



Bengang Steel Plates Co., Ltd.

Annual Report 2014

April 2015

Chapter I. Important Prompts, Table of Contents, and Definitions

The Board of Directors, The Supervisory Committee, the supervisors and the directors of the Company guarantee that there are no significant omissions, fictitious or misleading statements carried in the Report and we will accept individual and joint responsibilities for the truthfulness, accuracy and completeness of the Report.

All of the directors attended the board meeting on which this report was examined.

Profit distribution preplan, which was adopted at the board meeting, is: basing on the total of 3,136,000,000 capital shares on December 31,2014, RMB0.50 and 0 bonus share(tax included) will be distributed to each 10 shares. No capitalization of common reserves will be carried out.

Chairman of the Board – Wang Shu, Chief Financial Officer – Hange, and Head of Accounting Dept.– Mr. Wang Shaoyu, hereby declare: the authenticity, accuracy, and integrality of the report are guaranteed.

This report is prepared both in versions of Chinese and English. The Chinese version shall prevail when there are any controversial statements in the two versions.

Table of Contents

Chapter I. Important Prompts, Table of Contents, and Definitions	2
Chapter II. Company Profile.....	6
Chapter III. Financial Highlights	8
Chapter IV. Board of Directors' Report	10
Chapter V. Significant Events	27
Chapter VI. Change of Share Equity and Shareholders.....	38
Chapter VII. Particulars about Preference Shares.....	43
Chapter VIII. Directors, Supervisors, Senior Executives and Employees	44
Chapter IX. Administration	50
Chapter X. Internal Control	54
Chapter XI. Financial Report.....	56
Section XII. Documents for Reference.....	68

Glossary

Terms	Defined as	Description
Bengang Bancai, Bengang Steel, the Company, the Listed Company	Defined as	Bengang Steel Plates Co., Ltd.
Bengang Group, the Group	Defined as	Bengang Group Co., Ltd.
Bengang Co.	Defined as	Benxi Steel (Group) Co., Ltd.
Liaoning Provincial State-asset Administration	Defined as	Liaoning State-owned Asset Supervisory and Management Committee
SSE	Defined as	Shenzhen Stock Exchange
Bengang Puxiang	Defined as	Bengang Puxiang Cool Rolling Steel Sheet Co., Ltd.

Prompt of Risks

The prospective statements contained in the annual report do not constitute any substantial commitment to the investors. Investors please be aware of the risks attached to investment decisions.

Chapter II. Company Profile

I. Basic Information

Stock ID	Bengang Bancai, Bengangban B	Stock Code	000761、200761
Stock Exchange Listed in	Shenzhen Stock Exchange		
Company Name in Chinese	本钢板材股份有限公司		
Short form of Company Name in Chinese	Bengang Bancai		
Company Name in English	BENGANG STEEL PLATES CO.,LTD.		
Short form of Company Name in English	BSP		
Legal representative:	Wang Shu		
Reg. Add.	No.16, Renmin Road, Pingshan District, Benxi City, Liaoning Province		
Post Code	117000		
Office address	No.16, Renmin Road, Pingshan District, Benxi City, Liaoning Province		
Post Code:	117000		
Web Address	None		
Email.	bgbc761@126.com		

II. Contacts

	Secretary of the Board	Representative of Stock Affairs
Name	Zhang Jichen	Tong Weigang
Address	No.16, Renmin Road, Pingshan District, Benxi City, Liaoning Province	No.16, Renmin Road, Pingshan District, Benxi City, Liaoning Province
Tel.	47828360	47827003
Fax.	47824158	47827004
Email.	bgbczjc761@126.com	bgbc761@126.com

III. Place for information disclosure

Press media for information disclosure	China Securities Journal, Securities Times, Hong Kong Commercial Daily
Web address for the annual report as assigned by CSRC.	http://www.cninfo.com.cn
Place for inquiry of the annual report	Secretary Office of the Board, Bengang Steel Plate Co., Ltd.

IV. Change of Business Registration

	Registration date	Registration place	No. of Incorporation Certificate	No. of Taxation Registration	Organization code
Primary registration	Jun 27 1997	Liaoning Commerce & Industry Administration Bureau	210000004931633	210502242690243	24269024-3
Last registration before the end of report period	Dec 31 2014	No change	No change	No change	No change
Change of main business since listed	None				
Change of holding shareholder (if any)	None				

V. Miscellaneous information

CPA hired by the Company

Name of the CPA	BDO China Shu Lun Pan Certified Public Accountants LLP
Address of the CPA	Address: 4/F 61 Nanjing Rd. East, Huangpu, Shanghai
Name of CPA signed on the auditors' report	Zhu Jinmei, Zhang Huice

Sponsoring institution hired by the Company, which is responsible to overseeing the Company's operation on a continuous basis:

Applicable; Not applicable

Financial consultancy institution hired by the Company, which is responsible to overseeing the Company's operation on a continuous basis:

Applicable; Not applicable

Chapter III. Financial Highlights

I. Main accounting data and indices

Are there any retrospective adjustment or restatement of financial information of previous year due to change of accounting policies or correcting of accounting errors?

Yes No

	2014	2013		Increase / Decrease over the previous year Adjusted	2012	
		Not adjusted	Adjusted		Not adjusted	Adjusted
Turnover (RMB)	41,422,088,025.70	40,329,344,514.29	40,329,344,514.29	2.71%	40,580,870,572.36	40,580,870,572.36
Net profit attributable to shareholders of the listed company (yuan)	232,804,820.19	275,592,999.75	275,592,999.75	-15.53%	79,358,868.19	79,358,868.19
Net profit attributable to the shareholders of the listed company and after deducting of non-recurring gain/loss(RMB)	187,126,217.32	56,290,264.91	56,290,264.91	232.43%	-235,532,180.35	-235,532,180.35
Net Cash flow generated by business operation (RMB)	2,868,140,094.86	2,687,944,078.48	2,687,944,078.48	6.70%	1,783,677,238.80	1,783,677,238.80
Basic earnings per share (Yuan/share)	0.074	0.088	0.088	-15.91%	0.025	0.025
Diluted earnings per share (Yuan/share)	0.074	0.088	0.088	-15.91%	0.025	0.025
Net income on asset, weighted	1.52%	1.75%	1.75%	-0.23%	0.49%	0.49%
	End of 2014	End of 2013		Changed over end of last year Adjusted	End of 2012	
		Not adjusted	Adjusted		Not adjusted	Adjusted
Gross Assets (RMB)	49,170,603,030.67	43,050,307,324.66	43,050,307,324.66	14.22%	43,094,461,609.89	43,094,461,609.89
Net asset attributable to owners of the PLC	15,384,562,323.08	15,308,337,697.63	15,308,337,697.63	0.50%	16,243,473,795.94	16,243,473,795.94

II. Differences in accounting information under IAS and domestic accounting standard

1. Differences between the net profit and net asset in the financial reports prepared under IAS and Chinese Accounting Standard

Applicable; Not applicable

No difference between the net profit and net asset in the financial reports prepared under IAS and Chinese Accounting Standard for the report period.

2. Differences between the net profit and net asset in the financial reports prepared under IAS and Chinese Accounting Standard

Applicable; Not applicable

No difference between the net profit and net asset in the financial reports prepared under IAS and Chinese Accounting Standard for the report period.

III. Non-recurring gain/loss items and amounts

Applicable Not applicable

In RMB Yuan

Items	Amount of 2014	Amount of 2013	Amount of 2012	Remarks
Gain/loss from disposal of non-current assets (includes the recovered part of asset impairment provision already provided)	-3,000,928.56	-12,804,674.19	-13,839,438.91	
Gains and losses included in the current period of government subsidies, excluding those government grants which are closely related to normal business and in line with national policy, or in accordance with fixed standards or quantities	18,722,224.00	159,439,621.71	28,193,565.58	
Gain/loss from commissioned investment or assets	20,845,473.00	12,600,032.95	1,963,430.97	
Gain/loss from debt reorganization	5,940,400.95	17,709,392.13	13,008,015.04	
Current net gain/loss of subsidiaries under same control from beginning of term till date of consolidation		33,226,800.18	9,549,636.49	
Other non-business income and expenditures other than the above	5,156,149.77	9,465,980.04	277,600,209.56	
Less: Influenced amount of income tax	710,902.39	-624,726.31	393,431.06	
Influence on minority shareholders' equity (after tax)	1,273,813.90	959,144.29	1,190,939.13	
Total	45,678,602.87	219,302,734.84	314,891,048.54	--

If the company defines those items to recurring gain/loss items, which were defined by "Regulations of Information Disclosure of PLCs, Explanation No.1 - Non-recurring gain/loss" as non-recurring gain/loss, please provide reason here.

Applicable; Not applicable

None of non-recurring gain/loss items recognized as recurring gain/loss items as defined by the Information Disclosure Explanatory Announcement No.1 – Non-recurring gain/loss in the report period.

Chapter IV. Board of Directors' Report

I. Business overview

In the report period, along with severe market situation, the Company kept doing its best to maintain healthy operation in aspects of production, marketing, reformation, and cost controlling. For the whole year, the Company has realized output of pig iron of 10.0930 million tons, raw steel of 10.1038 million tons, which have been increasing steadily. Meanwhile the output of hot-rolled plates was 11.74 million tons, cool-rolled plates 3.73 million tons, and special steel 750 thousand tons. Works of the year were as following:

1. An quick-action integral business pattern was built. The leading position in the market was reinforced by further refining of territory layout and product lines.
2. Kept enforcing cost control to enlarge profit margin. Flexible purchasing policies were adopted to catch up the change of market prices. Analyze and assessment on business processes were reinforced.
3. All production and financial planning and operations were upgraded scientifically. All energy and material supplying systems were in stable operation constantly.
4. R&D systems were further optimized and integrated. Technical development was following the market demand and contributed significantly to overall development.
5. Production equipment was further upgraded and optimized. Product lines were refined to face significant drawbacks such as resource restriction and production bottleneck. They were pushed toward higher class, greater scale, and better quality.
6. A number of measurements were implemented to reinforce the sense of safe operation. Responsibilities and corresponding assessment schemes were assigned to each department. There was zero material accident in the report period.
7. Transferring the pressure from environment protection to power of development. 98% of the environment protection facilities were in stable operation.
8. Management system was improved constantly by standardizing and refining. A number of regulations and rules were formulated.

II. Analysis of main business

1. Summary

Retrospection on progress of the development strategies and business plan disclosed in previous period.

No.	Items	This report term	Same period last year	Increase/decrease (%)	Significant change and causations
1	Turnover	41,422,088,025.70	40,329,344,514.29	2.71%	
2	Operation cost	38,489,119,026.43	37,751,979,617.32	1.95%	
3	Sales expense	863,079,137.09	697,569,398.95	23.73%	
4	Administrative expense	899,624,299.29	1,140,642,182.09	-21.13%	
5	Financial expenses	717,292,853.39	401,940,789.84	78.46%	Increase of loan and decrease of exchange gain/loss
6	Net cash flow	4,874,611,555.66	716,276,674.82	580.55%	Increase of loan

Statements on the difference between the actual performance and the projected profitability if it is over 20%.

Applicable; Not applicable

Change of main business operation pattern

Applicable; Not applicable

2. Revenue

Remarks

None

Whether the sales of products are greater than sales of services?

Yes No

Business categories	Items	Unit	2014	2013	Change over same period last year
Steel rolling business	Sales	Ton	12,343,978.13	10,533,155.29	17.00%
	Output	Ton	12,639,120.5	10,548,400.18	20.00%
	Inventory	Ton	800,079.68	504,937.31	58.00%

Statement on change of amounts for over 30% YoY.

