Implementation of an Equity Incentive Plan by Beijing Shougang Co., Ltd.* (Jing Guozi [2025] No. 76) from the Beijing State-owned Assets Supervision and Administration Commission, forwarded by Shougang Group. The Beijing State-owned Assets Supervision and Administration Commission has, in principle, approved the Company's implementation of the equity incentive plan; On 20 January 2026, the Company convened the 2nd Board Meeting of the 9th Board of Directors, at which it considered and approved the *Proposal on the <Beijing Shougang Co., Ltd. 2025 Stock Option and Restricted Stock Incentive Plan (Revised Draft)> and its Summary*, amongst other proposals; On 6 February 2026, the Company convened its 1st extraordinary general meeting of 2026, at which it considered and approved, amongst other resolutions, the *Resolution on the <Beijing Shougang Co., Ltd. 2025 Share Option and Restricted Share Incentive Plan (Revised Draft)> and its Summary*; On 6 March 2026, the Company convened the 3rd Meeting of the 9th Board of Directors, at which it considered and approved the *Proposal of Beijing Shougang Co., Ltd. on the Granting of Stock Options and Restricted Shares to Incentive Recipients*. It was determined that 6 March 2026 would be the grant date, and 71,073,612 stock options were granted to 501 eligible incentive recipients at an exercise price of RMB 4.22 per share; 71,073,612 restricted shares were granted at a grant price of RMB 2.53 per share.

In accordance with the share repurchase plan approved by the Board of Directors, the Company utilised

its own funds and a special loan for share repurchases to repurchase a total of 71,073,612 shares through centralised competitive bidding; these shares have been used in their entirety to implement the share incentive plan. The specific content is detailed in the relevant announcement issued by the Company's Board of Directors.

XVIII. Significant matters of subsidiaries of the Company

☐ Applicable ☒ Non-applicable

SECTION VI. MOVEMENTS IN SHARE CAPITAL AND SHAREHOLDERS

I. Share movement

1. Share movement

Unit: share

	Before change		Changes in current (+/-)					After change	
	Quantity	Proportion	Shares issued	Bonus issued	Shares transferred from reserves	Others	Sub-total	Quantity	Proportion
I. Restricted shares	1,266,717,373	16.29%				-1,034,431,019	-1,034,431,019	232,286,354	3.00%
1. State ownership									
2. State-owned corporation shares	1,247,703,723	16.05%				-1,015,417,369	-1,015,417,369	232,286,354	3.00%
3. Shares held by other domestic investors	19,013,650	0.24%				-19,013,650	-19,013,650	0	
Of which: Shares held by domestic legal persons									
Shares held by domestic natural persons	19,013,650	0.24%				-19,013,650	-19,013,650	0	
4. Foreign ownership									
Of which: Shares held by overseas legal persons									
Shares held by overseas natural persons									
II. Non-restricted shares	6,507,263,647	83.71%				1,015,417,369	1,015,417,369	7,522,681,016	97.00%
1. RMB ordinary shares	6,507,263,647	83.71%				1,015,417,369	1,015,417,369	7,522,681,016	97.00%
2. Domestic listed foreign shares									
3. Overseas listed foreign shares									
4. Others									
III. Total amount of shares	7,773,981,020	100.00%				-19,013,650	-19,013,650	7,754,967,370	100.00%

Reasons of shares movements

☒Applicable ☐Non-applicable

According to the *2021 Incentive Plan*, with the approval of the company's shareholders meeting, the company has repurchased and cancelled 19,013,650 restricted shares during the reporting period, and share capital of the company have been reduced from 7,773,981,020 shares to 7,754,967,370 shares.

Approval of share movements

☒Applicable ☐Non-applicable

During the reporting period, the repurchase and cancellation of restricted shares by the Company has been considered and approved by the annual general meeting of 2024 on 6 June 2025.

Transfer of shares arising from changes in shareholding

☒Applicable ☐Non-applicable

The restricted shares repurchased by the company have been cancelled in accordance with regulations.

Influences of shares movements on basic EPS, diluted EPS, net assets per share attributable to common shareholders of the

company and other financial indicators for both the latest year and the latest period

☐ Applicable ☒ Non-applicable

Other information necessary to disclose for the Company or need to disclosed under requirement from security regulators

☐ Applicable ☒ Non-applicable

2. Movements of restricted shares

☒ Applicable ☐ Non-applicable

Unit: share

Name of shareholders	Restricted shares at the beginning of period	Restricted shares increased during the period	Restricted shares released during the period	Restricted shares at the end of period	Reason for restriction	Date of release from restriction
Shougang Group Co., Ltd.	1,247,703,723	0	1,015,417,369	232,286,354	The commitments made by Shougang Group when the Company was first restructured are still in the process of being fulfilled. For details, please refer to the company's announcements in <i>China Securities Journal</i> , <i>Securities Times</i> , <i>Shanghai Securities News</i> , and CNINFO (http://www.cninfo.com.cn) on 28 September 2019.	The restriction shall be lifted once the commitment has been fulfilled
Shougang Directors, senior executives and other equity incentive targets	19,013,650	0	19,013,650	0	In accordance with relevant regulations, the Company's 2021 restricted stock incentive plan will arrange the lock-up period of the restricted stock grants. For details, please refer to the relevant announcement issued by the Company on 13 November 2021.	Repurchased and cancelled in accordance with regulations
Total	1,266,717,373	0	1,034,431,019	232,286,354	--	--

II. Securities issuance and listing

1. Security offering (without preferred stock) in reporting period

☐ Applicable ☒ Non-applicable

2. Changes of total shares and shareholders structure as well as explanation on changes of assets and liability structure

☒ Applicable ☐ Non-applicable

According to the *2021 Incentive Plan*, with the approval of the company's shareholders meeting, the company has repurchased and cancelled 19,013,650 restricted shares during the reporting period, and the total number of shares in the Company was reduced from 7,773,981,020 shares to 7,754,967,370 shares. There were no changes to the Company's shareholder structure or its assets and liabilities.

3. Current internal staff shares

□ Applicable V Non-applicable

III. Shareholders and the actual controller

1. Amount of shareholders and shareholding

Unit: share

Total common stock shareholders in reporting period-end	80,572	Total common stock shareholders at end of last month before annual report disclosed	82,050	Total preference shareholders with voting rights recovered at end of reporting period (if any)	0	Total preference shareholders with voting rights recovered at end of last month before annual report disclosed (if any)	0	
Shareholders holding above 5% or top 10 shareholders								
Name of shareholders	Nature of shareholder	Shareholding ratio	Total shareholders at the end of report period	Changes in report period	Amount of restricted shares held	Amount of unrestricted shares held	Shares pledged or frozen	
							Status	Quantity
Shougang Group Co., Ltd.	State-owned legal entity	57.01	4,420,769,800	0	232,286,354	4,188,483,446	N/A	0
China Baowu Steel Group Corporation Ltd.	State-owned legal entity	10.23	793,408,440	0	0	793,408,440	N/A	0
Beijing Jingtou Investment Holding Co., Ltd.	State-owned legal entity	9.55	740,940,679	0	0	740,940,679	N/A	0
Beijing Jing Guorui Soe Reform and Development Fund (L.P.)	State-owned legal entity	6.37	493,958,306	0	0	493,958,306	N/A	0
Sunshine Life Insurance Co., Ltd. - Traditional insurance products	Others	0.99	76,692,529	0	0	76,692,529	N/A	0
Sunshine Life Insurance Co., Ltd. - Dividend insurance products	Others	0.72	56,159,243	0	0	56,159,243	N/A	0
Hong Kong Securities Clearing Company Limited	Overseas legal entity	0.70	54,154,703	20,487,649	0	54,154,703	N/A	0
Zhongtai SECURITIES Co., Ltd. – Huaxia Guozheng Free Cash Flow Trading Open-end Index Securities Investment Fund	Others	0.39	30,341,484	30,341,484	0	30,341,484	N/A	0
Agricultural Bank of China Limited - China Securities 500 Trading Open-end Index Securities Investment Fund	Others	0.30	22,913,752	1,347,900	0	22,913,752	N/A	0
GF Securities Co., Ltd. – ChinaAMC FTSE China A-Share Free Cash Flow Focus Trading Open-end Index Securities Investment Fund	Others	0.25	19,658,794	19,658,794	0	19,658,794	N/A	0
Strategic investor or general legal person becoming a top-10 ordinary shareholder due to rights issue (if any) (see Note 3)		N/A						
Related or acting-in-concert parties among the shareholders above		Subsidiary of Shougang Group holds 0.69% of Baosteel Co., Baowu Group Co., Ltd. and its persons acting in concert hold 62.30% of Baosteel Co. Except which, Shougang Group has no relationship or concerted acting relationship with other top 10 shareholders. The relationship between other shareholders or the relationship of cooperators is unknown.						
Above shareholders involved in entrusting		N/A						

/ being entrusted with voting rights and giving up voting rights			
Special account for share repurchases among the top 10 shareholders (if any)	As at 31 December 2025, the special securities account for share repurchases held 26,682,716 shares, representing 0.34% of the Company’s total share capital.		
Shareholding of the top 10 shareholders unrestricted shares held			
Name of shareholders	Amount of unrestricted shares held at period-end	Type of shares	
		Type of shares	Quantity
Shougang Group Co., Ltd.	4,188,483,446	RMB ordinary shares	4,188,483,446
China Baowu Steel Group Corporation Ltd.	793,408,440	RMB ordinary shares	793,408,440
Beijing Jingtou Investment Holding Co., Ltd.	740,940,679	RMB ordinary shares	740,940,679
Beijing Jing Guorui Soe Reform and Development Fund (L.P.)	493,958,306	RMB ordinary shares	493,958,306
Sunshine Life Insurance Co., Ltd. - Traditional insurance products	76,692,529	RMB ordinary shares	76,692,529
Sunshine Life Insurance Co., Ltd. - Dividend insurance products	56,159,243	RMB ordinary shares	56,159,243
Hong Kong Securities Clearing Company Limited	54,154,703	RMB ordinary shares	54,154,703
Zhongtai SECURITIES Co., Ltd. – Huaxia Guozheng Free Cash Flow Trading Open-end Index Securities Investment Fund	30,341,484	RMB ordinary shares	30,341,484
Agricultural Bank of China Limited - China Securities 500 Trading Open-end Index Securities Investment Fund	22,913,752	RMB ordinary shares	22,913,752
GF Securities Co., Ltd. – ChinaAMC FTSE China A-Share Free Cash Flow Focus Trading Open-end Index Securities Investment Fund	19,658,794	RMB ordinary shares	19,658,794
Connected associated relationship or acting in concert among the top 10 shareholders holding tradable shares without selling restrictions, and between the top 10 shareholders holding tradable shares without selling restrictions and the top 10 shareholders	Subsidiary of Shougang Group holds 0.69% of Baosteel Co., Baowu Group Co., Ltd. and its persons acting in concert hold 62.30% of Baosteel Co. Except which, Shougang Group has no relationship or concerted acting relationship with other top 10 shareholders. The relationship between other shareholders or the relationship of cooperators is unknown.		
Top 10 ordinary shareholders involved in securities margin trading (if any)	N/A		

Shareholders holding more than 5% of shares, top 10 shareholders and top 10 shareholders with unrestricted shares in circulation participating in the lending of shares in the transfer and financing business

☐ Applicable ☒ Non-applicable

Top 10 shareholders and top 10 shareholders with unrestricted shares outstanding change from the previous period due to lending/returning of transfer and finance

☐ Applicable ☒ Non-applicable

Whether top ten common stock shareholders or top ten common stock shareholders with unrestricted shares have a buy-back agreement dealing during the reporting period

☐ YES ☒ NO

The top ten common stock shareholders or top ten common stock shareholders with unrestricted shares of the Company have no buy-back agreement dealing during the reporting period.

2. Controlling shareholders

Nature of controlling shareholders: local state-owned holding

Type of controlling shareholders: legal person

Name of controlling shareholder	Legal representative / person in	Date of establishment	Organization code	Main businesses
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rs	charge of the company			
Shougang Group Co., Ltd.	Zhao Ming	13 May 1982	911100001011200015	Industry, construction, geological examination, transportation, foreign trade, post and telecommunications, finance and insurance, scientific research and comprehensive technical services, domestic commerce, public catering, material supply and marketing, warehousing, real estate, residential services, consulting services, leasing, agriculture, forestry, animal husbandry and fishery (excluding business without special permission); authorized operation and management of state-owned assets; hosted Shougang Daily newspaper; design and production of TV advertisements; use of self-owned TV stations to publish advertisements; design and production of print advertising; use of self-owned Shougang Daily to publish advertisements; sewage treatment and recycling; seawater desalination; literary and artistic creation and performance: sports project management (excluding high-risk sports projects); stadium management; Internet information services; Municipal solid waste treatment. (enterprises shall independently choose business projects and carry out business activities in accordance with the law; municipal solid waste treatment, Internet information services and projects subject to approval in accordance with the law after licensing; they shall not engage in business projects prohibited or restricted by local policies)
Shareholdings of controlling shareholders who have control or hold shares in other domestic or overseas listed companies during the reporting period	1. Domestic: (1) Hua Xia Bank Co., Ltd., holds 21.68%; (2) Beiqi Foton Motor Co., Ltd., holds 0.15%; (3) BAIC MOTOR Corporation., Ltd. (H-share), holds 12.83%. 2. Overseas: (1) Capital Industrial Financial Services Group Limited, holds 61.35%; (2) Shougang Holdings Limited, holds 17.95%; (3) Shougang Fushan Resources Group Ltd., holds 29.99%; (4) Shougang Century Holdings Limited, holds 45.34%; (5) Global Digital Creations Holdings Limited, holds 41.19%; (6) CWT International Limited, holds 3.11%; (7) Newton Resources Limited, holds 27.46%; (8) Sunshine Insurance Group Co., Ltd., holds 0.58%.			

Controlling shareholder turnover during the reporting period

☐ Applicable ☒ Non-applicable

There were no changes of controlling shareholders during the reporting period.

3. Actual controller of the Company and persons acting in concert

Nature of actual controller: local management agency of state-owned assets

Type of actual controller:

Actual controller turnover during the reporting period

☐ Applicable ☒ Non-applicable

The actual controller of the company was not changed during the reporting period.

Block diagram of property rights and controlling relations between the Company and actual controllers is as follows:



Actual controller controlling the company through trust or other asset management methods

☐ Applicable ☒ Non-applicable

4. The number of shares pledged by the controlling shareholder or the largest shareholder of the Company and persons acting in concert with it reaches 80% of the number of shares held by them in aggregate

☐ Applicable ☒ Non-applicable

5. Other legal person shareholders with over 10% shares held

☒ Applicable ☐ Non-applicable

Name of legal person shareholders	Legal representative / person in charge of the company	Date of establishment	Registered capital	Main businesses
China Baowu Steel Group Corporation Ltd.	Hu Wangming	1 January 1992	RMB 52,897.121 million	Licensed project: Retail of publications; Wholesale of publications. (For projects that require approval according to law, business activities can only be carried out with the approval of relevant departments. The specific business projects shall be subject to the approval documents or licenses of relevant departments.) General projects: engaging in investment activities with self-owned funds; Investment management; Asset management services for self-owned fund investment; Enterprise headquarters management; Land use right leasing; Nonresidential real estate leasing; Human resources services (excluding occupational intermediary activities and labor dispatch services); Enterprise management consulting. (Except for projects that require approval according to law, business activities shall be conducted independently based on the business license in accordance with the law)

6. Limitation on reducing the holdings of shares of controlling shareholders, actual controllers, restructuring side and other commitment subjects

☐ Applicable ☒ Non-applicable

IV. The implementation of share repurchases during the reporting period

Progress of share repurchase

As at 31 December 2025, the Company had repurchased 26,682,716 shares through a dedicated securities account for share repurchases via centralised competitive bidding, representing 0.3441% of the Company's current total share capital. The highest transaction price was RMB 4.99 per share, with the lowest transaction price being RMB 4.06 per share. The total amount paid was RMB 116,640,372.07 (excluding transaction fees). The funds for shares repurchase in this instance were drawn from the Company's own funds and a special loan for share repurchases; the repurchase price shall not exceed the upper limit of RMB 6.50 per share as set out in the repurchase plan. The share repurchase complies with the relevant laws and regulations and is in accordance with the Company's established share repurchase plan.

Implementation progress of reducing and repurchasing shares through centralized bidding

☐Applicable ☒Non-applicable

V. PREFERRED SHARES

☐ Applicable ☒ Non-applicable

The Company did not have any preferred shares during the reporting period.

SECTION VII. BONDS

☒Applicable ☐Non-applicable

I. Enterprise bonds

☐ Applicable ☒ Non-applicable

The Company did not have any enterprise bonds during the reporting period.

II. Corporate bonds

☒Applicable ☐Non-applicable

1. Basic information on corporate bonds

Unit: RMB 0,000

Bond name	Bond abbreviation	Bond code	Issue date	Interest starting date	Maturity date	Bond balance	Interest rate	Principal and interest payment method	Trading venue
Beijing Shougang Co., Ltd. 2025 Public Issuance of Green Technology Innovation Corporate Bonds for Professional Investors (Phase I) (Series II)	25ShouqianGK02	524339.SZ	30 June 2025	2 July 2025	2 July 2030	50,000	1.92%	Interest is paid annually, with the principal repaid in full at maturity.	Shenzhen Stock Exchange
Investor suitability arrangements (if any)			In accordance with the <i>Securities Law</i> and other relevant regulations, the bonds in this issue are offered exclusively to professional institutional investors; retail investors and individual investors, even if they are professional investors, are not permitted to subscribe for them. Following the listing of this bond issue, investor suitability requirements will apply; trading will be restricted to professional institutional investors only. Any subscription or purchase by retail investors or individual investors acting as professional investors shall be deemed invalid.						
Applicable trading mechanisms			Matching transaction; Negotiated transaction; Click transaction; Request-for-quote transaction; Competitive bidding transaction						
Whether there is a risk of termination of listing and trading (if any) and measures to deal with it			No						

Bonds overdue

☐ Applicable ☒ Non-applicable

2. Triggering and enforcement of issuer or investor option clauses and investor protection clauses

☐ Applicable ☒ Non-applicable

3. Situation of intermediaries

Bond item name	Name of intermediary	Office address	Signed CPA	Contact of intermediary	Telephone
Beijing Shougang Co., Ltd. 2025 Public Issuance of Green Technology Innovation Corporate Bonds for Professional Investors (Phase I) (Series II)	Everbright Securities Company Limited	1508 Xinzha Road, Jing'an District, Shanghai	N/A	Liu Yuxin, Lu Hao, Liang Zuming	010-58377828
Beijing Shougang Co., Ltd. 2025 Public Issuance of	GUOTAI HAITONG	618 Shangcheng Road, China	N/A	Gao Bo, Wang Xiao,	010-56535902

Green Technology Innovation Corporate Bonds for Professional Investors (Phase I) (Series II)	SECURITIES Co., Ltd.	(Shanghai) Pilot Free Trade Zone		Hua Hongqing, Zhang Huilun	
Beijing Shougang Co., Ltd. 2025 Public Issuance of Green Technology Innovation Corporate Bonds for Professional Investors (Phase I) (Series II)	Huatai United Securities Co., Ltd.	Room 401, Block B7, Qianhai Shenzhen-Hong Kong Fund Town, 128 Guiwan 5th Road, Nanshan Subdistrict, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen	N/A	He Zeyu	010-56839300
Beijing Shougang Co., Ltd. 2025 Public Issuance of Green Technology Innovation Corporate Bonds for Professional Investors (Phase I) (Series II)	China International Capital Corporation Limited	27th and 28th Floors, Tower 2, China World Trade Centre, 1 Jianguomenwai Avenue, Chaoyang District, Beijing	N/A	Liu Zhanrui, Wang Hongtai, Fan Ningning, Wang Mengwen	010-65051166
Beijing Shougang Co., Ltd. 2025 Public Issuance of Green Technology Innovation Corporate Bonds for Professional Investors (Phase I) (Series II)	China Securities Co., Ltd.	Building 4, 66 Anli Road, Chaoyang District, Beijing	N/A	Liu Chuyu, Meng Shaohua, Gao Ziqing	010-56052273
Beijing Shougang Co., Ltd. 2025 Public Issuance of Green Technology Innovation Corporate Bonds for Professional Investors (Phase I) (Series II)	CITIC Securities Co., Ltd.	CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing	N/A	Wu Xiaojing, Wang Xiaofeng, Wang Xiaoyu	010-60836985
Beijing Shougang Co., Ltd. 2025 Public Issuance of Green Technology Innovation Corporate Bonds for Professional Investors (Phase I) (Series II)	GF Securities Co., Ltd.	Room 618, No. 2 Tengfei 1st Street, China-Singapore Guangzhou Knowledge City, Huangpu District, Guangzhou, Guangdong Province	N/A	Liu Liangqi	010-56571688
Beijing Shougang Co., Ltd. 2025 Public Issuance of Green Technology Innovation Corporate Bonds for Professional Investors (Phase I) (Series II)	Ping An Securities Ltd.	Floors 22-25, Tower B, Ping An Financial Centre, 5023 Yitian Road, Futian Subdistrict, Futian District, Shenzhen	N/A	Wang Guan, Zhao Zhijian	010-56800262
Beijing Shougang Co., Ltd. 2025 Public Issuance of Green Technology Innovation Corporate Bonds for Professional Investors (Phase I) (Series II)	ShineWing Certified Public Accountants (LLP)	8/F, Block A, Fu Hua Mansion, No. 8 Chaoyangmen Beidajie, Dongcheng District, Beijing, P.R. China	Guo Yong, Lu Min	Guo Yong, Lu Min	010-65542288
Beijing Shougang Co., Ltd. 2025 Public Issuance of Green Technology Innovation Corporate Bonds for Professional Investors (Phase I) (Series II)	Zhitong Accounting Firm (Special General Partnership)	5th Floor, Saitei Plaza, No.22 Jianguomenwai Avenue, Chaoyang District, Beijing, China	Li Dan, Yu Qike	Li Dan, Yu Qike	010-85665231
Beijing Shougang Co., Ltd. 2025 Public Issuance of Green Technology Innovation Corporate Bonds for Professional Investors	Jingtian & Gongcheng Law Firm	34th Floor, Office Tower 3, Huamao Center, No. 77 Jianguo Road, Chaoyang District,	N/A	Deng Qing, Yang Yao	010-58091000

(Phase I) (Series II)		Beijing, China			
Beijing Shougang Co., Ltd. 2025 Public Issuance of Green Technology Innovation Corporate Bonds for Professional Investors (Phase I) (Series II)	Dongfang Jincheng International Credit Evaluation Co., Ltd.	Floors 45, 46 & 47, Tower A, Ping An Happiness Center, Lize Financial Business District, Fengtai District, Beijing	N/A	Qiao Yanyang, Jia Yuanyuan	010- 62299800
Beijing Shougang Co., Ltd. 2025 Public Issuance of Green Technology Innovation Corporate Bonds for Professional Investors (Phase I) (Series II)	Beijing Orient Jincheng Data Consulting Co., Ltd.	45th Floor, Tower A, Ping An Xingfu Centre, No. 24 Lize Road, Fengtai District, Beijing	N/A	Wang Lu, Gao Dong	010- 83435886

Whether there were any changes in the above organizations during the reporting period

☐ YES ☒ NO

4. Use of raised funds

Unit: RMB 0,000

Bond code	Bond abbreviation	Total amount of funds raised	Agreed purpose of the funds raised	Amount used	Actual use of raised funds (classified by purpose, excluding temporary working capital injections)	Actual expenditure by category	Amount not yet used	Operation of the special account for funds raised (if any)	Rectification of irregular use of funds raised (if any)	Whether it is consistent with the purpose, plan of use and other agreements committed to in the offering prospectus
524339.SZ	25 Shou Qian GK02	50,000	Replace the expenditure of own funds on green projects incurred within the 12 months prior to the issue of the current bonds	50,000	Replace the expenditure of own funds on green projects incurred within the 12 months prior to the issue of the current bonds	50000	0	Normal	None	Y

Funds raised for construction projects

☒ Applicable ☐ Non-applicable

Bond code	Bond abbreviation	Project progress and operational benefits	Whether any material changes have occurred in the project during the reporting period that may affect the plans for the allocation and use of the raised funds	Changes to the project and progress of the programme	Whether the net income from the project during the reporting period has fallen by more than 50% compared with the figures disclosed in the prospectus or similar documents, or whether any other significant adverse developments have occurred during the	Changes in the project's net income, the impact on the issuer's debt-repayment capacity and investors' interests, and the measures taken to address these issues
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					reporting period that may affect the project's operational performance	
52433 9.SZ	25 Shou Qian GK02	As at the end of the reporting period, 16 of the 20 green projects funded by the current bond issue had commenced operations, whilst the remaining four were under construction in accordance with the schedule.	No	None	No	None

Changes in the use of funds raised from the above bonds by the Company during the reporting period

☐ Applicable ☒ Non-applicable

5. Adjustments to credit rating results during the reporting period

☐ Applicable ☒ Non-applicable

6. Implementation, changes and impact on the interests of bond investors of guarantees, repayment plans and other repayment security measures during the reporting period

☐ Applicable ☒ Non-applicable

III. Debt financing instruments for non-financial corporations

☒ Applicable ☐ Non-applicable

1. Information on debt financing instruments for non-financial corporations

Unit: RMB 0,000

Bond name	Bond abbreviation	Bond code	Issue date	Interest starting date	Maturity date	Bond balance	Interest rate	Principal and interest payment method	Trading venue
Beijing Shougang Co., Ltd. 2025 First Science and Technology Innovation Bond	25 Shougang Co. SCP001 (Kechuang Bonds)	12582525	21 October 2025	22 October 2025	21 March 2026	50,000	1.69	One-off principal and interest payment upon maturity	National Interbank Bond Market
Investor suitability arrangements (if any)			Institutional investors in the national interbank bond market (except for purchasers prohibited by national laws and regulations)						
Applicable trading mechanisms			Trading system of debt financing instruments for non-financial corporations						
Whether there is a risk of termination of listing and trading (if any) and measures to deal with it			None						

Bonds overdue

☐ Applicable ☒ Non-applicable

2. Triggering and enforcement of issuer or investor option clauses and investor protection clauses

☐ Applicable ☒ Non-applicable

3. Situation of intermediaries

Bond item name	Name of intermediary	Office address	Signed CPA	Contact of intermediary	Telephone
Beijing Shougang Co., Ltd. 2025 First Science and Technology Innovation Bond	Bank of Ningbo Co., Ltd.	No. 345 Ningdong Road, Yinzhou District, Ningbo City, Zhejiang	N/A	Xie Zhongyuan	0574-87857211
Beijing Shougang Co.,	China	No. 25, Financial	N/A	Wang Wenjun	010-

Ltd. 2025 First Science and Technology Innovation Bond	Construction Bank Corporation	Street, Xicheng District, Beijing			67594276
Beijing Shougang Co., Ltd. 2025 First Science and Technology Innovation Bond	ShineWing Certified Public Accountants (LLP)	8/F, Block A, Fu Hua Mansion, No. 8 Chaoyangmen Beidajie, Dongcheng District, Beijing, P.R. China	Guo Yong, Lu Min	Guo Yong, Lu Min	010-65542288
Beijing Shougang Co., Ltd. 2025 First Science and Technology Innovation Bond	Zhitong Accounting Firm (Special General Partnership)	5th Floor, Saitei Plaza, No.22 Jianguomenwai Avenue, Chaoyang District, Beijing, China	Li Dan, Yu Qike	Li Dan, Yu Qike	010-85665231
Beijing Shougang Co., Ltd. 2025 First Science and Technology Innovation Bond	Beijing Huaxia Law Firm	315, 3rd Floor, No. 15 Xiaguangli, Chaoyang District, Beijing	N/A	Gao Hui	010-68636650

Whether there were any changes in the above organizations during the reporting period

☐ YES ☒ NO

4. Use of raised funds

Unit: RMB 0,000

Bond item name	Total amount of funds raised	Agreed purpose of the funds raised	Amount used	Amount not yet used	Operation of the special account for funds raised (if any)	Rectification of irregular use of funds raised (if any)	Whether it is consistent with the purpose, plan of use and other agreements committed to in the offering prospectus
Beijing Shougang Co., Ltd. 2025 First Science and Technology Innovation Bond	50,000	For repayment of the issuer's interest-bearing debt	50,000	0	Operation standards of the Company's special account for funds raised during the reporting period	None	Y

Funds raised for construction projects

☐ Applicable ☒ Non-applicable

Changes in the use of funds raised from the above bonds by the Company during the reporting period

☐ Applicable ☒ Non-applicable

5. Adjustments to credit rating results during the reporting period

☐ Applicable ☒ Non-applicable

6. Implementation, changes and impact on the interests of bond investors of guarantees, repayment plans and other repayment security measures during the reporting period

☐ Applicable ☒ Non-applicable

IV. Convertible corporate bonds

☐ Applicable ☒ Non-applicable

The Company did not have any convertible corporate bonds during the reporting period.

V. Loss in the scope of the consolidated statement of income for the reporting period exceeding 10% of the net assets at the end of the previous year

☐ Applicable ☒ Non-applicable

VI. Overdue interest-bearing debts other than bonds at the end of the reporting period

☐ Applicable ☒ Non-applicable

VII. Any violation of rules and regulations during the reporting period

☐ YES ☒ NO

VIII. Major accounting data and financial indicators of the Company for the past two years as at the end of the reporting period

Unit: RMB 0,000

Item	End of the reporting period	End of previous year	Increase/decrease at the end of the reporting period over the end of the previous year
Current ratio	0.54	0.53	1.89%
Gearing ratio	55.73%	58.54%	-2.81%
Quick ratio	0.36	0.34	5.88%
	Current reporting period	Same period last year	Increase/decrease in the current reporting period over the same period last year
Net profit after non-recurring gains and losses	99,193.93	21,951.71	351.87%
EBITDA all debt ratio	14.73%	12.89%	1.84%
Interest coverage ratio	2.58	1.64	57.32%
Cash interest coverage ratio	11.52	6.69	72.20%
EBITDA interest coverage ratio	12.60	8.47	48.76%
Loan repayment rate	100.00%	100.00%	
Interest repayment rate	100.00%	100.00%	

SECTION VIII. FINANCIAL REPORT

I. Auditor's report

Audit opinion type	Standard unqualified opinion
Date of signing of the audit report	16 April 2026
Name of the audit firm	ShineWing Certified Public Accountants (LLP)
Audit report reference number	XYZH/2026BJAA16B0334
Name of Certified Public Accountant	Guo Yong Lu Min

Main Body of Auditor's Report

To the Shareholders of Beijing Shougang Co., Ltd.:

1. Opinion

We have audited the financial statements of Beijing Shougang Co., Ltd. (the Company), which are comprised of the consolidated and parent company statements of financial position as of 31 December 2025, and the consolidated and parent company income statements, the consolidated and parent company statements of changes in equity, and the consolidated and parent company statements of cash flows for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and parent company's financial position of the Company as of 31 December 2025, and the consolidated and parent company's financial performance, and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

2. Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the independence requirements applicable to the audit of financial statements of public-interest entities set out in the Chinese Standards on Independence for Certified Public Accountants and the Code of Ethics for Chinese Certified Public Accountants, and have fulfilled our other responsibilities regarding independence and professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Recognition of Revenue	
Key Audit Matter	How our audit addressed the Key Audit Matter
For further details, please refer to Note "III. 23. Recognition and measurement of revenue" and Note "V. 43. Revenue and cost of sales" to the financial statements. In 2025, the operating revenue of	(1) Understanding and testing the key internal controls related to revenue, and assessing the appropriateness and effectiveness of key control executions. (2) Performing analysis procedures, including comparisons of the current period's gross profit of major products with that of the prior period and the analysis of revenue

the Company was RMB 10.2918 billion. Considering that the revenue has a significant impact on the financial statements of the Company and steel price could exert a great influence on the profits of the Company since the steel industry is a cyclical industry, we regarded the recognition of revenue as a key audit matter.	fluctuations, to check for any anomalies. (3) Obtaining sales details of the current year, selecting revenue transaction samples recorded in the current year, checking the supporting documents such as sales contracts, orders, delivery orders, logistics bills, invoices, and receipts to evaluate whether the related revenue recognition is in compliance with the Company's accounting policies. (4) Selecting sales contract samples to identify contractual terms and conditions related to the transfer of control of goods and to evaluate whether the point of time of revenue recognition of the Company complies with the requirements of the Accounting Standards for Business Enterprises. (5) Selecting customer samples to perform the confirmation procedures on sales revenue of the reporting period in conjunction with notes receivable, accounts receivable, financing receivables, contract liabilities, and etc. (6) Checking the appropriateness of disclosures in relation to revenue in the financial report.
2. The provision for inventory impairments	
Key Audit Matter	How our audit addressed the Key Audit Matter
The related information is disclosed in “III. 12. Inventories” and “V. 7. Inventories” in the notes to the financial statements. The book balance of inventory of the Company at the end of the period amounted to RMB 10.605 billion with a provision for inventory impairments of RMB 276 million. Inventory had been regarded as the material part of the current assets of the Company at the end of the period, and the provision for inventory impairments referred to the application of management’s accounting estimates. Hence, we have identified the provision for inventory impairments as a key audit matter.	(1) Assessing the design and operation of internal controls related to the provision for inventory impairments. (2) Checking the price fluctuations of major raw materials, work-in-process, and goods in stock to determine the risk of inventory impairments. (3) Conducting inventory monitoring of important inventories, examining the quantities and conditions of inventories, and paying attention to the status of inventories with a longer inventory age and the provision for impairments. (4) Obtaining the table of the provision for inventory impairments of the Company, reviewing the calculation process and results of the provision to check compliance with the relevant accounting policies, and analyzing the adequacy of the provision for inventory impairments. (5) Testing the accuracy of the calculation of the net realizable value of inventories of the Company. (6) Checking the appropriateness of disclosures in relation to the net realizable value of inventories in the financial report.

4. Other Information

The management of the Company (the management) is responsible for the other information. The other information comprises the information included in the Annual Report of 2025, other than the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other

information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Based on the work we have performed, if we conclude that there is a material misstatement of other information, we are required to report that fact. We have nothing to report in this regard.

5. Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with Accounting Standards for Business Enterprises, and designing, implementing, and maintaining internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with China Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are generally considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with China Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(1) Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

(4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, further events or conditions may cause the Company to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure, and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(6) Obtain sufficient, appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards (if any).

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless the law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

ShineWing Certified Public Accountants (LLP)

Chinese Certified Public Accountant: Guo Yong
(Engagement partner)

Chinese Certified Public Accountant: Lu Min

Beijing, China

16 April 2026

II. Financial statements

The financial statements in the notes are presented in RMB Yuan.

1. Consolidated Statement of Financial Position

Prepared by: Beijing Shougang Co., Ltd.

