

Stock Code: 000761, 200761

Abbreviation: Bengang Bancai, Bengangban B

Announcement No. : 2020-055

Summary of Semi-Annual Report 2020 of Bengang Steel Plates Co., Ltd.

I. Important Notice

This Semi-Annual Report Summary is taken from the full text of the Semi-Annual Report. Investors are advised to carefully read the full text of the Semi-Annual Report published on the media designated by China Securities Regulatory Commission in order to fully understand the Company's operation results, financial position and future development plan.

Other directors attending the Meeting for Semi-Annual Report deliberation except for the following

Name of director absent	Title for absent director	Reasons for absence	Attorney
-------------------------	---------------------------	---------------------	----------

Non-standard auditor's opinion

☐ Applicable ☒ Not applicable

Plans for profit distribution on ordinary shares or conversion of capital reserves into share capital proposed to the Board during the reporting period

☐ Applicable ☒ Not applicable

The Company plans not to distribute cash dividend or bonus shares, and not to convert capital reserve into share capital.

Plans for profit distribution on preference shares for the reporting period approved by the Board

☐ Applicable ☒ Not applicable

II. Company Profile and Main Financial Index

1. Company profile

Stock abbreviation	Bengang Bancai, Bengangban B	Stock Code	000761、200761
Stock exchange for listing	Shenzhen Stock Exchange		
Contact person and manner	Board secretary	Securities affairs Representative	
Name	Gao Desheng	Chen Liwen	
Address	No.16, Renmin Road, Pingshan District, Benxi City, Liaoning Province	No.16, Renmin Road, Pingshan District, Benxi City, Liaoning Province	
Tel	024-47827003	024-47828980	
Email	bgbcdm@163.com	bgbcclw@126.com	

2. Main Accounting Data and Financial Index

Retrospective adjustment to or restatement of the accounting data for prior years by the Company due to change of accounting policies and correction of accounting errors

☐ Yes ☒ No

Unit: yuan

	This reporting period	Same period in previous year	Increase or decrease in this reporting period over the previous year
--	-----------------------	------------------------------	--

Operating income	22,184,537,260.05	24,102,595,167.14	-7.96%
Net profit attributable to the shareholders of the listed company	254,644,204.33	453,209,615.76	-43.81%
Net profit attributable to the shareholders of listed company after deducting non-recurring gain/loss	239,885,472.54	481,928,450.94	-50.22%
Net cash flows generated by operating activities	-151,475,707.08	984,787,005.67	-115.38%
Basic earnings per share	0.07	0.12	-41.67%
Diluted earnings per share	0.07	0.12	-41.67%
ROE	1.30%	2.35%	-1.05%
	At the end of this reporting period	At the end of previous reporting period	Increase or decrease at the end of this reporting period over the previous year
Total assets	62,710,402,910.64	60,731,425,193.90	3.26%
Net assets attributable to shareholders of the listed company	19,764,576,963.53	19,487,665,261.17	1.42%

3. Number of shareholders and shareholding

Unit: Share

Total number of common shareholders at the end of the reporting period	54,074			The total number of preferred shareholders voting rights restored at the end of the reporting period (if any)	0	
Shareholding of shareholders holding more than 5% or top 10 shareholders						
Name of the shareholder	Nature of shareholder	Holding Percentage	Number of shares held at period-end	Restricted shares held	Number of pledged or frozen shares	
					Status	Number
Benxi Steel & Iron (Group) Co., Ltd.	State-owned legal person	62.11%	2,407,002,394	0	Pledged	712,545,000
					Frozen	102,100,000
CCB Principal Asset Management – ICBC – CR Trust – CR Trust ·Xing Sheng No. 5 Collective Fund Trust Plan	Others	4.77%	184,842,883			
Bei Xin Rui Feng Fund – China Merchants Bank – Bei Xin Rui Feng Fund Feng Qing No. 229 Asset Management Plan	Others	4.77%	184,842,883			
China Life AMP Fund– ICBC – China Life AMP	Others	4.77%	184,842,883			

– Hua Xin Trust Targeted Additional Shares Issuance No. 10 Asset Management Plan						
Liaoning Provincial Transportation Investment Group Co., Ltd.	State-owned legal person	4.74%	183,785,283			
Fang Lei	Domestic natural person	0.36%	14,126,600			
Fang Huaiyue	Domestic natural person	0.24%	9,205,501			
Zhang Peng	Domestic natural person	0.21%	8,287,900			
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Overseas legal person	0.21%	8,157,311			
Chen jinhong	Domestic natural person	0.18%	7,120,375			
Notes to relationship or ‘action in concert’ among the top 10 shareholders.	It is unknown to the Company whether there is any related connection or ‘Action in Concert’ as described by Rules of Information Disclosing Regarding Changing of Shareholding Status of Listed Companies existing among the above shareholders.					
Shareholders among the top 10 participating in securities margin trading (if any)	Benxi Steel & Iron (Group) Co., Ltd. holds 2,168,022,394 shares of the Company’s stock through ordinary account and holds 239,000,000 shares of the Company’s stock through credit security account totaling 2,407,002,394 shares. Fang Lei holds 14,126,600 shares of the Company’s stock through credit security account. Fang Huaiyue holds 9,205,501 shares of the Company’s stock through credit security account. Zhang Peng holds 8,287,900 through credit security account.					

4. Changes of Controlling Shareholders and Substantial Controller

Change of holding shareholder

☐ Applicable ☒ Not applicable

There was no change of holding shareholder in the reporting period.