Applicable; Not applicable

Major orders in hand.

Applicable; Not applicable

Major change or adjustment in products or services.

Applicable; Not applicable

Major buyers of the Company's products or services

Sales to top 5 customers (RMB)	4,863,628,002.72
Share of sales to top 5 clients in the total sales of year	11.74%

Profiles of top 5 customers

Applicable Not applicable

No.	Name of clients	Sales (RMB)	Percentage in total sales of year
1	Hangzhou Relian (HK) Co., Ltd.	1,328,578,316.40	3.21%
2	Hengxing International Resource Co., Ltd.	1,169,628,338.12	2.82%
3	Xiamen Jianfa Materials Co., Ltd.	925,852,259.50	2.24%
4	Liaoning Bengang Steel & Iron Trading Co., Ltd.	748,646,488.28	1.81%
5	Fusheng Industrial Co., Ltd.	690,922,600.42	1.67%
Total	--	4,863,628,002.72	11.74%

Statement about other main clients

Applicable; Not applicable

3. Costs

Business categories

In RMB Yuan

Business categories	Items	2014		2013		Change over same period last year
		Amount	Share in operational costs	Amount	Share in operational costs	
Steel rolling business	Raw materials	17,944,675,875.37	46.62%	17,263,037,139.19	45.73%	3.95%
Steel rolling business	Auxiliary material	1,894,098,710.57	4.92%	1,867,394,962.60	4.95%	1.43%
Steel rolling business	Spare parts and tools	506,123,592.75	1.31%	497,174,452.60	1.32%	1.80%
Steel rolling business	Fuel	9,743,040,776.86	25.31%	9,452,202,952.86	25.04%	3.08%
Steel rolling business	Power	2,985,488,175.62	7.76%	2,937,058,320.02	7.78%	1.65%
Steel rolling business	Wage and welfare	2,029,415,195.35	5.27%	2,148,718,007.24	5.69%	-5.55%
Steel rolling business	Depreciation	1,998,507,273.26	5.19%	2,227,514,795.33	5.90%	-10.28%
Steel rolling business	Others	1,387,769,426.66	3.61%	1,358,878,987.48	3.60%	2.13%
Steel rolling business	Total	38,489,119,026.43	100.00%	37,751,979,617.32	100.00%	1.95%

Categories of products

In RMB Yuan

Categories of products	Items	2014		2013		Change over same period last year
		Amount	Share in operational costs	Amount	Share in operational costs	

Remarks

None

Main suppliers of the Company

Total purchase from top 5 suppliers (RMB)	16,722,881,981.11
Share of purchase from top 5 suppliers in total purchase of year	43.45%

Profiles of top 5 suppliers

[V] Applicable [] Not applicable

No.	Name of suppliers	Amount of purchase (RMB)	Percentage in total purchase of year
1	Benxi Beiyong Steel & Iron (Group) Co., Ltd.	6,558,936,774.31	17.04%
2	Bengang Group Mineral Co., Ltd.	4,991,346,698.85	12.97%
3	Liaoning Power Supply Co., Ltd. Benxi Branch	2,330,534,700.07	6.06%
4	Heilongjiang Longmei Mining Group Co., Ltd.	2,136,721,201.93	5.55%
5	Jiaozuo Guolong Logistics Co., Ltd.	705,342,605.95	1.83%
Total	--	16,722,881,981.11	43.45%

Statement of other issues about main suppliers

[] Applicable; [V] Not applicable

4. Expenses

No.	Items	This report term	Same period last year	Increase/decrease (%)	Significant change and causations
1	Sales expense	863,079,137.09	697,569,398.95	23.73%	
2	Administrative expense	899,624,299.29	1,140,642,182.09	-21.13%	
3	Financial expenses	717,292,853.39	401,940,789.84	78.46%	Increase of loan and decrease of exchange gain/loss
4	Income tax	38,943,288.16	77,915,769.77	-50.02%	Profit of Liaoyang Pellet Co. has decreased

5. R&D expenses

Items	2014	2013	Changed by (%)
R&D expense accounted into current gain/loss	2,550,780,000	2,855,126,000	-10.66
Intangible asset R&D expense recognized this period			0.00%
Total of R&D expenses	2,550,780,000	2,855,126,000	-10.66
Percentage of total R&D expense in net asset attributable to the parent company(%)	16.58%	18.65%	-11.10%
R&D expense on turnover (%)	6.16%	7.08%	-13.02%

6. Cash flow

In RMB Yuan

Items	2014	2013	Change over same period last year
Sub-total of cash inflow from business activities	27,563,063,923.62	36,483,656,838.73	-24.45%
Sub-total of cash outflow from business activities	24,694,923,828.76	33,795,712,760.25	-26.93%
Cash flow generated by business operation, net	2,868,140,094.86	2,687,944,078.48	6.70%
Sub-total of cash inflow due to investment activities	8,239,533,447.80	6,903,625,230.40	19.35%
Sub-total of cash outflow due to investment activities	8,326,807,425.53	8,578,487,456.04	-2.93%
Net cash flow generated by investment	-87,273,977.73	-1,674,862,225.64	94.79%
Subtotal of cash inflow from financing activities	20,842,507,551.86	21,691,384,241.44	-3.91%
Subtotal of cash outflow due to financing activities	18,728,415,564.97	21,957,808,892.65	-14.71%
Net cash flow generated by financing	2,114,091,986.89	-266,424,651.21	893.50%
Net increasing of cash and cash equivalents	4,874,611,555.66	716,276,674.82	580.55%

Statement on change of amounts for over 30% YoY.

Applicable Not applicable

Particulars about the items changed by over 30% YoY:

(1) Net amount of cash flow from investment activities has increased by 94.79%, which was caused by increase of redemption of financial products in the report period.

(2) Net cash flow from financing activities has increased by 893.5%, which was caused by enlarging of increasing scale of loans in the period than that of last year.

(3) Net increase of cash and cash equivalents has increased by 580.55%, which was caused by enlarging of increasing scale of loans in the period than that of last year.

Statement on major difference between operational cash flow and net profit of the year.

Applicable; Not applicable

III. Main business composition

In RMB Yuan

	Turnover	Operation cost	Gross profit ratio %	Change in turnover YoY	Change in operation cost YoY	Change in gross profit YoY
On Industries						
Industry	39,041,774,116.14	36,352,691,545.89	6.89%	4.94%	4.24%	0.62%
On Products						
Steel plate	37,864,959,678.06	35,365,915,960.77	6.60%	4.46%	4.06%	0.36%
Steel billet	10,347,159.33	9,351,717.87	9.62%	9,059.00%	9,152.97%	-0.92%
Others	1,166,467,278.75	977,423,867.25	16.21%	21.84%	9.95%	9.06%
On territories						
Northeast	10,332,761,491.32	9,537,141,965.18	7.70%	7.70%	8.00%	-0.26%
North	4,280,717,411.13	4,144,798,497.72	3.18%	-12.99%	-7.55%	-5.70%
East	12,613,036,561.55	12,145,771,202.52	3.70%	-8.99%	-8.54%	-0.48%
Northwest	20,892,279.00	20,437,303.16	2.18%	-87.76%	-87.56%	-1.53%
Southwest	42,004,974.77	41,090,223.02	2.18%	65.94%	68.59%	-1.53%
Mid-south	1,062,573,192.15	1,058,224,334.46	0.41%	-30.22%	-28.41%	-2.51%
Export	10,689,788,206.22	9,405,228,019.84	12.02%	50.28%	42.23%	4.98%

If the statistics window of main business has been changed in the report period, the main business information of the latest year after adjusted according to the new statistics window.

Applicable; Not applicable

IV. Situation of assets and liabilities

1. Major change in asset items

In RMB Yuan

	End of 2014		End of 2013		Change of share	Statement on major change
	Amount	Share in total asset	Amount	Share in total asset		
Monetary capital	9,792,940,409.40	19.92%	4,574,532,598.83	10.63%	9.29%	
Account receivable	487,767,042.22	0.99%	354,770,643.94	0.82%	0.17%	
Inventories	11,008,413,817.92	22.39%	11,607,047,545.14	26.96%	-4.57%	
Fixed assets	17,144,282,253.99	34.87%	18,574,585,898.20	43.15%	-8.28%	
Construction in process	6,126,175,722.67	12.46%	3,072,825,789.22	7.14%	5.32%	

2. Major change in liability items

In RMB Yuan

	2014		2013		Change of share	Statement on major change
	Amount	Share in total asset	Amount	Share in total asset		
Short-term loans	18,187,945,675.93	36.99%	14,242,610,696.91	33.08%	3.91%	
Long-term borrowings	814,627,465.85	1.66%	745,666,892.70	1.73%	-0.07%	

3. Assets and liabilities on fair value basis

Applicable; Not applicable

4. Main overseas properties

Applicable; Not applicable

V. Competition analyze

The Company has been devoting itself in developing of high value-adding products such as automobile plates and electrical appliance plates, accelerating replacing and rebuilding of out-of-date productions and high energy-consuming equipment. At present most of the main production process and equipment are at the state-of-art level and provides solid support to production of finest products. The Company is now producing more than 240 products falling into 8 product lines including petrol oil pipe steel, container steel, climate-resistance steel, automobile beam steel plate, ship plate, automobile plate, and electronic appliance plate.

The Company is operating one national level technical center, four provincial level technical centers, two

municipal level technical centers, two national level physical and chemistry test labs, 2 provincial level engineering labs, and post-doctorial workstations. Meanwhile, the Company is co-operating with Northeast University, Beijing Institute of Steel & Iron, National Science Academy, Tsinghua University, Beijing University of Science & Technologies, China Mining University, Dalian Polytechnic University, Beijing Aerospace University, and Ha'erbin Industrial University. A number of technical researches were awarded by national and provincial government.

In the year of 2014, the Company built its research center to conduct technical researches, promotion, and technical consulting. 52 new products were developed including hot-coating steel bar, hot-rolling double phase steel, etc. 14 key technical projects were implemented, 2 of them won band three awards from the provincial government. The double-phase automobile steel plate won band 1 award of provincial new products.

Bengang Group, the holding shareholder of the Company, possesses the 1.285 billion ton open-pit iron mine – the largest in Asia, which contains over 30% of iron. All of the iron ore fine the Group produces is provided to the Company, which guarantees a steady supply of raw materials to the Company.

VI. Analyzing of investment position

1. External equity investment

(1) External investment

Applicable; Not applicable

No external investment in the report period.

(2) Shareholding in financial enterprises

Applicable; Not applicable

No holding of shares of financial institutions in the report period.

(3) Stock investment

Applicable; Not applicable

No securities investment in the report period.

(4) Statement of holding equities in other PLCs

Applicable; Not applicable

The Company was not holding shares of any other PLC as of the end of report period.