Unit: RMB Yuan

Item	Closing balance	Opening balance
Current assets:		
Cash at bank and on hand	10,842,460,836.85	8,826,637,471.96
Provision for settlement		
Lendings to banks and other financial institutions		
Financial assets held for trading		
Derivative financial assets		
Notes receivable	2,793,233,520.08	4,264,328,295.93
Accounts receivable	1,669,376,228.53	1,638,506,083.77
Financing receivables	2,127,981,225.71	3,626,515,941.48

Prepayments	2,133,271,502.80	2,075,154,843.34
Premiums receivable		
Reinsurance accounts receivable		
Receivable reserves for reinsurance		
Other receivables	13,844,968.27	4,832,231.47
Including: Interest receivable		
Dividends receivable	4,900,000.00	
Buying back the sale of financial assets		
Inventories	10,329,511,689.20	11,407,824,092.03
Including: Data resources		
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	851,899,678.82	620,415,519.20
Total current assets	30,761,579,650.26	32,464,214,479.18
Non-current assets:		
Loans and advances granted		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	2,093,849,485.50	2,070,713,423.51
Other equity instruments investments	271,443,020.81	268,404,638.58
Other non-current financial assets	25,944,976.84	70,218,671.35
Investment properties		
Fixed assets	82,509,872,123.34	87,165,864,980.07
Construction in progress	2,706,288,021.43	3,263,187,574.42
Productive biological assets		
Oil and gas assets		
Right-of-use assets	458,303,069.01	468,243,465.30
Intangible assets	5,689,057,153.36	5,858,564,651.48
Including: Data resources	1,108,661.95	
Development expenditures		
Including: Data resources		
Goodwill		
Long-term prepaid expenses	4,947,505.82	4,420,815.37
Deferred tax assets	412,384,451.59	413,775,485.80
Other non-current assets		
Total non-current assets	94,172,089,807.70	99,583,393,705.88
Total assets	124,933,669,457.96	132,047,608,185.06
Current liabilities:		
Short-term borrowings	21,445,498,282.76	22,251,284,791.74
Borrowings from the Central Bank		
Borrowings from banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	3,687,000,000.00	3,834,000,000.00
Accounts payable	19,216,299,331.11	20,049,182,952.13
Receipts in advance		
Contract liabilities	4,529,764,861.53	5,101,055,378.93
Financial assets sold for repurchase		
Accept money deposits and interbank placement		
Acting trading securities		
Acting underwriting securities		
Employee benefits payable	809,793,999.88	733,584,393.19
Taxes payable	276,016,460.45	265,491,882.58
Other payables	276,148,030.11	413,434,600.33

Including: Interest payable		
Dividends payable		
Service charge and commission payable		
Reinsurance accounts payable		
Liabilities held for sale		
Current portion of non-current liabilities	2,884,730,749.14	2,680,572,602.44
Other current liabilities	4,200,682,550.94	6,147,985,216.01
Total current liabilities	57,325,934,265.92	61,476,591,817.35
Non-current liabilities:		
Provision reserves for insurance		
Long-term borrowings	7,966,470,000.00	11,864,070,000.00
Bonds payable	500,000,000.00	
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	463,907,672.86	465,190,839.65
Long-term payables	2,100,000.00	2,100,000.00
Long-term employee benefits payables	68,616,671.24	72,720,356.41
Provisions	6,626,572.00	1,000,000.00
Deferred income	625,557,215.63	563,629,799.28
Deferred tax liabilities	462,792,715.68	495,856,362.74
Other non-current liabilities	2,200,552,060.52	2,364,112,304.97
Total non-current liabilities	12,296,622,907.93	15,828,679,663.05
Total liabilities	69,622,557,173.85	77,305,271,480.40
Shareholders' equity:		
Share capital	7,754,967,370.00	7,773,981,020.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	30,218,644,706.21	30,406,718,853.21
Less: Treasury shares	116,640,372.07	65,694,761.24
Other comprehensive income	190,818,294.00	188,552,639.99
Special reserve	56,706,143.90	45,140,519.27
Surplus reserve	1,978,886,047.08	1,961,316,319.60
General risk reserve		
Undistributed profits	10,247,310,402.31	9,447,971,388.81
Equity attributable to shareholders of the parent company	50,330,692,591.43	49,757,985,979.64
Non-controlling interests	4,980,419,692.68	4,984,350,725.02
Total shareholders' equity	55,311,112,284.11	54,742,336,704.66
Total liabilities and shareholders' equity	124,933,669,457.96	132,047,608,185.06

2. Parent Company Statement of Financial Position

Unit: RMB Yuan

Item	Closing balance	Opening balance
Current assets:		
Cash at bank and on hand	1,615,615,059.19	1,230,117,559.98
Financial assets held for trading		
Derivative financial assets		
Notes receivable	467,415,105.55	566,521,081.97
Accounts receivable	2,037,327,263.02	2,482,552,334.49
Financing receivables	555,212,387.43	668,605,011.58
Prepayments	596,663,263.07	726,081,788.91
Other receivables	25,930,092.30	386,280,464.23
Including: Interest receivable		
Dividends receivable	4,900,000.00	250,000,000.00
Inventories	1,462,170,436.88	1,682,608,959.46

Including: Data resources		
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	426,150,517.24	313,587,537.06
Total current assets	7,186,484,124.68	8,056,354,737.68
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	36,961,450,417.12	36,720,076,756.68
Other equity instruments investments	271,443,020.81	268,404,638.58
Other non-current financial assets	25,944,976.84	70,218,671.35
Investment properties		
Fixed assets	17,679,969,549.34	18,666,064,480.15
Construction in progress	1,354,839,576.48	1,057,966,829.30
Productive biological assets		
Oil and gas assets		
Right-of-use assets	23,232,676.04	9,004,814.78
Intangible assets	1,541,555,131.90	1,601,256,519.01
Including: Data resources		
Development expenditures		
Including: Data resources		
Goodwill		
Long-term prepaid expenses		
Deferred tax assets	173,589,412.51	179,175,280.34
Other non-current assets		
Total non-current assets	58,032,024,761.04	58,572,167,990.19
Total assets	65,218,508,885.72	66,628,522,727.87
Current liabilities:		
Short-term borrowings	9,773,138,151.39	8,676,269,208.30
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	8,634,623,141.67	9,665,298,876.19
Receipts in advance		
Contract liabilities	1,089,323,248.92	932,461,337.67
Employee benefits payable	284,336,289.96	260,679,465.21
Taxes payable	132,958,270.76	41,081,290.90
Other payables	40,453,683.76	159,473,270.50
Including: Interest payable		
Dividends payable		
Liabilities held for sale		
Current portion of non-current liabilities	1,745,585,501.80	1,334,422,685.20
Other current liabilities	1,198,471,089.36	1,549,477,306.79
Total current liabilities	22,898,889,377.62	22,619,163,440.76
Non-current liabilities:		
Long-term borrowings	1,839,240,000.00	3,949,070,000.00
Bonds payable	500,000,000.00	
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	18,654,392.87	
Long-term payables	2,100,000.00	2,100,000.00
Long-term employee benefits payables	68,616,671.24	72,720,356.41
Provisions	0.00	0.00
Deferred income	114,830,961.60	91,446,568.04

Deferred tax liabilities	288,942,873.98	311,272,229.33
Other non-current liabilities		
Total non-current liabilities	2,832,384,899.69	4,426,609,153.78
Total liabilities	25,731,274,277.31	27,045,772,594.54
Shareholders' equity:		
Share capital	7,754,967,370.00	7,773,981,020.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	21,979,869,827.45	22,026,550,938.69
Less: Treasury shares	116,640,372.07	65,694,761.24
Other comprehensive income	191,127,128.91	188,544,504.02
Special reserve	6,181,674.73	
Surplus reserve	1,978,886,047.08	1,961,227,213.80
Undistributed profits	7,692,842,932.31	7,698,141,218.06
Total shareholders' equity	39,487,234,608.41	39,582,750,133.33
Total liabilities and shareholders' equity	65,218,508,885.72	66,628,522,727.87

3. Consolidated Income Statement

Unit: RMB Yuan

Item	2025	2024
I. Total operating revenue	102,918,417,572.91	108,461,993,386.29
Including: Operating revenue	102,918,417,572.91	108,461,993,386.29
Interest income		
Earned premiums		
Service charge and commission income		
II. Total operating costs	101,486,431,581.08	107,956,020,496.92
Including: Operating costs	97,753,107,217.37	104,037,105,620.31
Interest expenses		
Service charge and commission expenses		
Insurance premium return		
Net insurance claim		
Net appropriation of deposit for insurance liability contracts		
Policy dividend expenses		
Reinsurance expenses		
Taxes and surcharges	872,197,505.34	765,932,377.47
Selling expenses	245,806,944.27	234,747,148.62
General and administrative expenses	1,320,732,685.70	1,284,458,666.57
R&D expenses	556,830,229.55	532,698,755.48
Financial expenses	737,756,998.85	1,101,077,928.47
Including: Interest expenses	811,686,090.52	1,176,723,369.76
Interest income	109,174,846.62	88,226,397.09
Add: Other income	484,127,359.02	1,072,688,669.43
Investment gain/ (loss)	44,530,393.12	-306,727,610.88
Including: Gains from investments in associates and joint ventures	26,756,720.62	-317,194,130.31
Gains on derecognition of financial assets at amortized cost		
Foreign exchange gain/ (loss)		
Net exposure hedging gain/ (loss)		
Gain/ (loss) on the changes in fair value	4,693,755.42	-4,790,547.26
Credit impairment losses	4,952,147.42	-18,963,673.33
Assets impairment losses	-572,417,684.70	-575,389,035.63
Gain/ (loss) from disposal of assets	1,000,160.74	791,373.65
III. Operating profit/ (loss)	1,398,872,122.85	673,582,065.35
Add: Non-operating income	10,867,774.28	147,879,321.13
Less: Non-operating expenses	119,535,314.32	67,699,598.76
IV. Profit/ (loss) before tax	1,290,204,582.81	753,761,787.72
Less: Income tax expense	215,343,073.87	150,283,895.89

V. Net profit / (loss)	1,074,861,508.94	603,477,891.83
1. Categorized by operation continuity:		
(1) Net profit/ (loss) from continuing operations	1,074,861,508.94	603,477,891.83
(2) Net profit/ (loss) from discontinued operations		
2. Categorized by ownership:		
(1) Net profit/ (loss) attributable to shareholders of the parent company	995,635,969.34	479,418,078.55
(2) Net profit/ (loss) attributable to non-controlling interests	79,225,539.60	124,059,813.28
VI. Other comprehensive income, net of tax	2,104,041.02	-61,017,151.79
Other comprehensive income, net of tax, attributable to shareholders of the parent company	2,265,654.01	-61,021,333.66
1. Other comprehensive income that will not be reclassified to profit or loss	2,582,624.89	-61,029,535.54
(1) Remeasurement of changes in defined benefit plans		
(2) Other comprehensive income not converted into profit or loss under the equity method		
(3) Changes in fair value of other equity instruments investments	2,582,624.89	-61,029,535.54
(4) Changes in fair value of the company's credit risk		
(5) Others		
2. Other comprehensive income to be reclassified to profit or loss	-316,970.88	8,201.88
(1) Other comprehensive income converted into profit or loss under the equity method		
(2) Changes in fair value of other debt investments		
(3) Amount of financial assets reclassified into other comprehensive income		
(4) Provision for credit impairment of other debt investments		
(5) Cash flow hedging reserves		
(6) Foreign currency translation differences	-316,970.88	8,201.88
(7) Others		
Other comprehensive income, net of tax, attributable to non-controlling interests	-161,612.99	4,181.87
VII. Total comprehensive income	1,076,965,549.96	542,460,740.04
Total comprehensive income attributable to shareholders of the parent company	997,901,623.35	418,396,744.89
Total comprehensive income attributable to non-controlling interests	79,063,926.61	124,063,995.15
VIII. Earnings per share		
1. Basic earnings per share	0.1284	0.0618
2. Diluted earnings per share	0.1284	0.0618

4. Parent Company Income Statement

Unit: RMB Yuan

Item	2025	2024
I. Operating revenue	35,131,330,099.32	36,803,582,879.18
Less: Operating costs	33,947,636,475.45	35,567,917,809.84
Taxes and surcharges	213,517,623.21	212,213,114.74
Selling expenses	137,306,844.87	129,019,569.64
General and administrative expenses	526,352,569.36	513,551,196.78
R&D expenses	192,487,584.30	234,581,639.11
Financial expenses	309,897,752.14	394,036,563.14
Including: Interest expenses	314,443,008.31	402,660,308.80
Interest income	20,236,991.81	16,751,363.64
Add: Other income	147,786,975.46	249,648,602.17
Investment gain/ (loss)	308,134,123.89	108,279,795.26
Including: Gains from investments in associates and joint ventures	61,323,660.44	-271,292,907.49
Gains/ (loss) on derecognition of financial assets at amortized cost		
Net exposure hedging gain/ (loss)		
Gain/ (loss) on the changes in fair value	4,693,755.42	-4,790,547.26
Credit impairment losses	4,776,706.63	-9,358,658.19

Assets impairment losses	-36,736,560.27	-44,409,798.55
Gain/ (loss) from disposal of assets	2,082,149.41	-234,141.41
II. Operating profit/ (loss)	234,868,400.53	51,398,237.95
Add: Non-operating income	729,100.00	141,848,189.95
Less: Non-operating expenses	76,208,412.60	48,278,846.80
III. Profit/ (loss) before tax	159,389,087.93	144,967,581.10
Less: Income tax expense	-17,199,244.86	-25,399,630.41
IV. Net profit / (loss)	176,588,332.79	170,367,211.51
1. Net profit/ (loss) from continuing operations	176,588,332.79	170,367,211.51
2. Net profit/ (loss) from discontinued operations		
V. Other comprehensive income, net of tax	2,582,624.89	-61,029,535.54
1. Other comprehensive income that will not be reclassified to profit or loss	2,582,624.89	-61,029,535.54
(1) Remeasurement of changes in defined benefit plans		
(2) Other comprehensive income not converted into profit or loss under the equity method		
(3) Changes in fair value of other equity instruments investments	2,582,624.89	-61,029,535.54
(4) Changes in fair value of the company's credit risk		
(5) Others		
2. Other comprehensive income to be reclassified to profit or loss		
(1) Other comprehensive income converted into profit or loss under the equity method		
(2) Changes in fair value of other debt investments		
(3) Amount of financial assets reclassified into other comprehensive income		
(4) Provision for credit impairment of other debt investments		
(5) Cash flow hedging reserves		
(6) Foreign currency translation differences		
(7) Others		
VI. Total comprehensive income	179,170,957.68	109,337,675.97
VII. Earnings per share		
1. Basic earnings per share		
2. Diluted earnings per share		

5. Consolidated Statement of Cash Flows

Unit: RMB Yuan

Item	2025	2024
I. Cash flows from operating activities:		
Cash receipts from the sale of goods and the rendering of services	52,704,461,009.54	49,820,586,355.18
Net increase of customers' deposits and interbank deposits		
Net increase in borrowings from the Central Bank		
Net increase in borrowings from other financial institutions		
Cash received for premiums of original insurance contracts		
Net cash received from reinsurance operations		
Net increase in policyholders' savings and investment funds		
Cash received from interest, service charge and commission		
Net increase in borrowings from banks and other financial institutions		
Net increase in funds of repurchase operations		
Net cash received from acting trading securities		
Tax refunds received	7,375,908.93	
Cash received relating to other operating activities	640,380,139.87	728,233,753.74
Cash inflow from operating activities	53,352,217,058.34	50,548,820,108.92
Cash paid for purchase of goods and services	37,239,989,180.11	37,382,537,737.28
Net increase in loans and advances to customers		
Net increase in deposits with the Central Bank and interbank		
Cash payment of compensation for original insurance contracts		
Net increase in lendings to banks and other financial institutions		
Cash paid for interest, service charge and commission		
Cash paid as policy dividends		

Cash paid to and on behalf of employees	4,621,502,825.13	4,563,983,771.66
Cash paid for taxes	2,753,183,573.14	1,526,078,674.54
Cash paid relating to other operating activities	600,864,430.23	733,998,556.85
Cash outflow from operating activities	45,215,540,008.61	44,206,598,740.33
Net cash flows from operating activities	8,136,677,049.73	6,342,221,368.59
II. Cash flows from investing activities:		
Cash received from disposal of investments	57,450,827.26	
Cash received from investment gain	38,881,702.29	40,326,371.21
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets	513,156.03	1,851,894.32
Cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities		
Subtotal of cash inflows from investing activities	96,845,685.58	42,178,265.53
Purchase of fixed assets, intangible assets and other long-term assets	357,050,854.36	229,495,323.18
Cash paid for investments	35,000,000.00	30,908,160.00
Net increase in pledge loans		
Net cash paid for acquisition of a subsidiary and other business units	150,366,403.60	
Cash paid relating to other investing activities		
Cash outflow from investing activities	542,417,257.96	260,403,483.18
Net cash flows from investing activities	-445,571,572.38	-218,225,217.65
III. Cash flows from financing activities:		
Cash received from investment		30,727,580.39
Including: Cash receipts from capital contributions from non-controlling interests of subsidiaries		
Proceeds from borrowings	25,143,230,000.00	29,070,240,000.00
Cash receipts relating to other financing activities		
Cash inflow from financing activities	25,143,230,000.00	29,100,967,580.39
Repayments for debts	29,342,630,000.00	33,067,600,000.00
Cash payments for distribution of dividends or profit and interest expenses	1,081,605,147.61	1,469,587,646.76
Including: Dividends or profits paid to non-controlling interests of subsidiaries	83,544,908.65	62,307,325.33
Cash payments relating to other financing activities	364,901,572.24	858,115,570.41
Cash outflow from financing activities	30,789,136,719.85	35,395,303,217.17
Net cash flows from financing activities	-5,645,906,719.85	-6,294,335,636.78
IV. Effect of exchange rate changes on cash and cash equivalents	-1,560,081.21	1,548,107.50
V. Net increase in cash and cash equivalents	2,043,638,676.29	-168,791,378.34
Add: Cash and cash equivalents as at the beginning of year	8,746,738,696.99	8,915,530,075.33
VI. Cash and cash equivalent as at the end of year	10,790,377,373.28	8,746,738,696.99

6. Parent Company Statement of Cash Flows

Unit: RMB Yuan

Item	2025	2024
I. Cash flows from operating activities:		
Cash receipts from the sale of goods and the rendering of services	17,307,650,398.47	18,422,001,039.08
Tax refunds received		
Cash received relating to other operating activities	482,934,402.16	258,233,060.75
Cash inflow from operating activities	17,790,584,800.63	18,680,234,099.83
Cash paid for purchase of goods and services	14,743,823,076.14	15,904,610,759.89
Cash paid to and on behalf of employees	1,352,884,318.68	1,449,664,980.93
Cash paid for taxes	338,016,711.99	337,133,647.58
Cash paid relating to other operating activities	244,128,897.35	375,943,551.96
Cash outflow from operating activities	16,678,853,004.16	18,067,352,940.36
Net cash flows from operating activities	1,111,731,796.47	612,881,159.47
II. Cash flows from investing activities:		
Cash received from disposal of investments	48,967,449.93	
Cash received from investment gain	496,860,463.45	137,333,449.24
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets	26,580,458.33	1,100,209.86

Cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities		
Subtotal of cash inflows from investing activities	572,408,371.71	138,433,659.10
Purchase of fixed assets, intangible assets and other long-term assets	142,130,996.46	108,053,914.72
Cash paid for investments	185,000,000.00	
Net cash paid for acquisition of a subsidiary and other business units		
Cash paid relating to other investing activities		
Cash outflow from investing activities	327,130,996.46	108,053,914.72
Net cash flows from investing activities	245,277,375.25	30,379,744.38
III. Cash flows from financing activities:		
Cash received from investment		
Proceeds from borrowings	12,451,000,000.00	13,003,240,000.00
Cash receipts relating to other financing activities		
Cash inflow from financing activities	12,451,000,000.00	13,003,240,000.00
Repayments for debts	12,751,000,000.00	13,500,000,000.00
Cash payments for distribution of dividends or profit and interest expenses	487,208,295.50	644,572,509.06
Cash payments relating to other financing activities	184,830,132.87	77,802,443.53
Cash outflow from financing activities	13,423,038,428.37	14,222,374,952.59
Net cash flows from financing activities	-972,038,428.37	-1,219,134,952.59
IV. Effect of exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	384,970,743.35	-575,874,048.74
Add: Cash and cash equivalents as at the beginning of year	1,229,854,212.61	1,805,728,261.35
VI. Cash and cash equivalent as at the end of year	1,614,824,955.96	1,229,854,212.61

7. Consolidated Statement of Changes in Equity

Current period amount

Unit: RMB Yuan

Item	2025														
	Equity attributable to shareholders of the parent company												Non-controlling interests	Total shareholders' equity	
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profits	Others			Sub-total
Preferred shares		Perpetual bonds	Others												
I. Balance at the end of previous year	7,773,981,020.00				30,406,718,853.21	65,694,761.24	188,552,639.99	45,140,519.27	1,961,316,319.60		9,447,971,388.81	0.00	49,757,985,979.64	4,984,350,725.02	54,742,336,704.66
Add: Changes in accounting policies													0.00		
Other													0.00		

ction s of prior period error s																
thers													0.00			
II. Bala nce at the begi nnin g of the year	7,77 3,98 1,02 0.00				30,4 06,7 18,8 53.2 1	65,6 94,7 61.2 4	188, 552, 639. 99	45,1 40,5 19.2 7	1,96 1,31 6,31 9.60			9,44 7,97 1,38 8.81		49,7 57,9 85,9 79.6 4	4,98 4,35 0,72 5.02	54,7 42,3 36,7 04.6 6
III. Incre ase/(decr ease) duri ng the period	- 19,0 13,6 50.0 0				- 188, 074, 147. 00	50,9 45,6 10.8 3	2,26 5,65 4.01	11,5 65,6 24.6 3	17,5 69,7 27.4 8			799, 339, 013. 50		572, 706, 611. 79	- 3,93 1,03 2.34	568, 775, 579. 45
1. Total com preh ensiv e inco me							2,26 5,65 4.01					995, 635, 969. 34		997, 901, 623. 35	79,0 63,9 26.6 1	1,07 6,96 5,54 9.96
2. Shar ehol ders' cont ribut ions and redu ction	- 19,0 13,6 50.0 0				- 50,4 26,0 25.5 1	50,9 45,6 10.8 3								- 120, 385, 286. 34	0.00	- 120, 385, 286. 34
1. Shar ehol ders' cont ribut ions in ordi nary shar e	- 19,0 13,6 50.0 0				- 46,6 81,1 11.2 4	- 65,6 94,7 61.2 4										
2. Capit al																

contributions of other equity instrument holders															
3. Amount of share-based payments recognized in equity					0.00							0.00	0.00	0.00	
4. Others					- 3,74 4,91 4.27	116, 640, 372. 07						- 120, 385, 286. 34	0.00	- 120, 385, 286. 34	
3. Profit distribution								17,6 58,8 33.2 8		- 190, 686, 389. 89		- 173, 027, 556. 61	- 84,7 15,6 12.9 0	- 257, 743, 169. 51	
1. Transfer to surplus reserve								17,6 58,8 33.2 8		- 17,6 58,8 33.2 8		0.00			
2. Withdrawal of general risk reserve												0.00			
3. Distribution to own										- 173, 027, 556. 61		- 173, 027, 556. 61	- 84,7 15,6 12.9 0	- 257, 743, 169. 51	

ers (shareholders)															
4. Others													0.00		
4. Transfer within equity													0.00		
1. Capital reserves converted to share capital													0.00		
2. Surplus reserves converted to share capital													0.00		
3. Loss made up by surplus reserves													0.00		
4. Changes in defined benefit plans transferred to retained earnings													0.00		

ngs															
5. Other comprehensive income transferred to retained earnings													0.00		
6. Others													0.00		
5. Special reserve								11,565,624.63					11,565,624.63	1,720,653.95	13,286,278.58
1. Additions								152,654,856.91					152,654,856.91	14,791,526.40	167,446,383.31
2. Utilisation								141,089,232.28					141,089,232.28	13,070,872.45	154,160,104.73
6. Others									-89,105.80			-5,610,565.95	143,347,793.24		143,347,793.24
IV. Balance at the end of the period	7,754,967,370.00				30,218,644,706.21	116,640,372.07	190,818,294.00	56,706,143.90	1,978,886,047.08			10,247,310,402.31	50,330,692,591.43	4,980,419,692.68	55,311,112,284.11

Prior period amount

Unit: RMB Yuan

Item	2024														
	Equity attributable to shareholders of the parent company													Non-controlling interests	Total shareholders' equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profits	Others	Sub-total		
		Preferred shares	Perpetual bonds	Others											
I.	7,79				30,3	130,	249,	32,8	1,94		9,22	0.00	49,4	4,94	54,4

Balan ce at the end of previ ous year	4,61 1,60 5.00				59,0 81,1 90.3 5	627, 194. 09	573, 973. 65	13,4 10.1 4	4,19 0,49 2.65		4,14 5,93 4.95		73,7 89,4 12.6 5	6,47 4,68 6.53	20,2 64,0 99.1 8
Ad d: Chan ges in acco unti ng polic ies													0.00		
orre ction s of prior perio d error s													0.00		
thers					6,14 9,78 8.19	0.00	0.00	0.00	49,9 53.1 8		550, 046. 82		6,74 9,78 8.19		6,74 9,78 8.19
II. Bala nce at the begi nnin g of the year	7,79 4,61 1,60 5.00				30,3 65,2 30,9 78.5 4	130, 627, 194. 09	249, 573, 973. 65	32,8 13,4 10.1 4	1,94 4,24 0,44 5.83		9,22 4,69 5,98 1.77		49,4 80,5 39,2 00.8 4	4,94 6,47 4,68 6.53	54,4 27,0 13,8 87.3 7
III. Incre ase/(decr ease) duri ng the perio d	- 20,6 30,5 85.0 0				41,4 87,8 74.6 7	- 64,9 32,4 32.8 5	- 61,0 21,3 33.6 6	12,3 27,1 09.1 3	17,0 75,8 73.7 7		223, 275, 407. 04		277, 446, 778. 80	37,8 76,0 38.4 9	315, 322, 817. 29
1. Total com preh ensiv e inco me							- 61,0 21,3 33.6 6				479, 418, 078. 55		418, 396, 744. 89	124, 063, 995. 15	542, 460, 740. 04
2. Shar ehol	- 20,6 30,5				41,4 87,8 74.6	- 64,9 32,4							85,7 89,7 22.5	- 23,7 09,8	62,0 79,8 36.1

ders' contributions and reduction	85.00				7	32.85						2	86.40	2
1. Shareholders' contributions in ordinary share	- 20,630,585.00				- 16,301,847.85	- 64,932,432.85						28,000,000.00	0.00	28,000,000.00
2. Capital contributions of other equity instrument holders												0.00		
3. Amount of share-based payments recognized in equity					- 37,992,492.22							- 37,992,492.22	0.00	- 37,992,492.22
4. Others					95,782,214.74							95,782,214.74	- 23,709,886.40	72,072,328.34
3. Profit distribution								17,075,873.77		- 256,142,671.51		- 239,066,797.74	- 65,029,168.97	- 304,095,966.71

1. Transfer to surplus reserve									17,075,873.77		-17,075,873.77		0.00		
2. Withdrawal of general risk reserve													0.00		
3. Distribution to owners (shareholders)											-239,066,797.74		-239,066,797.74	-65,029,168.97	-304,095,966.71
4. Others													0.00		
4. Transfer within equity													0.00		
1. Capital reserves converted to share capital													0.00		
2. Surplus reserves converted to share capital													0.00		
3. Loss													0.00		

made up by surplus reserves															
4. Changes in defined benefit plans transferred to retained earnings													0.00		
5. Other comprehensive income transferred to retained earnings													0.00		
6. Others													0.00		
5. Special reserve					0.00			12,327,109.13					12,327,109.13	2,551,098.71	14,878,207.84
1. Additions					0.00			141,176,626.65					141,176,626.65	13,349,643.00	154,526,269.65
2. Utilisation								128,849,517.52					128,849,517.52	10,798,544.29	139,648,061.81
6. Others													0.00		
IV. Balance at	7,773,981,020.00				30,406,718,853.24	65,694,761.24	188,552,639.99	45,140,519.27	1,961,316,319.60			9,447,971,388.81	49,757,985,799.6	4,984,350,725.02	54,742,336,704.6

the end of the period					1								4		6
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8. Parent Company Statement of Changes in Equity

Current period amount

Unit: RMB Yuan

Item	2025											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Others	Total shareholders' equity
		Preferred shares	Perpetual bonds	Others								
I. Balance at the end of previous year	7,773,981.02				22,026,550.938.69	65,694,761.24	188,544,504.02	0.00	1,961,227.213.80	7,698,141.218.06	0.00	39,582,750.133.33
Add: Changes in accounting policies												
Corrections of prior period errors												
Others												
II. Balance at the beginning of the year	7,773,981.02				22,026,550.938.69	65,694,761.24	188,544,504.02	0.00	1,961,227.213.80	7,698,141.218.06	0.00	39,582,750.133.33
III. Increase/(decrease) during the period	-19,013,650.00				-46,681,111.24	50,945,610.83	2,582,624.89	6,181,674.73	17,658,833.28	-5,298,285.75	0.00	-95,515,524.92
1. Total comprehensive income	0.00				0.00	0.00	2,582,624.89	0.00	0.00	176,588,332.79	0.00	179,170,957.68

e												
2. Shareholders' contributions and reduction	- 19,013,650.00				- 46,681,111.24	50,945,610.83						- 116,640,372.07
1. Shareholders' contributions in ordinary share	- 19,013,650.00				- 46,681,111.24	- 65,694,761.24						
2. Capital contributions of other equity instrument holders												
3. Amount of share-based payments recognized in equity												
4. Others						116,640,372.07						- 116,640,372.07
3. Profit distribution								17,658,833.28	- 188,686,389.89	0.00		- 171,027,556.61
1. Transfer to surplus reserve								17,658,833.28	- 17,658,833.28	0.00		0.00
2. Distribution to owners (shareholders)									- 171,027,556.61			- 171,027,556.61

3. Others												
4. Transfer within equity												
1. Capital reserves converted to share capital												
2. Surplus reserves converted to share capital												
3. Loss made up by surplus reserves												
4. Changes in defined benefit plans transferred to retained earnings												
5. Other comprehensive income transferred to retained earnings												
6. Others												
5. Special reserve								6,181,674.73				6,181,674.73

1. Additions								74,056,389.80				74,056,389.80
2. Utilization								67,874,715.07				67,874,715.07
6. Others								0.00		6,799,771.35		6,799,771.35
IV. Balance at the end of the period	7,754,967,370.00				21,979,869,827.45	116,640,372.07	191,127,128.91	6,181,674.73	1,978,886,047.08	7,692,842,932.31	0.00	39,487,234,608.41

Prior period amount

Unit: RMB Yuan

Item	2024											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Others	Total shareholders' equity
		Preferr ed shares	Perpet ual bonds	Others								
I. Balance at the end of previous year	7,794,611,605.00				22,108,845,278.76	130,627,194.09	249,574,039.56	0.00	1,944,190,492.65	7,778,649,075.85	0.00	39,745,243,297.73
Added: Changes in accounting policies												
Corrections of prior period errors												
Others												
II. Balance at the beginning of the year	7,794,611,605.00				22,108,845,278.76	130,627,194.09	249,574,039.56	0.00	1,944,190,492.65	7,778,649,075.85	0.00	39,745,243,297.73
III. Increase/(decrease) during	-20,630,585.00				82,294,340.07	64,932,432.85	61,029,535.54	0.00	17,036,721.15	80,507,857.79	0.00	162,493,164.40

the period												
1. Total comprehensive income	0.00				0.00	0.00	- 61,029,535.54	0.00	0.00	170,367,211.51	0.00	109,337,675.97
2. Shareholders' contributions and reduction	- 20,630,585.00				- 82,294,340.07	- 64,932,432.85						- 37,992,492.22
1. Shareholders' contributions in ordinary share	- 20,630,585.00				- 44,301,847.85	- 64,932,432.85						0.00
2. Capital contributions of other equity instrument holders												
3. Amount of share-based payments recognized in equity					- 37,992,492.22							- 37,992,492.22
4. Others												
3. Profit distribution									17,036,721.15	- 250,875,069.30	0.00	- 233,838,348.15
1. Transfer to surplus reserve									17,036,721.15	- 17,036,721.15	0.00	0.00
2. Distribution										- 233,838,348.		- 233,838,348.

to owner s (share holder s)										15		15
3. Others												
4. Transf er within equity												
1. Capital reserv es conver ted to share capital												
2. Surplu s reserv es conver ted to share capital												
3. Loss made up by surplu s reserv es												
4. Chang es in define d benefi t plans transfe rred to retain ed earnin gs												
5. Other compr ehensi ve incom e transfe rred to retain ed earnin gs												

6. Others					0.00							
5. Special reserve					0.00			0.00				0.00
1. Additions					0.00			74,028,758.95				74,028,758.95
2. Utilisation					0.00			74,028,758.95				74,028,758.95
6. Others								0.00				0.00
IV. Balance at the end of the period	7,773,981,020.00				22,026,550,938.69	65,694,761.24	188,544,504.02	0.00	1,961,227,213.80	7,698,141,218.06	0.00	39,582,750,133.33

III. General information of the Company

Beijing Shougang Co., Ltd. was established on 15 October 1999 and issued with a business license by the Beijing Municipal Administration for Industry and Commerce with the registration number 911100007002343182, the registered address at Shijingshan Road, Shijingshan District, Beijing, and the current registered capital of RMB 7,754.96737 million.

Unified social credit code: 911100007002343182

Form of organization: other joint stock limited company

Legal representative: Zhu Guosen

Business scope: operation of telecommunications business; insurance agency business; insurance brokerage business; iron and steel smelting, steel rolling processing; copper smelting and rolling processing, sales; manufacturing and sales of sintered ore, coke, and chemical products; TRT power generation and gas production and sales; industrial production processing and sales of wastes from industrial production; sales of metal materials, coke, chemical products, machinery and electrical equipment, construction materials, general equipment, hardware and electrical appliances (excluding electric bicycles), furniture, decorative materials; equipment leasing (except automobiles); loading and unloading; software development; advertising design, agency; warehousing services; technology development, consulting, transfer, services, and training; investment and investment management. (Market entities can independently choose operating items and carry out business activities in accordance with the law; for the operation of telecommunications business, insurance agency business, insurance brokerage business, and items subject to approval by law, business activities can be conducted in accordance with the approved contents after the approval by competent departments; business activities are not allowed if they belong to the items prohibited and restricted by the national and municipal industrial policies).

The financial report of the Company was approved for issue by the Board of Directors of the Company on 16 April 2026.

IV. Basis of preparation of the financial statements

1. Basis of preparation

The financial statements of the Company are prepared based on transactions and events that actually occur, in accordance with the *Accounting Standards for Business Enterprises* and their application guidance,

interpretations, and other related regulations (collectively known as the “ASBE”) issued by the Ministry of Finance of the PRC, as well as the related disclosure requirements set out in the General Provisions on Financial Reporting of the *Compilation Rules for Information Disclosure of Companies Issuing Securities to the Public No. 15* (Revised in 2023) of the China Securities Regulatory Commission.

2. Going concern

The Company has evaluated its ability to continue as a going concern for the twelve months from the end of the reporting period, and no matters or circumstances have been identified that cast significant doubt on its ability to continue as a going concern. The financial statements are prepared on a going concern basis.

V. Significant accounting policies and estimates

Specific accounting policies and accounting estimates are set out below:

The Company has formed specific accounting policies and accounting estimates based on the characteristics of actual production and operation, including: determining the depreciation of fixed assets, construction in progress converted to fixed assets, amortization of intangible assets, capitalization conditions of R&D expenses, and revenue recognition policies. The detailed accounting policies are described in “Note V. 15. Fixed assets, Note V. 16. Construction in progress, Note V. 18. Intangible assets, Note V. 24. Revenue” in this section.

1. Statement of compliance with the ASBE

The financial statements have been prepared in accordance with the ASBE, and present truly, and completely the consolidated and the parent company’s financial position as at 31 December 2025, and the consolidated and the parent company’s financial performance and cash flows for FY 2025.

2. Accounting period

The accounting period of the Company is from 1 January to 31 December of each calendar year.

3. Operating cycle

The operating cycle of the Company is 12 months.

4. Functional currency

The Company and domestic subsidiaries use Renminbi (“RMB”) as their functional currency. The overseas subsidiaries of the Company use the currency of the main economic environment in which they operate as their functional currency.

The financial statements of the Company have been prepared in RMB.

5. Method for determination and selection criteria of the materiality level

☒Applicable ☐Non-applicable

Item	Materiality Level
Material accounts receivable with individual provision for bad debts	≥RMB 10 million
Material accounts receivable written off during current period	≥RMB 10 million
Material construction in progress	1% of the latest audited net assets attributable to the parent company
Material non-wholly owned subsidiaries	Single contribution amount exceeding RMB 500 million (inclusive)
Material investing activities	1% of the latest audited net assets attributable to the parent company

6. Accounting treatments for business combination involving entities under common control and business combination involving entities not under common control

(1) Business combinations involving entities under common control

A business combination is a business combination involving entities under common control if the enterprises participating in the combination are under the ultimate control of the same party or parties before and after the combination and the control is not of a temporary nature.

For the business combination involving entities under common control, the assets and liabilities obtained by the Company as the combining party in the business combination shall be measured at the book value as recorded by the party being combined in the consolidated statements of the ultimate controlling party as at the combination date. The difference between the book value of the net assets obtained and the book value of consideration paid for the combination shall be adjusted to the capital reserve; if the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted to retained earnings.

(2) Business combinations involving entities not under common control

A business combination is a business combination involving entities not under common control if the enterprises participating in the combination are not under the ultimate control of the same party or parties before and after the combination.

For the business combination involving entities not under common control, the acquiree's identifiable assets, liabilities, and contingent liabilities obtained by the Company as the acquirer shall be measured at fair value at the date of acquisition. The excess of combination costs over the acquirer's interest in the fair value of the acquiree's identifiable net assets is recognized as goodwill. If the acquirer's interest in the fair value of the acquiree's identifiable net assets exceeds the combination costs, the acquirer shall first review the fair value of each of the identifiable assets, liabilities, and contingent liabilities obtained in the combination and the combination costs, and if after the review, the combination costs are still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets obtained in the combination, the difference is recognized in profit or loss in the period of the combination.

7. Criteria of control and method of preparing consolidated financial statements

The consolidation scope of the consolidated financial statements of the Company is determined based on control, which includes the Company and all subsidiaries controlled by the Company. The Company's criteria for determining control: the Company has the power over the investee, enjoys variable returns through participating in related activities of the investee, and has the ability to use the power over the investee to influence its return amount.

In preparing the consolidated financial statements, if the accounting policies or accounting periods adopted by a subsidiary and the Company are not consistent, the necessary adjustments are made to the financial statements of the subsidiary in accordance with the Company's accounting policies or accounting periods.

The effects of internal transactions between the Company and its subsidiaries and between subsidiaries on the consolidated financial statements are offset on consolidation. The portion of the subsidiary's equity that is not attributable to the parent company and the portion of net profit or loss, other comprehensive income, and total comprehensive income that is attributable to non-controlling interests are presented in the consolidated income statements as "non-controlling interests, profit or loss attributable to non-controlling interests, other comprehensive income attributable to non-controlling interests, and total comprehensive income attributable to non-controlling interests", respectively.

For subsidiaries acquired through business combinations involving entities under common control, their operating results and cash flows are included in the consolidated financial statements from the beginning of the period of the combination. When preparing the comparative consolidated financial statements, the relevant items in the prior year's financial statements are adjusted as if the reporting entity formed by the combination had existed since the point at which control by the ultimate controlling party began.

If the equity in an investee under common control is acquired step by step through multiple transactions, which ultimately results in a business combination, when preparing the consolidated statements, adjustment is made as if it had existed in its current state from the time when the ultimate controlling party began to exercise control; in the preparation of the comparative statements, the relevant assets and liabilities of the party being combined are consolidated into the comparative statements in the Company's consolidated financial statements to the extent that such assets or liabilities are consolidated no earlier than at the point when the Company and the party being combined are both under the control of the ultimate controlling party. The relevant items under shareholders' equity in the comparative statements are adjusted for the net assets increased due to the combination. In order to avoid double-counting of the value of the net assets of the party being combined, for the related gains and losses, other comprehensive income and other changes in net assets recognized for the long-term equity investments held by the Company before reaching the combination between the later of the date of acquisition of the original shareholding and the date on which the Company and the party being combined are under the ultimate control of the same party and the date of combination, the opening retained earnings and current profit or loss for the comparative statement period should be written down, respectively.

For a subsidiary acquired through a business combination involving entities not under common control, the operating results and cash flows are included in the consolidated financial statements from the date the Company obtains control. In preparing the consolidated financial statements, the financial statements of subsidiaries are adjusted on the basis of the fair value of each identifiable asset, liability, and contingent liability determined at the date of acquisition.

If the equity in an investee not under common control is acquired step by step through multiple transactions, which ultimately results in a business combination, in preparing the consolidated statements, the equity in the acquiree held prior to the date of acquisition is remeasured at the fair value of the equity in the acquiree at the date of acquisition, and the difference between the fair value and its book value is recognized as investment gain for the period; other comprehensive income under the equity method and changes in shareholders' equity other than net profit or loss, other comprehensive income, and profit distribution in respect of the equity in the acquiree held prior to the date of acquisition shall be transferred to investment gain or loss in the period in which the date of acquisition falls, except for other comprehensive income arising from the remeasurement of changes in net liabilities or net assets of the defined benefit plan by the investee.

Where the Company partially disposes of its long-term equity investment in a subsidiary without loss of control, for the difference between the disposal price and the share of the subsidiary's net assets calculated on a continuing basis from the date of acquisition or the date of combination corresponding to the disposal of the long-term equity investment, the capital premium or equity premium shall be adjusted in the consolidated financial statements, or the retained earnings shall be adjusted if the capital reserves are insufficient to be written down.

If the Company loses control over an investee due to, for example, the disposal of a portion of an equity investment, the remaining equity shall be remeasured at its fair value at the date of the loss of control in the preparation of the consolidated financial statements. The difference between the sum of consideration obtained from the disposal of the equity and the fair value of the remaining equity, and the share of the net assets of the original subsidiary that have been continuously calculated from the date of acquisition or the date of combination based on the original shareholding, is included in investment gain or loss in the period in which control is lost, and goodwill also shall be deducted. Other comprehensive

income related to equity investments of the original subsidiary should be transferred to investment gain or loss in the period when control is lost.

When the Company disposes of its equity investment in a subsidiary in stages through multiple transactions until it loses control over the subsidiary, if all transactions of disposing of the equity investment in the subsidiary until it loses control over the subsidiary belong to a package deal, each transaction shall be accounted for as a single transaction of disposing of the subsidiary and losing control of the subsidiary; provided, however, that the difference between the price of each disposal prior to the loss of control and the share of the subsidiary's net assets corresponding to the investment disposed of is recognized in the consolidated financial statements as other comprehensive income and transferred to investment gain or loss for the period of the loss of control when control is lost.

8. Classification of joint arrangements and the accounting treatment of joint operations

The joint arrangements of the Company include joint operations and joint ventures. Joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a type of joint arrangement whereby the joint venturers only have the rights to the net assets of the arrangement.