Change of substantial controller

☐ Applicable ☒ Not applicable

There was no change of substantial controller in the reporting period.

5. Total preferred shareholders of the Company and shares held by top ten shareholders

☐ Applicable ☒ Not applicable

There was no Preferred Shares during the reporting period.

6. Information about the corporate bonds

Whether there exists any un-matured corporate bonds public issued and listed on the Stock Exchange or any matured corporate bonds which the listed company failed to pay in full at the approval date of the Semi-Annual Report

No

III. Management Discussion and Analysis

1. General

Whether the Company needs to comply with the disclosure requirements for special industry

No

In the first half of 2020, the company's overall performance was generally outstanding, production and management had a new improvement, and the reform tasks were solidly promoted. The main indicators achieved steady growth, including: 5.11 million tons of pig iron, an increase of 352.8 thousand tons, an increase of 7.41%; crude steel of 5.13 million tons, an increase of 259.8 thousand tons, an increase of 5.33%; hot rolled sheet of 5.87 million tons, a decrease of 232.1 thousand tons, a decrease of 3.8%; cold rolled sheet of 2.78 million tons, a decrease of 120.1 thousand tons, a decrease of 4.14%; special steel of 0.36 million tons, an increase of 130 thousand tons, an increase of 57.62%.

During the reporting period, the company took "Overall Every Control and Clear" as the starting point, carefully organized special research, and took multiple measures to reduce costs. The output of some varieties and the records of daily and monthly production were continuously refreshed. A series of indicators have reached the best level in history. The quality of development has been significantly improved. Through the establishment of an all-round benchmarking management system, the coke ratio of plates into the furnace was 381kg in the first half of the year, which is the best level in history. The No. 7 caster of the plate steelmaking plant has realized the online narrowing function and the online width adjustment of the chamfering mold, reaching the domestic advanced level. The 2# pickling mill and silicon steel pickling mill set the best operating record in history. The plate scrap mill matched the material type reasonably, and the number of straight batching hoppers created the highest records in a single day and a single month, respectively.

2. Issues related to the financial report

(1) Changes in the accounting policy, accounting estimation and measurement methods

1. Change of major accounting policy during the current reporting period

Implementation of the "Accounting Standards for Business Enterprises No. 14 - Revenue" (revised in 2017) (hereinafter referred to as the "New Revenue Standards")

The Ministry of Finance revised the "Accounting Standards for Business Enterprises No. 14 - Revenue" in 2017. The revised standard stipulates that the initial implementation of the standard should adjust the amount of retained earnings and other related items in the financial statements at the beginning of the year based on the cumulative impact, and no adjustments should be made to comparable period information.

The company implements the new revenue standard from January 1, 2020. According to the standard, the company only adjusts the retained earnings at the beginning of 2020 and the amount of other related items in the financial statements for the cumulative impact of contracts that have not been completed on the date of first implementation, and the comparative financial statements do not adjust. The major impact of the implementation of the regulation are as follows:

Change of accounting policy content and reason	Affected items	January 1, 2020	
		Consolidated Financial statement	Parent company financial statement
Reclassify advance from customers to contract liabilities.	Advance from customers	-4,429,821,526.79	-5,597,707,687.22
	Contract liabilities	4,429,821,526.79	5,597,707,687.22

Compared with the previous revenue standards, the impact of the implementation of the new revenue standards on the relevant items for the period from January to June in 2020 is as follows:

Affected items	June 30, 2020	
	Consolidated Financial statement	Parent company financial statement
Contract liabilities	4,658,022,515.99	5,736,618,018.47
Advance from customers	-4,658,022,515.99	-5,736,618,018.47

There is no impact to the items in the comprehensive income statement.

2. Change of accounting estimation

(1) The company's principle for determining the applicable point of time for changes in accounting estimates: According to Article 19 of the "Accounting Standards for Business Enterprises No. 4 - Fixed Assets", the enterprise should review the useful life, estimated net residual value and depreciation method of fixed assets at least at the end of each year. If the estimated useful life is different from the original estimate, the useful life of the fixed asset shall be adjusted.

(2) Major change of accounting estimate during the current reporting period

Change of accounting estimation content and reason	Approval procedure	Date of application	Affected items and amount
Content: The company adjusted the useful life of some of the fixed assets since January 1, 2020. Reason: At the end of 2019, the company evaluated the actual	On January 31, 2020, the eighth meeting of the company's eighth board of directors reviewed and approved the "Proposal on Adjusting the Useful Life of	January 1, 2020	Accumulative depreciation: RMB -206,452,050.12; Operating cost : RMB -206,452,050.12.

Change of accounting estimation content and reason	Approval procedure	Date of application	Affected items and amount
condition and depreciation period of fixed assets, and believed that the company's production equipment had a relatively high level of equipment and technical content, and maintained good conditions. The company's cumulative investment in equipment maintenance costs from 2010 to 2019 was RMB 11.959 billion. To make the depreciation period of fixed assets closer to the actual service life, it is necessary to adjust the useful life of some fixed assets.	Certain Fixed Assets"		

(2) Illustrations of retrospective restatement due to correction of significant accounting errors in the reporting period

☐ Applicable ☒ Not applicable

No major accounting errors within the reporting period that needs retrospective restatement for the Company.

(3) Illustrations of changes of the consolidation scope as compared with the financial report of previous year

☐ Applicable ☒ Not applicable

There was no change of the consolidation scope during the reporting period.