2. Trusted financing, derivate instruments, and trusted loans

(1) Trusted financing

[V] Applicable [] Not applicable

In RMB10 thousand

Title of entrustee	Relationship	Related transaction or not	Type of product	Amount entrusted	Started on	Expired on	Mean of reward	Principal retrieved this period	Impairment provision provided (if any)	Predicted income	Actual gain/loss of the period
ICBC Ltd. Benxi Branch	Financial Institution	No	Capital guaranteed	13,000	November 20, 2013	Jan 10 2014	On agreement	13,000		64.11	64.11
Guangdong Development Bank Benxi Branch	Financial Institution	No	Capital guaranteed	30,000	Jan 7 2014	Jan 24 2014	On agreement	30,000		46.77	46.77
ICBC Ltd. Benxi Branch	Financial Institution	No	Capital guaranteed	10,000	Jan 7 2014	Jan 16 2014	On agreement	10,000		8.14	8.14
Industrial Bank Ltd. Benxi Branch	Financial Institution	No	Capital guaranteed	20,000	Jan 7 2014	Jan 17 2014	On agreement	20,000		21.92	21.92
China Everbright Bank Shenyang Branch	Financial Institution	No	Capital guaranteed	15,000	Feb 10 2014	Feb 24 2014	On agreement	15,000		31.5	31.5
China Agriculture Bank Benxi Branch	Financial Institution	No	Capital guaranteed	25,000	Feb 12 2014	Feb 26 2014	On agreement	25,000		34.52	34.52
Industrial Bank Ltd. Benxi Branch	Financial Institution	No	Capital guaranteed	27,000	Feb 8 2014	Feb 24 2014	On agreement	27,000		50.76	50.76
ICBC Ltd. Benxi Branch	Financial Institution	No	Capital guaranteed	10,000	Jan 8 2014	Feb 19, 2014	On agreement	10,000		44.93	44.93
Guangdong Development Bank Benxi Branch	Financial Institution	No	Capital guaranteed	20,000	Feb 10 2014	Feb 25 2014	On agreement	20,000		34.14	34.14
ICBC Ltd. Benxi Branch	Financial Institution	No	Capital guaranteed	40,000	December 25 2013	Feb 11 2014	On agreement	40,000		226.63	226.63
Industrial Bank Ltd. Benxi Branch	Financial Institution	No	Capital guaranteed	10,000	Feb 11 2014	Mar 6 2014	On agreement	10,000		27.75	27.75
Industrial Bank Ltd. Benxi Branch	Financial Institution	No	Capital guaranteed	35,000	Mar 6 2014	March 20, 2014	On agreement	35,000		63.99	63.99
Guangdong Development Bank Benxi Branch	Financial Institution	No	Capital guaranteed	12,000	Mar 7 2014	Mar 25, 2014	On agreement	12,000		21.9	21.9
Guangdong Development Bank Benxi Branch	Financial Institution	No	Capital guaranteed	10,000	Feb 10 2014	Mar 25, 2014	On agreement	10,000		15.29	15.29
Industrial Bank Ltd. Benxi Branch	Financial Institution	No	Capital guaranteed	20,000	Apr 2 2014	Apr 28 2014	On agreement	20,000		60.99	60.99
Guangdong Development Bank Benxi Branch	Financial Institution	No	Capital guaranteed	80,000	Apr 2 2014	April 22, 2014	On agreement	80,000		151.6	151.6
Guangdong Development Bank Benxi Branch	Financial Institution	No	Capital guaranteed	40,000	Apr 21 2014	April 29, 2014	On agreement	40,000		33.42	33.42
CCB Co., Ltd.	Financial Institution	No	Capital guaranteed	20,000	April 4 2014	May 08, 2014	On agreement	20,000		83.18	83.18
Industrial Bank Ltd. Benxi Branch	Financial Institution	No	Capital guaranteed	27,000	May 4 2014	May 15 2014	On agreement	27,000		34.18	34.18
Shanghai Pudong Development Bank	Financial Institution	No	Capital guaranteed	10,000	Jun 11 2014	Jun 26 2014	On agreement	10,000		15.62	15.62
Guangdong Development Bank Benxi Branch	Financial Institution	No	Capital guaranteed	15,000	Jun 17 2014	Jun 24 2014	On agreement	15,000		9.74	9.74
Guangdong	Financial	No	Capital	20,000	Jun 5 2014	Jun 11	On	20,000		10.85	10.85

Development Bank Benxi Branch	Institution		guaranteed			2014	agreement				
ICBC Ltd. Benxi Branch	Financial Institution	No	Capital guaranteed	10,000	Apr 24 2014	Jun 4 2014	On agreement	10,000		43.73	43.73
China Agriculture Bank Benxi Pingshan Branch	Financial Institution	No	Capital guaranteed	10,000	Jun 9 2014	Jun 30 2014	On agreement	10,000		26.3	26.3
China Construction Bank Benxi Branch	Financial Institution	No	Capital guaranteed	20,000	May 9 2014	June 12, 2014	On agreement	20,000		75.95	75.95
China Construction Bank Benxi Branch	Financial Institution	No	Capital guaranteed	20,000	June 16 2014	Jul 23 2014	On agreement	20,000		79.89	79.89
ICBC Ltd. Benxi Branch	Financial Institution	No	Capital guaranteed	10,000	Jun 11 2014	Jul 23 2014	On agreement	10,000		40.44	40.44
ICBC Ltd. Benxi Branch	Financial Institution	No	Capital guaranteed	15,000	Jul 25 2014	Aug 22 2014	On agreement	15,000		37.97	37.97
Industrial Bank Ltd. Benxi Branch	Financial Institution	No	Capital guaranteed	40,000	Aug 5 2014	Aug 20 2014	On agreement	40,000		69.04	69.04
Industrial Bank Ltd. Benxi Branch	Financial Institution	No	Capital guaranteed	30,000	Aug 7 2014	Aug 20 2014	On agreement	30,000		44.88	44.88
Industrial Bank Ltd. Benxi Branch	Financial Institution	No	Capital guaranteed	80,000	Aug 7 2014	Aug 21 2014	On agreement	80,000		128.88	128.88
Shanghai Pudong Development Bank Benxi Branch	Financial Institution	No	Capital guaranteed	10,000	May 14 2014	May 27 2014	On agreement	10,000		16.49	16.49
Shanghai Pudong Development Bank Benxi Branch	Financial Institution	No	Capital guaranteed	10,000	May 28 2014	Jun 10 2014	On agreement	10,000		16.49	16.49
Shanghai Pudong Development Bank Benxi Branch	Financial Institution	No	Capital guaranteed	10,000	May 7 2014	Jun 04 2014	On agreement	10,000		39.45	39.45
ICBC Ltd. Benxi Branch	Financial Institution	No	Capital guaranteed	5,000	May 13 2014	Jun 23 2014	On agreement	5,000		20.22	20.22
Shanghai Pudong Development Bank Benxi Branch	Financial Institution	No	Capital guaranteed	15,000	Jun 11 2014	Jun 24 2014	On agreement	15,000		24.74	24.74
Shanghai Pudong Development Bank Benxi Branch	Financial Institution	No	Capital guaranteed	600	June 12, 2014	Jun 15 2014	On agreement	600		0.25	0.25
Shanghai Pudong Development Bank Benxi Branch	Financial Institution	No	Capital guaranteed	10,000	Jun 10 2014	Jul 10 2014	On agreement	10,000		36.99	36.99
Shanghai Pudong Development Bank Benxi Branch	Financial Institution	No	Capital guaranteed	1,400	Jun 13 2014	Jul 14 2014	On agreement	1,400		5.35	5.35
Shanghai Pudong Development Bank Benxi Branch	Financial Institution	No	Capital guaranteed	600	June 16 2014	Jul 14 2014	On agreement	600		1.81	1.81
Shanghai Pudong Development Bank Benxi Branch	Financial Institution	No	Capital guaranteed	15,000	Jun 25 2014	Jul 8 2014	On agreement	15,000		24.74	24.74
Shanghai Pudong Development Bank Benxi Branch	Financial Institution	No	Capital guaranteed	15,000	Jul 9 2014	Jul 22 2014	On agreement	15,000		24.74	24.74
Shanghai Pudong Development Bank Benxi Branch	Financial Institution	No	Capital guaranteed	1,406	Jul 16 2014	Aug 14 2014	On agreement	1,406		4.39	4.39
Shanghai Pudong Development Bank Benxi Branch	Financial Institution	No	Capital guaranteed	600	July 15, 2014	Aug 14 2014	On agreement	600		1.94	1.94
ICBC Ltd. Benxi Branch	Financial Institution	No	Capital guaranteed	5,000	Jul 3 2014	Aug 11 2014	On agreement	5,000		20.22	20.22
Shanghai Pudong	Financial	No	Capital	8,831	July 15,	Aug 14	On	8,831		31.21	31.21

Development Bank Benxi Branch	Institution		guaranteed		2014	2014	agreement				
Shanghai Pudong Development Bank Benxi Branch	Financial Institution	No	Capital guaranteed	15,000	Jul 23 2014	Aug 5 2014	On agreement	15,000		23.01	23.01
Shanghai Pudong Development Bank Benxi Branch	Financial Institution	No	Capital guaranteed	15,000	Aug 6 2014	Aug 19 2014	On agreement	15,000		23.01	23.01
Shanghai Pudong Development Bank Benxi Branch	Financial Institution	No	Capital guaranteed	5,000	Aug 13 2014	August 26, 2014	On agreement	5,000		7.67	7.67
Shanghai Pudong Development Bank Benxi Branch	Financial Institution	No	Capital guaranteed	1,300	July 15, 2014	Sept 22, 2014	On agreement	1,300		12.04	12.04
Shanghai Pudong Development Bank Benxi Branch	Financial Institution	No	Capital guaranteed	8,900	August 18, 2014	Sept 16 2014	On agreement	8,900		31.45	31.45
Shanghai Pudong Development Bank Benxi Branch	Financial Institution	No	Capital guaranteed	5,000	August 15, 2014	Sept 23 2014	On agreement	5,000		20.22	20.22
Shanghai Pudong Development Bank Benxi Branch	Financial Institution	No	Capital guaranteed	15,000	Aug 20 2014	Sept 4 2014	On agreement	15,000		23.01	23.01
Shanghai Pudong Development Bank Benxi Branch	Financial Institution	No	Capital guaranteed	15,000	September 5, 2014	Sept 18 2014	On agreement	15,000		23.01	23.01
Shanghai Pudong Development Bank Benxi Branch	Financial Institution	No	Capital guaranteed	5,000	Aug 27 2014	Sept 9 2014	On agreement	5,000		7.67	7.67
Shanghai Pudong Development Bank Benxi Branch	Financial Institution	No	Capital guaranteed	2,006	August 15, 2014	Sept 10 2014	On agreement	2,006		5.42	5.42
Total				939,643	--	--	--	939,643		2,084.55	2,084.55
Resource of capital trusted				Idle capital under the Company possession							
Accumulated principal and gains overdue				0							
Lawsuit (if any)				None							
Date of announcement made by the Board about approval of trusted financial service				Apr 24 2014							
Date of announcement made by the Shareholders' Meeting about approval of trusted financial service											

(2) Derivate instrument investment

Applicable; Not applicable

No derivate instrument investment in the report period.

(3) Trusted loans

Applicable; Not applicable

No trusted loans in the report period.

3. Using of proceeds from share placing.

Applicable; Not applicable

No using of capital from public financing in the report period.