For the projects belonging to joint operations, the Company recognizes assets held and liabilities assumed on its own and assets held and liabilities assumed on a share basis as a joint operator in the joint operations and recognizes the related revenues and expenses on its own or on a share basis in accordance with the relevant agreements. When transactions involving the purchase and sale of assets in joint operations do not constitute a business, only the portion of the gain or loss resulting from the transactions attributable to the other participants in the joint operations is recognized.

9. Criteria for determining cash and cash equivalents

Cash in the Company's statement of cash flows represents the cash on hand and deposits which are readily available for payment. Cash equivalents in the statement of cash flows represent short-term (not exceeding three months), highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.

10. Foreign currency operations and foreign currency statement translation

(1) Foreign currency transactions

When the foreign currency transactions are initially recognized by the Company, the foreign currency amount shall be converted into the functional currency at the spot exchange rate on the transaction date (or using an exchange rate determined by a systematic and reasonable method that is similar to the spot exchange rate on the transaction date). On the balance sheet date, foreign currency monetary items are converted into the functional currency using the spot exchange rate on the balance sheet date, and the resulting translation differences are directly recognized in the current profit or loss, except for exchange differences arising from foreign currency borrowings specifically for the acquisition or production of assets eligible for capitalization (which are treated in accordance with the capitalization principle).

(2) Foreign currency statement translation

In preparing the consolidated financial statements, the Company translates the financial statements of its foreign operations into RMB, of which: the asset and liability items in the foreign-currency statement of financial position are translated using the spot exchange rate on the balance sheet date. Except for "undistributed profits", other items in shareholders' equity are converted using the spot exchange rate on the date of occurrence. The income and expense items in the income statement are converted using the spot exchange rate on the transaction date (or using an exchange rate determined

by a systematic and reasonable method that is similar to the spot exchange rate on the transaction date). The difference arising from the above conversion of foreign-currency financial statements is reflected in the “other comprehensive income” item. Cash flows in foreign currencies are converted at the spot exchange rate on the date of cash flow occurrence (or using an exchange rate determined by a systematic and reasonable method that is similar to the spot exchange rate on the date of cash flow occurrence). The impact of exchange rate changes on cash is separately reflected in the statement of cash flows.

11. Financial instruments

(1) Recognition and derecognition of financial instruments

The Company recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument.

A financial asset is derecognized when it satisfies one or more of the following conditions: 1) The contractual rights to receive cash flows from the financial asset expire; 2) The financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred to the transferee; 3) The financial asset has been transferred, and the enterprise surrenders control over the financial asset although it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset. If the enterprise neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, nor does it surrender control over the financial asset, it shall continue to recognize the related financial asset to the extent of its continuing involvement in the transferred financial asset and recognize an associated liability correspondingly. The extent of the continuing involvement in the transferred financial asset is the level of risk to which the enterprise is exposed as a result of changes in the value of the financial asset. If the overall transfer of the financial asset satisfies the derecognition conditions, the difference between the book value of the transferred financial asset and the sum of the consideration received for the transfer and the cumulative amount of changes in fair value previously recognized in other comprehensive income is included in the current profit or loss.

The financial liability (or part of it) is derecognized when its present obligation (or part of it) has been discharged. If the Company (as a debtor) makes an agreement with the creditor to replace the current financial liability with assuming a new financial liability, and contractual terms between the current and the new financial liabilities are different in substance, the current financial liability shall be derecognized and a new financial liability shall be recognized.

All financial assets purchased or sold in regular way are recognised or derecognised based on the trade date accounting. The transaction date refers to the date on which the Company commits to buy or sell a financial asset.

(2) Classification and measurement of financial assets

The Company classifies its financial assets, based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, as financial assets at amortized cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss.

Financial assets are measured at fair value at initial recognition. The accounts receivable or notes receivable arising from the sale of goods or provision of services, which do not include significant financing components or do not consider financing components without exceeding one year, shall be initially measured at the transaction price.

For financial assets at fair value through profit or loss, the relevant transaction costs are directly recognized in the current profit or loss. For other categories of financial assets, relevant transaction costs are included in the initial recognition amount.

The subsequent measurement of a financial asset depends on its classification:

1) Financial assets measured at amortized cost

The Company shall classify financial assets that meet all the following conditions as financial assets measured at amortized cost: ① the business model for managing such financial assets is to collect contractual cash flows. ② the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income on such financial assets is recognized using the effective interest method, and any gains or losses arising from their derecognition, modification, or impairment are recognized in profit or loss for the current period.

After initial recognition, this type of financial assets is measured at amortized cost using the effective interest method. The gain or loss generated by the financial assets measured at amortized cost and not part of any hedging relationship shall be recognized in profit or loss for the period when the financial assets are derecognized, amortized by the effective interest method, or their impairment are recognized.

2) Debt instrument investments at fair value through other comprehensive income

The Company shall classify financial assets that meet all the following conditions as financial assets measured at fair value through other comprehensive income: ① the business model for managing such financial assets is both to collect contractual cash flows and sell the financial assets. ② the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from such financial assets is recognized using the effective interest method. Changes in fair value are recognized in other comprehensive income, except for interest income, impairment losses, and exchange differences, which are recognized in the current profit or loss. When the financial assets are derecognized, the accumulated profit or loss previously recognised in other comprehensive income shall be transferred to the current profit or loss.

3) Equity instrument investments at fair value through other comprehensive income

The Company has irrevocably designated certain non-trading equity instrument investments as financial assets at fair value through other comprehensive income, and the designation is irrevocable once made. The Company recognizes only the related dividend income (except for dividend income that is explicitly recovered as the cost of the investment) in the current profit or loss, and subsequent changes in fair value are recognized in other comprehensive income without provisions for impairment. When the financial assets are derecognized, the accumulated profit or loss previously recognised in other comprehensive income shall be transferred to retained earnings. The Company's financial assets that fall into this category are other equity instruments investments.

4) Financial assets at fair value through profit or loss

The Company classifies financial assets other than those measured at amortized cost and those at fair value through other comprehensive income as described above as financial assets at fair value through profit or loss. In addition, in order to eliminate and significantly reduce accounting mismatches, the Company designates some financial assets as financial assets at fair value through profit or loss during the initial recognition. For such financial assets, the Company uses fair value for subsequent measurement, and changes in fair value are recognized in the current profit or loss.

(3) Classification, recognition, and measurement of financial liabilities

The Company classifies its financial liabilities at initial recognition as financial liabilities at fair value through profit or loss and financial liabilities measured at amortized cost. With respect to financial liabilities not classified as at fair value through profit or loss, the related transactions costs are charged to the initial recognition amount.

The subsequent measurement of a financial liability depends on its classification:

1) Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost are subsequently measured at amortized cost using the effective interest method, the gains or losses arising from derecognition or amortization are recognised in profit or loss for the current period.

2) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss (including derivatives that are financial liabilities) include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss at initial recognition.

Financial liabilities held for trading (including derivatives that are financial liabilities) are subsequently measured at fair value and all changes in fair value are recognized in the current profit or loss, except those relating to hedge accounting.

Financial liabilities designated as at fair value through profit or loss are subsequently measured at fair value, with changes in fair value recognized in profit or loss, except for changes in fair value attributable to changes in the Company's own credit risk, which are recognized in other comprehensive income. If the recognition of changes in fair value attributable to changes in the Company's own credit risk in other comprehensive income would result in or magnify accounting mismatches in profit or loss, the Company recognizes all changes in fair value (including the amount of the effect of changes in the Company's own credit risk) in the current profit or loss.

(4) Impairment of financial instruments

The Company accounts for the impairment of financial assets measured at amortized cost, accounts receivable and debt instrument investments at fair value through other comprehensive income, contract assets, lease receivables, and financial guarantee contracts and recognizes the loss provision based on expected credit losses.

1) Measurement of expected credit loss

The expected credit loss refers to the weighted average of the credit loss of financial instruments that are weighted by the risk of default. Credit loss refers to the difference between all contractual cash flows receivable under the contracts and all cash flows expected to be received, discounted at the original effective interest rate, which is the present value of all cash shortfalls.

The Company considers the reasonable and well-founded information about past events, current situation, and forecast of future economic situation, calculates the probability weighted amount of the present value of the difference between the receivable cash flow of the contract and the expected cash flow with the risk of default as the weight, and recognizes the expected credit loss.

The Company separately measures the expected credit losses of financial instruments at different stages. The credit risk on a financial instrument has not increased significantly since initial recognition, which is in Stage I. The Company measures the loss provision in accordance with expected credit losses for the next 12 months. If the credit risk of financial instruments has increased significantly since initial recognition, but no credit impairment has occurred, which is in Stage II, the Company measures the loss provision in accordance with the expected credit losses over the lifetime of the financial instruments. If

the financial instruments have become credit-impairment since initial recognition, which is in Stage III, the Company measures the loss provision in accordance with the expected credit losses over the lifetime of the financial instruments.

For the financial instruments with lower credit risk at the balance sheet date, the Company assumes that the credit risk has not increased significantly since initial recognition and measures the loss provision in accordance with expected credit losses for the next 12 months.

The lifetime expected credit loss refers to the expected credit loss caused by all possible defaults during the whole expected lifetime. The expected credit losses for the next 12 months refer to the expected credit losses caused by all possible defaults during the next 12 months after balance sheet date (if the expected duration of a financial instrument is less than 12 months, then for the expected duration), which are part of the lifetime expected credit losses.

When measuring the expected credit loss, the maximum maturity period that the Company needs to consider is the maximum contract maturity period (including the consideration of option of renewal) in which the enterprise faces credit risk.

For financial instruments in Stage I, Stage II, and with lower credit risk, the Company calculates interest income on the basis of the book balances without deduction of impairment provisions and with effective interest rates. For financial instruments in Stage III, the Company calculates interest income on the basis of the book balances minus the impairment provision and with effective interest rates.

For receivables such as notes receivable, accounts receivable, financing receivables, and other receivables, if the credit risk characteristics of a certain customer are significantly different from those of other customers in the portfolio, or if there is a significant change in the credit risk characteristics of that customer, the Company will make a provision for bad debts on a single item for the receivables. Except for accounts receivable with individual provision for bad debts, the Company divides accounts receivables into combinations based on credit risk characteristics and calculates bad debt provisions on the basis of the combinations.

2) Combination categories for which provision for impairment is made based on a combination of credit risk characteristics and their determination basis

The Company evaluates expected credit losses on financial instruments on an individual and combination basis. When evaluating financial instruments on a combination basis, the Company categorizes financial instruments into combinations based on common credit risk characteristics.

① Combination categories and determination basis of accounts receivable

The Company groups accounts receivable by similarity and relevance of credit risk characteristics based on information such as aging, nature, exposure to credit risk, and history of repayment. For accounts receivable, the Company determines that aging/overdue aging is the main factor influencing the credit risk; therefore, the Company evaluates the expected credit losses based on a comparison table of the overdue days/aging of accounts receivable against the loss given default by referring to its historical credit loss experience. The Company determines the aging based on the invoice date or calculates the overdue aging based on the contractual collection date.

② Combination categories and determination basis of notes receivable

Taking the acceptors' credit risk of notes receivable as a common risk characteristic, the Company divides them into different combinations and determines its accounting estimates and accounting policies for expected credit losses as follows: a. bank acceptance notes with higher credit ratings; b. bank acceptances with lower credit ratings and commercial acceptance notes.

For the notes receivable divided into combinations, the Company refers to historical credit loss experience, combines current conditions with predictions of future economic conditions, and calculates expected credit losses through default risk exposure and expected credit loss rate over the entire duration.

③ Combination categories and determination basis of other receivables

According to the characteristics of credit risk, the Company divides other receivables into several combinations. On the basis of the combinations, the Company calculates the expected credit losses. The basis of determining the combinations is as follows: imprest and deposit, and other current account.

For other receivables divided into combinations, the Company calculates expected credit losses based on default risk exposure and expected credit loss rate over the next 12 months or the entire duration. For other receivables grouped by aging, the aging shall be calculated from the date of recognition.

3) Write-offs of impairment provision

If the Company no longer reasonably expects that the contractual cash flows from a financial asset can be recovered fully or partially, it writes down the book balance of the financial asset directly. Such write-down constitutes derecognition of the related financial asset. The situation usually occurs when the Company determines that the debtor has no assets or income to generate sufficient cash flows to pay the amount to be written down. However, in accordance with the Company's procedures for recovering due payment, the financial asset written down may still be affected by enforcement activities. If the financial asset written down can be recovered later, the reversal as impairment losses shall be recognized in profit or loss in the period in which it is recovered.

(5) Recognition and measurement of transfer of financial assets

For financial asset transfer transactions, a financial asset is derecognised when the Company has transferred substantially all the risks and rewards of the asset to the transferee. A financial asset is not derecognised when the Company retains substantially all the risks and rewards of the financial asset. When the Company has neither transferred nor retained substantially all the risks and rewards of the financial asset, it either (i) derecognises the financial asset and recognises the assets and liabilities created in the transfer when it has not retained control of the asset, or (ii) continues to recognise the transferred asset to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability.

(6) Distinction between financial liabilities and equity instruments and related treatment

The Company distinguishes financial liabilities from equity instruments in accordance with the following principles: 1) If the Company cannot unconditionally avoid fulfilling a contractual obligation by delivering cash or other financial assets, the contractual obligation satisfies the definition of financial liability. Some financial instruments do not explicitly contain terms and conditions for the obligation to deliver cash or other financial assets, but may indirectly create contractual obligations through other terms and conditions. 2) If a financial instrument must or could be settled by the Company's own equity instrument, the Company should consider whether the Company's equity instrument as the settlement instrument is a substitute of cash or other financial assets or is intended to give the holder of the instrument the residual equity in the assets of the issuer after deducting all of its liabilities. If it is the former one, the instrument is the issuer's financial liability; if it is the latter one, the instrument is the equity instrument of the issuer. In certain circumstances, if a financial instrument contract stipulates that the Company must or may settle the financial instrument with its own equity instrument, where the amount of the contractual right or contractual obligation is equal to the quantity of its own equity

instrument available or to be delivered multiplied by its fair value at the time of settlement, the contract is classified as a financial liability regardless of whether the amount of the contractual right or obligation is fixed or varies wholly or partially based on changes in variables (e.g. interest rates, the price of a commodity, or the price of a financial instrument) other than the market price of the Company's own equity instrument.

(7) Offsetting of financial assets and financial liabilities

The financial assets and financial liabilities of the Company shall be presented separately in the statement of financial position and are not allowed to be offset. However, when all the following criteria are met, the net amount after mutual offset is presented in the statement of financial position: 1) the Company has currently enforceable legal rights to offset the recognized amounts; and 2) the Company intends to settle on a net basis or to realize the financial assets and settle the financial liabilities simultaneously.

12. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company measures related assets or liabilities at fair value and assumes that selling assets or transferring liabilities in an orderly transaction in the principal market of related assets or liabilities; in the absence of a principal market, the Company assumes the transaction in the most advantageous market. Principal market (or the most advantageous market) is the market that the Company can enter into on the measurement date. The Company adopts the presumptions used by market participants in achieving the maximum economic value of pricing the assets or liabilities.

For financial assets or financial liabilities in the active market, the Company uses the quoted price in the active market as fair value. Otherwise, the Company uses valuation technique to determine the fair value.

Fair value measurement of non-financial assets considers market participants' ability to generate economic benefits by using the assets for its highest and best use or by selling them to another market participant that would use the asset for its highest and best use.

The Company adopts the valuation techniques that are appropriate under current circumstances and for which sufficient data and other supporting information are available to measure fair value, giving priority to the use of relevant observable inputs, and using unobservable inputs only if the observable inputs are unavailable or not feasible to obtain.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: Level 1 inputs are quoted (unadjusted) market prices in active markets for identical assets or liabilities; Level 2 inputs are observable inputs for related assets or liabilities, either directly or indirectly other than the inputs within Level 1; Level 3 inputs are unobservable inputs for related assets or liabilities.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization at each balance sheet date.

13. Inventories

Inventories of the Company include raw materials, finished goods, lower-valued consumables, and self-made semi-finished goods, etc.

Inventories are accounted for using the perpetual inventory system and are quoted at actual costs when acquired. Raw materials, finished goods, and self-made semi-finished goods are determined on the weighted average basis. Low-valued consumables are charged with the one-off amortization method and multi-stage amortization method at consumption.

On the balance sheet date, inventory is measured at the lower of cost and net realizable value. When the cost of inventory is greater than its net realizable value, a provision for inventory impairments is made and included in the current profit or loss. Net realisable value is the estimated selling price of inventory in the ordinary course of activities deducted by the estimated costs to completion, the estimated selling expenses, and related taxes. The net realisable value is measured on the basis of obtained verified evidences and considerations for the purpose of holding inventories and the effect of post balance sheet events.

The Company usually makes provisions for inventory impairments based on individual inventory items. For inventory with a large quantity and low unit price, a provision for inventory impairments shall be made according to the inventory category.

On the balance sheet date, if the factors affecting the previous write-down of inventory value have disappeared, the provision for inventory impairments shall be reversed within the originally provisioned amount.

14. Long-term equity investments

Long-term equity investments of the Company consist of equity investments in subsidiaries, joint ventures, and associates.

(1) Determination of significant influence and joint control

The Company's equity investments in investees in which it has significant influence are investments in associates. Significant influence is the power of the Company to participate in the financial and operating policy decisions of the investee but is not control or joint control with other parties over the formulation of those policies. When the Company, directly or indirectly through subsidiaries, owns 20% of the investee or more but less than 50% of the voting shares, it has significant influence on the investee unless there is clear evidence to show that in this case the Company cannot participate in the production and business decisions of the investee. When the Company owns less than 20% of the voting shares, it is considered to have significant influence over the investee if it has a representative on the board of directors or a similar authority of the investee, or participates in the process of formulating the investee's financial and operating policies, or enters into significant transactions with the investee, or assigns management personnel to the investee, or provides the investee with key technological information, etc.

An equity investment in an investee in which the Company, together with other joint venturers, exercises joint control over the investee and has rights to the net assets of the investee is an investment in a joint venture. Joint control is the agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. In determining whether there is joint control, the Company determines whether the relevant arrangement is controlled collectively by all the participants involved or the group of the participants involved and whether the decisions on the activities related to the arrangement should require the unanimous consent of the participants collectively controlling the arrangement.

(2) Accounting treatment

The Company initially measures long-term equity investments acquired at initial investment cost.

For a long-term equity investment acquired through a business combination involving entities under common control, the initial investment cost of the long-term equity investment shall be the share of the

book value of the net assets of the party being combined in the consolidated financial statements of the ultimate controlling party at the combination date. If the book value of the net assets of the party being combined at the combination date is a negative amount, the initial investment cost is determined as zero.

For a long-term equity investment acquired through a business combination involving entities not under common control, the initial investment cost of the long-term equity investment should be the combination cost.

Except for long-term equity investments resulting from business combinations, for a long-term equity investment acquired by paying cash, the initial investment cost shall be the actual purchase price paid and expenses directly related to the acquisition of the long-term equity investment, taxes, and other necessary expenditures; for those acquired by the issue of equity securities, the investment cost shall be the fair value of costs associated with additional investment payments.

The Company's investments in subsidiaries are accounted for in the separate financial statements using the cost method. When the cost method is adopted, long-term equity investments are carried at initial investment cost. When an additional investment is made, the book value of the cost of long-term equity investments is increased by the fair value of the cost amount paid for the additional investment and the related transaction costs incurred. Cash dividends or profits declared by the investee are recognized as investment gain at the amount entitled.

The equity method is applied for the investments in joint ventures and associates. When the equity method is adopted, if the initial investment cost of a long-term equity investment is in excess of the share of investee's fair value on identifiable net assets, the book value of the long-term equity investment remains unchanged; if the initial investment cost of the long-term equity investment falls short of the share of investee's fair value on identifiable net assets, the book value of the long-term equity investment shall be increased by the difference, which should be charged to profit or loss in the period of the investment.

For a long-term equity investment accounted for under the equity method for subsequent measurement, the book value of the long-term equity investment is increased or decreased accordingly with the changes of equity in the investee during the period in which the investment is held. In particular, in recognizing the share of net profit or loss of the investee, the portion attributable to the Company according to the proportion that should be enjoyed is calculated based on the fair value of each identifiable asset of the investee at the time the investment is acquired, in accordance with the Company's accounting policies and accounting period, with the offsetting of unrealised profit or loss on internal transactions resulting from transactions with associates and joint ventures that do not constitute operations (internal transaction losses that belong to asset impairment losses are fully recognized), and the net profit of the investee is recognized after adjustment. The Company recognizes a net loss incurred by an investee to the extent that the book value of the long-term equity investment and other long-term equity that in substance constitute a net investment in the investee are written down to zero, except to the extent that the Company has an obligation to incur additional losses.

The difference between the book value and the actual acquisition price of long-term equity investments disposed of is recognized as the current investment gain.

For long-term equity investments accounted for using the equity method, the related other comprehensive income previously recognized by the equity method is accounted for on the same basis as that of direct disposal of the related assets or liabilities by the investee upon the termination of the equity method, and the amount recognised in the equity on the changes in other equity movements of

the investee, other than net profit or loss, other comprehensive income, and profit distribution, is transferred in full to the current investment gain upon the termination of the equity method.

If the remaining equity after partial disposal of the shares is still accounted for by the equity method, the related other comprehensive income previously recognized under the equity method is treated on the same basis as the investee's direct disposal of the related assets or liabilities and be carried forward on a pro rata basis. The amount recognised in the equity on the changes in other equity movements of the investee, other than net profit or loss, other comprehensive income, and profit distribution, is transferred proportionately to the current investment gain.

If joint control or significant influence over the investee is lost after partial disposal of the shares, the remaining equity after the disposal should be accounted for in accordance with the *Accounting Standards for Business Enterprise No. 22 - Recognition and Measurement of Financial Instruments* on the day of losing joint control or significant influence and the difference between the fair value of the remaining equity on the day of losing joint control or significant influence and its book value is recognised in profit or loss.

If control over the investee is lost after partial disposal of the long-term equity, the remaining equity after the disposal has joint control or significant influence over the investee, the equity method shall be adopted, the difference between the book value of the equity disposed of and the consideration for disposal is recognized as investment gain, and the remaining equity shall be adjusted as if it had been recognized under the equity method since the acquisition date; if the remaining equity after the disposal has no joint control or significant influence over the investee, the remaining equity should be accounted for in accordance with the *Accounting Standards for Business Enterprise No. 22 - Recognition and Measurement of Financial Instruments*, the difference between the book value of the equity disposed of and the consideration for disposal is recognized as investment gain, and the difference between the fair value of the remaining equity on the day of losing control and its book value is recognised in profit or loss.

If transactions of the step-by-step disposal of equity to loss of control are not a package deal, the Company accounts for each transaction separately. If they are a package deal, each transaction is accounted for as a single transaction of disposing of a subsidiary and losing control, but the difference between the disposal price and the book value of the long-term equity investment corresponding to the equity disposed of in each transaction before the loss of control is recognized as other comprehensive income and is transferred to profit or loss in the period when control is lost.

15. Fixed assets

(1) Recognition of fixed assets

Fixed assets represent the tangible assets held by the Company for use in production of goods, use in supply of services, rental or for administrative purposes with useful lives over one accounting year.

Fixed assets are recognised when it is probable that the related future economic benefits will flow into the company, and the cost can be measured reliably. The Company's fixed assets include plant and buildings, machinery and equipment, vehicles, electronic equipment, industrial furnace, metallurgical equipment, and others.

The Company depreciates all fixed assets, except for those that are fully depreciated and continue to be used and land that is separately recorded in the accounts. Depreciation of the fixed assets is calculated on the straight-line basis.

(2) Depreciation of fixed assets

Category	Depreciation method	Depreciation period (years)	Residual rate	Annual depreciation rate
Plant and buildings	Straight-line method	25-43	5.00	3.80-2.21
Machinery and equipment	Straight-line method	12-28	5.00	7.92-3.39

Vehicles	Straight-line method	10.00	5.00	9.50
Electronic equipment	Straight-line method	10.00	5.00	9.50
Industrial furnace	Straight-line method	13.00	5.00	7.31
Metallurgical equipment	Straight-line method	19.00	5.00	5.00
Others	Straight-line method	14-22	5.00	6.79-4.32

The depreciation period, estimated net residual value rate, and depreciation rate of each category of fixed assets are shown above. The Company reviews the estimated useful lives, estimated net residual values, and depreciation methods of fixed assets at the end of each financial year.

16. Construction in progress

Cost of construction in progress is determined based on actual project expenses, including necessary project expenses incurred during the construction period, borrowing costs that should be capitalized before the project reaches its intended usable state, and other related expenses.

Self-built fixed assets are transferred to fixed assets while reaching the intended usable state, which were recognised in construction in progress before transferring to fixed assets and are not subject to depreciation.

When the construction in progress reaches the intended usable state, it shall be transferred to fixed assets based on the actual cost of the project. For those that have reached the intended usable state but have not yet processed the final accounts for completion, it shall be transferred to fixed assets based on the estimated value. After the final accounts for completion are processed, the original estimated value shall be adjusted based on the actual cost, but the depreciation already provisioned shall not be adjusted.

The standards for transferring construction in progress to fixed assets when it reaches its intended useable state are as follows:

Item	Standards for transferring to fixed assets
Machinery and equipment	Achieving the design requirements or contractual standards after installation and debugging
Plant and buildings	Preliminary acceptance is qualified and the intended usable state or the standards specified in the contract are met

17. Borrowing costs

All the borrowing costs that are directly attributable to construction or production of all qualifying assets are capitalized and recorded in relevant assets costs. Other borrowing costs are recognized in profit or loss. Assets qualified for capitalization requirements determined by the Company includes: borrowing costs for fixed assets, investment properties, inventories, and others that require a long period of acquisition and construction or production activities to reach their intended usable or saleable state which are capitalized when expenditures for the assets have been incurred, borrowing costs have been incurred, and the acquisition and construction or production activities that are necessary to bring the assets to get ready for the intended use or sale have commenced. The capitalization of borrowing costs ceases when the assets being acquired or constructed are substantially ready for their intended use or sale and borrowing costs incurred thereafter are recognized in profit or loss. Capitalization of borrowing costs is suspended during the period in which the acquisition and construction or production process is interrupted abnormally and the interruption lasts for more than three consecutive months until the acquisition and construction or production activity is resumed.

For each accounting period within the capitalization period, the Company determines the amount of borrowing costs to be capitalized in accordance with the following methods: for specific borrowings, the amount is determined on the basis of the interest expenses actually incurred in the current period, net of

interest income earned on the unused borrowed funds deposited in the bank or investment gain earned on temporary investments; for general borrowings, the amount is determined by applying a capitalization rate to the weighted average of accumulated capital expenditure that exceeds the specific borrowings. The capitalization rate is calculated based on the weighted average interest rate of general borrowings.

18. Intangible assets

(1) Useful life and the basis for its determination, estimation, amortization method, or review procedure

Intangible assets include land use rights, software, and etc. They are measured at actual cost at the time of acquisition. For intangible assets acquired, the actual cost is determined by the actual price paid and related other expenses; for intangible assets invested by investors, the actual cost is determined by the value agreed in the investment contract or agreement, but if the agreed value in the contract or agreement is not fair, the actual cost is determined by the fair value.

The amortization methods and amortization periods of various intangible assets of the Company are as follows:

Category	Amortisation method	Amortization period (years)	Basis for determination
Software	Straight-line method	5-10	The period in which economic benefits are expected to bring to the Company
Land use rights	Straight-line method	40-50	Legal useful life

The Company's data resources are amortized based on the period in which economic benefits are expected to be brought to the Company.

The amortization amount is charged to the cost of the related assets and profit or loss according to the beneficiaries. The estimated useful life and amortization method of intangible assets with finite useful lives are reviewed at the end of each year, and any changes are treated as changes in accounting estimates.

(2) The scope of research and development expenditure and related accounting treatment

The Company's research and development expenditure is directly related to the R&D activities, including salaries of R&D personnel, technical service fees, testing fees, and etc. The salaries of R&D personnel are allocated to research and development expenditure based on project working hours.

Expenditure on internal research and development projects is classified into expenditure on the research stage and expenditure on the development stage.

Expenditure on the research stage is recognised in profit or loss when incurred.

Expenditure on the development stage is capitalized only when: the technical feasibility of completing the intangible asset so that it is available for use or sale; the intention to complete the intangible asset is to use or sell it; the method of generating economic benefits by the intangible asset, including that the intangible asset can be proved that the output or the intangible asset itself has a market or, if it is to be used internally, the usefulness of the intangible asset also need to be proved; the availability of adequate technical, financial, and other resources to complete the development and the ability to use or sell the intangible asset; the expenditure attributable to the development stage can be measured reliably. Otherwise, it shall be presented in profit or loss.

The research and development projects of the Company will enter into the development stage after meeting the above conditions and passing through the studies of technical feasibility and economic feasibility, and the projects approval.

Capitalized expenditure on the development stage is presented as "Development expenditures" in the statement of financial position and shall be transferred to intangible assets when the project is completed to get ready for its intended use.

19. Impairment of long-term assets

The Company examines long-term equity investments, investment properties measured using the cost model, fixed assets, construction in progress, right-of-use assets, and intangible assets with finite useful lives at each balance sheet date and performs impairment tests when indicators of impairment exist. Goodwill, intangible assets with indefinite useful lives, and development expenditures of assets that have not yet reached the intended use are tested for impairment at the end of each year regardless of whether there is an indicator of impairment

(1) Impairment of non-current assets other than financial assets (except goodwill)

The Company determines the recoverable amount of an asset based on the higher of the asset's fair value less costs of disposal and the present value of the asset's estimated future cash flows when testing for impairment. After the impairment test, if the book value of the asset exceeds its recoverable amount, the difference is recognized as an impairment loss.

The recoverable amount of an asset is estimated on an individual basis unless it is not applicable, in which case the recoverable amount is determined for the asset group to which the asset belongs. An asset group is recognized based on whether the major cash inflows generated by the asset group are independent of those from other assets or asset groups.

(2) Impairment of goodwill

The Company apportions the book value of goodwill arising from a business combination to the related asset group, or to a combination of related asset groups if it is difficult to apportion to the related asset group, on a reasonable basis from the acquisition date. When performing the impairment test on the related asset group or combination of asset groups containing goodwill, if there is an indication that the goodwill-related asset group and combination of asset groups is prone to impair, the asset group or combination of asset groups that does not contain goodwill shall be tested for impairment first, the recoverable amount shall be calculated and compared with the relevant book value, and the corresponding impairment loss shall be recognized; and then the asset group or combination of asset groups containing goodwill shall be tested for impairment. If the recoverable amount is lower than the book value, the amount of the impairment loss should be offset against the book value of the goodwill allocated to the asset group or combination of asset groups first, and then against the book value of the other assets in the asset group or combination of asset groups on a pro rata basis according to the proportion of the book value, except for the goodwill.

Impairment losses on the above assets cannot be reversed in subsequent accounting periods after recognition.

20. Long-term prepaid expenses

The long-term prepaid expenses of the Company are recorded as the actual cost and evenly amortized on a straight-line basis over the expected beneficial period. For the long-term prepaid expense items that cannot benefit the later accounting period, the amortized value is fully recognized in profit or loss.

21. Employee benefits**(1) Accounting treatment of short-term employee benefits**

Employee benefits of the Company include short-term employee benefits, post-employment benefits, termination benefits, and other long-term employee benefits. Benefits provided by the enterprise to employees' spouses, children, dependents, families of deceased employees, and other beneficiaries, etc., are also classified as employee benefits.

Short-term employee benefits mainly include employee salaries and bonuses, social security contributions such as medical insurance, work-related injury insurance, and maternity insurance paid for employees on a prescribed basis and at a prescribed rate, and housing fund, and etc. Short-term employee benefits actually incurred are recognized as a liability in the accounting period in which the employees provide services and are charged to profit or loss or to costs of related assets, depending on the object of benefit.

(2) Accounting treatment of post-employment benefits

Post-employment benefits mainly include basic pension insurance, unemployment insurance, enterprise pension, and etc., which are classified as defined contribution plans and defined benefit plans according to the risks and obligations assumed by the Company. Contributions made to a separate entity under a defined contribution plan in exchange for services rendered by employees during the accounting period at the balance sheet date are recognized as a liability and charged to profit or loss or to costs of related assets, depending on the object of benefit.

(3) Accounting treatment of termination benefits

The termination of employment relationships with employees prior to the expiration of their employment contracts or proposals for compensation to encourage employees to voluntarily accept downsizing. When the Company cannot unilaterally withdraw the termination benefits provided as a result of a termination plan or a proposal for downsizing, it recognizes employee compensation liabilities arising from the termination benefits at the earlier of the date on which the Group recognizes the costs related to the restructuring involving the payment of the benefits and the date the Company recognizes the costs related to the reorganization involving the payment of the termination benefits in profit or loss. However, termination benefits that are not expected to be fully paid twelve months after the end of the annual reporting period are treated as other long-term employee benefits.

The employee internal retirement plan is accounted for according to the same principles as the termination benefits described above. The Company recognizes the wages and social insurance contributions paid for internally retired employees during the period from the date the employee ceases to provide services to the date of normal retirement as current period profit or loss (termination benefits) when the criteria for recognizing a provision are met.

(4) Accounting treatment of other long-term employee benefits

Other long-term employee benefits provided by the Company to its employees are accounted for as defined contribution plans if they meet the criteria for such plans; otherwise, they are accounted for as defined benefit plans.

22. Provisions

If the operations related to contingencies satisfy all the following conditions, a provision shall be recognized by the Company: the obligation is a present obligation assumed by the Company; it is probable that an outflow of economic benefits of the enterprise will be required to settle the obligation; and a reliable estimate can be made for the amount of the obligation.

Provisions are initially measured at the best estimate of the expenditure required to settle the present obligation, after considering risks and uncertainties associated with the contingency and the time value of money. The Company reviews the current best estimate and adjusts the book value of the provisions at the balance sheet date.

Estimated liabilities expected to be settled within one year from the balance sheet date are classified as current liabilities.

23. Share-based payments

Equity-settled share-based payments used in exchange for services rendered by employees are measured at the fair value of the equity instruments granted to employees on the date of the grant. If the right may be exercised immediately after the grant, the fair value of equity instruments shall, on the date of the grant, be included in the relevant costs or expenses, and the capital reserve shall be increased accordingly. If the right can not be exercised until the services during the vesting period are completed or until the specified performance conditions are met, then on each balance sheet date within the vesting period, the services obtained in the current period shall, based on the best estimate of the number of vested equity instruments, be included in the relevant costs or expenses and the capital reserve at the fair value of the equity instruments on the date of the grant. If the terms of equity-settled share-based payments are modified, services acquired are recognized at least as if the terms had not been modified. In addition, if the modification increases the fair value of the equity instruments granted, or the change is beneficial to the employees at the date of the modification, an increase of services obtained is recognized accordingly.

If an equity-settled share-based payment is canceled, it is treated as accelerated vesting on the date of the cancellation and the unrecognized amount is recognized immediately. If employees or other parties can choose to meet non-vesting conditions but they are not met in the vesting period, the Company will treat them as a cancellation of equity-settled share-based payments. However, if a new equity instrument is granted and it is determined on the date of grant of the new equity instrument that the new equity instrument granted is intended to replace the equity instrument that was canceled, the replacement equity instrument granted is treated in the same manner as that of the modification of the terms and conditions of the original equity instrument.

Cash-settled share-based payments shall be measured in accordance with the fair value of the liability that is recognised based on the shares or other equity instruments undertaken by the Company. If the right may be exercised immediately after the grant, the fair value of the liability undertaken by the Company shall, on the date of the grant, be included in the relevant costs or expenses, and the liabilities shall be increased accordingly. If the right can not be exercised until the services during the vesting period are completed or until the specified performance conditions are met, then on each balance sheet date within the vesting period, the services obtained in the current period shall, based on the best estimate of the information about the exercisable right, be included in the relevant costs or expenses at the fair value of the liability undertaken by the Company and the corresponding liabilities are adjusted. On each balance sheet date and on each account date prior to the settlement of the relevant liabilities, the Company re-measures the fair value of the liabilities and include the changes in the current profit or loss.

24. Revenue

Disclosure of accounting policies used for revenue recognition and measurement by type of business

(1) General principle

Revenue is recognized when the Company has satisfied its performance obligations in the contract, that is, when the customer obtains control of the relevant goods or services. Acquiring control of the good or service in question means being able to dominate the use of that good or the provision of that service and derive almost total economic benefit from it.

Performance obligations are contractual commitments where the Company transfers clearly distinguishable goods to the customer. The Company's performance obligation is fulfilled within a certain period of time if it meets one of the following conditions; otherwise, a performance obligation is fulfilled

at a certain point in time: ① The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; ② The customer can control the asset created or enhanced during the Company's performance; ③ The Company's performance does not create an asset with an alternative use to it and the Company has an enforceable right to payment for performance completed to date.

For performance obligation satisfied over time, the Company recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation. When the outcome of that performance obligation cannot be measured reasonably, but the Company expects to recover the costs incurred in satisfying the performance obligation, the Company recognises revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

For performance obligations performed at a certain point in time, the Company recognizes revenue at the point in time when the customer obtains control of relevant goods. In determining whether the customer has acquired control of the goods, the Company considers the following indications comprehensively: ① The Company has a present right to payment for the goods, as the customer obtains the current payment obligation for the goods; ② The Company has transferred the legal title of the goods, as the customer has obtained the legal title of the goods; ③ The Company has transferred physical possession of the goods to the customer, as the customer has obtained the physical possession of the goods; ④ The Company has transferred the significant risks and rewards of legal title of the goods to the customer, as the customer has obtained the significant risks and rewards of legal title of the goods; ⑤ The customer has accepted the goods; ⑥ Other indications that the customer has obtained control of goods.

Where a contract contains two or more performance obligations, the Company apportions the transaction price to each individual performance obligation at the beginning of the contract in proportion to the relative share of the individual selling price of the goods or services promised by each individual performance obligation, and measures revenue based on the transaction price apportioned to each individual performance obligation.

(2) Specific methods

The Company's operating income consists primarily of revenues from sale of goods and rendering of services.

① Revenue from sale of goods

Contracts for the sale of goods between the Company and its customers usually only involves the performance obligations of the transferring of goods such as steel. The Company generally recognizes revenue based on the following considerations, taking into account the timing of control transfer. This includes obtaining the current collection rights of the goods, the transfer of the main risks and rewards of the ownership of the goods, the transfer of the legal ownership of the goods, the transfer of the physical assets of the goods, and the acceptance of the goods by the customer.

② Revenue from rendering of services

The service contract between the Company and its customers usually includes performance obligations for labor services, technical consulting or technical services. As a result of the satisfaction of the performance obligation the Company, the customers obtain and consume the economic benefits of the service while the Company provides the service simultaneously. The Company is entitled to recover from the accumulative performance of the contract that has been completed to date, except when progress of the performance cannot be reasonably determined. The Company determines the progress of

the performance of the services provided in accordance with the input method. When the progress of the performance cannot be reasonably determined, and the costs incurred by the Company are expected to be compensated, the revenue will be recognized based on the amount of costs incurred, until the progress of the performance can be reasonably determined.

25. Government grants

Government grants are recognized when the conditions attached to them can be met and they are receivable. Government grants are measured at the amount actually received if they are monetary assets. For subsidies allocated according to a fixed flat rate, or when there is conclusive evidence at year-end that the relevant conditions specified in the financial support policy can be met and the financial support funds are expected to be received, the subsidies are measured at the amount receivable; government grants are measured at fair value if they are non-monetary assets, or at a nominal amount (RMB 1) if the fair value cannot be reliably obtained.

The Company's government grants include asset-related government grants and revenue-related government grants. Among them, asset-related government grants refer to government grants obtained by the Company for the acquisition and construction or other formation of long-term assets; revenue-related government grants refer to government grants other than asset-related government grants. If the recipients of the grants are not specified in government documents, the Company will make judgments in accordance with the above principle of distinction, and if it is difficult to distinguish the grants, they will be classified as revenue-related government grants as a whole.

Asset-related government grants are recognized as deferred income. Asset-related government grants recognized as deferred income are recognized in profit or loss in accordance with a reasonable and systematic method over the useful life of the related assets. If the related assets are sold, transferred, scrapped or destroyed before the end of their useful lives, the unallocated balance of the related deferred income is transferred to profit or loss in the period in which the assets are disposed of.

Revenue-related government grants are recognized in deferred income if they are used to compensate for related costs, expenses, or losses in subsequent periods, and in profit or loss or offset against the related costs in the period in which the related costs, expenses, or losses are recognized. If they are used to compensate for related costs, expenses, or losses already incurred, they are directly recognized in profit or loss or offset against the related costs. Government grants measured at nominal amounts are directly included in the current profit or loss.

26. Deferred tax assets and deferred tax liabilities

The Company's deferred tax assets and deferred tax liabilities are recognized on the basis of (temporary differences) arising from differences between the tax bases of assets and liabilities and their book values, as well as from differences between the tax bases of items that are not recognized as assets and liabilities but whose tax bases can be determined in accordance with the provisions of the tax law and their book values.

The Company recognizes deferred tax liabilities for all taxable temporary differences except: (1) temporary differences arising from the initial recognition of goodwill or the initial recognition of assets or liabilities arising from transactions other than business combinations that affect neither the accounting profit nor taxable income (or deductible losses); and (2) taxable temporary differences associated with investments in subsidiaries, associates, and joint ventures, where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future.

The Company recognizes deferred tax assets for deductible temporary differences, deductible losses and tax credits to the extent of possible future taxable income for offsetting deductible temporary differences, deductible losses and tax credits, except for the following situations: (1) temporary differences arise from the initial recognition of assets or liabilities arising from transactions other than business combinations that affect neither accounting profit nor taxable income; and (2) deductible temporary differences related to investments in subsidiaries, associates and joint ventures cannot meet all the following conditions: temporary differences are likely to be reversed in the foreseeable future, and it is probable to obtain taxable income in the future that can be used to offset deductible temporary differences.

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to be applied in the period in which the asset is recovered or the liability is settled.

Deferred tax assets and deferred tax liabilities are stated at net amounts after offsetting when the following conditions are all met: the Company has the legal right to settle current tax assets and current deferred tax liabilities on a net basis; the deferred tax assets and deferred tax liabilities are related to income taxes levied by the same tax authority on the same taxable entity or on different taxable entities, but, in each future period in which significant deferred tax assets and deferred tax liabilities are reversed, the taxpayers concerned intend to settle current tax assets and current tax liabilities on a net basis or to acquire assets and settle liabilities simultaneously.

27. Lease

(1) Accounting for leases as a lessee

A. Identification of lease

At the contract start date, the Company assesses whether the contract is a lease or contains a lease. A contract is a lease or contains a lease if one party to the contract cedes the right to control the use of one or more identified assets for a specified period of time in exchange for consideration.

B. The Company as a lessee

1) Lease recognition

Except for short-term leases and leases of low-value assets, the Company recognizes right-of-use assets and lease liabilities for leases on the lease term commencement date.

A right-of-use asset, which represents the right of the Company as lessee to use a leased asset over the lease term, is initially measured at cost. Such costs include: ① the initial measurement amount of the lease liability; ② lease payments made on or before the commencement date of the lease term, net of amounts related to lease incentives received; ③ initial direct costs incurred; and ④ costs expected to be incurred to dismantle and remove the leased asset, to rehabilitate the site on which the leased asset is located, or to restore the leased asset to the condition agreed upon under the terms of the lease, except for those attributable to the production of inventories. If the Company remeasures a lease liability in accordance with the relevant provisions of the leasing standards, the book value of the right-of-use asset is adjusted accordingly.

The Company depreciates right-of-use assets on a straight-line basis based on the manner in which the economic benefits associated with the right-of-use assets are expected to be consumed. A leased asset is depreciated over its remaining useful life if it is reasonably certain that the ownership of the leased asset will be obtained by the end of the lease term; if it is not reasonably certain that the ownership of the leased asset will be obtained by the end of the lease term, the leased asset is depreciated over the shorter of the lease term and the remaining useful life of the leased asset. The

amount of provision for depreciation is charged to the cost of the related assets or to current profit or loss, depending on the use of the right-of-use assets.

The Company initially measures the lease liability at the present value of the lease payments outstanding at the commencement date of the lease term. Lease payments include: ① fixed payments and substantially fixed payments, net of amounts related to lease incentives; ② variable lease payments that depend on indices or ratios; ③ the exercise price of the purchase option in the event that the Company reasonably determines that the purchase option will be exercised; ④ payments to be made upon exercise of the termination option in the event that the lease term reflects that the Company will exercise its termination option; and ⑤ payments expected to be due based on the residual value of the guarantees provided by the Company.

In calculating the present value of lease payments, the Company uses the present value calculated using the interest rate implicit in the lease for initial measurement, and the incremental borrowing rate is used as the discount rate if the interest rate implicit in the lease cannot be determined. The Company calculates interest expense on lease liabilities at a fixed periodic rate for each period of the lease term and recognizes it in profit or loss for the current period, except when it should be capitalized.

Subsequent to the commencement date of the lease term, the Company increases the carrying amount of the lease liability when it recognizes interest on the lease liability and decreases the carrying amount of the lease liability when it makes lease payments. When there is a change in the substantially fixed payments, a change in the amount expected to be payable for the residual value of the guarantee, a change in the index or rate used to determine the lease payments, a change in the appraisal of, or the actual exercise of, an option to purchase, an option to renew or an option to terminate, the Company remeasures the lease liability based on the present value of the lease payments as a result of the change.

2) Short-term lease and low-value asset lease

The Company chooses not to recognize right-of-use assets and lease liabilities for short-term leases with lease terms of less than 12 months and leases of low-value assets where the individual leased assets are brand-new assets. The Company recognizes lease payments for short-term leases and low-value asset leases in the cost of the related assets or in current profit or loss on a straight-line basis or other systematic, reasonable basis in each period of the lease term.

(2) Accounting for leases as a lessor

If a lease transfers substantially all the risks and rewards associated with the ownership of the leased asset, the Company, as the lessor, classifies the lease as a finance lease and leases other than this type as operating leases.

1) Finance leases

On the commencement date of the lease term, the Company recognizes finance lease receivables for finance leases and derecognizes the finance lease assets. When the Company makes an initial measurement of finance lease receivables, the net lease investment is used as the recorded value of the finance lease receivables.

The net lease investment is the sum of the unguaranteed residual value and the present value of the lease payments not yet received at the commencement date of the lease term discounted at the interest rate implicit in the lease. The Company calculates and recognizes interest income for each period of the lease term based on a fixed periodic interest rate. Variable lease payments acquired by the Company, which are not included in the net lease investment measurement, are recognized in profit or loss for the period in which they are actually incurred.

2) Operating lease

The Company recognizes lease receipts from operating leases as rental income using the straight-line method over the respective periods of the lease term.

The initial direct costs incurred by the Company in connection with operating leases shall be capitalized to the cost of the underlying leased assets and amortized to current profit or loss over the lease terms on the same recognition basis as rental income. Variable lease payments acquired by the Company in connection with operating leases that are not included in the lease receipts are recognized in profit or loss when they are actually incurred.

If a change in an operating lease occurs, the Company accounts for it as a new lease from the effective date of the change, and the amount of lease receipts received in advance or receivable in connection with the lease before the change is considered to be the amount of lease receipts for the new lease.

28. Safety fund and maintenance fee

The Company has accrued safety production fees in accordance with the relevant provisions of the Ministry of Finance and the Ministry of Emergency Management's Cai Zi [2022] No. 136. The safety production expenses and maintenance expenses are included in the cost of relevant products or current profit and loss when accrued, and are also included in the "special reserve" account.

When safety funds and maintenance fees are utilized in compliance with relevant regulations, if the costs incurred can be categorized as expenditure, the costs incurred should be charged against the special reserve; if the reserve is used to build up fixed assets, the costs should be charged to construction in progress, and reclassified to fixed assets when the projects reach the status ready for intended use. Meantime, expenditures in building up fixed assets are directly charged against the special reserve with the accumulated depreciation recognized at the same amount and the fixed assets will not be depreciated in the future.

29. Share repurchase

The shares repurchased by the Company shall be managed as treasury shares before cancellation or transfer, and all expenses related to repurchased shares shall be transferred to the cost of treasury shares. The consideration and transaction costs paid in share repurchase reduce owner's equity, and no gains or losses are recognized when repurchasing, transferring, or canceling the company's shares.

When transferring treasury shares, the difference between the actual amount received and the book value of the treasury shares shall be included in the capital reserve. If the capital reserve is insufficient to offset, the surplus reserve and undistributed profits shall be offset. Cancellation of treasury shares shall reduce the share capital based on the face value and the number of cancelled shares, and offset the capital reserve based on the difference between the book balance and face value of cancelled treasury shares. If the capital reserve is insufficient to offset, offset the surplus reserve and undistributed profits.

30. Significant accounting judgments and estimates

The Company provides continuous assessment of the reasonable expectations of future events, the critical accounting estimates and key assumptions based on historical experience and other factors. The critical accounting estimates and key assumptions that are likely to lead to significant adjustment risks of the carrying amount of assets and liabilities for the next accounting period are listed as follows:

Classification of financial assets

The main judgments of the Company involved in determining the classification of financial assets includes the analysis of business models and the characteristics of contract cash flows, etc.

At the level of financial assets portfolio, the Company determines the business model for managing financial assets, taking into account factors such as methods of evaluating and reporting financial assets performance to key managers, the risks of affecting financial assets performance and risk management methods, and the way in which relevant business managers are paid.

In assessing whether the contract cash flow of financial assets is consistent with the basic lending arrangements, the Company has the following judgments: whether the principal's time distribution or amount may change during the lifetime for early repayment and other reasons; whether the interest only includes the time value of money, credit risk, other basic lending risks and the consideration with cost and profit. For example, whether the advance payment only reflects the unpaid principals and interests based on the unpaid principal, and reasonable compensation paid for the early termination of the contract.

Measurement of expected credit loss of account receivables

The Company calculates the expected credit losses of accounts receivable through default risk exposure and expected credit losses rate, and determines the expected credit losses rate on the basis of default probability and default loss rate. In determining the expected credit losses rate, the Company uses the experience of internal historical credit loss, and adjusts the historical data with current situation and forward-looking information. In considering forward-looking information, the indicators include the risks of economic downturn, external market environment, technological environment and changes in customer conditions. The Company monitors and reviews regularly the assumptions related to the calculation of expected credit losses.

Deferred tax assets

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary difference and unused tax credit can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with tax planning strategies.

Determination of unlisted equity investment fair value

The fair value of unlisted equity investment is the estimated future cash flow discounted by the current discount rate of the project with similar terms and risk characteristics. The valuation requires the Company to estimate the expected future cash flow and discount rate and is therefore uncertain. Under limited circumstances, if the information used to determine the fair value is insufficient, or the possible estimates of the fair value are widely distributed, and the cost represents the best estimate of the fair value within the range, the cost could represent the appropriate estimate of the fair value within the distribution range.

31. Changes in significant accounting policies and estimates

(1) Changes in significant accounting policies

☐ Applicable ☒ Non-applicable

(2) Changes in significant accounting estimates

☐ Applicable ☒ Non-applicable

(3) Adjustments to financial statements at the beginning of the year of implementation of new accounting standards for the first time starting in 2025

☐ Applicable ☒ Non-applicable

VI. Tax

1. Main types of taxes and corresponding tax rates

Tax type	Tax basis	Tax rate%
Value-added tax	Taxable Value Added (The taxable amount is calculated by multiplying the taxable sales amount by the applicable tax rate and deducting the input tax allowed for deduction in the current period)	13/9/6
Consumption tax		
City construction and maintenance tax	Levy based on the actual paid value-added tax	7/5
Income tax	Taxable income	25
Education surcharge	Levy based on the actual paid value-added tax	3
Local education surcharge	Levy based on the actual paid value-added tax	2

2. Tax preferential benefits and approvals

On 29 October 2024, the Company obtained the high-tech enterprise certificate issued by the Beijing Municipal Science and Technology Commission with the certificate number GS202411000032 and the certificate is valid for three years. Therefore, it is entitled to the preferential income tax rate of 15%.

On 29 October 2024, Cold-R Co., a subsidiary of the Company, obtained the high-tech enterprise certificate issued by Beijing Municipal Science and Technology Commission with the certificate number GS202411000048 and the certificate is valid for three years. Therefore, it is entitled to the preferential income tax rate of 15%.

On 16 December 2024, Jingtang Co., a subsidiary of the Company, obtained the high-tech enterprise certificate issued by the Hebei Science and Technology Commission with the certificate number GR202413003235 and the certificate is valid for three years. Therefore, it is entitled to the preferential income tax rate of 15%.

On 18 October 2022, Zhixin Co., a subsidiary of the Company, obtained the high-tech enterprise certificate issued by Hebei Science and Technology Commission with the certificate number GR202213001060 and the certificate is valid for three years. According to the “Announcement on the Filing of the First Batch of High-Tech Enterprises Recognized and Filed by the Hebei Provincial Accreditation Institution in 2025,” issued by the Office of the National Leading Group for the Administration of High-Tech Enterprise Accreditation on 24 November 2025, Zhixin Co. has been re-accredited as a high-tech enterprise. Therefore, it is entitled to the preferential income tax rate of 15%.

On 3 September 2023, the Ministry of Finance and the State Taxation Administration issued the “Notice on the Policy of Adding and Deducting Value-Added Tax for Advanced Manufacturing Enterprises” (Caishui [2023] No. 43), allowing advanced manufacturing enterprises to add 5% of the current deductible input tax to offset the payable value-added tax from 1 January 2023 to 31 December 2027. According to this policy, the Company and the aforementioned subsidiaries enjoyed the above preferential policies for the year 2025.

VII. Notes to consolidated financial statements

1. Cash at bank and on hand

Unit: RMB Yuan

Item	Closing balance	Opening balance
Cash on hand	43,303.90	50,977.80
Bank deposits	10,713,542,757.11	8,748,150,794.84
Other monetary assets	128,874,775.84	78,435,699.32
Total	10,842,460,836.85	8,826,637,471.96
Including: Total amount deposited abroad	7,670,147.49	259,782,432.11

Other notes:

Note 1: At the end of the period, except for various types of security deposits of RMB 36,985,135.17 and frozen funds of RMB 8,530,000.00, the Company has no funds pledged, guaranteed, or frozen, or overseas balances that are restricted to be remitted back among cash at bank and on hand.

Note 2: Bank deposits include interest receivable from deposits of RMB 6,568,328.40. This part of interest does not belong to “cash and cash equivalents.”

2. Notes receivable

(1) Presentation of notes receivable by category

Unit: RMB Yuan

Item	Closing balance	Opening balance
Bank acceptance notes	1,776,645,932.61	1,742,934,149.19
Commercial acceptance notes	1,016,587,587.47	2,521,394,146.74
Total	2,793,233,520.08	4,264,328,295.93

(2) Classified by bad debt provision method

Unit: RMB Yuan

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrual ratio		Amount	Proportion	Amount	Accrual ratio	
Including:										
Assessed bad debt provision in portfolios	2,796,029,549.63	100.00%	2,796,029.55	0.10%	2,793,233,520.08	4,268,596,892.82	100.00%	4,268,596.89	0.10%	4,264,328,295.93
Including:										
Bank acceptance notes and commercial acceptance notes with lower credit ratings	2,796,029,549.63	100.00%	2,796,029.55	0.10%	2,793,233,520.08	4,268,596,892.82	100.00%	4,268,596.89	0.10%	4,264,328,295.93
Total	2,796,029,549.63	100.00%	2,796,029.55	0.10%	2,793,233,520.08	4,268,596,892.82	100.00%	4,268,596.89	0.10%	4,264,328,295.93

Assessed bad debt provision in portfolios: Bad debt provision made by portfolio of credit risk characteristics

Unit: RMB Yuan

Name	Closing balance		
	Book balance	Bad debt provision	Accrual ratio
Assessed bad debt provision in portfolios	2,796,029,549.63	2,796,029.55	0.10%
Total	2,796,029,549.63	2,796,029.55	

If the provision for bad debts on notes receivable is based on a general model of expected credit losses:

☐ Applicable ☒ Non-applicable

(3) Provision, recovery, or reversal of bad debt provision during the period

Provision for bad debts in the current period:

Unit: RMB Yuan

Category	Opening balance	Amount of change during the period				Closing balance
		Accrual	Recovered or reversed	Write-offs	Others	
Notes receivable with expected credit losses accrued on a portfolio basis	4,268,596.89	-1,472,567.34				2,796,029.55
Total	4,268,596.89	-1,472,567.34				2,796,029.55

Of which the amount of bad debt provision recovered or reversed during the period is significant:

☐ Applicable ☒ Non-applicable

(4) Notes receivable endorsed or discounted by the Company at the end of the period and not yet due at the balance sheet date

Unit: RMB Yuan

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance notes		1,478,406,214.30
Commercial acceptance notes		946,823,488.94
Total		2,425,229,703.24

(5) Notes transferred to accounts receivable by the Company due to non-performance by the drawer at the end of the period

Unit: RMB Yuan

Item	Amounts transferred to accounts receivable at the end of the period
Commercial acceptance notes	2,341,685.19
Total	2,341,685.19

3. Accounts receivable

(1) Disclosed by the aging

Unit: RMB Yuan

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	1,715,915,482.01	1,659,756,660.19
1-2 years	19,932,119.42	45,084,109.50
2-3 years	8,261,209.79	3,659,572.36
Over 3 years	3,631,461.02	11,773,358.86
3-4 years		3,808,946.24
4-5 years	902,088.00	2,952,035.21
Over 5 years	2,729,373.02	5,012,377.41
Total	1,747,740,272.24	1,720,273,700.91

(2) Classified by bad debt provision method

Unit: RMB Yuan

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrual ratio		Amount	Proportion	Amount	Accrual ratio	
Assessed bad debt provision individually	4,472,026.25	0.26%	4,472,026.25	100.00%		6,753,808.85	0.39%	6,753,808.85	100.00%	
Including:										
Assessed bad debt provision in portfolios	1,743,268,245.99	99.74%	73,892,017.46	4.24%	1,669,376,228.53	1,713,519,892.06	99.61%	75,013,808.29	4.38%	1,638,506,083.77

Including:										
Total	1,747,740,272.24	100.00%	78,364,043.71	4.48%	1,669,376,228.53	1,720,273,700.91	100.00%	81,767,617.14	4.75%	1,638,506,083.77

Assessed bad debt provision individually: Assessed bad debt provision individually

Unit: RMB Yuan

Name	Opening balance		Closing balance			
	Book balance	Bad debt provision	Book balance	Bad debt provision	Accrual ratio	Reason for bad debts
Overdue recourse notes	3,137,797.19	3,137,797.19	2,341,685.19	2,341,685.19	100.00%	Low possibility to be recovered
Other receivables	3,616,011.66	3,616,011.66	2,130,341.06	2,130,341.06	100.00%	Involved in litigation, low possibility to be recovered
Total	6,753,808.85	6,753,808.85	4,472,026.25	4,472,026.25		

Assessed bad debt provision in portfolios: Assessed bad debt provision in portfolios

Unit: RMB Yuan

Name	Closing balance		
	Book balance	Bad debt provision	Accrual ratio
Within 1 year (including 1 year)	1,715,915,482.01	61,707,839.37	3.60%
1-2 years	19,932,119.42	6,351,122.50	31.86%
2-3 years	6,518,556.56	4,930,967.59	75.65%
Over 3 years	902,088.00	902,088.00	100.00%
Total	1,743,268,245.99	73,892,017.46	

If the provision for bad debts on accounts receivable is based on a general model of expected credit losses:

☐ Applicable ☒ Non-applicable**(3) Provision, recovery, or reversal of bad debt provision during the period**

Provision for bad debts in the current period:

Unit: RMB Yuan

Category	Opening balance	Amount of change during the period				Closing balance
		Accrual	Recovered or reversed	Write-offs	Others	
Assessed bad debt provision individually	6,753,808.85		2,281,782.60			4,472,026.25
Accounts receivable with bad debt provision by portfolio of credit risk characteristics	75,013,808.29	-1,097,524.53			-24,266.30	73,892,017.46
Total	81,767,617.14	-1,097,524.53	2,281,782.60		-24,266.30	78,364,043.71

(4) Accounts receivable and contract assets of the top five year-end balances, grouped by party in arrears

Unit: RMB Yuan

Company name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	As a percentage of the total closing balance of accounts receivable and contract assets	Closing balance of provision for bad debts on accounts receivable and impairment of contract assets
Client 1	339,110,707.32		339,110,707.32	19.40%	12,839,311.28
Client 2	242,741,924.31		242,741,924.31	13.89%	9,181,116.63
Client 3	117,857,413.10		117,857,413.10	6.74%	4,457,666.96
Client 4	77,074,835.52		77,074,835.52	4.41%	2,913,428.78
Client 5	66,536,451.43		66,536,451.43	3.81%	2,516,577.73

Total	843,321,331.68		843,321,331.68	48.25%	31,908,101.38
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4. Financing receivable

(1) Classification of financing receivable

Unit: RMB Yuan

Item	Closing balance	Opening balance
Notes receivable	2,127,981,225.71	3,626,515,941.48
Total	2,127,981,225.71	3,626,515,941.48

(2) Classified by bad debt provision method

Unit: RMB Yuan

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrual ratio		Amount	Proportion	Amount	Accrual ratio	
Including:										
Assessed bad debt provision in portfolios	2,128,406,907.08	100.00%	425,681.37	0.02%	2,127,981,225.71	3,627,241,389.75	100.00%	725,448.27	0.02%	3,626,515,941.48
Including:										
Bad debt provision by portfolio of credit risk characteristics	2,128,406,907.08	100.00%	425,681.37	0.02%	2,127,981,225.71	3,627,241,389.75	100.00%	725,448.27	0.02%	3,626,515,941.48
Total	2,128,406,907.08	100.00%	425,681.37	0.02%	2,127,981,225.71	3,627,241,389.75	100.00%	725,448.27	0.02%	3,626,515,941.48

Assessed bad debt provision in portfolios: Assessed bad debt provision in portfolios

Unit: RMB Yuan

Name	Closing balance		
	Book balance	Bad debt provision	Accrual ratio
Assessed bad debt provision in portfolios	2,128,406,907.08	425,681.37	0.02%
Total	2,128,406,907.08	425,681.37	

(3) Provision, recovery, or reversal of bad debt provision during the period

Unit: RMB Yuan

Category	Opening balance	Amount of change during the period				Closing balance
		Accrual	Recovered or reversed	Charged off or written off	Other changes	
Bad debt provision made by portfolio of credit risk characteristics	725,448.27	-299,766.90				425,681.37
Total	725,448.27	-299,766.90				425,681.37

(4) Financing receivable endorsed or discounted by the Company at the end of the period and not yet due at the balance sheet date

Unit: RMB Yuan

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance notes	27,636,310,398.27	

Total	27,636,310,398.27	
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(5) Other notes

Based on the Company's daily cash management needs, a portion of its bank acceptance notes are discounted and endorsed; therefore, bank acceptance notes are classified as financial assets at fair value through other comprehensive income.

5. Other receivables

Unit: RMB Yuan

Item	Closing balance	Opening balance
Dividends receivable	4,900,000.00	
Other receivables	8,944,968.27	4,832,231.47
Total	13,844,968.27	4,832,231.47

(1) Dividends receivable**Classification of dividends receivable**

Unit: RMB Yuan

Item (or investee)	Closing balance	Opening balance
Beijing Shougang Resource Recycling Technology Co., Ltd.	4,500,000.00	
Mintian Steel Co., Ltd.	400,000.00	
Total	4,900,000.00	

(2) Other receivables**1) Other receivables by nature of payment**

Unit: RMB Yuan

Nature	Closing book balance	Opening book balance
Petty cash	11,900.00	180,478.25
Deposits	7,943,893.00	3,321,184.36
Due from other companies	4,470,235.02	4,574,629.37
Court debit	2,145,252.31	2,182,757.60
Total	14,571,280.33	10,259,049.58

2) Disclosed by the aging

Unit: RMB Yuan

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	8,120,842.78	4,527,859.10
1-2 years	806,054.98	121,885.57
2-3 years	169,808.95	44,000.00
Over 3 years	5,474,573.62	5,565,304.91
3-4 years		538,750.00
4-5 years	525,000.00	6,395.00
Over 5 years	4,949,573.62	5,020,159.91
Total	14,571,280.33	10,259,049.58

3) Classified by bad debt provision method
☒Applicable ☐Non-applicable

Unit: RMB Yuan

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrual ratio		Amount	Proportion	Amount	Accrual ratio	
Assessed bad debt provision individually	4,887,065.18	33.54%	4,887,065.18	100.00%		4,957,651.47	48.32%	4,957,651.47	100.00%	

Including:										
Assessed bad debt provision in portfolios	9,684,215.15	66.46%	739,246.88	7.63%	8,944,968.27	5,301,398.11	51.68%	469,166.64	8.85%	4,832,231.47
Including:										
Total	14,571,280.33		5,626,312.06	38.61%	8,944,968.27	10,259,049.58		5,426,818.11	52.90%	4,832,231.47

Assessed bad debt provision individually: Assessed bad debt provision individually

Unit: RMB Yuan

Name	Opening balance		Closing balance			
	Book balance	Bad debt provision	Book balance	Bad debt provision	Accrual ratio	Reason for bad debts
Assessed bad debt provision individually	4,957,651.47	4,957,651.47	4,887,065.18	4,887,065.18	100.00%	Long aging
Total	4,957,651.47	4,957,651.47	4,887,065.18	4,887,065.18		

Assessed bad debt provision in portfolios: Assessed bad debt provision in portfolios

Unit: RMB Yuan

Name	Closing balance		
	Book balance	Bad debt provision	Accrual ratio
Assessed bad debt provision in portfolios	9,684,215.15	739,246.88	7.63%
Total	9,684,215.15	739,246.88	

Provision for bad debts made on the basis of a general model of expected credit losses:

Unit: RMB Yuan

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit loss within 12 months	Expected credit loss over the lifetime (no credit impairment)	Expected credit loss over the lifetime (credit impairment occurred)	
Balance as at 1 January 2025	165,947.13	303,219.51	4,957,651.47	5,426,818.11
Balance as at 1 January 2025 in the current period				
Accrual in the current period	240,095.01	29,985.23		270,080.24
Current period reversal			70,586.29	70,586.29
Balance as at 31 December 2025	406,042.14	333,204.74	4,887,065.18	5,626,312.06

Changes in the carrying amount of the provision for losses that are material during the period

☐ Applicable ☒ Non-applicable**4) Provision, recovery, or reversal of bad debt provision during the period**

Provision for bad debts in the current period:

Unit: RMB Yuan

Category	Opening balance	Amount of change during the period				Closing balance
		Accrual	Recovered or reversed	Charged off or written off	Others	
Assessed bad debt provision individually	4,957,651.47	0.00	70,586.29			4,887,065.18
Assessed bad	469,166.64	270,080.24	0.00			739,246.88

debt provision in portfolios						
Total	5,426,818.11	270,080.24	70,586.29	0.00	0.00	5,626,312.06

5) The top five other receivables classified by debtors are as follows:

Unit: RMB Yuan

Company name	Nature	Closing balance	Aging	Percentage of total other receivable (%)	Closing balance of bad debt provision
Counterparty 1	Security fund	4,000,600.00	Within 1 year	27.47%	200,048.00
Counterparty 2	Court debit	2,145,252.31	Over 5 years	14.72%	2,145,252.31
Counterparty 3	Security fund	784,000.00	Within 1 year	5.38%	39,200.00
Counterparty 4	Security fund	770,000.00	Within 1 year	5.28%	38,500.00
Counterparty 5	Due from other companies	683,907.90	Over 5 years	4.69%	273,563.16
Total		8,383,760.21		57.54%	2,696,563.47

6. Prepayments

(1) Disclosed by the aging of prepayments

Unit: RMB Yuan

Aging	Closing balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	2,132,619,259.80	99.95%	2,075,005,597.97	99.98%
1-2 years	567,762.37	0.03%	61,598.04	0.01%
2-3 years	5,598.03	0.01%		
Over 3 years	78,882.60	0.01%	87,647.33	0.01%
Total	2,133,271,502.80		2,075,154,843.34	

(2) Prepayments of the top five closing balances, grouped by prepaid objects

Company name	Closing balance (RMB Yuan)	Percentage of total prepayments (%)
Supplier 1	1,689,288,857.76	79.19
Supplier 2	128,218,314.45	6.01
Supplier 3	85,338,118.44	4.00
Supplier 4	25,159,654.75	1.18
Supplier 5	17,353,131.21	0.81
Total	1,945,358,076.61	91.19

7. Inventories

Whether the Company is subject to disclosure requirements for the real estate industry

No

(1) Classification of inventories

Unit: RMB Yuan

Item	Closing balance			Opening balance		
	Book balance	Provision for decline in value of inventories or provision for impairment of contract performance costs	Book value	Book balance	Provision for decline in value of inventories or provision for impairment of contract performance costs	Book value
Raw materials	2,033,958,105.49	40,129,561.49	1,993,828,544.00	2,471,671,701.17	38,062,352.25	2,433,609,348.92
Goods in stock	4,687,409,647.	115,320,888.21	4,572,088,759.	5,090,053,932.	96,193,269.59	4,993,860,662.

	98		77	54		95
Low value consumables	736,355,771.44		736,355,771.44	673,864,597.53		673,864,597.53
Self-made semi-finished products	3,147,466,313.49	120,227,699.50	3,027,238,613.99	3,419,535,323.72	113,045,841.09	3,306,489,482.63
Total	10,605,189,838.40	275,678,149.20	10,329,511,689.20	11,655,125,554.96	247,301,462.93	11,407,824,092.03

(2) Provision for decline in value of inventories or provision for impairment of contract performance costs

Unit: RMB Yuan

Item	Opening balance	Increase		Decrease		Closing balance
		Accrual	Others	Reversal or charged off	Others	
Raw materials	38,062,352.25	19,028,640.26		16,961,431.02		40,129,561.49
Goods in stock	96,193,269.59	217,204,678.41		198,077,059.79		115,320,888.21
Self-made semi-finished products	113,045,841.09	336,184,366.03		329,002,507.62		120,227,699.50
Total	247,301,462.93	572,417,684.70		544,040,998.43		275,678,149.20

8. Other current assets

Unit: RMB Yuan

Item	Closing balance	Opening balance
Input value added tax to be certified	803,576,675.18	606,315,007.09
Prepaid income tax	40,871,007.90	7,909,849.60
Input value added tax to be deducted	6,872,348.54	4,621,878.50
VAT credit left for deduction		972,584.68
Carbon credits assets	579,647.20	579,647.20
Prepayment of other taxes		16,552.13
Total	851,899,678.82	620,415,519.20

9. Other equity instrument investments

Unit: RMB Yuan

Item	Closing balance	Opening balance	Gains recognized in other comprehensive income for the period	Losses recognized in other comprehensive income for the period	Gains accumulated in other comprehensive income at the end of the period	Losses accumulated in other comprehensive income at the end of the period	Dividend income recognized in the period	Reasons for designation as at fair value through other comprehensive income
Beijing TIEKE Shougang RAILWAY-TECH Co., Ltd.	247,153,712.00	238,829,008.00	15,411,952.00	7,087,248.00	237,452,512.00		3,937,360.00	
Minmetals Special Steel (Dongguan) Co., Ltd.						5,000,000.00		
Qianan Shougang K.wah Construction MATERIALS Company						22,866,375.00		

Limited								
Qian'an China Petroleum Kunlun Gas Co., Ltd.	18,595,145.48	23,678,335.02		5,083,189.54	16,795,145.48		11,700,000.00	
Mintian Steel Co., Ltd.	5,694,163.33	5,897,295.56		203,132.23		1,525,836.67	1,100,000.00	
Total	271,443,020.81	268,404,638.58	15,411,952.00	12,373,569.77	254,247,657.48	29,392,211.67	16,737,360.00	

10. Long-term equity investments

Unit: RMB Yuan

Investee	Opening balance (book value)	Opening balance of impairment provision	Changes of increase or decrease in current period								Closing balance (book value)	Closing balance of impairment provision
			Additions of investment	Deductions of investment	Investment profit or loss recognized under equity method	Adjustments in other comprehensive income	Other equity changes	Cash dividend or profit declared	Provision for impairment	Others		
I. Joint ventures												
Tangshan Guoxing Industry Co., Ltd.	43,391,017.27				1,175,552.71		1,430.34				44,568,000.32	
Tangshan Shougang Jingtang Xishan Coking Co., Ltd.	1,088,550,436.38				20,451,901.47		-9,051,498.37	20,000,000.00			1,079,950,839.48	
Sub-total	1,131,941,453.65				21,627,454.18		-9,050,068.03	20,000,000.00			1,124,518,839.80	
II. Associates												
Tangshan Tangcao Railway Co., Ltd.	177,095,579.89				-47,940,637.19		5,255,137.08				134,410,079.78	
Tangshan Caofeidian Dunshi New Building Materials Co., Ltd.	51,066,973.43				-8,042,907.71						43,024,065.72	
Beijing Shouxin Jinyuan	82,766,953.08				35,411,529.02						118,178,482.10	

Management Consulting Center (Limited Partnership)												
Qian'an Sinochem Coal Chemical Industrial Co., Ltd.	444,612,861.27				24,082,579.33						468,695,440.60	
Beijing Shougang Resource Recycling Technology Co., Ltd.	22,980,061.71				1,502,272.76			4,950,000.00			19,532,334.47	
Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd.	27,368,637.68		35,000,000.00		327,279.33						62,695,917.01	
Ningbo Shougang Zhejiang Steel Materials Co., Ltd.	19,009,117.08				145,722.34		27,209.58				19,182,049.00	
Guangzhou Jinghai Shipping Co., Ltd.	28,940,149.41				335,211.40		-9,036.88	200,000.00			29,066,323.93	
Shougang (Qingdao) Steel Industry Co., Ltd.	59,276,315.67				1,321,288.70			1,242,367.03			59,355,237.34	
Tianjin Wuchan Shougang Steel Processing and	16,375,690.63				-1,216,818.86		31,843.98				15,190,715.75	

Distribution Co., Ltd.												
Hebei Jingji Industrial Trading Co., Ltd.	9,279,630.01			2,500,000.00	612,558.40					-7,392,188.41		
Sub-total	938,771,969.86		35,000,000.00	2,500,000.00	6,538,077.52		5,305,153.76	6,392,367.03		-7,392,188.41	969,330,645.70	
Total	2,070,713,423.51		35,000,000.00	2,500,000.00	28,165,531.70		-3,744,914.27	26,392,367.03		-7,392,188.41	2,093,849,485.50	

The recoverable amount is determined as the net of fair value less costs of disposal

☐ Applicable ☒ Non-applicable

The recoverable amount is determined as the present value of the expected future cash flows

☐ Applicable ☒ Non-applicable

11. Other non-current financial assets

Unit: RMB Yuan

Item	Closing balance	Opening balance
Financial assets measured at fair value through profit and loss	25,944,976.84	70,218,671.35
Total	25,944,976.84	70,218,671.35

Other notes:

Item	Closing balance	Opening balance
Beijing Shouxin Jin'an Equity Investment Partnership (Limited Partnership)	25,944,976.84	70,218,671.35
Total	25,944,976.84	70,218,671.35

12. Fixed assets

Unit: RMB Yuan

Item	Closing balance	Opening balance
Fixed assets	82,509,872,123.34	87,165,864,980.07
Fixed assets to be disposed		
Total	82,509,872,123.34	87,165,864,980.07

(1) Details of fixed assets

Unit: RMB Yuan

Item	Plant and buildings	Machinery and equipment	Vehicles	Electronic equipment	Industrial furnace	Metallurgical equipment	Others	Total
I. Original book value:								
1. Opening balance	39,982,690,166.28	55,996,399,646.22	3,976,534,820.76	12,419,979,556.60	1,462,795,874.24	58,451,852,788.26	1,221,814,697.69	173,512,067,550.05
2. Increase	680,849,987.41	1,107,941,175.68	39,504,035.66	952,721,865.28	323,160,060.78	2,987,478,857.92	81,820,481.60	6,173,476,464.33
(1) Purchase	58,984,473.09	76,877,784.26	12,915,806.75	43,431,043.76		61,979,675.22	2,980,270.04	257,169,053.12
(2) Transferred from construction in progress	597,875,240.19	1,031,063,391.42	24,995,886.73	772,149,626.53	318,976,221.83	444,357,385.86	36,978,296.44	3,226,396,049.00
(3)								

Increased by business combinations								
(4) Other increases	23,990,274.13		1,592,342.18	137,141,194.99	4,183,838.95	2,481,141,796.84	41,861,915.12	2,689,911,362.21
3. Decrease	1,123,180,124.59	1,599,396,357.19	218,676,321.98	36,666,283.71	65,008,410.12	70,814,960.10	2,980,841.42	3,116,723,299.11
(1) Disposal or retirement	202,362,076.66	56,272,848.42	37,738,887.26	19,198,827.88		56,512,259.35	2,980,841.42	375,065,740.99
(2) Other decreases	920,818,047.93	1,543,123,508.77	180,937,434.72	17,467,455.83	65,008,410.12	14,302,700.75		2,741,657,558.12
4. Closing balance	39,540,360,029.10	55,504,944,464.71	3,797,362,534.44	13,336,035,138.17	1,720,947,524.90	61,368,516,686.08	1,300,654,337.87	176,568,820,715.27
II. Accumulated depreciation								
1. Opening balance	14,793,266,892.92	27,422,516,623.23	2,842,893,074.56	8,445,543,155.61	806,288,852.39	31,363,571,022.62	672,122,948.65	86,346,202,569.98
2. Increase	1,177,426,151.68	2,760,657,406.26	150,661,565.14	726,151,763.61	98,911,378.16	3,535,028,692.62	83,181,662.62	8,532,018,620.09
(1) Accrual	1,177,426,151.68	2,760,623,930.34	150,611,075.05	688,184,523.89	98,911,378.16	2,978,184,604.98	71,068,527.57	7,925,010,191.67
(2) Other increases		33,475.92	50,490.09	37,967,239.72		556,844,087.64	12,113,135.05	607,008,428.42
3. Decrease	145,614,140.67	497,470,803.32	99,809,033.90	15,557,350.87	27,930,714.60	30,676,622.30	2,213,932.48	819,272,598.14
(1) Disposal or retirement	82,065,156.38	43,227,223.60	35,165,091.67	15,505,887.02		30,676,622.30	2,213,932.48	208,853,913.45
(2) Other decreases	63,548,984.29	454,243,579.72	64,643,942.23	51,463.85	27,930,714.60			610,418,684.69
4. Closing balance	15,825,078,903.93	29,685,703,226.17	2,893,745,605.80	9,156,137,568.35	877,269,515.95	34,867,923,092.94	753,090,678.79	94,058,948,591.93
III. Impairment provision								
1. Opening balance								
2. Increase								
(1) Accrual								
3. Decrease								
(1) Disposal or retirement								
4. Closing balance								
IV. Book value								
1. Closing book value	23,715,281,125.17	25,819,241,238.54	903,616,928.64	4,179,897,569.82	843,678,008.95	26,500,593,593.14	547,563,659.08	82,509,872,123.34
2. Opening book value	25,189,423,273.36	28,573,883,022.99	1,133,641,746.20	3,974,436,400.99	656,507,021.85	27,088,281,765.64	549,691,749.04	87,165,864,980.07