4. Analyze of main subsidiaries and affiliates

[V] Applicable [] Not applicable

Profiles of main subsidiaries and affiliates

In RMB Yuan

Name of companies	Type of business	Industry	Major products or service	Registered capital	Gross Assets	Net asset	Turnover	Operation profit	Net profit
Guangzhou Bengang Trade Co., Ltd.	Subsidiaries	Steel rolling business	Sales of steel	1,000,000.00	223,099,770.65	54,535,059.77	1,477,838,753.66	18,587,341.35	13,935,473.48
Shanghai Bengang Metallurgy Tech. Ltd.	Subsidiaries	Steel rolling business	Sales of steel	19,200,000.00	683,565,416.19	110,693,631.85	3,734,266,460.54	36,970,743.97	29,177,602.72
Bengang Steel Plate Liaoyang Orel Ball Co., Ltd.	Subsidiaries	Steel rolling business	Production of pellet	10,000,000.00	685,120,402.69	642,743,549.99	445,600,684.78	57,273,701.18	42,807,249.45
Dalian Benruitong Automobile Material Technologies Co., Ltd.	Subsidiaries	Steel rolling business	Processing and sales of steel	100,000,000.00	698,479,162.12	97,225,668.00	364,867,029.36	10,194,212.51	10,650,413.18
Bengang Puxiang Cool Rolling Steel Sheet Co., Ltd.	Subsidiaries	Steel rolling business	Processing and sales of steel	1,920,000,000.00	4,573,615,707.97	1,673,071,510.86	7,637,854,206.21	313,358,944.90	313,362,749.40
Changchun Bengang Steel Sales Ltd.	Subsidiaries	Steel rolling business	Sales of steel	500,000.00	109,265,488.86	10,913,196.01	697,171,840.81	3,098,676.14	2,324,014.89
Haerbin Bengang International Trading Ltd.	Subsidiaries	Steel rolling business	Sales of steel	500,000.00	46,659,844.16	803,827.23	302,026,720.18	1,275,970.34	1,342,324.98
Nanjing Bengang Steel Material Sales Ltd.	Subsidiaries	Steel rolling business	Sales of steel	1,150,000.00	46,001,116.53	29,391,715.57	83,731,421.36	23,473.55	17,605.16
Wuxi Bengang Steel Sales Ltd.	Subsidiaries	Steel rolling business	Sales of steel	1,000,000.00	117,522,149.58	11,112,303.60	891,646,199.12	8,486,766.19	6,328,252.20
Xiamen Bengang Steel Sales Ltd.	Subsidiaries	Steel rolling business	Sales of steel	500,000.00	54,617,175.56	12,880,539.62	179,586,654.61	3,744,072.53	2,808,054.39
Yantai Bengang Steel Sales Ltd.	Subsidiaries	Steel rolling business	Sales of steel	500,000.00	330,596,463.93	77,464,758.19	1,486,361,194.93	11,602,433.34	9,287,451.63
Tianjin Bengang Steel Trading Ltd.	Subsidiaries	Steel rolling business	Sales of steel	3,000,000.00	152,687,427.13	41,860,881.60	610,026,542.10	630,815.72	871,548.46
Suzhou Bengang Industrial Co., Ltd.	Shareholding company	Steel rolling business	Sales of steel	20,000,000.00	100,750,152.57	19,968,797.72	360,233,494.87	64,680.01	29,980.55
China Steel Shanghai Steel Processing Co., Ltd.	Shareholding company	Steel rolling business	Sales of steel	89,042,954.00	722,691,996.13	106,783,222.18	997,164,143.56	795,479.40	1,767,208.08
Zhejiang Bengang Jingrui Steel Processing Ltd.	Shareholding company	Steel rolling business	Sales of steel	10,000,000.00	6,996,309.86	11,431,002.04	128,713,858.31	419,447.26	661,757.20

Statement on the profiles of main subsidiaries and affiliates

None

Particulars about acquiring and disposal of subsidiaries

[] Applicable; [V] Not applicable

5. Major projects using non-raised capital

[V] Applicable [] Not applicable

In RMB10 thousand

Projects	Planned investment	Amount invested this report term	Accumulation of actual input at end of period	Investment progress of the project	Turnover of the project	Date of disclosure (if any)	Index of information disclosed
Cool rolling high strength steel rebuilding	663,078	136,812.73	192,510.79	40.00%			
Reconstruction project of coke dry cooling of No.2 Coke Workshop	135,413.2	60,862.76	116,358.66	90.00%			
Production line of electro-galvanized steel plates for automobile	112,470	26,058.43	109,050.94	95.00%			
Environmental reconstruction of converter and the 180t dephosphorization converter	177,864.4	17,599.75	58,164.76	90.00%			
450 M2 sintering machine	111,178.7	38,225.58	46,655.67	50.00%	--		--
Reconstruction of hot-rolling equipment	26,020	23,634.85	27,961.31	90.00%			
The new energy control center project	28,410	3,703.83	21,859.52	90.00%			
Information system project	39,038	2,744.32	18,366.28	90.00%			
Softening water supplying project	7,554	2,610.99	6,263.14	85.00%			
Upgrading of surface detector of Bengang Puxiang	5,850	5,002.03	5,002.34	85.51%			
Reconstruction of South Gate of Transportation Dept.	5,598	1,792.74	4,184.78	80.00%			
360 M2 sintering machine desulfidation	6,235	1,806.32	0	100.00%			
Silicon steel project	93,445	10,823.47	0	95.00%			
New construction of warehouse	9,623	4,250.12	0	100.00%			
Total	1,421,777.3	335,927.92	606,378.19	--	--	--	--

VII. Prospect of business performance of January – March 2015

Alert of loss or significant change in net profit from the beginning of year to the end of next report period or comparing with the same period of last year, and statement of causations.

[] Applicable; [V] Not applicable

VIII. Entities with special purposes under the Company's control

[] Applicable; [V] Not applicable

IX. Development prospect

(1) Industrial trend and market competition

2015 is the final year of the 12th 5-year-plan, and is also the year for the Company to settle itself in a “new regular

situation". The Company has been carrying forward reformation and lift its competition. However the market was not recovering throughout the year.

Multiple pressures from both internal and external environment, such as overproduction and uncertainty in the global market, confronted the Company throughout the year. On the other side, industrial adjustment at national level was forcing the Company to transform itself, and pushing the Company onto a way of scientific and healthy development. The national government has adopted multiple measures to support the development of Northeastern provinces, which generated abundant demand on steel products. This will bring the Company brilliant opportunities.

For years, the Company has been tapping its potential in production and cost-control and resulted in lifted economic efficiency. Along with the mature of management team, we are confident to overcome the difficulties and maintain stable growth.

(2) Development strategies

General policies of the Company for year 2015: further reformation, innovative production and service, upgrading of product lines and cost control.

(3) General business targets for year 2015

Production: pig iron 10.05 million tons, raw steel 10.06 million tons, hot-rolled plate 12 million tons, cool-rolled plates 780 thousand tons, with high-class steel over 85%. "Triple Zero" regarding production safety. The following measures will be implemented:

1. Integration of R&D, production, and marketing systems. Innovation in marketing and service providing.
2. Further refine management and cost control;
3. Technical innovation contribute to greater profitability;
4. Further reformation and innovation in management;
5. Promotion of green industrial development, emphasizes on environment protection and emission reduction;
6. Keep improving safety management system;
7. Reinforce sense of risk and responsibility, spread positive energy.

(4) Steadiness in financing of current business operation and construction projects

Capital needs of production and technical reformation will be satisfied by the Company's own capital and bank loans.

(5) Potential risks

1. Primary risks

The whole iron & steel industry is suffering from market decline and overproduction in recent years. Competition is increasingly intensive. Meanwhile the national government has just implemented the new Environment Protection Code in 2015, which will bring even more pressure to all enterprises in the field. These are the primary risks for the whole industry.

2. Risk management policies

The Company will further refine its management and cost-control approaches to consolidate its market position and enlarge profit margin. Innovation in service providing and technical development will be the key measurements too.

As for environment protection risks, the Company will keep following with the requirements of the new environment codes, fully accelerate promotion of green development. Environment protection projects will be accelerated to lift up the efficiency of the Company in this area.

X. Statement of the Board on the “Non-standard auditors’ report” issued by the CPA on the current report period

Applicable; Not applicable

XI. Statement on changes of accounting policies, accounting estimations, and accounting basis comparing with the last fiscal year

Applicable Not applicable

(1) The new accounting standards revised or released in 2014

The Company has been exercising the following accounting standards revised or released in 2014 by the Department of Finance:

Enterprise Accounting Standard – Fundamental Rules (Revised)

Enterprise Accounting Standard No.2 - Long term equity investment (Revised)

Enterprise Accounting Standard No.9 – Employees’ remuneration (Revised)

Enterprise Accounting Standard No.30 – Preparation of financial statements (Revised)

Enterprise Accounting Standard No.33 – Preparation of consolidated financial statements (Revised)

Enterprise Accounting Standard No.37 – Reporting of financial instruments (Revised)

Enterprise Accounting Standard No.39 – Accounting of fair value

Enterprise Accounting Standard No.40 – Arrangement of joint ventures

Enterprise Accounting Standard No.41 – Disclosure of equities in other entities

Impact of exercising the new standards is as the following:

1. Exercising of Enterprise Accounting Standard No. 2 – Long-term equity investment (Revised)

According to Enterprise Accounting Standard No. 2 – Long-term equity investment (Revised), the long-term equity investment in entities featured no common control or material influence, no quotation in an active market, and fair value cannot be measured reliably, are relocated to sellable financial assets. Retrospective adjustment was made thereof.

2. Exercising of Enterprise Accounting Standard No.30 – Preparation of financial statements (Revised)

According to the Enterprise Accounting Standard No.30 – Preparation of financial statements (Revised), the gains/losses from changes of other equities on equity basis and fair value of sellable financial assets are transferred to other misc gains. Deferred gains originally under other none-recurring asset are presented separately in financial statements.

The above retrospective adjustments impacted the financial statements of current and previous period are:

Changes on the accounting policy and reason	Report items impacted	Amount of impact (RMB)	
		Dec 31 2013	Dec 31 2014
According to the rules about long-term equity investment, investment without common control or material influence is transferred over to sellable financial assets	Long-term share equity investment	-20,271,278.63	-20,271,278.63
	Sellable financial asset	20,271,278.63	20,271,278.63
Items and subjects in the report were adjusted according to the change of rules about reporting criteria	Other non-current asset	-	-
	Differed income	427,524,000.00	336,216,224.00
		427,524,000.00	336,216,224.00

XII. Statement on retrospective correction of material accounting errors in the report period

Applicable; Not applicable

No retrospective correction of material accounting error in the report period.

XIII. Statement on change of consolidation range comparing with the previous fiscal year

Applicable; Not applicable

No change of consolidation range in the report period.

XIV. Particulars about dividends

Produce, exercise or modification of dividend plan in the report period

Applicable; Not applicable

Profit distribution or common reserve capitalization in the latest 3 years (including the report year)

Profit distribution or common reserve capitalization in the latest 3 years (including the report year)

1. Dividend plan of 2014

As audited by Shulun Pan Certified Public Accountants Co., Ltd., the net profit of the year 2014 was RMB232,804,820.19, after providing of 10% statutory surplus reserves of RMB4,411,426.11, plus the retained profit of RMB 2,100,587,079.16 at beginning of year, and deduct RMB156,800,000.00 of dividend distributed for the previous year, the profit distributable to the shareholders is RMB2,172,180,473.24.

The dividend plan for year 2014 is: upon the total capital shares amounted to 3,136,000,000 shares at December 31st 2014, RMB0.5 (tax included) of dividend will be distributed upon each 10 shares to the whole shareholders. The dividend for common shares is totaled to RMB156,800,000.00 this time. The remaining RMB2,016,529,239.22 will be carried over to the next fiscal year. This plan is subject to approval of the Shareholders' Annual Meeting 2014.