(2) Fixed assets leased through operating leases

Unit: RMB Yuan

Item	Closing book value
Plant and buildings	89,119,361.72
Machinery and equipment	10,021,051.82

Total	99,140,413.54
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13. Construction in progress

Unit: RMB Yuan

Item	Closing balance	Opening balance
Construction in progress	2,703,454,625.85	3,259,681,378.70
Construction materials	2,833,395.58	3,506,195.72
Total	2,706,288,021.43	3,263,187,574.42

(1) Details of construction in progress

Unit: RMB Yuan

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Jingtang technical renovation project	746,656,678.61		746,656,678.61	453,776,558.65		453,776,558.65
Project for smelting high-quality steel with near-zero carbon emissions	535,658,095.73		535,658,095.73	6,069,713.78		6,069,713.78
Qiangang technical renovation project	818,565,136.51		818,565,136.51	1,051,445,371.52		1,051,445,371.52
Zhixin Co. high-end heat treatment engineering project	52,731,478.70		52,731,478.70	1,110,711,589.62		1,110,711,589.62
Zhixin Co. oriented phase II project				40,129,758.09		40,129,758.09
Other projects	549,843,236.30		549,843,236.30	597,548,387.04		597,548,387.04
Total	2,703,454,625.85		2,703,454,625.85	3,259,681,378.70		3,259,681,378.70

(2) Changes in significant construction in progress projects during the period

Unit: RMB Yuan

Item	Budget amount	Opening balance	Increase	Transferred to fixed assets	Other decreases	Closing balance	Proportion of project investment to the budget	Project progress	Accumulated amount of interest capitalization	Including: Capitalized amount of interest in current period	Capitalization rate of interest in current period	Capital source
Project for smelting high-quality	987,380,000.00	6,069,713.78	529,588,381.95			535,658,095.73	59.00%	65%	1,667,102.32	1,667,102.32	1.92%	Others

steel with near-zero carbon emissions												
Zhixi n Co. high-end heat treatment engineering project	1,948,560,000.00	1,110,711,589.62	26,406,076.44	1,084,386,187.36		52,731,478.70	96.47 %	100.00 %				Others
Total	2,935,940,000.00	1,116,781,303.40	555,994,458.39	1,084,386,187.36		588,389,574.43			1,667,102.32	1,667,102.32		

(3) Details of impairment tests on construction in progress

☐ Applicable ☒ Non-applicable

(4) Construction materials

Unit: RMB Yuan

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Specialized materials	1,383,079.43		1,383,079.43	1,731,123.81		1,731,123.81
Specific equipment	1,450,316.15		1,450,316.15	1,775,071.91		1,775,071.91
Total	2,833,395.58		2,833,395.58	3,506,195.72		3,506,195.72

14. Right-of-use assets**(1) Details of right-of-use assets**

Unit: RMB Yuan

Item	Plant and buildings	Total
I. Original book value		
1. Opening balance	557,345,560.05	557,345,560.05
2. Increase	33,283,777.77	33,283,777.77
(1) Lease-in	33,283,777.77	33,283,777.77
3. Decrease	53,637,924.66	53,637,924.66
(1) Other decreases	53,637,924.66	53,637,924.66
4. Closing balance	536,991,413.16	536,991,413.16
II. Accumulated depreciation		
1. Opening balance	89,102,094.75	89,102,094.75
2. Increase	31,938,359.37	31,938,359.37
(1) Accrual	31,938,359.37	31,938,359.37
3. Decrease	42,352,109.97	42,352,109.97
(1) Disposal		
(2) Other decreases	42,352,109.97	42,352,109.97
4. Closing balance	78,688,344.15	78,688,344.15
III. Impairment provision		

1. Opening balance		
2. Increase		
(1) Accrual		
3. Decrease		
(1) Disposal		
4. Closing balance		
IV. Book value		
1. Closing book value	458,303,069.01	458,303,069.01
2. Opening book value	468,243,465.30	468,243,465.30

(2) Details of impairment tests on right-of-use assets

□ Applicable √ Non-applicable/None

15. Intangible assets**(1) Details of intangible assets**

Unit: RMB Yuan

Item	Land use rights	Patent	Non-patented technologies	Software	Data resources	Total
I. Original book value						
1. Opening balance	6,863,057,581.53			554,389,876.29		7,417,447,457.82
2. Increase				24,981,766.98	1,127,452.83	26,109,219.81
(1) Purchase				9,155,283.01		9,155,283.01
(2) In-house R&D					1,127,452.83	1,127,452.83
(3) Increased by business combinations						
(4) Transferred from construction in progress				15,826,483.97		15,826,483.97
3. Decrease						
(1) Disposal						
4. Closing balance	6,863,057,581.53			579,371,643.27	1,127,452.83	7,443,556,677.63
II. Accumulated amortization						
1. Opening balance	1,270,435,477.02			288,447,329.32		1,558,882,806.34
2. Increase	146,570,395.81			49,027,531.24	18,790.88	195,616,717.93
(1) Accrual	146,570,395.81			49,027,531.24	18,790.88	195,616,717.93
3. Decrease						
(1) Disposal						
4. Closing balance	1,417,005,872.83			337,474,860.56	18,790.88	1,754,499,524.27
III. Impairment provision						
1. Opening balance						
2. Increase						
(1) Accrual						

3. Decrease						
(1) Disposal						
4. Closing balance						
IV. Book value						
1. Closing book value	5,446,051,708.70			241,896,782.71	1,108,661.95	5,689,057,153.36
2. Opening book value	5,592,622,104.51			265,942,546.97		5,858,564,651.48

Intangible assets formed through in-house research and development at the end of the period as a percentage of the intangible asset balance.

(2) Data resources recognized as intangible assets

√ Applicable □ Non-applicable

Unit: RMB Yuan

Item	Purchased data resources Intangible assets	Self-developed data resources Intangible assets	Data sources acquired in other ways recognized as intangible assets	Total
I. Original book value				
1. Opening balance				
2. Increase		1,127,452.83		
Including: Purchase				
In-house R&D		1,127,452.83		
Other increases				
3. Decrease				
Including: Disposal				
Expired and derecognized				
Other decreases				
4. Closing balance		1,127,452.83		
II. Accumulated amortization				
1. Opening balance				
2. Increase		18,790.88		
3. Decrease				
Including: Disposal				
Expired and derecognized				
Other decreases				
4. Closing balance		18,790.88		
III. Impairment provision				
1. Opening balance				
2. Increase				
3. Decrease				
4. Closing balance				
IV. Book value				
1. Closing book value		1,108,661.95		1,108,661.95
2. Opening book value				

(3) Details of impairment tests on intangible assets

□ Applicable √ Non-applicable

16. Long-term prepaid expenses

Unit: RMB Yuan

Item	Opening balance	Increase	Amortization	Other decreases	Closing balance
Renovation costs	4,131,889.55	865,950.91	1,555,191.49		3,442,648.97
Safety rectification works	288,925.82	1,554,857.84	338,926.81		1,504,856.85
Total	4,420,815.37	2,420,808.75	1,894,118.30		4,947,505.82

17. Deferred tax assets and deferred tax liabilities**(1) Deferred tax assets without offsetting**

Unit: RMB Yuan

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Provision for asset impairment	196,812,237.05	29,607,904.48	167,371,828.86	25,105,774.33
Unrealized profits in internal trading	91,598,577.79	14,759,322.75	111,125,777.51	17,753,675.63
Deductible losses	937,706,681.04	140,656,002.16	1,014,554,778.40	152,183,216.76
Provision for credit impairment	81,432,613.74	15,561,806.91	78,483,594.18	15,990,780.43
Lease liabilities	487,002,726.32	82,760,777.35	485,776,051.76	83,472,167.40
Withdrawal amount of payroll payable	13,988,298.73	2,119,012.49	12,238,113.93	1,850,717.73
Deferred income	547,243,856.84	82,468,692.28	479,149,696.83	72,295,391.44
Profit on commissioning of construction in progress	256,731,215.00	38,509,682.25	275,069,158.93	41,260,373.84
Amortization of assets difference	23,726,768.14	3,559,015.22	25,688,666.73	3,853,300.01
Others	14,230,514.51	2,382,235.70	40,352.92	10,088.23
Total	2,650,473,489.16	412,384,451.59	2,649,498,020.05	413,775,485.80

(2) Deferred tax liabilities without offsetting

Unit: RMB Yuan

Item	Closing balance		Opening balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Changes in fair value of investments in other equity instruments	224,855,445.81	33,728,316.90	221,817,063.73	33,272,559.56
Equipment additional deduction	1,602,044,150.50	240,306,622.58	1,719,396,622.68	257,909,493.40
Right-of-use assets	458,191,103.78	77,684,122.69	468,124,246.16	80,208,578.99
Cost of commissioning of construction in progress	740,491,023.40	111,073,653.51	829,771,538.60	124,465,730.79
Total	3,025,581,723.49	462,792,715.68	3,239,109,471.17	495,856,362.74

(3) Details of unrecognized deferred tax assets

Unit: RMB Yuan

Item	Closing balance	Opening balance
Deductible temporary difference	35,278,363.89	93,634,520.31
Deductible losses	1,783,725,596.07	1,796,930,066.26
Total	1,819,003,959.96	1,890,564,586.57

(4) Deductible losses on unrecognized deferred tax assets will expire in the following years:

Unit: RMB Yuan

Year	Closing balance	Opening balance	Note
2025		17,290,511.03	
2026	13,437,096.04	13,437,096.04	
2027	1,749,623,032.87	1,749,623,032.87	
2028	5,793,002.75	5,793,002.75	
2029	10,786,423.57	10,786,423.57	
2035	4,086,040.84		
Total	1,783,725,596.07	1,796,930,066.26	

18. Restricted assets

Unit: RMB Yuan

Item	End-of-period				Beginning of the period			
	Book balance	Book value	Type of restriction	Restriction reason	Book balance	Book value	Type of restriction	Restriction reason
Cash at bank and on hand	45,515,135.17	45,515,135.17	Freeze	All kinds of deposits, frozen funds, etc.	79,898,774.97	79,898,774.97	Freeze	All kinds of deposits, fixed deposits
Total	45,515,135.17	45,515,135.17			79,898,774.97	79,898,774.97		

19. Short-term loans**Classification of short-term loans**

Unit: RMB Yuan

Item	Closing balance	Opening balance
Guaranteed loans		3,892,749,388.88
Credit loans	21,445,498,282.76	18,358,535,402.86
Total	21,445,498,282.76	22,251,284,791.74

20. Notes payable

Unit: RMB Yuan

Type	Closing balance	Opening balance
Commercial acceptance notes	3,580,000,000.00	3,740,000,000.00
Bank acceptance notes	107,000,000.00	94,000,000.00
Total	3,687,000,000.00	3,834,000,000.00

21. Accounts payable**(1) Presentation of accounts payable**

Unit: RMB Yuan

Item	Closing balance	Opening balance
Payables for goods	17,109,639,771.17	17,261,277,860.42
Payment for construction work	2,106,659,559.94	2,787,905,091.71
Total	19,216,299,331.11	20,049,182,952.13

(2) Significant accounts payable with an aging of over 1 year or overdue

Unit: RMB Yuan

Item	Closing balance	Reasons for non-reimbursement or non-carry-forward
Supplier 1	161,473,381.14	In the execution
Supplier 2	98,324,317.59	In the execution
Supplier 3	52,972,522.80	In the execution
Supplier 4	45,083,085.03	In the execution
Supplier 5	30,233,252.24	In the execution
Total	388,086,558.80	

(3) Whether there are any overdue payments owed to small and medium-sized enterprises

Whether being a large-scale enterprise

✓ YES □ NO

Whether there are any overdue payments owed to small and medium-sized enterprises

□ YES ✓ NO

22. Other payables

Unit: RMB Yuan

Item	Closing balance	Opening balance
Other payables	276,148,030.11	413,434,600.33
Total	276,148,030.11	413,434,600.33

Presentation of other payables by nature of amount

Unit: RMB Yuan

Item	Closing balance	Opening balance
Deposits	7,033,291.23	5,493,190.63
Security fund	38,240,187.75	38,487,480.30
Due from Shougang Group	20,399,126.61	63,771,002.77
Restricted stock repurchase obligations		65,694,761.24
Due from other companies	210,475,424.52	239,988,165.39
Total	276,148,030.11	413,434,600.33

23. Contract liabilities

Unit: RMB Yuan

Item	Closing balance	Opening balance
Advance from product sales	4,529,764,861.53	5,101,055,378.93
Total	4,529,764,861.53	5,101,055,378.93

24. Employee benefits payable**(1) Presentation of employee benefits payable**

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
I. Short-term employee benefits	683,310,563.49	4,226,799,669.96	4,150,843,108.51	759,267,124.94
II. Post-employment benefits (defined contribution plans)	44,383,829.70	612,232,532.43	611,979,487.19	44,636,874.94
III. Termination benefits		132,324,941.14	132,324,941.14	
IV. Other benefits due within one year	5,890,000.00			5,890,000.00
Total	733,584,393.19	4,971,357,143.53	4,895,147,536.84	809,793,999.88

(2) Presentation of short-term employee benefits

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
1. Salaries, bonuses, allowances, and subsidies	155,990,819.89	3,167,648,094.72	3,137,840,362.92	185,798,551.69
2. Welfare		303,287,045.76	303,287,045.76	
3. Social insurance	228,348,618.71	303,988,968.12	284,014,736.76	248,322,850.07
Including: Medical insurance premiums	227,259,872.15	275,464,791.73	255,439,607.13	247,285,056.75
Work-related injury insurance	1,088,746.56	28,524,176.39	28,575,129.63	1,037,793.32
4. Housing fund	60,513.00	316,208,079.99	316,226,819.99	41,773.00
5. Labor union fee and employee education fee	298,909,511.89	110,190,808.33	83,996,370.04	325,103,950.18
Other short-term employee benefits	1,100.00	25,476,673.04	25,477,773.04	
Total	683,310,563.49	4,226,799,669.96	4,150,843,108.51	759,267,124.94

(3) Presentation of defined contribution plans

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
1. Pension insurance	19,418,286.92	432,983,475.34	432,969,505.87	19,432,256.39
2. Unemployment insurance	12,085,826.40	15,878,522.58	16,001,280.36	11,963,068.62
3. Enterprise pension	12,876,784.20	163,350,507.68	162,988,659.96	13,238,631.92

Mandatory Provident Fund(MPF)	2,932.18	20,026.83	20,041.00	2,918.01
Total	44,383,829.70	612,232,532.43	611,979,487.19	44,636,874.94

Termination benefits

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Compensation for employee resettlement		132,324,941.14	132,324,941.14	
Total		132,324,941.14	132,324,941.14	

25. Taxes payable

Unit: RMB Yuan

Item	Closing balance	Opening balance
Value-added tax	159,130,372.37	135,610,486.47
Income tax	53,283,327.16	62,633,479.01
Individual income tax	4,671,625.46	6,426,994.43
City construction and maintenance tax	2,828,822.47	1,490,313.96
Education surcharge	1,496,633.39	700,363.01
Local education surcharge	668,840.21	398,565.10
Property tax	1,403,771.95	1,355,503.63
Land use tax	428,536.01	440,536.03
Stamp duty	29,197,503.59	29,128,373.36
Resource tax	6,361,753.00	3,644,879.00
Environmental protection tax	16,522,106.08	23,640,223.10
Others	23,168.76	22,165.48
Total	276,016,460.45	265,491,882.58

26. Current portion of non-current liabilities

Unit: RMB Yuan

Item	Closing balance	Opening balance
Long-term loans due within one year	2,856,717,233.44	2,659,863,250.12
Bonds payable due within one year	4,800,000.00	
Lease liabilities due within one year	23,213,515.70	20,709,352.32
Total	2,884,730,749.14	2,680,572,602.44

27. Other current liabilities

Unit: RMB Yuan

Item	Closing balance	Opening balance
Short-term bonds payable	501,643,698.63	705,150,163.98
Tax to be exported	573,712,792.39	873,806,844.20
Undue backed notes	2,425,229,703.24	3,779,376,527.18
Shougang Jing Notes	700,096,356.68	789,651,680.65
Total	4,200,682,550.94	6,147,985,216.01

Increase or decrease in short-term bonds payable:

Unit: RMB Yuan

Bond name	Nominal value	Coupon rate	Issue date	Maturity of bond	Issue amount	Opening balance	Issued during current period	Interest accrued per nominal value	Amortization of premium and discount	Repaid in the current period	Closing balance	Breached or not
Beijing Shougang Comp	500,000,000.00	1.69 %	21 October 202	150 days	500,000,000.00		500,000,000.00	1,643,698.63			501,643,698.63	No

ny Limite d 2025 First Scienc e and Techno logy Innova tion Bond			5									
Beijing Shouga ng Compa ny Limite d 2024 Third Super Short- Term Financi ng Note	700,000, 000.00	2.04 %	22 Aug ust 202 4	210 days	700,000,0 00.00	705,150, 163.98		3,065,7 26.43		708,215, 890.41		No
Total					1,200,000 ,000.00	705,150, 163.98	500,000, 000.00	4,709,4 25.06		708,215, 890.41	501,643, 698.63	

28. Long-term loans

Classification of long-term loans

Unit: RMB Yuan

Item	Closing balance	Opening balance
Guaranteed loans	6,004,858,333.33	8,497,451,736.11
Credit loans	4,818,328,900.11	6,026,481,514.01
Less: Long-term loans due within one year	-2,856,717,233.44	-2,659,863,250.12
Total	7,966,470,000.00	11,864,070,000.00

29. Bonds payable

(1) Bonds payable

Unit: RMB Yuan

Item	Closing balance	Opening balance
Bonds payable	500,000,000.00	
Total	500,000,000.00	

(2) Increase or decrease in bonds payable (excluding other financial instruments such as preferred shares and perpetual bonds classified as financial liabilities)

Unit: RMB Yuan

Bond name	Nomin al value	Coupo n rate	Issue date	Maturi ty of bond	Issue amoun t	Openin g balanc e	Issued during current period	Interes t accrued per nomin al value	Amorti zation of premiu m and discou nt	Repaid in the current period	Closing balanc e	Breach ed or not
25Sho uqianG K02	500,00 0,000. 00	1.92%	30 June 2025 and 2 July 2025	5	500,00 0,000. 00		500,00 0,000. 00	4,800, 000.00			500,00 0,000. 00	No

Total	—	500,000.00	500,000.00	4,800,000.00	500,000.00	—
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30. Lease liabilities

Unit: RMB Yuan

Item	Closing balance	Opening balance
Lease payment amount	708,251,388.52	725,384,558.67
Less: Unrecognized financing costs	-221,130,199.96	-239,484,366.70
Reclassified to non-current liabilities due within one year	-23,213,515.70	-20,709,352.32
Total	463,907,672.86	465,190,839.65

31. Long-term payables

Unit: RMB Yuan

Item	Closing balance	Opening balance
Special payables	2,100,000.00	2,100,000.00
Total	2,100,000.00	2,100,000.00

Special payables

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance	Reasons for formation
R&D funding	2,100,000.00			2,100,000.00	
Total	2,100,000.00			2,100,000.00	

32. Long-term employee benefits payables

Unit: RMB Yuan

Item	Closing balance	Opening balance
II. Termination benefits	15,005,094.29	17,183,594.32
III. Other long-term benefits	59,501,576.95	61,426,762.09
Less: Long-term employee benefits payables due within one year	-5,890,000.00	-5,890,000.00
Total	68,616,671.24	72,720,356.41

33. Provisions

Unit: RMB Yuan

Item	Closing balance	Opening balance	Reasons for formation
Pending litigation	6,626,572.00	1,000,000.00	
Total	6,626,572.00	1,000,000.00	

34. Deferred income

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance	Reasons for formation
Government grant	563,629,799.28	153,658,932.00	91,731,515.65	625,557,215.63	Litigation
Total	563,629,799.28	153,658,932.00	91,731,515.65	625,557,215.63	--

35. Other non-current liabilities

Unit: RMB Yuan

Item	Closing balance	Opening balance
Shougang Group advance payment for construction	2,200,552,060.52	2,364,112,304.97
Total	2,200,552,060.52	2,364,112,304.97

36. Share capital

Unit: RMB Yuan

	Opening balance	Changes in current (+/-)					Closing balance
		Shares issued	Bonus issue	Shares transferred from	Others	Sub-total	

				reserves			
Total amount of shares	7,773,981,020.00				19,013,650.00	19,013,650.00	7,754,967,370.00

Due to the failure of the performance evaluation indicators for the 2024 fiscal year to meet the Company level of performance evaluation conditions for the first period of lifting restrictions as stipulated in the Incentive Plan, changes in some incentive objects due to organizational or personal reasons that do not meet the incentive conditions, the Company repurchased and cancelled a total of 19,013,650 shares of restricted stocks that have been granted but have not yet been released, and decreased treasury shares of RMB 65,694,761.24 in 2025.

37. Capital reserve

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Share premium	29,632,870,264.14		184,329,611.39	29,448,540,652.75
Other capital reserve	773,848,589.07		3,744,535.61	770,104,053.46
Total	30,406,718,853.21		188,074,147.00	30,218,644,706.21

Other notes, including increases or decreases during the period and explanations of the reasons for the changes:

① The change in share premium refers to the repurchase and cancellation of restricted stocks of RMB 46,681,111.24 granted in 2021 by the Company, and the decrease of share premium by RMB 137,648,500.15 due to business combinations involving entities under common control.

② Other changes in capital reserves refer to changes in equity of joint ventures and associates recognized by the Company based on shareholding ratios.

38. Treasury shares

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Restricted stock incentive plan	65,694,761.24	116,640,372.07	65,694,761.24	116,640,372.07
Total	65,694,761.24	116,640,372.07	65,694,761.24	116,640,372.07

Other notes, including increases or decreases during the period and explanations of the reasons for the changes:

① For the decrease of treasury shares by 65,694,761.24 during the current period, see “Note 36. Share Capital” for details.

② In 2025, the Company repurchased 26,682,716 shares through a dedicated securities account for share repurchases via centralised competitive bidding for the purpose of implementing an equity incentive plan. The total amount paid was RMB 16,640,372.07 (excluding transaction fees).

39. Other comprehensive income

Unit: RMB Yuan

Item	Opening balance	Amount incurred in current period						Closing balance
		Incurred before income tax for the period	Less: Transferred from other comprehensive income in prior periods to profit or loss during the period	Less: Transferred from other comprehensive income in prior periods to retained earnings during the period	Less: Income tax expense	Attributable to the parent company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive income which	188,544,504.02	3,038,382.23			455,757.34	2,582,624.89		191,127,128.91

cannot be reclassified into profits or losses								
Changes in fair value of investments in other equity instruments	188,544,504.02	3,038,382.23			455,757.34	2,582,624.89		191,127,128.91
II. Other comprehensive income to be reclassified into profits or losses	8,135.97	-316,970.88				-316,970.88		-308,834.91
Translation difference of foreign currency financial statements	8,135.97	-316,970.88				-316,970.88		-308,834.91
Total other comprehensive income	188,552,639.99	2,721,411.35			455,757.34	2,265,654.01		190,818,294.00

40. Special reserve

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Safety fund	45,140,519.27	152,654,856.91	141,089,232.28	56,706,143.90
Total	45,140,519.27	152,654,856.91	141,089,232.28	56,706,143.90

41. Surplus reserve

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	1,961,316,319.60	17,569,727.48		1,978,886,047.08
Total	1,961,316,319.60	17,569,727.48		1,978,886,047.08

42. Undistributed profits

Unit: RMB Yuan

Item	Current period	Prior period
Undistributed profits at previous year before adjustment	9,447,971,388.81	9,224,145,934.95
Adjustment to the total balance of undistributed profits at the beginning of the period (increase +, decrease -)		550,046.82
Undistributed profits at the beginning of the period after adjustment	9,447,971,388.81	9,224,695,981.77
Add: Current period net profit attributable to owners of the parent company	995,635,969.34	479,418,078.55
Less: Transfer to statutory surplus reserve	17,658,833.28	17,075,873.77
Common stock dividends payable	173,027,556.61	239,066,797.74
Other decreases	5,610,565.95	
Undistributed profit at the end of the period	10,247,310,402.31	9,447,971,388.81

The adjustment to the total balance of undistributed profits of RMB 550,046.82 at the beginning of the year represents the impact of retrospective adjustment resulting from a business combination involving entities under common control. Other decreases in undistributed profits for the current year amounted to RMB 5,610,565.95, of which RMB 12,410,337.30 was

attributable to the business combination under common control, and RMB -6,799,771.35 was attributable to dividends previously distributed to equity incentive participants.

43. Operating revenue and cost of sales

Unit: RMB Yuan

Item	Amount incurred in current period		Amount incurred in prior period	
	Revenue	Cost of sales	Revenue	Cost of sales
Main business	99,850,831,084.05	94,813,774,812.10	105,024,513,695.40	100,879,037,047.09
Other businesses	3,067,586,488.86	2,939,332,405.27	3,437,479,690.89	3,158,068,573.22
Total	102,918,417,572.91	97,753,107,217.37	108,461,993,386.29	104,037,105,620.31

Revenue and cost of sales by product type

Item	Amount incurred in current year		Amount incurred in prior year	
	Revenue	Cost of sales	Revenue	Cost of sales
Main business				
Industrial pure iron	435,717,597.41	416,946,095.88	329,725,948.36	321,610,684.42
Hot-rolled steel	40,724,797,478.10	38,858,463,234.24	43,490,893,729.26	42,525,424,736.87
Cold-rolled steel	57,607,711,298.23	54,526,271,485.91	59,429,232,318.97	56,695,132,627.18
Other steels	1,082,604,710.31	1,012,093,996.07	1,774,661,698.81	1,336,868,998.62
Sub-total	99,850,831,084.05	94,813,774,812.10	105,024,513,695.40	100,879,037,047.09
Other businesses				
Power	1,466,538,002.69	1,577,998,119.12	1,258,601,392.50	1,323,153,183.39
Solid waste	885,521,007.43	782,541,506.77	1,570,988,209.62	1,426,495,085.34
Others	715,527,478.74	578,792,779.38	607,890,088.77	408,420,304.49
Sub-total	3,067,586,488.86	2,939,332,405.27	3,437,479,690.89	3,158,068,573.22
Total	102,918,417,572.91	97,753,107,217.37	108,461,993,386.29	104,037,105,620.31

Revenue and cost of sales by timing of goods transfer

Item	Amount incurred in current year	Amount incurred in prior year
Revenue from main business	99,850,831,084.05	105,024,513,695.40
Including: Recognised at a certain point in time	99,850,831,084.05	105,024,513,695.40
Recognised during a certain period of time		
Revenue from other business	3,067,586,488.86	3,437,479,690.89
Total	102,918,417,572.91	108,461,993,386.29

(Continued)

Item	Amount incurred in current year	Amount incurred in prior year
Main business costs	94,813,774,812.10	100,879,037,047.09
Including: Recognised at a certain point in time	94,813,774,812.10	100,879,037,047.09
Recognised during a certain period of time		
Other business costs	2,939,332,405.27	3,158,068,573.22
Total	97,753,107,217.37	104,037,105,620.31

Revenue from trial sales

Item	Amount incurred in current year		Amount incurred in prior year	
	Revenue	Cost of sales	Revenue	Cost of sales
Pilot sale of fixed assets			419,353,740.71	378,381,897.07

44. Taxes and surcharges

Unit: RMB Yuan

Item	Amount incurred in current period	Amount incurred in prior period
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City construction and maintenance tax	102,090,390.76	39,405,066.46
Education surcharge	45,364,938.41	17,072,762.45
Resource tax	33,260,137.40	37,622,775.40
Property tax	220,169,839.93	207,050,249.96
Land use tax	227,606,305.79	227,635,902.40
Vehicle and vessel use tax	289,581.17	295,909.51
Stamp duty	125,032,739.42	129,973,085.00
Environmental protection tax	89,735,804.28	95,499,714.51
Local education surcharge	28,411,999.70	11,202,249.37
Others	235,768.48	174,662.41
Total	872,197,505.34	765,932,377.47

45. General and administrative expenses

Unit: RMB Yuan

Item	Amount incurred in current period	Amount incurred in prior period
Staff costs	700,182,486.90	626,546,387.78
Depreciation and amortization	309,494,948.55	319,274,486.45
Other regular expenses	311,055,250.25	338,637,792.34
Total	1,320,732,685.70	1,284,458,666.57

46. Selling expenses

Unit: RMB Yuan

Item	Amount incurred in current period	Amount incurred in prior period
Staff costs	155,220,812.12	165,408,100.38
Depreciation and amortization	275,869.52	641,550.53
Other regular expenses	90,310,262.63	68,697,497.71
Total	245,806,944.27	234,747,148.62

47. R&D expenses

Unit: RMB Yuan

Item	Amount incurred in current period	Amount incurred in prior period
Staff costs	487,929,430.35	478,207,259.12
Other regular expenses	68,900,799.20	54,491,496.36
Total	556,830,229.55	532,698,755.48

48. Financial expenses

Unit: RMB Yuan

Item	Amount incurred in current period	Amount incurred in prior period
Interest expenses	811,686,090.52	1,176,723,369.76
Interest income	-109,174,846.62	-88,226,397.09
Discount on notes acceptance	42,988,897.85	32,358,001.80
Exchange losses and gains	-6,558,331.16	-20,979,873.31
Bank charges and others	-1,184,811.74	1,202,827.31
Total	737,756,998.85	1,101,077,928.47

49. Other income

Unit: RMB Yuan

Source of other income	Amount incurred in current period	Amount incurred in prior period
Asset-related government grants	91,684,240.05	40,296,257.21
Revenue-related government grants	18,274,893.24	150,201,417.92
Value added tax deduction	372,993,600.18	881,359,599.43
Refund of personal income tax commission	1,165,625.55	829,144.87
Others	9,000.00	2,250.00
Total	484,127,359.02	1,072,688,669.43

50. Gains from changes in fair value

Unit: RMB Yuan

Sources of gains from changes in fair	Amount incurred in current period	Amount incurred in prior period
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value		
Other non-current financial assets	4,693,755.42	-4,790,547.26
Total	4,693,755.42	-4,790,547.26

51. Investment gain

Unit: RMB Yuan

Item	Amount incurred in current period	Amount incurred in prior period
Long-term equity investment income measured under equity method	28,165,531.70	-317,194,130.31
Gain on disposal of long-term equity investments	-1,408,811.08	
Dividend from other equity instruments investments	16,737,360.00	7,928,839.58
Dividend from other non-current financial assets	651,975.26	
Others	384,337.24	2,537,679.85
Total	44,530,393.12	-306,727,610.88

52. Credit impairment losses

Unit: RMB Yuan

Item	Amount incurred in current period	Amount incurred in prior period
Provision for bad debts of notes receivable	1,472,567.34	-306,499.62
Provision for bad debts of accounts receivable	3,379,307.13	-19,652,624.31
Provision for bad debts of other receivables	-199,493.95	1,271,493.89
Provision for bad debts of financing receivable	299,766.90	-276,043.29
Total	4,952,147.42	-18,963,673.33

53. Impairment losses on assets

Unit: RMB Yuan

Item	Amount incurred in current period	Amount incurred in prior period
I. Loss on decline in value of inventories and impairment loss of contract performance costs	-572,417,684.70	-575,389,035.63
Total	-572,417,684.70	-575,389,035.63

54. Gains on disposal of assets

Unit: RMB Yuan

Sources of proceeds from the disposal of assets	Amount incurred in current period	Amount incurred in prior period
Gains and losses on disposal of fixed assets	-132,346.76	97,353.54
Gains and losses on disposal of right-of-use assets	1,132,507.50	694,020.11
Total	1,000,160.74	791,373.65

55. Non-operating income

Unit: RMB Yuan

Item	Amount incurred in current period	Amount incurred in prior period	Recognised as non-recurring gains or losses in current period
Gains on retirement of non-current assets	7,654.92	179,820.54	7,654.92
Income from penalty	1,333,077.55	2,591,052.13	1,333,077.55
Revenue from carbon credits	2,020,788.68	140,795,603.84	2,020,788.68
Others	7,506,253.13	4,312,844.62	7,506,253.13
Total	10,867,774.28	147,879,321.13	10,867,774.28

56. Non-operating expenses

Unit: RMB Yuan

Item	Amount incurred in current period	Amount incurred in prior period	Recognised as non-recurring gains or losses in current period
Losses on retirement of non-current assets	101,942,151.87	51,551,673.87	101,942,151.87
Provisions	6,626,572.00	1,000,000.00	6,626,572.00
Fines and late fees	9,828,302.20	7,939,187.72	9,828,302.20
Liquidated damages	786,071.60	2,263,140.95	786,071.60
Carbon Emission Allowance Trading		4,878,686.28	
Others	352,216.65	66,909.94	352,216.65
Total	119,535,314.32	67,699,598.76	119,535,314.32

57. Income tax expenses**(1) Income tax expense statement**

Unit: RMB Yuan

Item	Amount incurred in current period	Amount incurred in prior period
Current income tax expenses	247,471,444.05	170,879,010.11
Deferred income tax expenses	-32,128,370.18	-20,595,114.22
Total	215,343,073.87	150,283,895.89

(2) Process of adjusting accounting profit and income tax expenses

Unit: RMB Yuan

Item	Amount incurred in current period
Total profits	1,290,204,582.81
Income tax expense at the statutory/applicable tax rate	193,530,687.43
Effect of different tax rates applicable to subsidiaries	7,333,564.35
Effect of adjustments to income taxes of prior periods	13,549,791.12
Effect of non-taxable income	-2,608,400.29
Effect of non-deductible costs, expenses and losses	22,669,702.55
Effect of using deductible losses not recognized as deferred tax assets in prior periods	-3,330,321.39
Effect of deductible temporary differences or deductible losses not recognized as deferred tax assets in the current period	612,906.13
Gains and losses on joint ventures and associates accounted for under the equity method of accounting	-4,224,829.76
Effect of tax rate changes on opening deferred income tax balances	-253,009.62
Tax implications of the markup deduction for research and development expenses	-8,932,103.09
Others	-3,004,913.56
Income tax expense	215,343,073.87

58. Other comprehensive income

See "Note VII.39. Other comprehensive income" in this section for details.

59. Items in statement of cash flows**(1) Cash related to operating activities**

Other cash received related to operating activities

Unit: RMB Yuan

Item	Amount incurred in current period	Amount incurred in prior period
Receipt of government subsidies	169,458,535.50	232,218,716.55
Receipt of deposits	59,816,988.62	107,780,468.05
Receipt of other non-operating income	5,385,348.23	146,160,258.38
Receipt of due from other companies	249,502,019.65	133,847,913.67
Restricted cash at bank and on hand	54,100,000.00	20,000,000.00
Interest income	102,117,247.87	88,226,397.09
Total	640,380,139.87	728,233,753.74

Other cash paid related to operating activities

Unit: RMB Yuan

Item	Amount incurred in current period	Amount incurred in prior period
Expenditures of a cost nature	513,437,533.01	699,004,543.02
Non-operating expenses	10,689,095.44	14,838,714.77
Payment of deposits	66,992,404.49	18,952,471.75
Restricted cash at bank and on hand	8,530,291.56	
Handling fee expenses	1,215,105.73	1,202,827.31
Total	600,864,430.23	733,998,556.85

(2) Cash related to financing activities

Other cash paid for financing activities

Unit: RMB Yuan

Item	Amount incurred in current period	Amount incurred in prior period
Paying back the borrowings from Shougang Group	164,000,000.00	765,796,082.92
Lease payments	24,626,993.86	24,683,792.05
Payment for equity incentive repurchase	176,274,578.38	64,932,121.43
Others		2,703,574.01
Total	364,901,572.24	858,115,570.41

Changes in liabilities arising from financing activities

☒Applicable ☐Non-applicable

Unit: RMB Yuan

Item	Opening balance	Increase		Decrease		Closing balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term borrowings	22,251,284,791.74	23,332,000,000.00	479,485,346.61	24,617,271,855.58		21,445,498,282.76
Long-term borrowings	14,523,933,250.12	811,230,000.00	306,183,442.04	4,818,159,458.72		10,823,187,233.44
Super & Short-Term Commercial Paper (SCP)	705,150,163.98	500,000,000.00	4,709,425.06	708,215,890.41		501,643,698.63
Lease liabilities	485,900,191.97		25,847,990.45	24,626,993.86		487,121,188.56
Bonds payable		500,000,000.00	4,800,000.00			504,800,000.00
Total	37,966,268,397.81	25,143,230,000.00	821,026,204.16	30,168,274,198.57		33,762,250,403.39

60. Supplements to statement of cash flows**(1) Supplementary information**

Unit: RMB Yuan

Supplementary information	Current period amount	Prior period amount
1. Reconciliation of net profit to cash flows from operating activities		
Net profit	1,074,861,508.94	603,477,891.83
Add: Provision for asset impairment	567,465,537.28	594,352,708.96
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	7,925,010,191.67	7,821,689,103.24
Depreciation of right-of-use assets	31,938,359.37	35,495,158.68
Amortization of intangible assets	195,616,717.93	191,799,941.71
Amortization of long-term deferred expenses	1,894,118.30	685,795.53
Losses on disposal of fixed assets, intangible assets and other long-term assets (Gains as in "-")	-1,000,160.74	-791,373.65
Losses on written-off fixed assets (Gains as in "-")	101,934,496.95	51,371,853.33
Losses on fair value changes (Gain as in "-")	-4,693,755.42	4,790,547.26

Financial expenses (Income as in "-")	844,616,657.21	1,188,101,498.25
Investment losses (Income as in "-")	-44,530,393.12	306,727,610.88
Decrease in deferred tax assets (Increase as in "-")	1,391,034.21	27,300,814.00
Increase in deferred tax liabilities (Decrease as in "-")	-33,519,404.40	-47,896,570.98
Decrease in inventories (Increase as in "-")	505,894,718.13	796,855,067.92
Decrease in receivables from operating activities (Increase as in "-")	-539,471,667.94	-1,157,042,303.45
Increase in payables from operating activities (Decrease as in "-")	-2,536,655,014.44	-4,168,333,504.22
Others	45,924,105.80	93,637,129.30
Net cash flows from operating activities	8,136,677,049.73	6,342,221,368.59
2. Significant non-cash payments for investing and financing activities		
Conversion of debt into capital		
Convertible bonds due within one year		
Finance leased fixed assets		
Right-of-use assets newly added during the period	33,283,777.77	45,307.77
3. Net changes in cash and cash equivalents:		
Closing balance of cash	10,790,377,373.28	8,746,738,696.99
Less: Opening balance of cash	8,746,738,696.99	8,915,530,075.33
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	2,043,638,676.29	-168,791,378.34

(2) Components of cash and cash equivalents

Unit: RMB Yuan

Item	Closing balance	Opening balance
I. Cash	10,790,377,373.28	8,746,738,696.99
Including: Cash on hand	43,303.90	50,977.80
Balances in banks without restriction	10,706,974,428.71	8,746,687,706.45
Other monetary funds without restriction	83,359,640.67	12.74
III. Closing balance of cash and cash equivalents	10,790,377,373.28	8,746,738,696.99

(3) Monetary funds not belonging to cash and cash equivalents

Unit: RMB Yuan

Item	Current period amount	Prior period amount	Reasons for monetary funds not belong to cash and cash equivalents
Other monetary assets	45,515,135.17	78,435,686.58	Security fund
Accrued interest	6,568,328.40	1,463,088.39	Accruing interest based on actual interest rate
Total	52,083,463.57	79,898,774.97	

61. Notes to Statement of Changes in Shareholders' Equity

Indicate the name of the "Other" item and the amount of adjustment to the closing balance of the prior year:

Regarding the item "6. Others" in the Statement of Changes in Equity, the capital reserve decreased by RMB 137,648,121.49, the surplus reserve decreased by RMB 89,105.80, primarily due to the business combination with Hebei Shougang Jingtang Machinery Co., Ltd. under common control during the period; and undistributed profits decreased by RMB 5,610,565.95, of which RMB 12,410,337.30 was attributable to the business combination under common control, and RMB -6,799,771.35 was attributable to dividends previously distributed to equity incentive participants.

62. Foreign currency monetary items

(1) Foreign currency monetary items

Unit: RMB Yuan

Item	Closing balance for foreign currency	Exchange rate	Closing balance converted to RMB
Cash at bank and on hand			
Including: USD	36,393,454.10	7.0288	255,802,310.18

EUR	844,896.56	8.2355	6,958,145.62
HKD	1,669,896.50	0.9032	1,508,250.52
Accounts receivable			
Including: USD	2,278,394.30	7.0288	16,014,377.86
EUR			
HKD			
Long-term borrowings			
Including: USD			
EUR			
HKD			
Accounts payable			
Including: USD	1,058,828.21	7.0288	7,442,291.72
EUR			
HKD			

(2) Description of the overseas operating entities, including, in the case of a significant overseas operating entity, a disclosure of the principal place of business outside the country, the local currency of account and the basis of selection, and the reasons for any change in the local currency of account.

☒Applicable ☐Non-applicable

Subsidiary of the Company: Zhixin Electromagnetic (Hong Kong) Trading Co., Ltd. is a wholly-owned subsidiary of Shougang Zhixin Electromagnetic Materials (Qian'an) Co., Ltd., a subsidiary held by the Company, established in Hong Kong. In 2025, the main business of this subsidiary was overseas sales of metallic soft magnetic materials, and the sales settlement method was mainly in U.S. dollars. Based on the Company's actual operation and future development plan, the bookkeeping local currency in 2025 was U.S. dollars.

63. Lease

(1) The Company as a lessee

Item	Amount incurred in current year	Amount incurred in prior year
Interest expenses on lease liabilities	18,141,757.96	19,970,899.60
Short-term lease expenses under simplified treatment included in current profit or loss	12,827,773.62	6,630,979.13
Lease expenses for low-value assets (other than short-term leases) recognized in profit or loss using the simplified approach	6,902.66	
Variable lease payments not included in the measurement of the lease liabilities		
Income from sublease of right-of-use assets	5,843,597.46	
Total cash outflows related to leases	38,635,766.53	41,551,227.16

(2) The Company as a lessor

Operating leases with the Company as a lessor

Item	Amount incurred in current period	Including: Income related to variable lease payments not included in lease receipts
lease revenue	48,731,016.96	
Total	48,731,016.96	

VIII. R&D expenses

Unit: RMB Yuan

Item	Amount incurred in current period	Amount incurred in prior period
Staff costs	487,929,430.35	478,207,259.12
Other regular expenses	70,028,252.03	54,491,496.36
Total	557,957,682.38	532,698,755.48
Including: Expensed amount	556,830,229.55	532,698,755.48
Capitalized R&D expenditures	1,127,452.83	

IX. Changes in the scope of consolidation

1. Business combinations involving entities under common control

(1) Business combinations involving entities under common control occurred during the period

Unit: RMB Yuan

Name of the acquiree	Interest percentage obtained in the business combination	Basis for constituting a business combination under common control	Combination date	Basis for determining the combination date	Revenue of the acquiree from the beginning of the current combination period to the combination date	Net profit of the acquiree from the beginning of the current combination period to the combination date	Revenue of the acquiree for the comparative period	Net profit of the acquiree for the comparative period
Hebei Shougang Jingtang Machinery Co., Ltd.	100.00%	Both parties were under the control of Shougang Group Co., Ltd. before and after the combination, and such control is not temporary.	25 December 2025	Obtained actual control on the date of industrial and commercial change registration and the date of equity delivery.	898,185,414.93	8,027,162.83	635,582,699.08	8,325,029.51

During the current period, Jingtang Co. acquired 100% equity of Hebei Shougang Jingtang Machinery Co., Ltd. through a business combination under common control. In accordance with the *Accounting Standards for Business Enterprises* and relevant provisions, the Company and Jingtang Co. have retrospectively adjusted the opening data of the consolidated financial statements and relevant data for the comparative period.

(2) Cost of combination

Unit: RMB Yuan

Cost of combination	Hebei Shougang Jingtang Machinery Co., Ltd.
--Cash	150,366,403.60
--Book value of non-cash assets	
--Book value of debts issued or assumed	
--Nominal value of equity securities issued	
--Contingent consideration	

(3) Book values of assets and liabilities of the acquiree on the combination date

Item	Hebei Shougang Jingtang Machinery Co., Ltd.	
	Combination date	End of previous year
Assets:		
Cash at bank and on hand	69,327,577.54	49,363,845.95
Receivables	101,484,835.80	90,228,620.55
Summary of other current asset items	15,449,037.88	36,910,278.01
Summary of non-current asset items	71,113,671.49	64,924,972.12
Liabilities:		
Accounts payable	90,609,890.46	65,723,717.27
Employee benefits payable	2,133,284.69	1,944,360.82
Summary of other current liability items	17,641,244.31	33,014,558.47
Summary of non-current liability items		
Net assets	146,990,703.25	140,745,080.07
Less: Non-controlling interests		
Net assets acquired	146,990,703.25	140,745,080.07

X. Interests in other entities

1. Interests in subsidiaries

(1) Composition of the Company

Unit: RMB Yuan

Name of subsidiary	Registered capital	Main place of operation	Place of registration	Business nature	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
Shougang Jingtang United Iron & Steel Co., Ltd.	35,821,676,294.00	Tangshan, PRC	Tangshan, PRC	Production and sales	70.18%	29.82%	Business combinations involving entities under common control
Beijing Shougang Cold Rolling Co., Ltd.	2,600,000,000.00	Beijing, PRC	Beijing, PRC	Production and sales	70.28%		Establishment or investment, etc.
Qian'an Shougang Metallurgical Technology Co., Ltd.	151,900,000.00	Qian'an, PRC	Qian'an, PRC	Consulting service	100.00%		Business combinations involving entities under common control
Shougang Zhixin Electromagnetic Materials (Qian'an) Co., Ltd.	3,000,000,000.00	Qian'an, PRC	Qian'an, PRC	Production and sales	66.23%		Establishment or investment, etc.
Beijing Shougang Steel Trading Investment Management Co., Ltd.	1,136,798,235.00	Beijing, PRC	Beijing, PRC	Production and sales	100.00%		Business combinations involving entities under common control

(2) Material non-wholly owned subsidiaries

Unit: RMB Yuan

Name of subsidiary	Shareholding ratio of non-controlling interests	Profit or loss attributable to non-controlling interests in the current period	Dividends declared and distributed to non-controlling interests in the current period	Balance of non-controlling interests at the end of the period
Beijing Shougang Cold Rolling Co., Ltd.	29.72%	3,550,593.89		-302,942,904.14
Shougang Zhixin Electromagnetic Materials (Qian'an) Co., Ltd.	33.77%	62,110,161.59	79,913,787.54	4,925,102,606.14

(3) Major financial information of material non-wholly owned subsidiaries

Unit: RMB Yuan

Name of subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Beijing Shougang Cold Rolling Co., Ltd.	1,165,560,065.49	2,846,200,563.52	4,011,760,629.01	2,790,798,154.92	2,236,455,650.63	5,027,253,805.55	1,449,998,245.00	3,049,116,907.36	4,499,115,152.36	3,134,495,872.82	2,390,093,197.52	5,524,589,070.34
Shougang Zhixin Electromagnetic Materials	6,447,496,421.47	14,403,678,124.17	20,851,174,545.64	4,945,075,687.69	1,321,412,885.19	6,266,488,572.88	6,192,348,706.35	15,524,842,346.46	21,717,191,052.81	5,693,074,749.47	1,390,783,109.09	7,083,857,858.56

(Qian'an) Co., Ltd.												
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Unit: RMB Yuan

Name of subsidiary	Amount incurred in current period				Amount incurred in prior period			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Beijing Shougang Cold Rolling Co., Ltd.	9,070,138,702.53	11,946,816.59	11,946,816.59	74,036,719.52	9,768,261,391.98	6,188,121.79	6,188,121.79	912,441,874.23
Shougang Zhixin Electromagnetic Materials (Qian'an) Co., Ltd.	15,525,092,748.00	183,926,564.58	183,447,980.71	1,814,895,105.17	14,342,270,942.98	333,031,890.51	333,044,274.26	620,426,601.19

2. Interests in joint ventures and associates

(1) Significant joint ventures and associates

Name of joint venture or associate	Main place of operation	Place of registration	Business nature	Shareholding ratio (%)		Accounting method
				Direct	Indirect	
I. Joint ventures						
Tangshan Guoxing Industry Co., Ltd.	Tangshan, PRC	Tangshan, PRC	Manufacturing	50.00%		Equity method
Tangshan Shougang Jingtang Xishan Coking Co., Ltd.	Tangshan, PRC	Tangshan, PRC	Coking	50.00%		Equity method
II. Associates						
Tangshan Tangcao Railway Co., Ltd.	Tangshan, PRC	Tangshan, PRC	Transportation	16.19%		Equity method
Tangshan Caofeidian Dunshi New Building Materials Co., Ltd.	Tangshan, PRC	Tangshan, PRC	Building materials	25.00%		Equity method
Qian'an Sinochem Coal Chemical Industrial Co., Ltd.	Qian'an, PRC	Qian'an, PRC	Coking	49.82%		Equity method
Beijing Shouxin Jinyuan Management Consulting Center (Limited Partnership)	Beijing, PRC	Beijing, PRC	Investment	20.00%		Equity method
Beijing Shougang Resource Recycling Technology Co., Ltd.	Beijing, PRC	Beijing, PRC	Manufacturing	45.00%		Equity method
Ningbo Shougang Zhejiang Steel Materials Co., Ltd.	Ningbo, PRC	Ningbo, PRC	Manufacturing	40.00%		Equity method
Guangzhou Jinghai Shipping Co., Ltd.	Guangzhou, PRC	Guangzhou, PRC	Transportation	20.00%		Equity method
Shougang (Qingdao) Steel Industry Co., Ltd.	Qingdao, PRC	Qingdao, PRC	Manufacturing	35.00%		Equity method
Tianjin Wuchan Shougang Steel Processing and Distribution Co., Ltd.	Tianjin, PRC	Tianjin, PRC	Manufacturing	35.00%		Equity method
Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd.	Qian'an, PRC	Qian'an, PRC	Building materials	35.00%		Equity method

(2) Major financial information of significant joint ventures

Item	Closing balance/2025		Opening balance/2024	
	Tangshan Guoxing Industry Co., Ltd.	Tangshan Shougang Jingtang Xishan Coking Co., Ltd.	Tangshan Guoxing Industry Co., Ltd.	Tangshan Shougang Jingtang Xishan Coking Co., Ltd.

Current assets	133,221,267.13	2,824,226,008.12	69,987,990.52	2,589,154,143.35
Including: Cash and cash equivalents	5,150,631.43	246,932,991.57	6,426,493.84	19,204,043.19
Non-current assets	80,261,448.07	697,628,094.24	81,435,831.50	923,965,805.48
Total assets	213,482,715.20	3,521,854,102.36	151,423,822.02	3,513,119,948.83
Current liabilities	115,735,387.58	1,300,718,012.28	56,592,687.16	1,307,120,876.10
Non-current liabilities	8,611,326.96	61,234,411.12	8,049,100.30	28,898,200.00
Total liabilities	124,346,714.54	1,361,952,423.40	64,641,787.46	1,336,019,076.10
Total net assets	89,136,000.66	2,159,901,678.96	86,782,034.56	2,177,100,872.73
Including: Non-controlling interests				
Equity attributable to shareholders of the parent company	89,136,000.66	2,159,901,678.96	86,782,034.56	2,177,100,872.73
Net assets calculated by shareholding ratio	44,568,000.32	1,079,950,839.48	43,391,017.27	1,088,550,436.38
Adjustment				
--Goodwill				
--Unrealized profit of internal transaction				
--Others				
Book value of equity investments in joint ventures	44,568,000.32	1,079,950,839.48	43,391,017.27	1,088,550,436.38
Fair value of equity investments in joint ventures with quoted market prices				
Operating revenue	192,008,063.35	8,317,156,143.06	142,182,164.30	11,074,278,709.42
Financial expenses	43,055.86	20,655,096.91	-6,413.14	24,000,484.29
Income tax expense	1,689,511.92	9,500,817.47	1,473,020.35	13,193,720.07
Net profit	2,346,087.37	40,903,803.00	4,419,060.99	37,305,654.47
Net profit from discontinued operations				
Other comprehensive income				
Total comprehensive income	2,346,087.37	40,903,803.00	4,419,060.99	37,305,654.47
Dividends received from joint ventures		20,000,000.00	1,500,000.00	20,000,000.00

(3) Major financial information of significant associates

Item	Closing balance/2025			Opening balance/2024		
	Tangshan Tangcao Railway Co., Ltd.	Tangshan Caofeidian Dunshi New Building Materials Co., Ltd.	Qian'an Sinochem Coal Chemical Industrial Co., Ltd.	Tangshan Tangcao Railway Co., Ltd.	Tangshan Caofeidian Dunshi New Building Materials Co., Ltd.	Qian'an Sinochem Coal Chemical Industrial Co., Ltd.
Current assets	54,216,796.86	23,445,981.98	1,275,544,120.09	52,440,010.15	42,846,381.54	1,570,885,238.75

Including: Cash and cash equivalents	52,511,031.48	10,319,741.85	87,579,029.18	46,641,489.82	16,951,890.26	12,534,818.62
Non-current assets	7,499,449,470.46	180,770,348.29	2,258,631,301.75	7,726,049,346.20	197,536,973.90	2,389,287,838.85
Total assets	7,553,666,267.32	204,216,330.27	3,534,175,421.84	7,778,489,356.35	240,383,355.44	3,960,173,077.60
Current liabilities	3,406,479,743.75	21,380,278.44	2,487,191,731.53	2,946,802,229.28	22,871,084.46	3,059,030,465.56
Non-current liabilities	3,316,982,201.25	10,739,788.97	114,621,349.44	3,737,829,314.29	13,244,377.28	17,115,900.12
Total liabilities	6,723,461,945.00	32,120,067.41	2,601,813,080.97	6,684,631,543.57	36,115,461.74	3,076,146,365.68
Total net assets	830,204,322.32	172,096,262.86	932,362,340.87	1,093,857,812.78	204,267,893.70	884,026,711.92
Including: Non-controlling interests						
Equity attributable to shareholders of the parent company	830,204,322.32	172,096,262.86	932,362,340.87	1,093,857,812.78	204,267,893.70	884,026,711.92
Net assets calculated by shareholding ratio	134,410,079.78	43,024,065.72	464,548,020.39	177,095,579.89	51,066,973.43	440,465,441.06
Adjustment						
--Goodwill			4,147,420.21			4,147,420.21
--Unrealized profit of internal transaction						
--Others						
Book value of equity investments in associates	134,410,079.78	43,024,065.72	468,695,440.60	177,095,579.89	51,066,973.43	444,612,861.27
Fair value of equity investments in associates with quoted market prices						
Operating revenue	253,037,458.80	188,475,006.17	5,872,535,050.57	164,997,004.73	241,162,895.99	6,924,184,652.71
Financial expenses	188,538,086.21	310,639.96	51,241,734.07	211,257,810.68	55,809.88	50,637,409.78
Income tax expense		60,684.60	585,492.48		38,980.23	-1,433,111.60
Net profit	-296,112,644.77	-32,171,630.84	48,335,628.95	402,240,238.93	24,689,411.40	-458,433,862.95
Net profit from discontinued operations						
Other comprehensive income						
Total comprehensive income	-296,112,644.77	-32,171,630.84	48,335,628.95	402,240,238.93	24,689,411.40	-458,433,862.95
Dividends received from associates						

(Continued)

Item	Closing balance/2025			Opening balance/2024		
	Beijing Shouxin Jinyuan Management Consulting Center (Limited Partnership)	Beijing Shougang Resource Recycling Technology Co., Ltd.	Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd.	Beijing Shouxin Jinyuan Management Consulting Center (Limited Partnership)	Beijing Shougang Resource Recycling Technology Co., Ltd.	Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd.

Current assets	765,638,588.04	87,531,763.81	58,297,533.38	2,272,966.16	74,699,002.05	23,021,292.55
Including: Cash and cash equivalents	431,131,799.63	35,558,274.87	28,620,558.90	1,772,966.16	37,922,666.16	3,390,262.50
Non-current assets		1,354,103.93	416,840,361.64	535,864,735.00	438,504.67	231,727,402.31
Total assets	765,638,588.04	88,885,867.74	475,137,895.02	538,137,701.16	75,137,506.72	254,748,694.86
Current liabilities	180,655,101.64	45,579,668.63	73,444,203.57	8,075,000.00	24,169,691.51	40,178,753.87
Non-current liabilities			247,562,500.01	120,366,283.39		136,373,833.34
Total liabilities	180,655,101.64	45,579,668.63	321,006,703.58	128,441,283.39	24,169,691.51	176,552,587.21
Total net assets	584,983,486.40	43,306,199.11	154,131,191.44	409,696,417.77	50,967,815.21	78,196,107.65
Including: Non-controlling interests						
Equity attributable to shareholders of the parent company	584,983,486.40	43,306,199.11	154,131,191.44	409,696,417.77	50,967,815.21	78,196,107.65
Net assets calculated by shareholding ratio	118,178,482.10	19,487,789.60	53,945,917.00	82,766,953.08	22,935,516.84	27,368,637.68
Adjustment						
--Goodwill		44,544.87			44,544.87	
--Unrealized profit of internal transaction						
--Others						
Book value of equity investments in associates	118,178,482.10	19,532,334.47	62,695,917.01	82,766,953.08	22,980,061.71	27,368,637.68
Fair value of equity investments in associates with quoted market prices						
Operating revenue	226,516,736.73	232,427,948.43	147,004,940.05	204,154,628.40	172,336,510.30	99,197,118.71
Financial expenses	-3,964.93	-488,341.13	3,295,064.35	691.40	-525,440.35	5,051,064.25
Income tax expense		1,156,939.65			1,687,365.47	2,301,714.80
Net profit	175,287,068.63	3,338,383.90	935,083.79	168,724,805.63	3,449,923.94	-16,837,916.88
Net profit from discontinued operations						
Other comprehensive income						
Total comprehensive income	175,287,068.63	3,338,383.90	935,083.79	168,724,805.63	3,449,923.94	-16,837,916.88
Dividends received from associates		450,000.00		7,789,898.99		

(4) Summary financial information for no significant joint ventures and associates

Unit: RMB Yuan

	Closing balance/2025	Opening balance/2024
Joint ventures:		
Items calculated according to shareholding ratio		
Associates:		
Total book value of investment	122,794,326.02	132,880,902.81
Items calculated according to shareholding ratio		
--Net profit	585,403.58	4,531,464.94
--Total comprehensive income	585,403.58	4,531,464.94

3. Interests in unconsolidated structured entities

Relevant notes on unconsolidated structured entities

(1) Basic information of unconsolidated structured entities

The unconsolidated structured entities are the Limited Partnerships initiated by the Company, including Beijing Shouxin Jinyuan Management Consulting Center (Limited Partnership) (Hereinafter referred to as Shouxin Jinyuan Fund or the Partnership) and Beijing Shouxin Jin'an Equity Investment Partnership (Limited Partnership) (Hereinafter referred to as Shouxin Jin'an Fund or the Partnership). In accordance with the provisions of the limited partnership agreement, the Company has no control over the Partnership.

① The purpose of establishing the Shouxin Jinyuan Fund is to combine the relevant policies of Beijing on the development of high-end, precision, and advanced industry with the market-oriented operation of M&A investment, actively responding to the strategic goal of Beijing to build a high-end, precision and advanced industrial structure, promoting the upgrading and development of Beijing's high-end, precision and advanced industry, contributing to the local economic development and industrial structure adjustment of Beijing, and creating satisfactory return on investment for investors.

The total subscribed capital of all partners to Shouxin Jinyuan Fund is no less than RMB 1 billion. The Fund partners are divided into general partners and limited partners. The contribution agreement is as follows: Beijing Shouyuan New Energy Investment Management Co., Ltd., the general partner, contributes RMB 10 million; and among the limited partners, the Company agrees to contribute RMB 200 million, and the other limited partners agree to contribute RMB 790 million in total.

As of 31 December 2025, Shouxin Jinyuan Fund has conducted investment activities and five external investment projects has been invested with the amount of RMB 829,432,100. A total of 3 projects have been exited, and RMB 2,567.0212 million has been recovered cumulatively, including RMB 600 million of project investment principal and RMB 1,967.0212 million of investment income. In addition, reduced share proceeds of approximately RMB 245.7631 million from one project are held in a Hong Kong stock securities account and will be repatriated to the mainland upon completion of ODI procedures. No financing activity has been conducted by the Fund.

② The purpose of establishing the Shouxin Jin'an Fund is to focus on investing in leading enterprises within the Shougang Group system, thereby expanding and strengthening the Shougang Group's new material industry. Leveraging platforms such as Zhixin Electromagnetic, Beiyue, Guigang, and other advanced metal materials enterprises, the fund will concentrate on advanced metal new material areas where the Shougang Group has competitive advantages, including advanced electrical steel materials, casting superalloys, precision alloys, and high-performance special steels.

The total subscribed capital of all partners to Shouxin Jin'an Fund is no less than RMB 2,070.5455 million. The Fund partners are divided into general partners and limited partners. The contribution agreement is as follows: Beijing Shouyuan Xinneng Investment Management Co., Ltd., the general partner, contributes RMB 20.7055 million; and among the limited partners, the Company agrees to contribute RMB 200 million, and the other limited partners agree to contribute RMB 1,849.84 million in total.

As of 31 December 2025, Shouxin Jin'an Fund has completed fund raising and registered with the Asset Management Association of China and three external investment projects have been invested with RMB 255 million. No financing activity has been conducted by the Fund.

(2) Maximum loss exposure

As of 31 December 2025, the maximum loss exposure of the Company's interests in Shouxin Jinyuan Fund is RMB 45.8864 million, and the maximum loss exposure of the Company's interests in Shouxin Jin'an Fund is RMB 24.6312 million.

(3) The support provided to the unconsolidated structured entities

As of 31 December 2025, the Company had no intention of providing financial or other support for Shouxin Jinyuan Fund and Shouxin Jin'an Fund.

(4) Additional information disclosure of unconsolidated structured entities

As of 31 December 2025, no additional information related to Shouxin Jinyuan Fund and Shouxin Jin'an Fund should be disclosed by the Company.

XI. Government grants

1. Government grants based on the amount receivable at the end of the reporting period

☐ Applicable ☒ Non-applicable

Reasons for not receiving the expected amount of government grants at the expected point in time

☐ Applicable ☒ Non-applicable

2. Liability items related to government grants

☒ Applicable ☐ Non-applicable

Unit: RMB Yuan

Accounting item	Opening balance	Amount of new grants during the period	Amount recognized as non-operating income during the period	Amount transferred to other income during the period	Other changes	Closing balance	Related to assets/income
Deferred income	563,629,799.28	153,658,932.00		91,731,515.65		625,557,215.63	Related to assets/income
Total	563,629,799.28	153,658,932.00		91,731,515.65		625,557,215.63	

3. Government grants recognized in current profit or loss

☒ Applicable ☐ Non-applicable

Unit: RMB Yuan

Accounting item	Amount incurred in current period	Amount incurred in prior period
Government grants included in other income	18,227,617.64	150,156,988.17
Total	18,227,617.64	150,156,988.17

XII. Risks related to financial instruments

1. Various risks arising from financial instruments

The major financial instruments of the Company include cash at bank and on hand, notes receivable, accounts receivable, financing receivables, other receivables, other current assets, other equity instrument investments, other non-current financial assets, notes payable, accounts payable, other payables, short-term borrowings, current portion of non-current liabilities, long-term borrowings and bond payables, lease liabilities and long-term payables. The details of financial instruments are disclosed in the respective notes. Risks related to these financial instruments and the risk management policies used by the Company to minimize the risks are disclosed as below. Management of the Company manages and monitors the risk exposures to ensure the risks are controlled in the limited range.

Objectives and policies of risk management

The objective of the Company in risk management is to obtain an appropriate equilibrium between risk and return, and also focuses on minimizing potential adverse effects on the financial performance of the Company brought by the financial risk. Based on the objectives of risk management, certain policies are established to recognize and analyze the risk. Also, in order to monitor the risk position of the Company, internal control procedures are designed according to an acceptable level of risk. Both the

policies and internal control procedures are reviewed and revised regularly to adapt the changes of the market and business activities of the Company.

The primary risks caused by the financial instruments of the Company are credit risk and liquidity risk.

Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Company.

The Company manages the credit risk on a portfolio basis. Credit risks are mainly caused by bank deposits, notes receivable, accounts receivable, and other receivables.

The Company's bank deposits are placed mainly with financial institutions with good reputations and high credit ratings. Therefore, no significant credit risk associated with bank deposits is expected.

In addition, for notes receivable, accounts receivable and other receivables, the Company sets policies to control credit risk exposure. The Company evaluates credit qualifications and sets credit periods based on the customer's financial position, credit records and other factors such as current market conditions. The credit records of the customers are regularly monitored by the Company. In respect of customers with poor credit records, the Company will use written payment reminders, or shorten or cancel credit periods, to ensure the overall credit risk of the Company is limited to a controllable extent

The highest credit risk exposure to the Company is limited to the book value of each financial instrument illustrated in the balance sheet. The Company has not provided any guarantee that might cause credit risk to the Company.

Among the accounts receivable of the Company, the accounts receivable of the top five customers accounted for 48.25% (2024: 49.38%); among the other receivables of the Company, the other receivables of the top five customers accounted for 57.54% (2024: 46.48%).

Liquidity risk

Liquidity risk refers to the risk of the Company facing a shortage of funds when fulfilling obligations to settle with cash or other financial assets.

In managing liquidity risk, the Company maintains and monitors an adequate level of cash and cash equivalents, as considered by the management, to meet its operational needs and mitigate the impact of fluctuating cash flows. The management of the Company monitors the usage of bank borrowings and ensures compliance with the borrowing agreements. Meanwhile, the primary financial institution commits to providing sufficient reserve funds to satisfy the short-term and long-term fund requirements of the Company.

XIII. Disclosure of fair value

1. Closing fair value of assets and liabilities measured at fair value

Unit: RMB Yuan

Item	Closing fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
Recurring fair value measurement				
Financing receivables			2,127,981,225.71	2,127,981,225.71
Other equity instruments investments	247,153,712.00		24,289,308.81	271,443,020.81

Other non-current financial assets			25,944,976.84	25,944,976.84
Total assets measured at fair value on a recurring basis	247,153,712.00		2,178,215,511.36	2,425,369,223.36

2. Basis for determining the market value of recurring and non-recurring Level 1 fair value measurement items

The Company's Level 1 fair value measurement items consist of listed stocks purchased on the STAR Market of the Shanghai Stock Exchange. The fair value gains and losses are derived from the observed public market trading prices of these financial products.

3. Qualitative and quantitative information on the valuation techniques and significant parameters used for the recurring and non-recurring Level 2 fair value measurement items

None

4. Qualitative and quantitative information on the valuation techniques and significant parameters used for the recurring and non-recurring Level 3 fair value measurement items

Financial instruments included in Level 3 are bank acceptances receivable and equity in unlisted companies held under the management of the Company, which are valued by the Company based on future cash inflows and other factors. Under limited circumstances, if the recent information used to determine the fair value is insufficient, or the possible estimates of the fair value are widely distributed, and the cost represents the best estimate of the fair value within the range, the cost could represent the appropriate estimate of the fair value within the distribution range.

XIV. Related parties and related party transactions

1. Information about the parent company of the Company

Parent company	Place of registration	Business nature	Registered capital (RMB Yuan)	Shareholding ratio	Ratio of voting rights
Shougang Group Co., Ltd.	Beijing, PRC	Ferrous metal smelting and rolling industry	30,337,014,977.83	57.01%	57.01%

Information about the parent company of the Company

The ultimate controlling party of the Company is the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality.

2. Information about the subsidiaries of the Company

For details of the Company's subsidiaries, please refer to "Note X. 1. Interests in subsidiaries" in this Section.

3. Information about joint ventures and associates of the Company

For details of the Company's significant joint ventures or associates, please refer to "Note X.2. Interests in joint ventures and associates" in this Section.

Other joint ventures or associates that had related party transactions with the Company during the current period or had balances arising from related party transactions with the Company in prior periods were as follows

Name of joint venture or associate	Relationship with the Company
Tangshan Shougang Jingtang Xishan Coking Co., Ltd.	Joint ventures of the Company
Tangshan Guoxing Industry Co., Ltd.	Joint ventures of the Company
Tangshan Tangcao Railway Co., Ltd.	Associates of the Company
Qian'an Sinochem Coal Chemical Industrial Co., Ltd.	Associates of the Company
Beijing Shougang Resource Recycling Technology Co., Ltd.	Associates of the Company
Guangzhou Jinghai Shipping Co., Ltd.	Associates of the Company
Tianjin Wuchan Shougang Steel Processing and Distribution Co., Ltd.	Associates of the Company
Ningbo Shougang Zhejin Steel Materials Co., Ltd.	Associates of the Company
Tangshan Caoheidian Dunshi New Building Materials Co., Ltd.	Associates of the Company
Shougang (Qingdao) Steel Industry Co., Ltd.	Associates of the Company
Qian'an Jinyu Shougang Environmental Protection Technology	Associates of the Company

Co., Ltd.	
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4. Information about other related parties

Names of other related parties	Relationship with the Company
Beijing Beiyi New Materials Co., Ltd. (Former Name: Beijing Beiye Functional Materials Co., Ltd.)	Under the control of the same parent company
Beijing Chengxin Project Supervision Co., Ltd.	Under the control of the same parent company
Peking University Shougang Hospital	Under the control of the same parent company
Beijing Huaxia Shouke Technology Co., Ltd.	Under the control of the same parent company
Beijing Jin'anyuan Auto Transportation Co., Ltd.	Under the control of the same parent company
Beijing Shouao Real Estate Co., Ltd.	Under the control of the same parent company
Beijing Shoucheng Packaging Service Co., Ltd.	Under the control of the same parent company
Beijing Shoufang Commercial Management Co., Ltd.	Under the control of the same parent company
Beijing Shougang City Transportation Holdings Co., Ltd.	Under the control of the same parent company
Beijing Shougang Real Estate Development Co., Ltd.	Under the control of the same parent company
Beijing Shougang Futong Electromechanical Engineering Co., Ltd. (Former Name: Beijing Shougang Futong Elevator Co., Ltd.)	Under the control of the same parent company
Beijing Shougang International Engineering Technology Co., Ltd.	Under the control of the same parent company
Beijing Shougang Huaxia Engineering Technology Co., Ltd.	Under the control of the same parent company
Beijing Shougang Environmental Engineering Technology Co., Ltd.	Under the control of the same parent company
Beijing Shougang Machinery & Electric Co., Ltd.	Under the control of the same parent company
Beijing Shougang Gitane New Materials Co., Ltd.	Under the control of the same parent company
Beijing Shougang Testing Technology Co., Ltd.	Under the control of the same parent company
Beijing Shougang Construction Group Co., Ltd.	Under the control of the same parent company
Beijing Shougang Construction Investment Co., Ltd.	Under the control of the same parent company
Beijing Shougang Mining Construction Co., Ltd.	Under the control of the same parent company
Beijing Shougang Lujiashan Limestone Mine Co., Ltd.	Under the control of the same parent company
Beijing Shougang Gas Co., Ltd.	Under the control of the same parent company
Beijing Shougang Industry Co., Ltd.	Under the control of the same parent company
Beijing Shougang Ferroalloy Co., Ltd.	Under the control of the same parent company
Beijing Shougang Property Management Co., Ltd.	Under the control of the same parent company
Beijing Shougang Material Trade Co., Ltd.	Under the control of the same parent company
Beijing Shougang 1919 Catering Management Co., Ltd.	Under the control of the same parent company
Beijing Shougang Catering Co., Ltd.	Under the control of the same parent company
Beijing Shougang Park Green Co., Ltd.	Under the control of the same parent company

Beijing Shougang Park Comprehensive Service Co., Ltd.	Under the control of the same parent company
Beijing Shougang Yunxiang Industrial Technology Co., Ltd.	Under the control of the same parent company
Beijing Shougang Automation Information Technology Co., Ltd.	Under the control of the same parent company
Beijing Shoujia Steel Structure Co., Ltd.	Under the control of the same parent company
Beijing Shoujian Hengji Construction Engineering Co., Ltd.	Under the control of the same parent company
Beijing Shoujian Hengxin Labor Service Co., Ltd.	Under the control of the same parent company
Beijing Shoujian Equipment Maintenance Co., Ltd.	Under the control of the same parent company
Beijing Shouke Xingye Engineering Technology Co., Ltd.	Under the control of the same parent company
Beijing Shouronghui Science and Technology Development Co., Ltd.	Under the control of the same parent company
Beijing Shouye Instruments & Meters Co., Ltd.	Under the control of the same parent company
Beijing Soly Technology Co., Ltd.	Under the control of the same parent company
Beijing Aidi Geological Engineering Technology Co., Ltd.	Under the control of the same parent company
Beijing Shougang Lanzatech Co., Ltd.	Under the control of the same parent company
GOLD COSMOS Development Limited	Under the control of the same parent company
Bohai International Conference Center Co., Ltd.	Under the control of the same parent company
Dachang Shougang Machinery & Electric Co., Ltd.	Under the control of the same parent company
Guizhou Bohong Industry Co., Ltd.	Under the control of the same parent company
Guizhou Guigang Drilling Tool Manufacturing Co., Ltd.	Under the control of the same parent company
Guizhou Guigang Equipment Engineering Co., Ltd.	Under the control of the same parent company
Heping Shoushi International Business Exhibition Services (Beijing) Co., Ltd. (Former Name: Beijing Shoushi Xinye Labor Service Co., Ltd.)	Under the control of the same parent company
Hebei Shenzhou Yuanda Real Estate Development Co., Ltd.	Under the control of the same parent company
Jilin Tonggang International Trade Co., Ltd.	Under the control of the same parent company
Liaoning Shougang Iron Boron Co., Ltd.	Under the control of the same parent company
Ningbo Metallurgical Survey and Design Research Co., Ltd.	Under the control of the same parent company
Qian'an Golden Apple Kindergarten	Under the control of the same parent company
Qian'an Shougang Qiangang Hotel Co., Ltd.	Under the control of the same parent company
Qian'an Shougang Equipment Structure Co., Ltd.	Under the control of the same parent company
Qian'an Shougang Xingkuang Industrial Co., Ltd.	Under the control of the same parent company
Qian'an Shoushi Packaging Service Co., Ltd.	Under the control of the same parent company
Qian'an Shouxin Automation Information Technology Co., Ltd.	Under the control of the same parent company
Qinhuangdao Shougang Plate Co., Ltd.	Under the control of the same parent company

Qinhuangdao Shougang Machinery Co., Ltd.	Under the control of the same parent company
Qinhuangdao Shougang Racing Valley Development Co., Ltd.	Under the control of the same parent company
Qinhuangdao Shouqin Steel Machining & Delivery Co., Ltd.	Under the control of the same parent company
Qinhuangdao Shouqin Metal Materials Co., Ltd.	Under the control of the same parent company
Qingdao Free Trade Zone Shouyi Logistics Service Co., Ltd.	Under the control of the same parent company
Shougang Fushan Resources Group Co., Ltd.	Under the control of the same parent company
Shanxi Yicheng Shouwang Coal Industry Co., Ltd.	Under the control of the same parent company
Shougang Institute of Technology	Under the control of the same parent company
Shougang Guiyang SPECIAL Steel Co., Ltd.	Under the control of the same parent company
Shougang International (Austria) Co., Ltd.	Under the control of the same parent company
Shougang International (Germany) GmbH	Under the control of the same parent company
Shougang Environmental Industry Co., Ltd.	Under the control of the same parent company
Shougang Group Finance Co., Ltd.	Under the control of the same parent company
Shougang Casey Steel Co., Ltd.	Under the control of the same parent company
Shougang Luannan Macheng Mining Co., Ltd.	Under the control of the same parent company
Shougang Gas Tangshan Co., Ltd.	Under the control of the same parent company
Shougang Commercial Factoring Co., Ltd.	Under the control of the same parent company
Shougang Shuicheng Iron & Steel (Group) Saide Construction Co., Ltd.	Under the control of the same parent company
Shougang Shuicheng Iron & Steel (Group) Co., Ltd.	Under the control of the same parent company
Shougang Yili Steel Co., Ltd.	Under the control of the same parent company
Shougang Changzhi Steel & Iron Co., Ltd.	Under the control of the same parent company
Shoushi Fengyang International Logistics Services (Tangshan Caofeidian) Co., Ltd.	Under the control of the same parent company
Suzhou Jingshou Commercial Management Co., Ltd.	Under the control of the same parent company
Tangshan Caofeidian Industrial District Shouhanxin Industrial Co., Ltd.	Under the control of the same parent company
Tangshan Caofeidian Shoushi Industrial Co., Ltd.	Under the control of the same parent company
Tangshan Caofeidian Industrial Zone Jingtang Industry Co., Ltd.	Under the control of the same parent company
Tangshan Caofeidian District Bohai Kindergarten	Under the control of the same parent company
Tangshan Shougang Malanzhuang Iron Ore Co., Ltd.	Under the control of the same parent company
Tangshan Shouxin Automation Information Technology Co., Ltd.	Under the control of the same parent company
Tianjin Shougang Electrical Equipment Co., Ltd.	Under the control of the same parent company
Tonghua Iron and Steel Co., Ltd.	Under the control of the same parent company