2. Dividend plan of year 2013

As audited by Shulun Pan Certified Public Accountants Co., Ltd., the net profit of the year 2013 was

RMB275,592,999.75, after providing of 10% statutory surplus reserves of RMB22,649,063.39, plus the retained profit of RMB1,910,363,142.80 at beginning of year, and deduct RMB62,720,000 of dividend distributed for the previous year, the profit distributable to the shareholders is RMB2,100,587,079.16.

The dividend plan for year 2013 was: upon the total capital shares amounted to 3,136,000,000 shares at December 31st 2013, RMB0.5 (tax included) of dividend will be distributed upon each 10 shares to the whole shareholders. The dividend for common shares is totaled to RMB156,800,000.00 this time. The balance of RMB1,943,787,079.16 was carried over to the next fiscal year.

3. Dividend plan of year 2012

As audited by Shulun Pan Certified Public Accountants Co., Ltd., the Company made profit in year 2012. The net profit of the year was RMB69,379,788.46, after providing of 10% statutory surplus reserves of RMB12,767,531.13, plus the retained profit of RMB2,644,615,857.28 at beginning of year, and deduct RMB313,600,000.00 of dividend distributed for the previous year, the profit distributable to the shareholders is RMB2,387,628,114.61.

The dividend plan for year 2012 is: upon the total capital shares amounted to 3,136,000,000 shares at December 31st 2012, RMB0.2 (tax included) of dividend will be distributed upon each 10 shares to the whole shareholders. The dividend for common shares is totaled to RMB62,720,000 this time. The remaining RMB2,324,908,114.61 will be carried over to the next fiscal year.

Cash dividends in the latest three years

In RMB Yuan

Dividend year	Cash dividend (tax included)	Net profit attributable to the owners of the PLC in the consolidated statement	Percentage in net profit attributable to owners of the PLC in the consolidated statement	Amount of repurchased shares by means of cash offer accounted into cash dividend	Percentage of repurchased shares by means of cash offer accounted into cash dividend
2014	156,800,000.00	232,804,820.19	67.35%		
2013	156,800,000.00	275,592,999.75	56.90%		
2012	62,720,000.00	79,358,868.19	79.03%		

Making profit and the retained profit is a positive figure but no cash dividend preplan was proposed:

Applicable; Not applicable

XV. Plan of dividend and capitalizing of common reserves for current year

Applicable Not applicable

Bonus shares to each 10 shares	0
Dividend (tax included) for each 10 shares, RMB	0.50
Bonus shares to each 10 shares	0
Total amount of shares – basis for the dividend plan (shares)	3,136,000,000
Total of cash dividend (RMB) , tax included	156,800,000.00
Distributable profit (RMB)	232,804,820.19
Percentage of cash dividend in total dividend	100.00%
Cash dividend policies:	
Particulars about the profit distribution and capitalizing reserves plan for the report period	

XVI. Statement on social responsibilities

Applicable Not applicable

In the report term, according to the provisions of documents regarding social responsibilities, along with pursuing of economic return and best interest of shareholders, the Company initiatively protected the creditors' interests and the legal benefits of whole employees, treated the suppliers, customers and clients with best faith, and did actively in environment protection and community construction. In business operation, the Company kept following the principle of free will, fairness, equality, and faith, abiding social morality and profession standard, accept supervising of the government departments and the public, fulfilled the responsibilities an enterprise should do.

Whether the PLC or any of its subsidiaries are recognized as heavy pollution industry by national environmental authorities

Yes No Not applicable

Measures on environment protection and controlling of pollution emission:

The Company was inspected by the provincial government regarding clean production. Meanwhile information about the Company's approach of environment protection was released by "Bengang Yearbook".

In the report period, the Company reinforced its controlling and inspection approach to ensure steady operation of environment protection facilities. 98% of the facilities were under operation with good condition.

Pollution reducing: SO₂ reduced by 7456.02 tons, oxynitride by 354.55 tons, dust by 1031.65 tons, chemical oxygen consuming by 74.87 tons, ammonia nitrogen by 7.41 tons.

8 of the newly launched environment protection projects were proceeding on schedule.

Environmental emergency preplan: According to the requirement of authorities, the Company has fully reviewed its emergency preplans and reported to the authorities.

Whether the PLC or any of its subsidiaries involves in material social security issues

Yes No Not applicable

Whether the Company was under execution of punishment in the report period

Yes No Not applicable

XVII. Reception of investigations, communications, or interviews in the report period

Applicable; Not applicable

No investigation, communication, or visiting occurred in report period.

Chapter V. Significant Events

I. Major lawsuits and arbitrations

Applicable; Not applicable

In the report period, the Company had no material lawsuits or arbitrations.

II. Questioning by medias

Applicable; Not applicable

No media queries raised in the report period.

III. Non-operational capital appropriation by holding shareholder and its related parties

Applicable; Not applicable

No non-operational capital appropriation by holding shareholder or related parties occurred in the report period.

IV. Receivership and bankruptcy

Applicable; Not applicable

No bankruptcy or capital reorganizing issues occurred in the report period.

V. Asset transactions

1. Acquisition of assets

Applicable; Not applicable

No acquisition of assets at the end of report period.

2. Disposal of assets

Applicable; Not applicable

No disposal of assets at the end of report period.

3. Merger of entities

Applicable; Not applicable

No merger or takeover of entities in the report period.

VI. Implementation of share incentive program and influences

Applicable; Not applicable

No stock incentive plan composed nor implemented in the report period.

VII. Material related transactions

1. Related transactions related to daily operation

[V] Applicable [] Not applicable

Related parties	Relationship	Type of trade	Subjects of the related transactions	Principle of pricing the related transactions	Price of trade	Amount of trade RMB0'000	Ratio in similar trades	Way of payment	Market price of similar trade available	Date of disclosure	Index of information disclosure
Benxi Steel (Group) Co., Ltd.		Purchase of goods and services	Maintaining			24,261.2	0.63%				
Benxi Steel (Group) Co., Ltd.		Purchase of goods and services	Land rent			5,742.6	0.15%				
Bengang Stainless Cool-rolling (Dandong) Co., Ltd.		Purchase of goods and services	Products in stock			270.09	0.01%				
Benxi Steel (Group) Mining Co., Ltd.		Purchase of goods and services	Labor service			2,397.54	0.06%				
Benxi Steel (Group) Mining Co., Ltd.		Purchase of goods and services	Raw materials			496,029.3	12.89%				
Benxi Steel (Group) Mining Co., Ltd.		Purchase of goods and services	Transportation			707.84	0.02%				
Benxi Steel (Group) Metallurgy Residues Co., Ltd.		Purchase of goods and services	Raw materials			20,230.95	0.53%				
Benxi Steel (Group) Steel Process and Logistics Co., Ltd.		Purchase of goods and services	Process fee			565	0.01%				
Benxi Steel (Group) Steel Process and Logistics Co., Ltd.		Purchase of goods and services	Products in stock				0.00%				
Benxi Steel (Group) Real-estate Development Co., Ltd.		Purchase of goods and services	Raw materials			7,590.81	0.20%				
Benxi Steel (Group) Machinery Co., Ltd.		Purchase of goods and services	Spare parts			18,494.31	0.48%				
Benxi Steel (Group) Machinery Co., Ltd.		Purchase of goods and services	Repairing services			1,820.09	0.05%				
Benxi Steel (Group) Construction Co., Ltd.		Purchase of goods and services	Spare parts			1,323.8	0.03%				
Benxi Steel (Group) Construction Co., Ltd.		Purchase of goods and services	Engineering fee			32,780.47	0.85%				
Benxi Steel (Group)		Purchase of goods	Repairing services			14,873.74	0.39%				

Construction Co., Ltd.		and services									
Benxi Steel (Group) Construction Co., Ltd.		Purchase of goods and services	Raw materials			1,136.88	0.03%				
Benxi Steel (Group) Construction Co., Ltd.		Purchase of goods and services	Transportation				0.00%				
Benxi Steel (Group) Industrial Development Co., Ltd.		Purchase of goods and services	Spare parts			3,999.06	0.10%				
Benxi Steel (Group) Industrial Development Co., Ltd.		Purchase of goods and services	Raw materials			31,016.94	0.81%				
Benxi Steel (Group) Industrial Development Co., Ltd.		Purchase of goods and services	Repairing services			1,169.43	0.03%				
Benxi Steel (Group) Industrial Development Co., Ltd.		Purchase of goods and services	Transportation			740.48	0.02%				
Benxi Steel (Group) Industrial Development Co., Ltd.		Purchase of goods and services	Project payment			86.06	0.00%				
Benxi Steel (Group) Construction & Repairing Co., Ltd.		Purchase of goods and services	Material and spare parts			695.46	0.02%				
Benxi Steel (Group) Construction & Repairing Co., Ltd.		Purchase of goods and services	Engineering			10,308.95	0.27%				
Benxi Steel (Group) Construction & Repairing Co., Ltd.		Purchase of goods and services	Maintaining			11,350.46	0.29%				
Bengang Electronics Co., Ltd.		Purchase of goods and services	Raw materials			12,065.87	0.31%				
Bengang Electronics Co., Ltd.		Purchase of goods and services	Repairing services			1,392.49	0.04%				
Benxi Steel (Group) Drilling Tools Co., Ltd.		Purchase of goods and services	Spare parts			132.19	0.00%				
Benxi Steel New Business Development Co., Ltd.		Purchase of goods and services	Labour security fee			853.27	0.02%				
Benxi Steel New Business Development Co., Ltd.		Purchase of goods and services	Material and dinner			47.6	0.00%				
Liaoning Metallurgy Technician College		Purchase of goods and services	Training fee			0.42	0.00%				
Liaoning Metallurgy Technician College		Purchase of goods and services	Spare parts			1,325.16	0.03%				
Liaoning		Purchase	Raw materials								

Metallurgy Technician College		of goods and services										
Liaoning Bengang Steel & Iron Trading Co., Ltd.		Purchase of goods and services	Raw materials				0.00%					
Liaoning College of Metallurgy Technologies		Purchase of goods and services	Project payment			262.41	0.01%					
Liaoning College of Metallurgy Technologies		Purchase of goods and services	Repairing services			186.56	0.00%					
Bengang Group International Trading Ltd.		Purchase of goods and services	Commission			7,669.65	0.20%					
Bengang Group International Trading Ltd.		Purchase of goods and services	Port fee			19,196.94	0.50%					
Benxi Steel (Group) Information & Automatic Tech. Co., Ltd.		Purchase of goods and services	Spare parts			1,140.6	0.03%					
Benxi Steel (Group) Information & Automatic Tech. Co., Ltd.		Purchase of goods and services	Engineering fee			1,458.31	0.04%					
Benxi Steel (Group) Information & Automatic Tech. Co., Ltd.		Purchase of goods and services	Repairing services			252.64	0.01%					
Benxi Steel (Group) Thermal Power Development Co., Ltd.		Purchase of goods and services	Heating fee			1,207.51	0.03%					
Benxi Steel (Group) Thermal Power Development Co., Ltd.		Purchase of goods and services	Raw materials			10.11	0.00%					
Benxi Steel (Group) Designing Institute		Purchase of goods and services	Engineering fee				0.00%					
Benxi Steel (Group) Designing Institute		Purchase of goods and services	Design			65.94	0.00%					
Benxi Beiyong Steel & Iron (Group) Co., Ltd.		Purchase of goods and services	Raw materials			602,884.4	15.66%					
Benxi Beiyong Steel & Iron (Group) Co., Ltd.		Purchase of goods and services	Power supply			38,032.39	0.99%					
Benxi Beiyong Steel & Iron (Group) Co., Ltd.		Purchase of goods and services	Transportation			954.7	0.02%					
Benxi Beiyong Steel & Iron (Group) Co., Ltd.		Purchase of goods and services	Labor service			6,722.42	0.17%					
Benxi Beiyong Steel & Iron (Group) Co., Ltd.		Purchase of goods and services	Spare parts			7,299.76	0.19%					
Liaoning Hengtong Metallurgy		Purchase of goods and	Material and spare parts			8,200.59	0.21%					