China Shougang International Trade & Engineering Corporation	Under the control of the same parent company
YASKAWA Shougang Robot Co., Ltd.	Joint ventures or associates of the Company's parent company
Cockerill Engineering (Beijing) Co., Ltd.	Joint ventures or associates of the Company's parent company
Beijing Relizhongda Heat Exchange Equipment Co., Ltd.	Joint ventures or associates of the Company's parent company
Beijing Shoubang New Materials Co., Ltd.	Joint ventures or associates of the Company's parent company
Beijing Shougang Resources Comprehensive Utilization Technology Development Co., Ltd.	Joint ventures or associates of the Company's parent company
Beijing Shoushe Metallurgical Technology Co., Ltd.	Joint ventures or associates of the Company's parent company
Beijing Shoutaizhongxin Science & Technology Co., Ltd.	Joint ventures or associates of the Company's parent company
Beijing Shoutegang Yuandong Magnesium Alloy Products Co., Ltd.	Joint ventures or associates of the Company's parent company
Beijing Shouyi Mining Hospital Co., Ltd.	Joint ventures or associates of the Company's parent company
Beijing Shouyu Industry and Trade Co., Ltd.	Joint ventures or associates of the Company's parent company
Beijing Shouyun Logistics Co., Ltd.	Joint ventures or associates of the Company's parent company
Beijing Xingyeda Machinery & Electric Equipment Manufacture Co., Ltd.	Joint ventures or associates of the Company's parent company
Chaoyang Shougang Beifang Machinery Co., Ltd.	Joint ventures or associates of the Company's parent company
Guizhou Liupanshui Shenghongda Mechanical Equipment Manufacturing Co., Ltd.	Joint ventures or associates of the Company's parent company
Guizhou Shuigang Logistics Co., Ltd.	Joint ventures or associates of the Company's parent company
Hebei Shoulang New Energy Technology Co., Ltd.	Joint ventures or associates of the Company's parent company
Jingtang Port Shougang Terminal Co., Ltd.	Joint ventures or associates of the Company's parent company
Jingxi Shoutang Supply Chain Management Co., Ltd.	Joint ventures or associates of the Company's parent company
Longnan City Xiong Wei Wan Li New Material Co., Ltd.	Joint ventures or associates of the Company's parent company
POSCO-TISCO (Jilin) Processing Center Co., Ltd.	Joint ventures or associates of the Company's parent company
Qianan Shougang K.wah Construction MATERIALS Company Limited	Joint ventures or associates of the Company's parent company
Qinhuangdao Shounai New Materials Co., Ltd	Joint ventures or associates of the Company's parent company
Shoujia Huanke (Qian'an) Co., Ltd.	Joint ventures or associates of the Company's parent company
Tangshan Caofeidian Ganglian Logistics Co., Ltd.	Joint ventures or associates of the Company's parent company
Tangshan Caofeidian Shiye Port Co., Ltd.	Joint ventures or associates of the Company's parent company
PetroChina Shougang (Beijing) Petroleumsales Co., Ltd.	Joint ventures or associates of the Company's parent company
Hua Xia Bank Co.,Ltd.	Joint ventures or associates of the Company's parent company
Shougang Qianjin Machinery Factory Beijing Maintenance Branch	Other related parties
Shougang Technician College	Other related parties

5. Information about related party transactions

(1) Related transactions involving the purchase and sale of goods, rendering and receipt of services

Purchase of goods/receipt of services

Unit: RMB Yuan

Related party	Contents of related transactions	Amount incurred in current period	Amount incurred in prior period
Shougang Group Co., Ltd.	Purchase of goods	22,515,236,811.75	24,896,083,490.63
Shougang Group Co., Ltd.	Receipt of services/labor	146,094,242.56	235,815,920.27
Shougang Group Co., Ltd.	Fund usage charges	893,554.71	28,585,314.85
Beijing Shougang Material Trade Co., Ltd.	Purchase of goods	14,219,622,889.24	13,509,033,979.04
Beijing Shougang Material Trade Co., Ltd.	Receipt of services/labor	627,203.21	9,056.60
Tangshan Shougang Jingtang Xishan Coking Co., Ltd.	Purchase of goods	10,974,182,282.17	14,908,232,906.30
Tangshan Shougang Jingtang Xishan Coking Co., Ltd.	Receipt of services/labor	118,269,295.69	113,670,781.81
Qian'an Sinochem Coal Chemical Industrial Co., Ltd.	Purchase of goods	5,303,784,004.75	6,046,732,690.95
Shougang Luannan Macheng Mining Co., Ltd.	Purchase of goods	2,078,104,686.37	
Shougang Luannan Macheng Mining Co., Ltd.	Receipt of services/labor	2,083,538.37	
Beijing Shougang Construction Group Co., Ltd.	Receipt of services/labor	1,163,991,896.15	1,196,100,839.34
Beijing Shougang Construction Group Co., Ltd.	Purchase of goods	102,246,849.88	62,105,774.36
Beijing Shougang Ferroalloy Co., Ltd.	Purchase of goods	678,834,235.24	545,483,757.06
Beijing Shougang Lujiashan Limestone Mine Co., Ltd.	Purchase of goods	522,266,847.78	529,372,599.18
Beijing Shougang Lujiashan Limestone Mine Co., Ltd.	Receipt of services/labor	84,023,760.97	97,625,946.05
Qian'an Shoushi Packaging Service Co., Ltd.	Receipt of services/labor	385,372,330.51	320,781,211.14
Qian'an Shoushi Packaging Service Co., Ltd.	Purchase of goods	212,458,895.88	21,999,368.69
Beijing Shougang International Engineering Technology Co., Ltd.	Purchase of goods	279,383,939.40	337,106,152.62
Beijing Shougang International Engineering Technology Co., Ltd.	Receipt of services/labor	249,287,482.53	794,043,258.71
Beijing Shougang Automation Information Technology Co., Ltd.	Receipt of services/labor	369,634,771.48	461,544,514.15
Beijing Shougang Automation Information Technology Co., Ltd.	Purchase of goods	122,089,394.89	98,632,677.57
Tianjin Wuchan Shougang Steel Processing and Distribution Co., Ltd.	Purchase of goods	452,148,841.50	477,374,931.41
Tianjin Wuchan Shougang Steel Processing and Distribution Co., Ltd.	Receipt of services/labor	1,033,074.43	2,598,855.95
Tangshan Caofeidian Shiye Port Co., Ltd.	Receipt of services/labor	399,095,566.00	484,985,567.40
Tangshan Caofeidian Shiye Port Co., Ltd.	Purchase of goods	48,414,695.20	
Beijing Shougang Machinery & Electric Co., Ltd.	Receipt of services/labor	310,573,926.15	269,273,887.51
Beijing Shougang Machinery & Electric Co., Ltd.	Purchase of goods	117,833,353.35	141,253,858.36
Tangshan Caofeidian Industrial District Shouhanxin Industrial Co., Ltd.	Receipt of services/labor	424,938,667.00	275,346,945.52
Guangzhou Jinghai Shipping Co., Ltd.	Receipt of services/labor	331,496,177.66	330,236,658.72
Shougang Group Finance Co., Ltd.	Fund usage charges	238,054,014.59	297,381,188.15
Shougang Group Finance Co., Ltd.	Receipt of services/labor	1,622.64	
Qian'an Shougang Equipment Structure Co., Ltd.	Purchase of goods	116,544,913.60	184,459,011.39
Qian'an Shougang Equipment Structure Co., Ltd.	Receipt of services/labor	104,892,648.87	101,096,902.84
Qingdao Free Trade Zone Shouyi Logistics Service Co., Ltd.	Purchase of goods	220,522,106.47	
Beijing Shougang Gas Co., Ltd.	Purchase of goods	143,714,510.35	23,395,822.69
Beijing Shougang Gas Co., Ltd.	Receipt of	60,690,481.27	159,478,005.70

Related party	Contents of related transactions	Amount incurred in current period	Amount incurred in prior period
	services/labor		
Beijing Shougang Resource Recycling Technology Co., Ltd.	Purchase of goods	47,652,686.91	12,890,003.57
Beijing Shougang Resource Recycling Technology Co., Ltd.	Receipt of services/labor	167,071,493.16	148,934,358.01
Tangshan Caofeidian Ganglian Logistics Co., Ltd.	Receipt of services/labor	202,806,747.20	275,377,372.23
Tangshan Guoxing Industry Co., Ltd.	Receipt of services/labor	149,414,231.92	132,795,465.44
Tangshan Guoxing Industry Co., Ltd.	Purchase of goods	3,452,702.35	
Qian'an Shouxin Automation Information Technology Co., Ltd.	Receipt of services/labor	135,298,030.82	133,775,034.42
Shougang Casey Steel Co., Ltd.	Receipt of services/labor	132,928,866.83	101,767,584.73
China Shougang International Trade & Engineering Corporation	Receipt of services/labor	132,853,643.38	122,116,942.95
China Shougang International Trade & Engineering Corporation	Purchase of goods		89,291,552.06
Qinhuangdao Shounai New Materials Co., Ltd.	Purchase of goods	128,796,768.94	45,871,506.40
Qinhuangdao Shounai New Materials Co., Ltd.	Receipt of services/labor	1,892,842.00	2,082,113.00
Beijing Shoujian Equipment Maintenance Co., Ltd.	Receipt of services/labor	117,520,301.40	124,810,305.88
Beijing Shoujian Equipment Maintenance Co., Ltd.	Purchase of goods	8,478,389.28	5,466,485.86
Shanxi Yicheng Shouwang Coal Industry Co., Ltd.	Purchase of goods	97,533,473.45	
Shanxi Yicheng Shouwang Coal Industry Co., Ltd.	Receipt of services/labor	20,788,929.57	
Beijing Shoucheng Packaging Service Co., Ltd.	Receipt of services/labor	106,133,583.67	116,154,652.19
Beijing Shoucheng Packaging Service Co., Ltd.	Purchase of goods	1,034,311.01	
Tangshan Caofeidian Shoushi Industrial Co., Ltd.	Receipt of services/labor	79,290,741.78	82,773,664.41
Tangshan Caofeidian Shoushi Industrial Co., Ltd.	Purchase of goods	1,035,438.01	2,175,919.00
Beijing Jin'anyuan Auto Transportation Co., Ltd.	Receipt of services/labor	64,419,937.41	62,077,965.63
Beijing Shouye Instruments & Meters Co., Ltd.	Purchase of goods	45,903,518.07	39,916,891.43
Beijing Shouye Instruments & Meters Co., Ltd.	Receipt of services/labor		137,200.00
Qian'an Shougang Xingkuang Industrial Co., Ltd.	Purchase of goods	45,498,534.98	36,294,138.62
Qian'an Shougang Xingkuang Industrial Co., Ltd.	Receipt of services/labor	187,566.87	8,959,243.65
Beijing Relizhongda Heat Exchange Equipment Co., Ltd.	Purchase of goods	29,395,621.69	14,915,492.01
Beijing Relizhongda Heat Exchange Equipment Co., Ltd.	Receipt of services/labor	13,650,691.00	11,669,280.50
PetroChina Shougang (Beijing) Petroleumsales Co., Ltd.	Purchase of goods	37,677,542.50	51,288,195.75
PetroChina Shougang (Beijing) Petroleumsales Co., Ltd.	Receipt of services/labor	725,400.00	785,850.00
Beijing Shoujia Steel Structure Co., Ltd.	Receipt of services/labor	28,851,769.80	29,139,720.00
Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd.	Receipt of services/labor	25,831,684.92	33,905,912.72
Tangshan Shougang Malanzhuang Iron Ore Co., Ltd.	Purchase of goods	22,621,488.43	151,619,434.00
Beijing Shougang Mining Construction Co., Ltd.	Receipt of services/labor	20,005,530.17	48,038,198.98
Beijing Shougang Mining Construction Co., Ltd.	Purchase of goods	568,807.34	

Related party	Contents of related transactions	Amount incurred in current period	Amount incurred in prior period
Beijing Shougang Resources Comprehensive Utilization Technology Development Co., Ltd.	Purchase of goods	19,063,053.66	10,507,585.21
Beijing Shougang Resources Comprehensive Utilization Technology Development Co., Ltd.	Receipt of services/labor		451,009.10
Tianjin Shougang Electrical Equipment Co., Ltd.	Purchase of goods	18,682,233.60	24,808,285.29
Qian'an Shougang Qiangang Hotel Co., Ltd.	Receipt of services/labor	18,769,799.41	21,622,287.99
Qian'an Shougang Qiangang Hotel Co., Ltd.	Purchase of goods	13,072.57	
Beijing Chengxin Project Supervision Co., Ltd.	Receipt of services/labor	15,582,613.17	12,572,077.07
Tangshan Caofeidian Dunshi New Building Materials Co., Ltd.	Receipt of services/labor	14,745,323.37	
Beijing Shougang Park Green Co., Ltd.	Receipt of services/labor	14,148,704.42	18,592,256.99
Beijing Shougang Catering Co., Ltd.	Receipt of services/labor	13,719,541.77	13,881,457.17
Beijing Shoutaizhongxin Science & Technology Co., Ltd.	Purchase of goods	9,815,314.66	979,382.56
Beijing Huaxia Shouke Technology Co., Ltd.	Purchase of goods	7,257,595.49	7,782,069.45
Beijing Huaxia Shouke Technology Co., Ltd.	Receipt of services/labor	264,150.94	7,855,417.00
Beijing Shouyu Industry and Trade Co., Ltd.	Purchase of goods	6,957,722.16	8,096,226.37
Beijing Shouyu Industry and Trade Co., Ltd.	Receipt of services/labor	34,484.89	584,600.13
Qinhuangdao Shouqin Metal Materials Co., Ltd.	Purchase of goods	6,377,158.17	271,096.45
Qinhuangdao Shouqin Metal Materials Co., Ltd.	Receipt of services/labor	206,150.00	
Liaoning Shougang Iron Boron Co., Ltd.	Purchase of goods	6,031,233.38	
Shoushi Fengyang International Logistics Services (Tangshan Caofeidian) Co., Ltd.	Receipt of services/labor	5,066,994.77	
Hebei Shoulang New Energy Technology Co., Ltd.	Purchase of goods	5,036,726.68	5,802,617.07
Beijing Shougang Testing Technology Co., Ltd.	Receipt of services/labor	3,957,617.92	4,348,267.92
Beijing Shouao Real Estate Co., Ltd.	Receipt of services/labor	3,441,240.78	89,599.06
Shougang Institute of Technology	Receipt of services/labor	2,232,867.37	2,164,803.04
Shougang (Qingdao) Steel Industry Co., Ltd.	Purchase of goods	1,362,173.52	10,928,506.40
Shougang (Qingdao) Steel Industry Co., Ltd.	Receipt of services/labor	645,130.67	125,891.54
Beijing Shougang Futong Electromechanical Engineering Co., Ltd. (Former Name: Beijing Shougang Futong Elevator Co., Ltd.)	Purchase of goods	699,300.00	168,285.90
Beijing Shougang Futong Electromechanical Engineering Co., Ltd. (Former Name: Beijing Shougang Futong Elevator Co., Ltd.)	Receipt of services/labor	1,151,950.00	1,200,150.00
Beijing Shouyi Mining Hospital Co., Ltd.	Receipt of services/labor	2,060,614.27	145,714.50
Beijing Shougang Property Management Co., Ltd.	Receipt of services/labor	1,524,894.74	2,898,650.40
Beijing Shougang Yunxiang Industrial Technology Co., Ltd.	Purchase of goods	731,290.00	481,668.00
Beijing Shougang Yunxiang Industrial Technology Co., Ltd.	Receipt of services/labor	484,000.00	238,000.00
Beijing Shougang 1919 Catering Management Co., Ltd.	Receipt of services/labor	1,179,398.13	369,132.70
Qinhuangdao Shouqin Steel Machining & Delivery Co., Ltd.	Purchase of goods	166,248.00	63,492.70
Qinhuangdao Shouqin Steel Machining &	Receipt of	866,400.00	

Related party	Contents of related transactions	Amount incurred in current period	Amount incurred in prior period
Delivery Co., Ltd.	services/labor		
Beijing Shoufang Commercial Management Co., Ltd.	Receipt of services/labor	976,853.18	224,351.10
Qian'an Golden Apple Kindergarten	Receipt of services/labor	923,400.00	1,220,180.00
Beijing Shoujian Hengji Construction Engineering Co., Ltd.	Purchase of goods	897,900.08	162,468.15
Beijing Shougang Park Comprehensive Service Co., Ltd.	Purchase of goods	22,134.41	
Beijing Shougang Park Comprehensive Service Co., Ltd.	Receipt of services/labor	729,420.92	1,029,402.23
Beijing Shoushe Metallurgical Technology Co., Ltd.	Receipt of services/labor	639,039.93	15,096.79
Qinhuangdao Shougang Racing Valley Development Co., Ltd.	Receipt of services/labor	629,046.22	318,380.56
Tangshan Caofeidian District Bohai Kindergarten	Receipt of services/labor	581,900.00	846,800.00
Dachang Shougang Machinery & Electric Co., Ltd.	Purchase of goods	333,690.00	
Qianan Shougang K.wah Construction MATERIALS Company Limited	Receipt of services/labor	318,469.13	2,023,904.40
Beijing Shougang Huaxia Engineering Technology Co., Ltd.	Receipt of services/labor	591,630.77	179,245.28
Qinhuangdao Shougang Plate Co., Ltd.	Purchase of goods	250,641.60	
Bohai International Conference Center Co., Ltd.	Receipt of services/labor	111,696.84	499,157.74
Suzhou Jingshou Commercial Management Co., Ltd.	Receipt of services/labor	10,680.00	
Heping Shoushi International Business Exhibition Services (Beijing) Co., Ltd.	Receipt of services/labor	5,094.34	82,341.58
YASKAWA Shougang Robot Co., Ltd.	Receipt of services/labor		284,439.82
Beijing Aidi Geological Engineering Technology Co., Ltd.	Receipt of services/labor		79,245.28
Beijing Shougang New Materials Co., Ltd.	Purchase of goods		160,201.44
Beijing Shougang Construction Investment Co., Ltd.	Receipt of services/labor		10,167,678.44
Beijing Shoujian Hengxin Labor Service Co., Ltd.	Receipt of services/labor		138,500.00
Beijing Shouyun Logistics Co., Ltd.	Receipt of services/labor		1,247,830.84
Guizhou Guigang Drilling Tool Manufacturing Co., Ltd.	Purchase of goods		1,353,767.41
Jilin Tonggang International Trade Co., Ltd.	Purchase of goods		84,995,567.71
Jingtang Port Shougang Terminal Co., Ltd.	Receipt of services/labor		11,328,301.89
Longnan City Xiong Wei Wan Li New Material Co., Ltd.	Purchase of goods		16,618,904.34
Qinhuangdao Shougang Machinery Co., Ltd.	Purchase of goods		71,430,951.60
Qinhuangdao Shougang Machinery Co., Ltd.	Receipt of services/labor		53,315,031.75
Shougang Environmental Industry Co., Ltd.	Receipt of services/labor		282,000.00
Shougang Technician College	Receipt of services/labor		35,940.59
Shougang Qianjin Machinery Factory Beijing Maintenance Branch	Receipt of services/labor		4,146,927.55
Shougang Qianjin Machinery Factory Beijing Maintenance Branch	Purchase of goods		334,632.00

Related party	Contents of related transactions	Amount incurred in current period	Amount incurred in prior period
Tonghua Iron and Steel Co., Ltd.	Purchase of goods		44,568,228.31
Tonghua Iron and Steel Co., Ltd.	Receipt of services/labor		281.13

Sale of goods/rendering of services

Unit: RMB Yuan

Related party	Contents of related transactions	Amount incurred in current period	Amount incurred in prior period
Shougang (Qingdao) Steel Industry Co., Ltd.	Sale of goods	1,940,106,022.51	1,646,853,666.16
Tangshan Shougang Jingtang Xishan Coking Co., Ltd.	Rendering of services/labor	245,893,713.56	241,752,662.75
Tangshan Shougang Jingtang Xishan Coking Co., Ltd.	Sale of goods	891,031,783.99	898,635,440.88
Tianjin Wuchan Shougang Steel Processing and Distribution Co., Ltd.	Rendering of services/labor	495,530.70	526,909.36
Tianjin Wuchan Shougang Steel Processing and Distribution Co., Ltd.	Sale of goods	473,802,230.09	493,883,566.35
Shougang Casey Steel Co., Ltd.	Rendering of services/labor	1,795,010.28	2,551,355.54
Shougang Casey Steel Co., Ltd.	Sale of goods	227,025,602.50	267,611,284.40
Qianan Shougang K.wah Construction MATERIALS Company Limited	Sale of goods	18,033,414.95	17,260,985.02
Tangshan Caofeidian Dunshi New Building Materials Co., Ltd.	Rendering of services/labor	23,607,366.83	25,634,904.90
Tangshan Caofeidian Dunshi New Building Materials Co., Ltd.	Sale of goods	122,191,585.71	149,987,723.76
Beijing Shougang Construction Group Co., Ltd.	Rendering of services/labor	607,268.34	823,579.82
Beijing Shougang Construction Group Co., Ltd.	Sale of goods	144,085,127.88	22,257,843.34
Qian'an Shoushi Packaging Service Co., Ltd.	Sale of goods	122,030,206.13	156,564,920.68
Beijing Shougang Gas Co., Ltd.	Rendering of services/labor	96,226.42	95,372.60
Beijing Shougang Gas Co., Ltd.	Sale of goods	115,426,390.22	127,178,070.22
Ningbo Shougang Zhejin Steel Materials Co., Ltd.	Rendering of services/labor	6,307.97	
Ningbo Shougang Zhejin Steel Materials Co., Ltd.	Sale of goods	115,152,915.05	126,347,477.97
Shougang Group Co., Ltd.	Rendering of services/labor	129,052,964.49	154,823,411.35
Shougang Group Co., Ltd.	Sale of goods	15,722,326.92	36,861,568.21
Shougang Group Finance Co., Ltd.	Interest income	108,554,657.76	87,509,942.46
Hebei Shoulang New Energy Technology Co., Ltd.	Sale of goods	96,578,001.74	109,683,694.75
Beijing Shougang Machinery & Electric Co., Ltd.	Rendering of services/labor	34,764.15	9,720.88
Beijing Shougang Machinery & Electric Co., Ltd.	Sale of goods	75,765,375.65	92,336,980.86
Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd.	Rendering of services/labor	496,602.00	373,781.62
Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd.	Sale of goods	70,648,331.63	41,732,219.41
Qian'an Sinochem Coal Chemical Industrial Co., Ltd.	Rendering of services/labor	346,284.44	438,464.00
Qian'an Sinochem Coal Chemical Industrial Co., Ltd.	Sale of goods	227,301,161.08	225,250,963.44
Guangzhou Jinghai Shipping Co., Ltd.	Rendering of services/labor	38,435,031.41	40,643,697.03
Qian'an Shougang Xingkuang Industrial Co., Ltd.	Sale of goods	34,854,760.55	30,010,613.04
Tangshan Guoxing Industry Co., Ltd.	Rendering of services/labor	495,746.15	473,649.07
Tangshan Guoxing Industry Co., Ltd.	Sale of goods	24,285,497.67	3,764,299.61
Beijing Shougang Ferroalloy Co., Ltd.	Rendering of services/labor	93,396.23	75,471.70

Related party	Contents of related transactions	Amount incurred in current period	Amount incurred in prior period
Beijing Shougang Ferroalloy Co., Ltd.	Sale of goods	23,444,062.01	23,424,269.41
Beijing Shougang Huaxia Engineering Technology Co., Ltd.	Sale of goods	20,698,004.66	3,801,517.78
Beijing Shougang Mining Construction Co., Ltd.	Sale of goods	10,708,164.00	875,654.04
Beijing Shougang Lujiashan Limestone Mine Co., Ltd.	Rendering of services/labor	73,584.91	37,735.85
Beijing Shougang Lujiashan Limestone Mine Co., Ltd.	Sale of goods	10,848,921.15	5,332,439.45
Shougang Changzhi Steel & Iron Co., Ltd.	Rendering of services/labor	531,792.44	611,792.44
Shougang Changzhi Steel & Iron Co., Ltd.	Sale of goods	6,614,677.50	1,656,241.06
Shougang International (Germany) GmbH	Sale of goods	6,005,992.82	476,442.62
Qinhuangdao Shounai New Materials Co., Ltd.	Sale of goods	11,189,302.48	
Shoujia Huanke (Qian'an) Co., Ltd.	Sale of goods	352,416.59	11,537,359.42
Tangshan Caofeidian Shiye Port Co., Ltd.	Sale of goods	3,060,274.00	2,487,828.00
Beijing Shouronghui Science and Technology Development Co., Ltd.	Sale of goods	2,953,592.45	35,206,601.90
Beijing Shoujia Steel Structure Co., Ltd.	Rendering of services/labor	1,817,572.53	1,575,368.78
Beijing Shoujia Steel Structure Co., Ltd.	Sale of goods		9,218,330.14
Beijing Jin'anyuan Auto Transportation Co., Ltd.	Rendering of services/labor	1,480,288.68	1,739,758.21
Beijing Jin'anyuan Auto Transportation Co., Ltd.	Sale of goods	122,692.00	137,958.60
Tonghua Iron and Steel Co., Ltd.	Rendering of services/labor	1,235,379.25	712,264.18
Tonghua Iron and Steel Co., Ltd.	Sale of goods		4,541,476.54
Shougang Gas Tangshan Co., Ltd.	Sale of goods	1,181,890.21	3,011,696.79
Beijing Shoucheng Packaging Service Co., Ltd.	Rendering of services/labor	10,453.50	
Beijing Shoucheng Packaging Service Co., Ltd.	Sale of goods	1,088,883.45	4,368,614.55
Shougang Shuicheng Iron & Steel (Group) Co., Ltd.	Rendering of services/labor	792,358.49	567,066.03
Qian'an Shougang Equipment Structure Co., Ltd.	Rendering of services/labor	780,930.46	117,591.89
Qian'an Shougang Equipment Structure Co., Ltd.	Sale of goods		2,111,299.32
Jingtang Port Shougang Terminal Co., Ltd.	Rendering of services/labor	727,247.24	481,351.85
GOLD COSMOS Development Limited	Sale of goods	733,476.13	
GOLD COSMOS Development Limited	Rendering of services/labor	4,468.08	
Tangshan Caofeidian Shoushi Industrial Co., Ltd.	Rendering of services/labor	14,943.40	14,943.40
Tangshan Caofeidian Shoushi Industrial Co., Ltd.	Sale of goods	667,440.00	775,997.10
Beijing Shougang Catering Co., Ltd.	Sale of goods	345,041.23	351,796.99
Beijing Shougang Automation Information Technology Co., Ltd.	Rendering of services/labor	258,372.28	1,550,274.26
Beijing Shougang Automation Information Technology Co., Ltd.	Sale of goods	54,989.28	74,622.19
PetroChina Shougang (Beijing) Petroleumsales Co., Ltd.	Sale of goods	306,229.61	16,469,442.54
Beijing Beiyi New Materials Co., Ltd.	Rendering of services/labor	152,524.52	
Beijing Beiyi New Materials Co., Ltd.	Sale of goods	211,824.77	1,409,569.03
Tangshan Shouxin Automation Information Technology Co., Ltd.	Rendering of services/labor	225,791.23	
Beijing Shougang Material Trade Co., Ltd.	Rendering of services/labor	37,735.85	
Beijing Shougang Material Trade Co., Ltd.	Sale of goods	186,312.67	91,890.27
Beijing Shougang International Engineering Technology Co., Ltd.	Rendering of services/labor	89,446.22	1,254,015.09
Beijing Shougang International Engineering Technology	Sale of goods	92,085.71	35,062,599.00

Related party	Contents of related transactions	Amount incurred in current period	Amount incurred in prior period
Co., Ltd.			
Beijing Shougang Resource Recycling Technology Co., Ltd.	Rendering of services/labor	111,320.76	109,794.07
Beijing Shougang Resource Recycling Technology Co., Ltd.	Sale of goods	46,173.32	27,753.24
Guizhou Shuigang Logistics Co., Ltd.	Rendering of services/labor	138,615.72	55,298.87
POSCO-TISCO (Jilin) Processing Center Co., Ltd.	Sale of goods	130,092.63	7,801,088.43
Liaoning Shougang Iron Boron Co., Ltd.	Rendering of services/labor	104,292.45	
Shougang Yili Steel Co., Ltd.	Rendering of services/labor	94,339.62	94,339.62
Guizhou Liupanshui Shenghongda Mechanical Equipment Manufacturing Co., Ltd.	Rendering of services/labor	55,831.81	1,956.76
Guizhou Bohong Industry Co., Ltd.	Rendering of services/labor	37,916.35	38,759.84
Beijing Shougang Gitane New Materials Co., Ltd.	Rendering of services/labor	34,764.15	
Shougang Guiyang SPECIAL Steel Co., Ltd.	Rendering of services/labor	34,764.15	7,547.17
Beijing Shoujian Equipment Maintenance Co., Ltd.	Rendering of services/labor	2,529.05	
Beijing Shougang Park Green Co., Ltd.	Sale of goods	3,213.88	2,797.45
China Shougang International Trade & Engineering Corporation	Rendering of services/labor	562.97	
Beijing Relizhongda Heat Exchange Equipment Co., Ltd.	Rendering of services/labor		1,166.98
Beijing Shougang City Transportation Holdings Co., Ltd.	Sale of goods		108,274,993.89
Beijing Shougang Real Estate Development Co., Ltd.	Rendering of services/labor		849.06
Beijing Shougang Resources Comprehensive Utilization Technology Development Co., Ltd.	Sale of goods		214,683.10
Guizhou Guigang Equipment Engineering Co., Ltd.	Rendering of services/labor		943.40
Hebei Shenzhou Yuanda Real Estate Development Co., Ltd.	Rendering of services/labor		1,172,550.60
Qian'an Shouxin Automation Information Technology Co., Ltd.	Rendering of services/labor		283.02
Qinhuangdao Shougang Machinery Co., Ltd.	Rendering of services/labor		998,903.20
Qinhuangdao Shougang Machinery Co., Ltd.	Sale of goods		347,818,063.19
Qinhuangdao Shougang Racing Valley Development Co., Ltd.	Rendering of services/labor		117,132.72
Shougang Fushan Resources Group Co., Ltd.	Rendering of services/labor		660,377.36
Shougang International (Austria) Co., Ltd.	Sale of goods		2,025,758.99
Shoushi Fengyang International Logistics Services (Tangshan Caofeidian) Co., Ltd.	Sale of goods		133,392.42
Tangshan Tangcao Railway Co., Ltd.	Rendering of services/labor		296,792.43

(2) Details of related party leases

The Company as a lessor:

Unit: RMB Yuan

Lessee	Type of assets leased	Lease income recognized in 2025	Lease income recognized in 2024
Tangshan Shougang Jingtang Xishan Coking Co., Ltd.	Land use rights	19,629,904.76	19,629,904.76
Tangshan Shougang Jingtang Xishan Coking	Plant and buildings	5,416,513.80	5,416,513.79

Co., Ltd.			
Hebei Shoulang New Energy Technology Co., Ltd.	Plant and buildings	2,944,689.48	2,944,689.48
Hebei Shoulang New Energy Technology Co., Ltd.	Land use rights	1,714,285.72	1,714,285.72
Tangshan Guoxing Industry Co., Ltd.	Land use rights	1,421,392.38	1,421,392.34
Tangshan Guoxing Industry Co., Ltd.	Equipment	919,649.72	4,120,717.52
Tangshan Guoxing Industry Co., Ltd.	Plant and buildings	340,403.40	716,937.72
Tangshan Caofeidian Dunshi New Building Materials Co., Ltd.	Land use rights	2,380,761.90	2,380,761.90
Beijing Shoucheng Packaging Service Co., Ltd.	Plant and buildings	1,868,192.00	1,868,192.00
Beijing Shougang Machinery & Electric Co., Ltd.	Land use rights	1,420,000.00	1,420,000.00
Beijing Shougang Machinery & Electric Co., Ltd.	Plant and buildings		74,752.29
Qian'an Sinochem Coal Chemical Industrial Co., Ltd.	Land use rights	1,197,050.00	1,065,067.58
Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd.	Land use rights	1,174,658.50	
Beijing Shougang Ferroalloy Co., Ltd.	Land use rights	652,075.00	449,154.05
Shougang Gas Tangshan Co., Ltd.	Land use rights	565,714.29	565,714.29
Beijing Shougang Construction Group Co., Ltd.	Land use rights	520,000.00	520,000.00
Beijing Shougang Construction Group Co., Ltd.	Plant and buildings		548,110.25
Qianan Shougang K.wah Construction MATERIALS Company Limited	Land use rights	360,650.00	248,418.37
Beijing Shougang Lanzatech Co., Ltd.	Land use rights	165,333.33	165,333.33
Shoujia Huanke (Qian'an) Co., Ltd.	Land use rights	103,500.00	115,025.19
Tangshan Caofeidian Shoushi Industrial Co., Ltd.	Plant and buildings	99,082.57	
Beijing Shougang International Engineering Technology Co., Ltd.	Plant and buildings	59,788.99	
Guangzhou Jinghai Shipping Co., Ltd.	Plant and buildings	13,510.00	13,510.00
Qian'an Shougang Equipment Structure Co., Ltd.	Plant and buildings	6,577.98	256,293.58
Beijing Jin'anyuan Auto Transportation Co., Ltd.	Plant and buildings		198,165.14

The Company as a lessee:

Unit: RMB Yuan

Lessor	Type of assets leased	Rental costs for short-term leases and leases of low-value assets with simplified treatment (if applicable)		Variable lease payments not included in the measurement of the lease liabilities (if applicable)		Rental paid		Interest expenses on assumed lease liabilities		Increase in right-of-use assets	
		Amount incurred in current period	Amount incurred in prior period	Amount incurred in current period	Amount incurred in prior period	Amount incurred in current period	Amount incurred in prior period	Amount incurred in current period	Amount incurred in prior period	Amount incurred in current period	Amount incurred in prior period
Shougang Group Co., Ltd.	Plant and buildings					21,009,552.11	20,326,821.27	15,048,315.30	16,262,346.43		
Beijing Shougang Construction Investment Co., Ltd.	Plant and buildings					5,480,823.17	10,167,678.44	201,297.61			
Beijing	Plant					2,912,61		369,206.	734,443.		

Shouao Real Estate Co., Ltd.	and buildings					2.92		46	32		
Beijing Shougang International Engineering Technology Co., Ltd.	Plant and buildings					65,170.00					
Tangshan Guoxing Industry Co., Ltd.	Machine ry and equipment					434,823.00	1,042,209.00				

(3) Details of related party guarantees

The Company as a guarantor

Unit: RMB Yuan

Guarantee	Amount of guarantee	Beginning date	Maturity date	Status of guarantee
Shougang (Qingdao) Steel Industry Co., Ltd.	17,850,000.00	23 October 2025	22 October 2026	No
Shougang (Qingdao) Steel Industry Co., Ltd.	19,950,000.00	29 December 2025	18 November 2026	No
Shougang (Qingdao) Steel Industry Co., Ltd.	35,000,000.00	20 September 2025	20 September 2026	No
Shougang (Qingdao) Steel Industry Co., Ltd.	22,050,000.00	13 November 2025	12 November 2026	No
Shougang (Qingdao) Steel Industry Co., Ltd.	35,000,000.00	18 September 2025	16 January 2026	No
Shougang (Qingdao) Steel Industry Co., Ltd.	54,600,000.00	31 October 2025	31 October 2026	No
Qian'an Sinochem Coal Chemical Industrial Co., Ltd.	140,000,000.00	8 August 2025	20 July 2026	No
Qian'an Sinochem Coal Chemical Industrial Co., Ltd.	140,000,000.00	18 August 2025	17 August 2026	No
Qian'an Sinochem Coal Chemical Industrial Co., Ltd.	70,000,000.00	5 September 2025	3 September 2026	No
Ningbo Shougang Zhejin Steel Materials Co., Ltd.	3,680,000.00	3 July 2025	3 January 2026	No
Ningbo Shougang Zhejin Steel Materials Co., Ltd.	1,536,000.00	6 August 2025	31 January 2026	No
Ningbo Shougang Zhejin Steel Materials Co., Ltd.	2,880,000.00	20 August 2025	20 February 2026	No
Ningbo Shougang Zhejin Steel Materials Co., Ltd.	1,776,000.00	20 October 2025	17 April 2026	No
Ningbo Shougang Zhejin Steel Materials Co., Ltd.	608,000.00	5 November 2025	5 May 2026	No
Ningbo Shougang Zhejin Steel Materials Co., Ltd.	5,440,000.00	6 November 2025	6 May 2026	No
Ningbo Shougang Zhejin Steel Materials Co., Ltd.	5,440,000.00	1 December 2025	30 May 2026	No
Ningbo Shougang Zhejin Steel Materials Co., Ltd.	640,000.00	10 December 2025	31 May 2026	No

(4) Lending and borrowing of related party funds

Unit: RMB Yuan

Related party	Amounts lent and borrowed	Beginning date	Maturity date	Note
Borrowing				
Shougang Group Finance	7,271,605,715.28	14 January 2025	9 December 2026	Short-term borrowings

Co., Ltd.				
Shougang Group Finance Co., Ltd.	2,501,439,166.68	11 September 2023	12 November 2028	Long-term borrowings
Shougang Group Finance Co., Ltd.	3,580,000,000.00	24 July 2025	24 June 2026	Notes payable
Lending				

(5) Remuneration of key management personnel

The Company has 11 key management personnel in 2025, and 12 key management personnel in 2024. The remuneration payment is as follows:

Item	Amount incurred in current year	Amount incurred in prior year
Remuneration of key management personnel	RMB 7.0578 million	RMB 9,047,600

Note: The year-on-year decrease in remuneration of key management personnel is mainly attributable to the settlement of tenure incentive compensation for the previous term based on the 2024 performance assessment.