Equipment Co., Ltd.		services									
Liaoning Hengtai Heavy Machine Co., Ltd.		Purchase of goods and services	Material and spare parts			547.45	0.01%				
Liaoning Hengtai Heavy Machine Co., Ltd.		Purchase of goods and services	Repairing and service			1,501.94	0.04%				
Bengang Group Co., Ltd.		Purchase of goods and services	Property management fee			84.55	0.00%				
Bengang Electronics Co., Ltd.		Sales of goods and services	Power supply			148.62	0.00%				
Benxi Beiyong Steel & Iron (Group) Co., Ltd.		Sales of goods and services	Material and spare parts			45,768.09	1.10%				
Benxi Beiyong Steel & Iron (Group) Co., Ltd.		Sales of goods and services	Products			38,137.03	0.92%				
Benxi Beiyong Steel & Iron (Group) Co., Ltd.		Sales of goods and services	Commission				0.00%				
Benxi Steel (Group) Real-estate Development Co., Ltd.		Sales of goods and services	Power supply			228.97	0.01%				
Benxi Steel (Group) Real-estate Development Co., Ltd.		Sales of goods and services	Material and spare parts			96.44	0.00%				
Benxi Steel (Group) Steel Process and Logistics Co., Ltd.		Sales of goods and services	Power supply			74.52	0.00%				
Benxi Steel (Group) Steel Process and Logistics Co., Ltd.		Sales of goods and services	Products			62,014.51	1.50%				
Benxi Steel (Group) Machinery Co., Ltd.		Sales of goods and services	Products			587.83	0.01%				
Benxi Steel (Group) Machinery Co., Ltd.		Sales of goods and services	Power supply			1,824.92	0.04%				
Benxi Steel (Group) Machinery Co., Ltd.		Sales of goods and services	Material and spare parts			6,127.37	0.15%				
Benxi Steel (Group) Machinery Co., Ltd.		Sales of goods and services	Commission				0.00%				
Benxi Steel (Group) Construction Co., Ltd.		Sales of goods and services	Power supply			340.06	0.01%				
Benxi Steel (Group) Construction Co., Ltd.		Sales of goods and services	Material and spare parts			16,761.51	0.40%				
Benxi Steel (Group) Construction Co., Ltd.		Sales of goods and services	Commission				0.00%				
Benxi Steel		Sales of	Power supply			75,216.13	1.82%				

(Group) Mining Co., Ltd.		goods and services										
Benxi Steel (Group) Mining Co., Ltd.		Sales of goods and services	Material and spare parts			11,169.63	0.27%					
Benxi Steel (Group) Mining Co., Ltd.		Sales of goods and services	Freight income			1,029.69	0.02%					
Benxi Steel (Group) Mining Co., Ltd.		Sales of goods and services	Commission			0	0.00%					
Benxi Steel (Group) Mining Co., Ltd.		Sales of goods and services	Products			517.43	0.01%					
Benxi Steel (Group) Thermal Power Development Co., Ltd.		Sales of goods and services	Power supply			3,007.14	0.07%					
Benxi Steel (Group) Thermal Power Development Co., Ltd.		Sales of goods and services	Material and spare parts			3,951.66	0.10%					
Benxi Steel (Group) Thermal Power Development Co., Ltd.		Sales of goods and services	Freight income			85.04	0.00%					
Benxi Steel (Group) Thermal Power Development Co., Ltd.		Sales of goods and services	Commission			0	0.00%					
Benxi Steel (Group) Industrial Development Co., Ltd.		Sales of goods and services	Power supply			849.03	0.02%					
Benxi Steel (Group) Industrial Development Co., Ltd.		Sales of goods and services	Products			805.24	0.02%					
Benxi Steel (Group) Industrial Development Co., Ltd.		Sales of goods and services	Material and spare parts			12,735.4	0.31%					
Benxi Steel (Group) Information & Automatic Tech. Co., Ltd.		Sales of goods and services	Power supply			13.43	0.00%					
Benxi Steel (Group) Construction & Repairing Co., Ltd.		Sales of goods and services	Power supply			121.29	0.00%					
Benxi Steel (Group) Construction & Repairing Co., Ltd.		Sales of goods and services	Material and spare parts			418.3	0.01%					
Benxi Steel (Group) Metallurgy Residues Co., Ltd.		Sales of goods and services	Power supply			368.02	0.01%					
Benxi Steel (Group) Metallurgy Residues Co., Ltd.		Sales of goods and services	Material and spare parts			7,003.47	0.17%					

Benxi Steel (Group) Metallurgy Residues Co., Ltd.	Sales of goods and services	Freight income			18.16	0.00%				
Benxi Steel (Group) Metallurgy Residues Co., Ltd.	Sales of goods and services	Commission			0	0.00%				
Benxi Steel (Group) Metallurgy Residues Co., Ltd.	Sales of goods and services	Products			522.57	0.01%				
Benxi Steel (Group) Co., Ltd.	Sales of goods and services	Power supply			8,087.52	0.20%				
Benxi Steel (Group) Co., Ltd.	Sales of goods and services	Material and spare parts			1,215.84	0.03%				
Benxi Steel (Group) Co., Ltd.	Sales of goods and services	Commission				0.00%				
Benxi Steel New Business Development Co., Ltd.	Sales of goods and services	Power supply			41.6	0.00%				
Benxi Steel New Business Development Co., Ltd.	Sales of goods and services	Material and spare parts			56.99	0.00%				
Dalian Boluole Steel Tube Ltd.	Sales of goods and services	Products			856.03	0.02%				
Liaoning Bengang Steel & Iron Trading Co., Ltd.	Sales of goods and services	Products			74,864.65	1.81%				
Liaoning Metallurgy Technician College	Sales of goods and services	Material and spare parts			0.04	0.00%				
Tianjin Bengang Steel Plate Processing and Delivery Co., Ltd.	Sales of goods and services	Products			5,623.17	0.14%				
Tianjin Bengang Longxing Steel Processing Co., Ltd.	Sales of goods and services	Material and spare parts				0.00%				
Benxi Steel & Iron Group Hospital	Sales of goods and services	Material and spare parts			60.51	0.00%				
Benxi Steel & Iron Group Hospital	Sales of goods and services	Power supply			18.51	0.00%				
Benxi Steel & Iron (Group) Zhengtai Construction Materials Co., Ltd.	Sales of goods and services	Material and spare parts			1.23	0.00%				
Benxi Steel & Iron (Group) Zhengtai Construction Materials Co., Ltd.	Sales of goods and services	Power supply			4.59	0.00%				
Liaoning	Sales of	Power supply			1,490.76	0.04%				

Hengtong Metallurgy Equipment Co., Ltd.		goods and services									
Liaoning Hengtong Metallurgy Equipment Co., Ltd.		Sales of goods and services	Material and spare parts			3,627.26	0.09%				
Liaoning Hengtong Metallurgy Equipment Co., Ltd.		Sales of goods and services	Commission				0.00%				
Bengang Stainless Cool-rolling (Dandong) Co., Ltd.		Sales of goods and services	Material and spare parts			1,225.28	0.03%				
Bengang Stainless Cool-rolling (Dandong) Co., Ltd.		Sales of goods and services	Equipment				0.00%				
Suzhou Bengang Industrial Co., Ltd.		Sales of goods and services	Products			31,741.19	0.77%				
Total				--	--	1,819,944	--	--	--	--	--
Necessity, consistency, and reason of choosing the related party (but not other parties in the market)				To keep a stable supply of resources, the Company still needs to purchase mineral powder from the Group, and provide power, supplementary material, and spare parts to the subsidiaries of the Group. For the controlled subsidiaries of the Group need to purchase finished products from the Company, sales to the Group will keep going. The Company is also accepting repairing, labor, and training services from the Group. Meanwhile, the Company uses international trade services provided by Bengang International Trade Co., Ltd. for purpose of expanding its sales force to overseas markets.							
Influence of the related transaction on the independency of the Company				The above related transactions are essential to the Company's normal operation including supplying and sales of materials and products. They will support the constant growth of the Company. All trades were under principles of legality, fairness, and open. No routine related transaction was harming the interests of the Company nor of other shareholders.							

2. Related transactions related to asset purchasing or disposal

Applicable; Not applicable

No related transaction regarding asset purchase or disposal up to the end of report period.

3. Related transaction of joint external investment

Applicable; Not applicable

No related transaction of joint external investment in the report period.

4. Debtors and credits with related parties

Applicable Not applicable

Non-operational transaction of credits and debts with related parties

Yes No

No non-operational credit exchange in the report period.

5. Other related transactions

Applicable; Not applicable

No other related transaction in the report period.

VIII. Material contracts and execution**1. Entrustment, contracting, and leasing issues****(1) Trusteeship**

Applicable; Not applicable

No trusteeship in the report period.

(2) Contracting

Applicable; Not applicable

No contracting in the report period.

(3) Leasing

Applicable; Not applicable

No Leasing in the report period.

2. Guarantees

Applicable; Not applicable

No guarantee issues in the report period

3. Other material contracts

Applicable; Not applicable

No other material contract in the report period.

4. Other material trades

Applicable; Not applicable

No other material trade in the report period.

IX. Engaging or dismissing of CPAs

Current CPA

Domestic CPA	BDO China Shu Lun Pan Certified Public Accountants LLP
Reward for domestic CPA (RMB0'000)	280
Successive years the domestic CPA has been providing service to the Company	7
Name of CPAs from the domestic CPA firm	Zhu Jinmei, Zhang Huice
Title of overseas CPA (if any)	None
Reward to overseas CPA (RMB0'000) (if any)	0
Number of successive years the overseas CPA has provided service to the Company (if any)	None
Name of the accountants assigned by the overseas CPA (if any)	None

Was the CPA been changed in the report period

 Yes No

Engaging of CPA for internal auditing, financial consultants or sponsors

 Applicable Not applicable

The Company employs BDO China Shu Lun Pan Certified Public Accountants LLP as the auditor of internal control system with auditing fee of RMB600 thousand.

X. Statements of the Supervisory Committee and Independent Directors (if applicable) on the “Non-standard Auditors’ Report” issued by the CPA Applicable; Not applicable**XI. Punishment and improving approach** Applicable; Not applicable

No punishment or improving approach in the report period.

XII. Possible suspension or termination of share listing upon issuing of this annual report Applicable; Not applicable**XIII. Other Material Statements** Applicable; Not applicable

No other material issues to be stated for the report period.

XIV. Material issues of subsidiaries

Applicable; Not applicable

XV. Issuing of company bonds

Applicable Not applicable

On January 26, 2014, as approved by the 5th meeting of the 6th term of Board, the Company was about to issue corporation bond up to RMB3 billion (included) to the public. This proposal was approved at the 1st shareholders' provisional meeting of 2014. The Verification Committee of CSRC verified the application on July 18, 2014. It was approved thereafter.