6. Receivables from and payables to related parties

(1) Receivables from related parties

Unit: RMB Yuan

Item	Related party	Closing balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Bank deposits	Hua Xia Bank Co., Ltd.	533,924.24		303,560.72	
Bank deposits	Shougang Group Finance Co., Ltd.	10,563,849,588.79		8,769,194,357.76	
Accounts receivable	Shougang Casey Steel Co., Ltd.	242,741,924.31	9,181,116.63	257,916,240.63	9,671,882.18
Accounts receivable	Qianan Shougang K.wah Construction MATERIALS Company Limited	37,521,373.06	6,224,915.84	50,121,363.06	9,911,867.96
Accounts receivable	Guangzhou Jinghai Shipping Co., Ltd.	8,621,972.49	326,104.92	9,366,559.81	351,246.83
Accounts receivable	Beijing Shougang Construction Group Co., Ltd.	8,292,637.27	399,779.63	475,998.30	17,016.22
Accounts receivable	Qian'an Shougang Xingkuang Industrial Co., Ltd.	7,273,399.81	275,098.47	6,019,653.84	225,737.56
Accounts receivable	Beijing Shougang Mining Construction Co., Ltd.	4,636,514.42	175,364.76		
Accounts receivable	Shougang Changzhi Steel & Iron Co., Ltd.	2,862,935.05	108,283.48	6,194,628.90	
Accounts receivable	Tangshan Tangcao Railway Co., Ltd.	2,030,599.98	1,393,261.40	4,180,828.46	1,081,802.52
Accounts receivable	Tangshan Shougang Jingtang Xishan Coking Co., Ltd.	1,270,428.90	48,050.85		
Accounts receivable	Tangshan Caofeidian Shoushi Industrial Co., Ltd.	210,999.64	7,980.54	205,233.72	7,336.79
Accounts receivable	Jingtang Port Shougang Terminal Co., Ltd.	42,519.40	1,608.19	30,209.98	1,132.88
Accounts receivable	Beijing Shougang Material Trade Co., Ltd.	35,746.85	1,352.03	555,213.52	
Accounts receivable	Shougang Group Co., Ltd.			65,881,000.48	2,470,538.64
Accounts receivable	Qian'an Jinyu Shougang Environmental	107,148.38	4,052.62	4,005,181.19	150,194.65

	Protection Technology Co., Ltd.				
Accounts receivable	Beijing Shougang Huaxia Engineering Technology Co., Ltd.			1,748,412.19	1,717,315.70
Accounts receivable	Tonghua Iron and Steel Co., Ltd.	1,725,000.00	65,243.88	982,500.00	56,928.94
Accounts receivable	Beijing Shougang Automation Information Technology Co., Ltd.	549,968.39	166,409.62	944,350.00	33,759.08
Accounts receivable	Beijing Shougang International Engineering Technology Co., Ltd.			1,105,670.68	218,800.00
Accounts receivable	Beijing Shoutaizhongxin Science & Technology Co., Ltd.			27,830.00	27,830.00
Accounts receivable	Beijing Shougang Machinery & Electric Co., Ltd.			973,156.10	839.70
Accounts receivable	Qinhuangdao Shouqin Metal Materials Co., Ltd.			1,760,506.53	
Accounts receivable	Qian'an Shougang Equipment Structure Co., Ltd.			27,762.68	
Accounts receivable	Shougang Yili Steel Co., Ltd.	100,000.00	3,782.25		
Accounts receivable	Shougang Shuicheng Iron & Steel (Group) Co., Ltd.	480,000.00	18,154.82		
Prepayments	Shougang Group Co., Ltd.	1,689,288,857.76		1,047,698,624.39	
Prepayments	Tangshan Caofeidian Ganglian Logistics Co., Ltd.	85,338,118.44		378,259,396.89	
Prepayments	China Shougang International Trade & Engineering Corporation	6,788,354.60		24,419,172.91	
Prepayments	Tianjin Wuchan Shougang Steel Processing and Distribution Co., Ltd.	6,576,342.92		3,736,059.53	
Prepayments	Tangshan Caofeidian Shiye Port Co., Ltd.	563,377.23			
Prepayments	Liaoning Shougang Iron Boron Co., Ltd.	384,706.29			
Prepayments	Beijing Shougang Material Trade Co., Ltd.	115,075.00		14,944.00	
Prepayments	Tonghua Iron and Steel Co., Ltd.	78,882.60		87,647.33	
Prepayments	Beijing Shougang International Engineering Technology Co., Ltd.	189.60			
Prepayments	Beijing Jin'anyuan Auto Transportation Co., Ltd.			3,092,836.70	
Prepayments	Beijing Shougang Huaxia Engineering Technology Co., Ltd.			250,000.00	
Prepayments	Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd.	62,000.00			
Other receivables	Beijing Shougang Material Trade Co., Ltd.	770,000.00	38,500.00	70,000.00	

Other receivables	Qinhuangdao Shouqin Metal Materials Co., Ltd.	683,907.90	273,563.16	688,907.90	
Other receivables	Shougang Group Co., Ltd.	451,086.59	26,641.94		
Other receivables	Qian'an Shougang Qiangang Hotel Co., Ltd.	6,432.00	2,572.80	6,432.00	
Dividends receivable	Mintian Steel Co., Ltd.	400,000.00			
Dividends receivable	Beijing Shougang Resource Recycling Technology Co., Ltd.	4,500,000.00			

(2) Payables to related parties

Unit: RMB Yuan

Item	Related party	Closing book balance	Opening book balance
Contract liabilities	Shougang (Qingdao) Steel Industry Co., Ltd.	173,392,052.75	120,830,496.13
Contract liabilities	Hebei Shoulang New Energy Technology Co., Ltd.	14,516,151.16	17,198,866.82
Contract liabilities	Beijing Shougang Huaxia Engineering Technology Co., Ltd.	8,093,668.44	2,003,004.34
Contract liabilities	Tianjin Wuchan Shougang Steel Processing and Distribution Co., Ltd.	410,903.64	713,289.62
Contract liabilities	Tangshan Caofeidian Dunshi New Building Materials Co., Ltd.	1,682,922.32	1,901,702.18
Contract liabilities	Shougang Casey Steel Co., Ltd.	1,605,104.72	836,655.17
Contract liabilities	Qian'an Shoushi Packaging Service Co., Ltd.	4,979,927.45	7,143,130.35
Contract liabilities	Ningbo Shougang Zhejin Steel Materials Co., Ltd.	1,315,428.95	11,049,301.09
Contract liabilities	Beijing Shougang Lujiashan Limestone Mine Co., Ltd.	1,240,446.04	1,401,649.28
Contract liabilities	Beijing Shouronghui Science and Technology Development Co., Ltd.	293,973.58	1,589,234.60
Contract liabilities	Qinhuangdao Shounai New Materials Co., Ltd.	358,250.88	2,094,081.27
Contract liabilities	Tangshan Caofeidian Shoushi Industrial Co., Ltd.	176,991.15	374,110.96
Contract liabilities	Beijing Shougang Construction Group Co., Ltd.	417,350.28	170,843.80
Contract liabilities	Beijing Shougang International Engineering Technology Co., Ltd.	80,367.24	
Contract liabilities	Beijing Shoucheng Packaging Service Co., Ltd.	57,947.97	425,606.35
Contract liabilities	Beijing Shougang Automation Information Technology Co., Ltd.	88,271.70	
Contract liabilities	Qian'an Shougang Equipment Structure Co., Ltd.	202,618.80	117,592.36
Contract liabilities	Beijing Jin'anyuan Auto Transportation Co., Ltd.	141,267.58	452,091.57
Contract liabilities	Dachang Shougang Machinery & Electric Co., Ltd.	2,215.64	2,477.96
Contract liabilities	Shougang Shuicheng Iron & Steel (Group) Saide Construction Co., Ltd.	712.93	805.61
Contract liabilities	Tianjin Shougang Electrical Equipment Co., Ltd.	149.73	169.19
Contract liabilities	Chaoyang Shougang Beifang Machinery Co., Ltd.	100.90	114.02
Contract	Shougang Group Co., Ltd.	0.65	0.73

Item	Related party	Closing book balance	Opening book balance
liabilities			
Contract liabilities	Beijing Shougang Machinery & Electric Co., Ltd.	4,805,798.25	2,230,862.06
Contract liabilities	PetroChina Shougang (Beijing) Petroleumsales Co., Ltd.	-	492,189.42
Contract liabilities	Beijing Beiyi New Materials Co., Ltd.	49,555.54	261,019.10
Contract liabilities	Beijing Shoujia Steel Structure Co., Ltd.	398,504.76	246,993.08
Contract liabilities	Shoujia Huanke (Qian'an) Co., Ltd.	-	200,000.00
Contract liabilities	Tangshan Caofeidian Industrial District Shouhanxin Industrial Co., Ltd.	173,402.08	173,402.08
Contract liabilities	Beijing Shougang Gitane New Materials Co., Ltd.	69,810.40	69,810.40
Contract liabilities	Beijing Shouyu Industry and Trade Co., Ltd.	-	58,437.91
Contract liabilities	Beijing Huaxia Shouke Technology Co., Ltd.	50,000.00	50,000.00
Contract liabilities	Beijing Shougang Resources Comprehensive Utilization Technology Development Co., Ltd.	50,000.00	50,000.00
Contract liabilities	Beijing Shoujian Equipment Maintenance Co., Ltd.	100,000.00	50,000.00
Contract liabilities	Guizhou Bohong Industry Co., Ltd.	50,000.00	50,000.00
Contract liabilities	Beijing Shougang Mining Construction Co., Ltd.	-	11,427.43
Contract liabilities	Tangshan Guoxing Industry Co., Ltd.	-	10,163.92
Contract liabilities	Guizhou Shuigang Logistics Co., Ltd.	25,927.40	
Contract liabilities	Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd.	1,234,518.97	
Contract liabilities	Shanxi Changgang Ruichang Cement Co., Ltd.	50,000.00	
Contract liabilities	Shanxi Changtie Lvneng Logistics Park Co., Ltd.	50,000.00	
Contract liabilities	Shoujia Huanke (Qian'an) Co., Ltd.	200,000.00	
Accounts payable	Beijing Shougang Material Trade Co., Ltd.	2,549,822,638.25	2,363,577,396.99
Accounts payable	Tangshan Shougang Jingtang Xishan Coking Co., Ltd.	2,005,847,460.83	1,443,497,854.07
Accounts payable	Beijing Shougang Construction Group Co., Ltd.	582,723,138.34	621,731,121.63
Accounts payable	Beijing Shougang International Engineering Technology Co., Ltd.	366,641,731.93	429,301,810.06
Accounts payable	Beijing Shougang Lujiashan Limestone Mine Co., Ltd.	259,929,710.72	269,575,785.95
Accounts payable	Qian'an Sinochem Coal Chemical Industrial Co., Ltd.	195,517,457.91	267,880,864.14
Accounts payable	Beijing Shougang Automation Information Technology Co., Ltd.	191,483,123.63	212,263,659.30
Accounts payable	Tangshan Caofeidian Industrial District Shouhanxin Industrial Co., Ltd.	158,151,828.82	174,818,061.95
Accounts payable	Guangzhou Jinghai Shipping Co., Ltd.	83,124,921.46	126,109,802.19
Accounts payable	Qian'an Shoushi Packaging Service Co., Ltd.	185,116,340.36	144,973,788.17

Item	Related party	Closing book balance	Opening book balance
Accounts payable	China Shougang International Trade & Engineering Corporation	65,817,278.94	704,244,193.18
Accounts payable	Shougang Group Co., Ltd.	4,426,454,941.75	4,167,347,367.12
Accounts payable	Beijing Shougang Gas Co., Ltd.	90,154,658.39	82,934,996.84
Accounts payable	Tangshan Shougang Malanzhuang Iron Ore Co., Ltd.	59,894,042.26	79,331,760.37
Accounts payable	Qian'an Shougang Equipment Structure Co., Ltd.	55,884,740.34	65,900,052.41
Accounts payable	Qinhuangdao Shounai New Materials Co., Ltd.	53,724,002.05	51,686,325.60
Accounts payable	Tangshan Guoxing Industry Co., Ltd.	39,040,958.40	52,639,317.78
Accounts payable	Tangshan Caofeidian Shiye Port Co., Ltd.	34,229,561.64	46,750,099.16
Accounts payable	Beijing Shougang Resources Comprehensive Utilization Technology Development Co., Ltd.	26,605,612.75	34,942,367.07
Accounts payable	Beijing Shoucheng Packaging Service Co., Ltd.	26,292,610.79	23,321,622.83
Accounts payable	Beijing Shouye Instruments & Meters Co., Ltd.	25,239,411.37	16,952,367.68
Accounts payable	Qian'an Shouxin Automation Information Technology Co., Ltd.	24,086,170.66	22,314,179.60
Accounts payable	Beijing Relizhongda Heat Exchange Equipment Co., Ltd.	13,125,022.99	14,120,948.61
Accounts payable	Beijing Shoujian Equipment Maintenance Co., Ltd.	41,291,149.94	33,808,081.56
Accounts payable	Tianjin Shougang Electrical Equipment Co., Ltd.	16,172,364.43	11,025,530.48
Accounts payable	Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd.	13,609,082.42	7,452,895.26
Accounts payable	Qinhuangdao Shouqin Metal Materials Co., Ltd.	12,043,123.08	12,043,123.06
Accounts payable	Beijing Shougang Mining Construction Co., Ltd.	11,601,360.39	16,775,914.30
Accounts payable	Beijing Jin'anyuan Auto Transportation Co., Ltd.	16,184,953.97	13,588,996.27
Accounts payable	Beijing Shougang Machinery & Electric Co., Ltd.	133,224,748.86	104,283,279.62
Accounts payable	Qian'an Shougang Xingkuang Industrial Co., Ltd.	9,769,355.54	8,358,053.59
Accounts payable	Beijing Shougang Park Green Co., Ltd.	9,840,394.63	13,877,418.59
Accounts payable	PetroChina Shougang (Beijing) Petroleumsales Co., Ltd.	15,180,906.19	13,263,175.23
Accounts payable	Beijing Shoutaizhongxin Science & Technology Co., Ltd.	7,272,822.33	7,245,908.61
Accounts payable	Beijing Huaxia Shouke Technology Co., Ltd.	6,610,336.07	5,120,620.28
Accounts payable	Shanxi Yicheng Shouwang Coal Industry Co., Ltd.	6,431,410.40	
Accounts payable	Qian'an Shougang Qiangang Hotel Co., Ltd.	5,595,473.22	5,594,368.36
Accounts payable	Tangshan Caofeidian Shoushi Industrial Co., Ltd.	14,939,196.74	12,355,520.39
Accounts payable	Beijing Shouke Xingye Engineering Technology Co., Ltd.	4,331,479.21	
Accounts	Beijing Shouyu Industry and Trade Co., Ltd.	1,377,287.86	6,503,781.48

Item	Related party	Closing book balance	Opening book balance
payable			
Accounts payable	Beijing Shougang Ferroalloy Co., Ltd.	150,018,550.30	148,307,154.23
Accounts payable	Beijing Chengxin Project Supervision Co., Ltd.	2,750,519.76	4,403,966.04
Accounts payable	Beijing Shoujia Steel Structure Co., Ltd.	9,385,784.11	10,622,449.84
Accounts payable	Beijing Shougang Futong Electromechanical Engineering Co., Ltd.	795,196.00	624,629.15
Accounts payable	Beijing Shouyi Mining Hospital Co., Ltd.	2,007,148.27	2,026,078.28
Accounts payable	Beijing Shougang New Materials Co., Ltd.	1,715,419.65	1,658,353.65
Accounts payable	Jingxi Shoutang Supply Chain Management Co., Ltd.	3,280,074.51	8,498,453.26
Accounts payable	Beijing Shougang Catering Co., Ltd.	1,495,256.97	1,691,528.74
Accounts payable	Hebei Shoulang New Energy Technology Co., Ltd.	1,428,659.95	1,360,620.81
Accounts payable	Jingtang Port Shougang Terminal Co., Ltd.	1,264,000.00	1,264,000.00
Accounts payable	Beijing Shougang Huaxia Engineering Technology Co., Ltd.	1,174,912.47	
Accounts payable	Beijing Shougang Yunxiang Industrial Technology Co., Ltd.	812,805.44	709,009.84
Accounts payable	Beijing Shoujian Hengji Construction Engineering Co., Ltd.	728,378.77	1,148,547.78
Accounts payable	Beijing Shoushe Metallurgical Technology Co., Ltd.	330,475.26	16,002.60
Accounts payable	Shougang Institute of Technology	238,870.00	233,360.00
Accounts payable	Hebei Shenzhou Yuanda Real Estate Development Co., Ltd.	205,000.00	
Accounts payable	Beijing Shoutegang Yuandong Magnesium Alloy Products Co., Ltd.	200,408.00	
Accounts payable	Tianjin Wuchan Shougang Steel Processing and Distribution Co., Ltd.	199,895.97	113,014.49
Accounts payable	Qian'an Golden Apple Kindergarten	187,720.00	191,140.00
Accounts payable	Beijing Shougang Testing Technology Co., Ltd.	120,078.00	862,936.00
Accounts payable	Qinhuangdao Shouqin Steel Machining & Delivery Co., Ltd.	103,398.48	75,377.84
Accounts payable	Tangshan Caofeidian District Bohai Kindergarten	72,000.00	115,800.00
Accounts payable	Dachang Shougang Machinery & Electric Co., Ltd.	59,787.00	229,900.00
Accounts payable	Beijing Shoufang Commercial Management Co., Ltd.	151,923.00	223,694.50
Accounts payable	Beijing Shougang Resource Recycling Technology Co., Ltd.	23,684,810.84	26,867,543.57
Accounts payable	Chaoyang Shougang Beifang Machinery Co., Ltd.	7,685.09	7,685.09
Accounts payable	Beijing Shougang 1919 Catering Management Co., Ltd.	7,480.00	28,178.00
Accounts payable	Qinhuangdao Shougang Machinery Co., Ltd.	2,393.10	2,393.10
Accounts payable	Shougang Group Finance Co., Ltd.	1,720.00	

Item	Related party	Closing book balance	Opening book balance
Accounts payable	Beijing Xingyeda Machinery & Electric Equipment Manufacture Co., Ltd.	460.00	460.00
Accounts payable	Beijing Soly Technology Co., Ltd.	23.00	41,204.30
Accounts payable	Beijing Aidi Geological Engineering Technology Co., Ltd.	51,381.00	1,133,839.61
Accounts payable	Peking University Shougang Hospital	2,901,767.87	3,385,068.76
Accounts payable	Cockerill Engineering (Beijing) Co., Ltd.		569,407.00
Accounts payable	Beijing Shouao Real Estate Co., Ltd.	33,120.00	3,500.00
Accounts payable	Beijing Shougang Environmental Engineering Technology Co., Ltd.		1,109,886.20
Accounts payable	Beijing Shouyun Logistics Co., Ltd.		42,579,766.92
Accounts payable	Bohai International Conference Center Co., Ltd.		150,656.00
Accounts payable	Ningbo Metallurgical Survey and Design Research Co., Ltd.		1,745,477.20
Accounts payable	Shougang (Qingdao) Steel Industry Co., Ltd.	4,424.21	4,424.21
Accounts payable	Shougang Luannan Macheng Mining Co., Ltd.		184,110,874.57
Accounts payable	Shougang Qianjin Machinery Factory Beijing Maintenance Branch		883,412.98
Accounts payable	Shougang Commercial Factoring Co., Ltd.		12,710.99
Accounts payable	Tangshan Caofeidian Dunshi New Building Materials Co., Ltd.		14,005,442.23
Accounts payable	Shougang (Qingdao) Steel Industry Co., Ltd.	8,927.98	
Accounts payable	Beijing Shougang Power Plant Qian'an Maintenance Center	20,000.00	
Accounts payable	Shougang Welfare Office	66,836.40	
Accounts payable	Qinhuangdao Shougang Ouzhou Hotel, Beijing Shoufang Commercial Management Co., Ltd.	52,200.00	
Accounts payable	Beijing Shouqiao Innovation Real Estate Co., Ltd.	1,154.00	
Accounts payable	Shougang Holding Trade (Hong Kong) Limited	3,763,689.67	
Other payables	China Shougang International Trade & Engineering Corporation	6,519,707.96	6,537,960.55
Other payables	Hebei Shenzhou Yuanda Real Estate Development Co., Ltd.	5,000,000.00	5,000,000.00
Other payables	Tangshan Guoxing Industry Co., Ltd.	4,450,973.55	4,450,973.55
Other payables	Tangshan Caofeidian Shoushi Industrial Co., Ltd.	3,865,587.23	3,865,587.23
Other payables	Beijing Shougang Construction Group Co., Ltd.	3,450,000.00	3,450,000.00
Other payables	Tangshan Caofeidian Industrial Zone Jingtang Industry Co., Ltd.	2,910,814.91	2,910,814.91
Other payables	Shougang Group Co., Ltd.	1,242,527.37	57,351,462.33
Other payables	Guangzhou Jinghai Shipping Co., Ltd.		507,751.46
Other payables	Shoushi Fengyang International Logistics Services (Tangshan Caofeidian) Co., Ltd.	100,000.00	100,000.00
Other payables	Beijing Shougang Park Green Co., Ltd.	19,893.26	
Other current liabilities	Shougang Commercial Factoring Co., Ltd.	147,423,441.63	401,812,816.77
Other non-	Shougang Group Co., Ltd.	2,200,552,060.52	2,364,112,304.97

Item	Related party	Closing book balance	Opening book balance
current liabilities			

7. Related party commitments

See "Section V. I. Implementation of commitment" for details.

XV. Share-based payment

☐Applicable ☒Non-applicable

XVI. Commitments and contingencies

1. Material commitments

Significant commitments as of the balance sheet date

As of 31 December 2025, the Company has no undisclosed commitments that should be disclosed.

2. Contingencies

(1) Significant contingencies as of the balance sheet date

As of 31 December 2025, the Company has no undisclosed material contingencies such as pending litigation or external guarantees that should be disclosed.

(2) If the Company has no significant or contingencies that need to be disclosed, it should also be stated.

The Company has no significant contingencies that need to be disclosed.

XVII. Events after the balance sheet date

1. Profit distribution after the balance sheet date

Dividend payout per 10 shares to be distributed per 10 shares (RMB yuan)	0.4
Proposed distribution of bonus shares per 10 shares (shares)	0
Number of shares converted per 10 shares to be distributed (shares)	0
Dividend payout per 10 shares declared after consideration and approval (RMB yuan)	0.4
Bonus shares per 10 shares declared after consideration and approval (shares)	0
Number of shares converted per 10 shares declared after consideration and approval (shares)	0
Profit distribution plan	Pursuant to the resolution of the 5th meeting of the 9th Board of Directors dated 16 April 2026, the Board of Directors proposes that the Company distribute cash dividends to all shareholders based on the total share capital on the record date for the implementation of the 2025 annual equity distribution. A total cash dividend of RMB 310,198,694.80 (tax inclusive) shall be distributed to all shareholders. Based on the Company's total share capital of 7,754,967,370 shares as of 16 April 2026, this translates to RMB 0.40 per 10 shares (tax inclusive). The remaining undistributed profits shall be carried forward to the next fiscal year. If the total number of the Company's share capital entitled to distribution rights changes before the implementation of the distribution plan, the cash dividend per share will be adjusted based on the total number of shares entitled to distribution rights as of the record date for the cash dividend distribution in accordance with the principle that the total amount of cash distribution remains unchanged. The proposed profit distribution is subject to approval by the shareholders' meeting and has not been recognized as a liability in these financial statements.

2. Explanation of other events after the balance sheet date

(1) Equity incentive

On 29 September 2025, the Company held the 20th meeting of the 8th Board of Directors, which reviewed and approved the *Proposal on the Company's Share Repurchase Plan*. In 2025, the Company repurchased 26,682,716 shares of its own shares through centralized bidding, with a total transaction amount of RMB 116,640,372.07 (excluding handling fees). From January to March 2026, the Company repurchased 44,390,896 shares of its own shares through centralized bidding, with a total transaction amount of RMB 246,206,511.80 (excluding handling fees). As of 23 March 2026, the Company had cumulatively repurchased 71,073,612 shares of its own shares, with a total transaction amount of RMB 362,846,883.87.

Pursuant to the authorization of the first extraordinary general meeting of shareholders of the Company in 2026, the Company held the 3rd meeting of the 9th Board of Directors on 6 March 2026, which reviewed and approved the *Proposal of Beijing Shougang Co., Ltd. on Granting Stock Options and Restricted Shares to Incentive Recipients*. 6 March 2026 was determined as the grant date. The incentive instruments adopted in the incentive plan are stock options and restricted shares, among which: the shares underlying the stock options are the Company's A-share ordinary shares to be privately issued to the incentive recipients, and the shares underlying the restricted shares are the Company's A-share ordinary shares repurchased by the Company from the secondary market. Under this incentive plan, 71,073,612 stock options with an exercise price of RMB 4.22 per share and 71,073,612 restricted shares with a grant price of RMB 2.53 per share were granted to 501 eligible incentive recipients.

As of 6 March 2026, all 501 incentive recipients of the Company had paid cash subscription payments totaling RMB 179,816,238.36 at the rate of RMB 2.53 per share. Meanwhile, the Company completed the grant of restricted shares at China Securities Depository and Clearing Corporation Limited Shenzhen Branch on 25 March 2026.

(2) Explanation of other events after the balance sheet date

As of 16 April 2026, there are no other events after the balance sheet date that should be disclosed by the Company.

XVIII. Other significant events**1. Segment information**

According to its internal organizational structure, management requirements, and internal reporting system, the Company divides its businesses into iron and steel segments. Therefore, there is no need to present more detailed information on operating segments.

External revenue of goods and services

Unit: RMB Yuan

Item	Amount incurred in current period	Amount incurred in prior period
Iron and steel	102,918,417,572.91	108,461,993,386.29

Geographical information

Current period or end of the current period	Mainland China	Hong Kong	Offset	Total
Revenue from external transactions	102,861,161,126.66	57,256,446.25		102,918,417,572.91
Non-current assets	94,172,089,807.70			94,172,089,807.70

(Continued)

Prior period or end of the prior period	Mainland China	Hong Kong	Offset	Total
Revenue from external transactions	108,412,749,676.41	49,243,709.88		108,461,993,386.29
Non-current assets	99,583,393,705.88			99,583,393,705.88

2. Other significant transactions and events affecting investors' decision-making

None

XIX. Notes to the main items of the financial statements of the parent company**1. Accounts receivable****(1) Disclosed by the aging**

Unit: RMB Yuan

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	2,029,059,921.13	2,465,069,041.78
1-2 years	16,897,940.77	30,591,805.62
Over 3 years	800,000.00	1,000,000.00
4-5 years		1,000,000.00
Over 5 years	800,000.00	
Total	2,046,757,861.90	2,496,660,847.40

(2) Classified by bad debt provision method

Unit: RMB Yuan

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrual ratio		Amount	Proportion	Amount	Accrual ratio	
Assessed bad debt provision individually	800,000.00	0.04%	800,000.00	100.00%		1,000,000.00	0.04%	1,000,000.00	100.00%	
Including:										
Assessed bad debt provision in portfolios	2,045,957,861.90	99.96%	8,630,598.88	0.42%	2,037,327,263.02	2,495,660,847.40	99.96%	13,108,512.91	0.53%	2,482,552,334.49
Including:										
Total	2,046,757,861.90	100.00%	9,430,598.88	0.46%	2,037,327,263.02	2,496,660,847.40	100.00%	14,108,512.91	0.57%	2,482,552,334.49

Assessed bad debt provision individually: Assessed bad debt provision individually

Unit: RMB Yuan

Name	Opening balance		Closing balance			
	Book balance	Bad debt provision	Book balance	Bad debt provision	Accrual ratio	Reason for bad debts
Overdue recourse notes	1,000,000.00	1,000,000.00	800,000.00	800,000.00	100.00%	Overdue
Total	1,000,000.00	1,000,000.00	800,000.00	800,000.00		

Assessed bad debt provision in portfolios: Assessed bad debt provision in portfolios

Unit: RMB Yuan

Name	Closing balance		
	Book balance	Bad debt provision	Accrual ratio
Accounts receivable with bad debt provision by portfolio of credit risk characteristics	2,045,957,861.90	8,630,598.88	0.42%
Total	2,045,957,861.90	8,630,598.88	

Description of the basis for determining the portfolio:

Provision made based on credit risk characteristics portfolio

If the provision for bad debts on accounts receivable is based on a general model of expected credit losses:

☐ Applicable ☒ Non-applicable

(3) Provision, recovery, or reversal of bad debt provision during the period

Provision for bad debts in the current period:

Unit: RMB Yuan

Category	Opening balance	Amount of change during the period				Closing balance
		Accrual	Recovered or reversed	Write-offs	Others	
Assessed bad debt provision individually	1,000,000.00		200,000.00			800,000.00
Accounts receivable with bad debt provision by portfolio of credit risk characteristics	13,108,512.91	-4,477,914.03				8,630,598.88
Total	14,108,512.91	-4,477,914.03	200,000.00			9,430,598.88

(4) Accounts receivable and contract assets of the top five year-end balances, grouped by party in arrears

Unit: RMB Yuan

Company name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	As a percentage of the total closing balance of accounts receivable and contract assets	Closing balance of provision for bad debts on accounts receivable and impairment of contract assets
Client 1	1,941,023,805.92			94.84%	
Client 2	37,521,373.06			1.83%	6,224,915.84
Client 3	24,043,464.80			1.17%	923,194.82
Client 4	6,189,756.72			0.30%	237,667.55
Client 5	4,283,225.05			0.21%	
Total	2,013,061,625.55			98.35%	7,385,778.21

2. Other receivables

Unit: RMB Yuan

Item	Closing balance	Opening balance
Dividends receivable	4,900,000.00	250,000,000.00
Other receivables	21,030,092.30	136,280,464.23
Total	25,930,092.30	386,280,464.23

(1) Dividends receivable

Classification of dividends receivable

Unit: RMB Yuan

Item (or investee)	Closing balance	Opening balance
Beijing Shougang Steel Trading Investment Management Co., Ltd.		250,000,000.00
Beijing Shougang Resource Recycling Technology Co., Ltd.	4,500,000.00	
Mintian Steel Co., Ltd.	400,000.00	
Total	4,900,000.00	250,000,000.00

(2) Other receivables

1) Other receivables by nature of payment

Unit: RMB Yuan

Nature	Closing book balance	Opening book balance
Petty cash		98,278.25
Deposits	460,000.00	
Due from other companies	20,600,098.80	136,189,096.84
Total	21,060,098.80	136,287,375.09

2) Disclosed by the aging

Unit: RMB Yuan

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	21,060,098.80	138,217.25
1-2 years		136,149,157.84
Total	21,060,098.80	136,287,375.09

3) Classified by bad debt provision method

Unit: RMB Yuan

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrual ratio		Amount	Proportion	Amount	Accrual ratio	
Including:										
Assessed bad debt provision in portfolios	21,060,098.80	100.00%	30,006.50	0.14%	21,030,092.30	136,287,375.09	100.00%	6,910.86	0.01%	136,280,464.23
Including:										
Total	21,060,098.80	100.00%	30,006.50	0.14%	21,030,092.30	136,287,375.09	100.00%	6,910.86	0.01%	136,280,464.23

Assessed bad debt provision in portfolios: Assessed bad debt provision in portfolios

Unit: RMB Yuan

Name	Closing balance		
	Book balance	Bad debt provision	Accrual ratio
Assessed bad debt provision in portfolios	21,060,098.80	30,006.50	0.14%
Total	21,060,098.80	30,006.50	

Provision for bad debts made on the basis of a general model of expected credit losses:

Unit: RMB Yuan

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit loss within 12 months	Expected credit loss over the lifetime (no credit impairment)	Expected credit loss over the lifetime (credit impairment occurred)	
Balance as at 1 January 2025	6,910.86			6,910.86
Balance as at 1 January 2025 in the current period				
Accrual in the current period	23,095.64			23,095.64
Balance as at 31 December 2025	30,006.50			30,006.50

Changes in the carrying amount of the provision for losses that are material during the period

☐ Applicable ☒ Non-applicable**4) Provision, recovery, or reversal of bad debt provision during the period**

Provision for bad debts in the current period:

Unit: RMB Yuan

Category	Opening balance	Amount of change during the period				Closing balance
		Accrual	Recovered or reversed	Charged off or written off	Others	
Assessed bad debt provision in portfolios	6,910.86	23,095.64				30,006.50
Total	6,910.86	23,095.64				30,006.50

5) The top five other receivables classified by debtors are as follows:

Unit: RMB Yuan

Company name	Nature	Closing balance	Aging	Percentage of total other receivable (%)	Closing balance of bad debt provision
Counterparty 1	Current account	20,459,968.73	Within 1 year	97.15%	
Counterparty 2	Security fund	360,000.00	Within 1 year	1.71%	18,000.00
Counterparty 3	Security fund	100,000.00	Within 1 year	0.48%	5,000.00
Counterparty 4	Current account	38,639.01	Within 1 year	0.18%	1,931.95
Total		20,958,607.74		99.52%	24,931.95

3. Long-term equity investments

Unit: RMB Yuan

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investments in subsidiaries	36,292,348,242.94		36,292,348,242.94	36,142,348,242.94		36,142,348,242.94
Investments in associates and joint ventures	669,102,174.18		669,102,174.18	577,728,513.74		577,728,513.74
Total	36,961,450,417.12		36,961,450,417.12	36,720,076,756.68		36,720,076,756.68

(1) Investments in subsidiaries

Unit: RMB Yuan

Investee	Opening balance (book value)	Opening balance of impairment provision	Changes of increase or decrease in current period				Closing balance (book value)	Closing balance of impairment provision
			Additions of investment	Deductions of investment	Provision for impairment	Others		
Shougang Jingtang United Iron & Steel Co., Ltd.	16,284,898.813.20						16,284,898.813.20	
Beijing Shougang Cold Rolling Co., Ltd.	1,831,075.900.00						1,831,075.900.00	
Qian'an Shougang Metallurgical Technology Co., Ltd.	1,900,000.00		150,000,000.00				151,900,000.00	
Beijing Shougang Steel Trading Investment Management Co., Ltd.	10,540,468.007.05						10,540,468.007.05	
Shougang Zhixin Electromagnetic Materials (Qian'an) Co., Ltd.	7,484,005.522.69						7,484,005.522.69	
Total	36,142,348,242.94		150,000,000.00				36,292,348,242.94	

(2) Investments in associates and joint ventures

Unit: RMB Yuan

Investee	Opening balance (book value)	Opening balance of impairment provision	Changes of increase or decrease in current period								Closing balance (book value)	Closing balance of impairment provision
			Additions of investment	Deductions of investment	Investment profit or loss recognized	Adjustments in other comprehensive	Other equity changes	Cash dividend or profit declare	Provision for impairment	Others		

					ed under equity method	income		d				
I. Joint ventures												
II. Associates												
Beijing Shouxin Jinyuan Management Consulting Center (Limited Partnership)	82,766,953.08				35,411,529.02						118,178,482.10	
Qian'an Sinochem Coal Chemical Industrial Co., Ltd.	444,612,861.27				24,082,579.33						468,695,440.60	
Beijing Shougang Resource Recycling Technology Co., Ltd.	22,980,061.71				1,502,272.76			4,950,000.00			19,532,334.47	
Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd.	27,368,637.68		35,000,000.00		327,279.33						62,695,917.01	
Sub-total	577,728,513.74		35,000,000.00		61,323,660.44			4,950,000.00			669,102,174.18	
Total	577,728,513.74		35,000,000.00		61,323,660.44			4,950,000.00			669,102,174.18	

The recoverable amount is determined as the net of fair value less costs of disposal

☐ Applicable ☒ Non-applicable

The recoverable amount is determined as the present value of the expected future cash flows

☐ Applicable ☒ Non-applicable

4. Operating revenue and cost of sales

Unit: RMB Yuan

Item	Amount incurred in current period		Amount incurred in prior period	
	Revenue	Cost of sales	Revenue	Cost of sales
Main business	33,767,239,846.23	32,625,611,672.50	35,458,424,926.58	34,343,336,705.76
Other businesses	1,364,090,253.09	1,322,024,802.95	1,345,157,952.60	1,224,581,104.08
Total	35,131,330,099.32	33,947,636,475.45	36,803,582,879.18	35,567,917,809.84

Other notes

(1) Revenue and cost of sales by product type

Item	Amount incurred in current year		Amount incurred in prior year	
	Revenue	Cost of sales	Revenue	Cost of sales
Main business:				
Industrial pure iron	627,911,454.07	609,252,306.29	328,755,158.68	316,915,066.15
Hot-rolled steel	32,656,675,023.85	31,556,962,852.17	34,463,621,265.61	33,359,519,916.74
Cold-rolled steel	6,711,738.11	7,607,903.91	203,480,591.93	217,202,667.76
Other steels	475,941,630.20	451,788,610.13	462,567,910.36	449,699,055.11
Sub-total	33,767,239,846.23	32,625,611,672.50	35,458,424,926.58	34,343,336,705.76

Other businesses:				
Power	874,256,899.35	992,214,196.28	820,478,942.33	884,858,525.93
Solid waste	103,539,976.38	98,691,271.89	110,936,675.91	104,550,430.32
Others	386,293,377.36	231,119,334.78	413,742,334.36	235,172,147.83
Sub-total	1,364,090,253.09	1,322,024,802.95	1,345,157,952.60	1,224,581,104.08
Total	35,131,330,099.32	33,947,636,475.45	36,803,582,879.18	35,567,917,809.84

(2) Revenue and cost of sales by timing of goods transfer

Item	Amount incurred in current year	Amount incurred in prior year
Revenue from main business	33,767,239,846.23	35,458,424,926.58
Including: Recognised at a certain point in time	33,767,239,846.23	35,458,424,926.58
Recognised during a certain period of time		
Revenue from other business	1,364,090,253.09	1,345,157,952.60
Total	35,131,330,099.32	36,803,582,879.18

5. Investment gain

Unit: RMB Yuan

Item	Amount incurred in current period	Amount incurred in prior period
Long-term equity investment income accounted for using the cost method	229,421,128.19	371,614,710.67
Long-term equity investment income measured under equity method	61,323,660.44	-271,292,907.49
Dividend from other equity instruments investments	16,737,360.00	7,928,839.58
Dividend from other non-current financial assets	651,975.26	
Others		29,152.50
Total	308,134,123.89	108,279,795.26

XX. Supplementary information

1. Non-recurring gains or losses

☒Applicable ☐Non-applicable

Unit: RMB Yuan

Item	Amount	Note
Gains or losses on disposal of non-current assets	-102,355,801.08	
Government grant included in the current profit and loss (except for the government grant which are closely related to the business of the company and are in accordance with the national unified standard quota)	109,865,980.75	
Reversal of impairment provisions for accounts receivable subject to separate impairment testing	2,352,368.89	
Current net profit and loss of subsidiaries from the beginning of the period to the date of business combination under the common control	8,027,162.83	
Profit and loss from debt reorganization	384,337.24	
Other non-operating income and expenses except the above items	-6,625,899.35	
Less: The impact of income tax	5,532,744.99	
The impact on non-controlling interests (post-tax)	2,418,725.97	
Total	3,696,678.32	--

Particulars about other items that meet the definition of exceptional gain/loss:

☐ Applicable ☒ Non-applicable

During the reporting period, there is no other item that meet the definition of exceptional gain/loss.

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

☐ Applicable ☒ Non-applicable

2. Return on net assets and earnings per share

Profit of reporting period	Weighted average return on net assets	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	1.99%	0.1284	0.1284
Net profit attributable to ordinary shareholders of the Company excluding non-recurring gains or losses	1.98%	0.1279	0.1279

3. Difference of accounting data under accounting rules in and out of China

(1) Differences of net profit and net assets in financial statements disclosed according to International Financial Reporting Standards and Chinese Accounting Standards

☐ Applicable ☒ Non-applicable

(2) Difference of net profit and net assets in financial statements disclosed according to foreign accounting standards and Chinese Accounting Standards

☐ Applicable ☒ Non-applicable

(3) Explanation of the reasons for accounting data differences under domestic and foreign accounting standards. For data that has been adjusted for differences after being audited by a foreign audit institution, the name of the foreign institution should be specified.

☐ Applicable ☒ Non-applicable

4. Others

None

Board of Directors of Beijing Shougang Co., Ltd.

16 April 2026