Chapter VI. Change of Share Equity and Shareholders

I. Statement of change in shares

1. Change of share equity

in shares

	Before the change		Changed Currently (+,-)					After the change	
	Amount	Proportion	Issuing of new shares	Bonus shares	Transferred from reserves	Others	Sub-total	Amount	Proportion
I. Shares with trade restriction conditions	101,000	0.00%				-25,250	-25,250	75,750	0.00%
3. Other domestic shares	101,000	0.00%				-25,250	-25,250	75,750	0.00%
Domestic natural person shares	101,000	0.00%				-25,250	-25,250	75,750	0.00%
II. Shares without trading limited conditions	3,135,899,000	100.00%				25,250	25,250	3,135,924,250	100.00%
1. Common shares in RMB	2,735,899,000	87.24%				25,250	25,250	2,735,924,250	87.24%
2. Foreign shares in domestic market	400,000,000	12.76%						400,000,000	12.76%
4. Others	0	0.00%						0	0.00%
III. Total of capital shares	3,136,000,000	100.00%				0	0	3,136,000,000	100.00%

Causation of change in share equity

Applicable Not applicable

Due to change of some directors and supervisors in the report period, another 101,000 of executive shares were frozen. Decrease of shares held by nature person was the shares held by directors and supervisors decreased in the report period, and the restricted shares were decreased thereof.

Approval of change in share capital

Applicable; Not applicable

Situation of registration process of transferred shares

Applicable; Not applicable

Influences of the change of share equity on financial indices such as basic earning per share, diluted earning per share, and net asset per share attributed to common shareholders:

Applicable; Not applicable

Other information the Company thinks necessary or required by the authority to be disclosed

Applicable; Not applicable

2. Change of Restricted Shares

Applicable; Not applicable

II. Share placing and listing

1. Stock issuing in the latest three years up to the end of report period

Applicable; Not applicable

2. Statements on change of total capital share and share structure and change of the Company's asset and liability structure

Applicable; Not applicable

3. Current employees' shares

Applicable; Not applicable

III. Particulars about the shareholders and substantial controller

1. Amount of shareholders and their shareholding position

in shares

Total common shareholders at the end of the report period	55,593	Amount of shareholders at end of the 5th trading day prior to the date of this annual report	53,937	Total of shareholders of preference shares with restored voting power at end of report period (if any) (See Note 8)	0			
Particulars about shareholders with over 5% of shares, or top 10 shareholders								
Name of the shareholder	Properties of shareholder	Share proportion %	Shares held at the end of report term	Changed in the report period	Amount of unconditional shares held	Amount of unconditional shares	Frozen or pledged	
							Status of shares	Amount
Benxi Steel (Group) Ltd.	State-owned legal person	81.77%	2,564,430,000			2,564,430,000		
GIC PRIVATE LIMITED	Overseas legal person	0.72%	22,644,061					
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	Overseas legal person	0.26%	8,157,311					
GSIC A/C MONETARY AUTHORITY OF SINGAPORE	Overseas legal person	0.25%	7,776,610					
DWS CHINA EQUITY FUND	Overseas legal person	0.15%	4,549,984					
Taifook Securities Company Limited-Account Client	Overseas legal person	0.11%	3,480,209					
SEUNG YEOL PARK	Overseas natural person	0.11%	3,436,395					
LSV EMERGING MARKETS EQUITY FUND,L.P.	Overseas legal person	0.11%	3,385,700					
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Overseas legal person	0.10%	3,227,716					
Bao Xinfa	Domestic natural person	0.10%	3,100,004					
Particulars about strategic investors or general corporations becoming among the	None							

top 10 shareholders due to share placing (if any) (See Note 3)			
Notes to relationship or “action in concert” among the top ten 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.		
Top 10 holders of unconditional shares			
Name of the shareholder	Amount of unconditional shares held at end of period	Category of shares	
		Category of shares	Amount
Benxi Steel (Group) Ltd.	2,564,430,000	RMB common shares	2,564,430,000
GIC PRIVATE LIMITED	22,644,061	Foreign shares placed in domestic exchange	22,644,061
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	8,157,311	Foreign shares placed in domestic exchange	8,157,311
GSIC A/C MONETARY AUTHORITY OF SINGAPORE	7,776,610	Foreign shares placed in domestic exchange	7,776,610
DWS CHINA EQUITY FUND	4,549,984	Foreign shares placed in domestic exchange	4,549,984
Taifook Securities Company Limited-Account Client	3,480,209	Foreign shares placed in domestic exchange	3,480,209
SEUNG YEOL PARK	3,436,395	Foreign shares placed in domestic exchange	3,436,395
LSV EMERGING MARKETS EQUITY FUND,L.P.	3,385,700	Foreign shares placed in domestic exchange	3,385,700
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	3,227,716	Foreign shares placed in domestic exchange	3,227,716
Bao Xinfra	3,100,004	Foreign shares placed in domestic exchange	3,100,004
Action-in-concert among top 10 non-restricted current share holders, top 10 non-restricted current share holders and top 10 shareholders	Benxi Steel & Iron (Group) Co., Ltd., the holding shareholder, has no relationship with any of the other shareholders among the top 10 shareholders, neither being regarded as action-in-concert parties by the Information Disclosure Regulations for Change of Shareholding in PLC The Company is not aware of any relationship among the other shareholders, nor of any action-in-concert as recognized according to the Information Disclosure Regulations for Change of Shareholding in PLC. The Company is not aware of any relationship among the top 10 shareholders, nor of any action-in-concert as recognized according to the Information Disclosure Regulations for Change of Shareholding in PLC.		
Shareholders among the top 10 participating in securities margin trading (if any) (see Note 4)	None		

Whether there was any repurchasing deal made between any of the top 10 shareholders and top 10 holders of unrestricted shares in the report period

Yes No

There was not any repurchasing deal made between any of the top 10 shareholders and top 10 holders of unrestricted shares in the report period

2. Particulars about the controlling shareholder

Corporation

Name of the holding shareholder	Legal representative	Incorporated in	Organization code	Registered capital	Main businesses
Benxi Steel (Group) Co., Ltd.	Zhang Xiaofang	Jul 10 1996	11972626-3	5.36881 bil	Business scope: steel smelt, mine exploitation, panel rolling, oxygen manufacturing, pipe manufacturing, power generating, coal industry, special steel material manufacturing, heating, supply of the water, electricity, wind and gas, metal processing, electro mechanics builds, device manufacturing, architecture installation, railway, highway transportation, import and export trade, traveling industry, construction material , refractory material , measuring device instrument, goods and materials supply and marketing, development of real estate, scientific research, design , information service, property management, telecommunication, processing of waste iron, property leasing, exchange of steel material, and recycling of waste oils (to the extent of licensed to the subsidiary companies), property management; publishing of Bengang Daily (expire on December 31, 2013); designing and making of presswork and advertisement, releasing, producing of TV advertisements in the country and abroad.
Strategy for coming years	None				
Business performance, financial status and cash flow	None				

Shareholding status of the holding shareholder in other PLCs in the country and abroad during the report period	Benxi Steel & Iron (Group) Co., Ltd. reduced its shareholding by 9202420, therefore its share percentage was decreased from 82.07% to 81.77%.
---	---

Change of holding shareholder

Applicable; Not applicable

No change of holding shareholder in the report period.

3. Substantial controller of the Company

Corporation

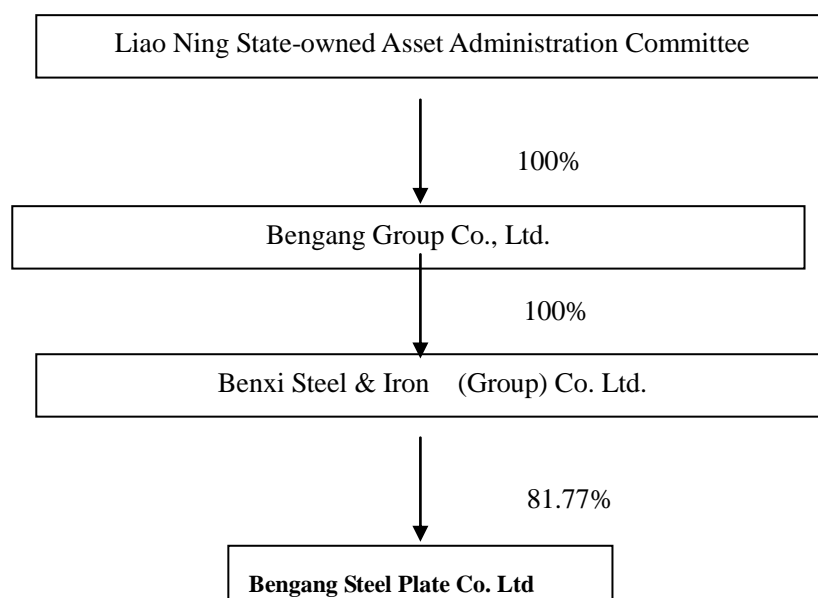
Name of the substantial controller	Legal representative	Incorporated in	Organization code	Registered capital	Main businesses
Bengang Group Co., Ltd.	Zhang Xiaofang	Nov 25 2010	56462557-5	RMB18 billion	Asset management
Strategy for coming years	None				
Business performance, financial status and cash flow	None				
Holding of other PLCs' shares, domestic or overseas, by the substantial controller of the Company	None				

Change of substantial controller

Applicable; Not applicable

No change of substantial controller in the report period.

Chart of the controlling relationship between the practical controller and the Company



Whether the substantial controller is controlling the Company through trusteeship or other asset management service

Applicable; Not applicable

4. Corporation shareholders with over 10% of the Company's shares

Applicable; Not applicable

IV. Proposals raised by the shareholders or their action-in-concert parties about increasing of shareholding

Applicable; Not applicable

To the knowledge of the Company, there is not any proposal raised by the shareholders or their action-in-concert parties about increasing of shareholding.

Chapter VII. Particulars about Preference Shares

Applicable; Not applicable

No preference shares in the Company.

Chapter VIII. Directors, Supervisors, Senior Executives and Employees

I. Change of shareholding of directors, supervisors and senior executives

Name	Position	Status of service	Gender	Age	Job started	Job ended	Shares holding at the beginning of term (shares)	Shares increased this term (shares)	Shares decreased this term (shares)	Shares held at the end of term
Wang Shu	Director, Chairman	On duty	M	44	Feb 19, 2014	May 17 2016	100,500		25,125	75,375
Cao Aimin	Director, Vice Chairman	On duty	M	48	Oct. 26, 2009	May 17 2016				
Han Ge	Director, GM	On duty	M	46	Feb 19, 2014	May 17 2016				
Li Kai	Independent Director	On duty	M	58	May 11 2009	May 17 2016				
Jin Yongli	Independent Director	On duty	M	57	May 17 2013	May 17 2016				
Zhong Tianli	Independent Director	On duty	F	59	May 20, 2014	May 17 2016				
Dong Liju	Supervisor, Chairman of Supervisory Committee	On duty	F	51	Feb 19, 2014	May 17 2016				
Han Mei	Supervisor	On duty	F	46	Feb 19, 2014	May 17 2016				
Li Lin	Supervisor	On duty	F	47	Feb 19, 2014	May 17 2016	500		125	375
Li Naiming	Supervisor	On duty	M	44	Jan 26 2014	May 17 2016				
Zhang Yanlong	Supervisor	On duty	M	38	Jan 26 2014	May 17 2016				
Zhang Jichen	Vice GM, Secretary of the Board	On duty	M	58	Jun 26, 2008	May 17 2016				
Bao Mingwei	Vice General Manager	On duty	M	52	Dec 28, 2012	May 17 2016				
Wang Fengmin	Vice General Manager	On duty	M	50	Jan 26 2014	May 17 2016				
Hu Guangyuan	Vice General Manager	On duty	M	55	Jan 26 2014	May 17 2016				
Zhang Xiaofang	Director, Chairman	Resigned	F	55	Jun 03 2010	Jan 26 2014				
Tang Chaosheng	Director	Resigned	M	52	May 15 2011	Jan 26 2014				
Wang Yiqiu	Independent Director	Resigned	F	55	May 11 2009	Feb 28 2014				
Liu Junyou	Supervisor, Chairman of Supervisory Committee	Resigned	M	62	Jul 26 2003	Jan 26 2014				
Zhao Wei	Supervisor	Resigned	M	55	April 26, 2007	Jan 26 2014				
Liu Engquan	Supervisor	Resigned	M	60	May 18 2007	Jan 26 2014				
Wang Pu	Supervisor	Resigned	M	52	Jun 26, 2008	Jan 26 2014				
Zhang Chuang	Supervisor	Resigned	M	49	Jun 03 2010	Jan 26 2014				
Zhang Guiyu	Vice General Manager	Resigned	M	54	Oct. 26, 2009	Jan 26 2014				
Zhao Wei	Vice General Manager	Resigned	M	48	Dec 28, 2012	Oct 27 2014				
Total	--	--	--	--	--	--	101,000	0	25,250	75,750

II. Status of service

Working experiences of current directors, supervisors, and executives in the past five years

Profiles of the members of the Board:

Wang Shu, male, 44 of age, college graduate, master degree, economist. He once was the assistant to General Manager of Benxin Steel & Iron (Group) Co., Ltd. and manager of the International Trade Company; Vice General Manager of Bengang Group; Vice Chairman and General Manager of Bengang Group. He is now Chairman of the Board of the Company.

Cao Aimin, male, 48 of age, postgraduate degree, senior accountant. Once head of capital division of finance department, and director of department, the head of financial department of Bengang Group. Chief Accountant and Head of Planning and Finance Division; The Chief Accountant of Bengang Group. He's now the director and vice chairman of Board of Bengang Steel Plates Co., Ltd.

Han Ge, male, 46 of age, college graduate, postgraduate in process, senior engineer. Once he's manager of hot-rolling factory of the Company; vice manager of iron-making factory; assistant of general manager of Bengang Group. At present he's the general manager of the Company.

Mr. Li Kai, 58 of age, doctoral degree, professor. Once he was professor, dean, and doctoral instructor of Business School of North-east University. He has been the independent director of the Company since April 2009.

Jin Yongli, male, 57 of age, master degree, professor. Once he's the dean of engineering school of Shenyang University. At present he's the dean of Business School of Shenyang University, and independent director of the Company since May 2013.

Ms. Zhong Tianli, 59 of age, professor and doctoral tutor of Northeast University. Once she was vice dean of Business School of Northeast University, dean of Fundamental Study School and Head of Accounting Institute of Northeast University. At present she's professor of Accounting Dept. of Business School of Northeast University. She has been independent director of the Company since May 2014.

Profiles of the Supervisory Committee:

Dong Liju, female, 51 of age, master degree, senior engineer. Once she's head of auditing department of the Company; the secondary Chairman of Supervisory Committee of the Company. At present she's the Chairwoman of the Supervisory Committee of the Company.

Han Mei, female, 46 of age, college graduate, senior accountant. Once she's the vice head of financial department of the Company; vice head of auditing department and head of administration department of the supervisory committee of Bengang Group; Provincial Government Liaison in Bengang and the Tertiary Chairman of the Supervisory Committee.

Li Lin, female, 47 of age, college graduate, engineer. Once she's the administrator of HR department of Bengang Group; vice chief engineer of Transportation Department of the Company; substitute chairman of the trade union of Transportation Department of the Company; Chairman of the trade union of Transportation Department of the Company.

Li Naiming, male, 44 of age, college graduate, senior engineer. Once he was the head of political department of iron-making factory of the Company; substitute chairman of trade union of iron-making factory; Chairman of trade union of iron-making factory of the Company.

Zhang Yanlong, 38 of age, college graduate, engineer. He once was the workshop manager of steel-making factory; vice chief of QC department of iron-making factory, manager of steel-making factory of the Company. He's now the head of production division of iron-making factory of the Company.

Executives other than directors:

Zhang Jichen, male, 58 of age, postgraduate degree, senior engineer. Once the vice director of planning department of Benxi Steel & Iron (Group) Co., Ltd.; vice director of Strategy Dept. and director of Policy Dept. Secretary of the Board of Bengang Steel Plate Co., Ltd.; At present he's the secretary of Board and Vice General Manager of the Company.

Bao Mingwei, male, 52, university graduate, certified senior engineer. Once he was the vice manager of hot-rolling factory, CCP secretary and vice manager of hot-rolling factory. At present he's the vice general manager of the Company and manager of No.3 Cool Rolling Factory.

Wang Fengmin, male, 50 of age, master degree, senior engineer, professor. Once he was the vice manager of iron-making factory of the Company. At present he is the head of production division and vice general manager of the Company.

Hu Guangyuan, male, 55, master degree, senior engineer, professor. Once he was the vice general manager and later general manager of Bengang Puxiang Cool-rolling Plate Co., Ltd. At present he's the head of product R&D center and vice general manager of the Company.

Jobs taken in shareholding parties

Applicable Not applicable

Names	Name of the shareholder	Job taken	Job started	Job ended	Take remunerations from the shareholding party
Wang Shu	Bengang Group Co., Ltd.	Vice Chairman, General Manager, Vice Chief Secretary of CCP Committee	Oct 1 2009		Yes
Cao Aimin	Bengang Group Co., Ltd.	Director	Nov 01, 2010		Yes
Dong Liju	Bengang Group Co., Ltd.	Head of Auditing Department	Apr 1 2011		Yes
Han Mei	Bengang Group Co., Ltd.	Vice Head of Auditing Department	Oct 1 2012		Yes
Particulars about jobs taken	None				

Jobs taken in other parties

Applicable; Not applicable

III. Annual Remunerations of the Directors, Supervisors and Senior Executives

Decision-making, basis of assessment, and actual payment of remunerations of the Directors, Supervisors and Senior Executives

Decision making process

1. The Remuneration and Assessment Committee will produce a plan or proposal, which will be implemented upon approval of the Board or the Shareholders' Meeting;
2. Upon the performance assessment criteria and procedures, the Remuneration and Assessment Committee undertakes assessment on the directors and executives.
3. Specific amounts and ways of rewards will be proposed according to the assessment and remuneration policies for the directors, supervisors and executives, and adopted by voting;
4. To be implemented upon approval of the Board.

Basis of recognition:

Remuneration scheme for a particular position is recognized basing on the range of responsibilities, duties, importance, and with consideration of similar positions in other enterprises. Remunerations are distributed basing on the assessment results and remuneration policies.

Particulars about the payment:

Wage paid on monthly basis according to the remuneration policies

Remuneration of directors, supervisors, and executives in the report period

In RMB10 thousand

Name	Position	Gender	Age	Status of service	Total of reward from the Company	Total of reward from shareholding parties	Actual reward in total at end of report term
Wang Shu	Director, Chairman	M	44	On duty		38.87	38.87
Cao Aimin	Director, Vice Chairman	M	48	On duty		33.48	33.48
Han Ge	Director, GM	M	46	On duty	30.78		30.78
Li Kai	Independent Director	M	58	On duty	5		5
Jin Yongli	Independent Director	M	57	On duty	5		5
Zhong Tianli	Independent Director	F	59	On duty	5		5
Dong Liju	Supervisor, Chairman of Supervisory Committee	F	51	On duty		13.68	13.68
Han Mei	Supervisor	F	46	On duty	0	11.53	11.53
Li Lin	Supervisor	F	47	On duty	12.48		12.48
Li Naiming	Supervisor	M	44	On duty	18.03		18.03
Zhang Yanlong	Supervisor	M	38	On duty	7.48		7.48
Bao Mingwei	Vice General Manager	M	52	On duty	23.03		23.03
Wang Fengmin	Vice General Manager	M	50	On duty	23.47		23.47
Hu Guangyuan	Vice General Manager	M	55	On duty	23.47		23.47
Zhang Jichen	Vice General Manager	M	58	On duty	23.13		23.13
Zhang Xiaofang	Director, Chairman	F	55	Resigned		39.16	39.16
Tang Chaosheng	Director	M	52	Resigned		24.62	24.62
Wang Yiqiu	Independent Director	F	55	Resigned	5		5
Liu Junyou	Supervisor, Chairman of Supervisory Committee	M	62	Resigned		22.4	22.4
Zhao Wei	Supervisor	M	55	Resigned		13.65	13.65
Liu Engquan	Supervisor	M	60	Resigned		13.99	13.99
Wang Pu	Supervisor	M	52	Resigned		11.52	11.52
Zhang Chuang	Supervisor	M	49	Resigned	11.97		11.97
Zhang Guiyu	Vice General Manager	M	54	Resigned	22.14		22.14
Zhao Wei	Vice General Manager	M	48	Resigned	23.1		23.1
Total	--	--	--	--	239.08	222.9	461.98

Incentive shares granted to directors, supervisors, and executives in the report period.

[] Applicable; [V] Not applicable

IV. Alternating of directors, supervisors, and executives

Name	Jobs taken	Type	Date	Causation
Wang Shu	Director, Chairman	Elected	Feb 19, 2014	Change of position
Cao Aimin	Director, Vice Chairman	Engage/dismiss	Feb 19, 2014	Change of position
Han Ge	Director, GM	Elected	Feb 19, 2014	Change of position
Zhong Tianli	Independent Director	Elected	May 20, 2014	Nominated by the Company
Dong Liju	Supervisor, Chairman of Supervisory Committee	Elected	Feb 19, 2014	Change of position
Han Mei	Supervisor	Elected	Feb 19, 2014	Change of position
Li Lin	Supervisor	Elected	Feb 19, 2014	Change of position
Li Naiming	Supervisor	Elected	Jan 26 2014	Change of position
Zhang Yanlong	Supervisor	Elected	Jan 26 2014	Change of position
Wang Fengmin	Vice General Manager	Engaged	Jan 26 2014	Change of position
Hu Guangyuan	Vice General Manager	Engaged	Jan 26 2014	Change of position
Zhang Xiaofang	Director, Chairman	Resigned	Jan 26 2014	Change of position
Tang Chaosheng	Director	Resigned	Jan 26 2014	Change of position
Wang Yiqiu	Independent Director	Resigned	Feb 28 2014	Resigned by writing
Liu Junyou	Supervisor, Chairman of Supervisory Committee	Resigned	Jan 26 2014	Age
Zhao Wei	Supervisor	Resigned	Jan 26 2014	Change of position
Liu Engquan	Supervisor	Resigned	Jan 26 2014	Change of position
Wang Pu	Supervisor	Resigned	Jan 26 2014	Change of position
Zhang Chuang	Supervisor	Resigned	Jan 26 2014	Change of position
Zhang Guiyu	Vice General Manager	Dismissed	Jan 26 2014	Change of position
Zhang Jichen	Director	Resigned	Oct 27 2014	Change of position
Zhao Wei	Vice General Manager	Resigned	Oct 27 2014	Change of position
Zhang Jichen	Vice General Manager	Engaged	Oct 27 2014	Change of position

V. Alternation of key technical teams or personnel (other than directors, supervisors and executives)

In the report period, the Company recognized 1173 key technical persons, which was an increase of 107 over that of 2013. Among them, there were 12 technical experts, 81 technical leaders, 271 technical pioneers, and 809 technical backbones. This made no material influence on the Company.

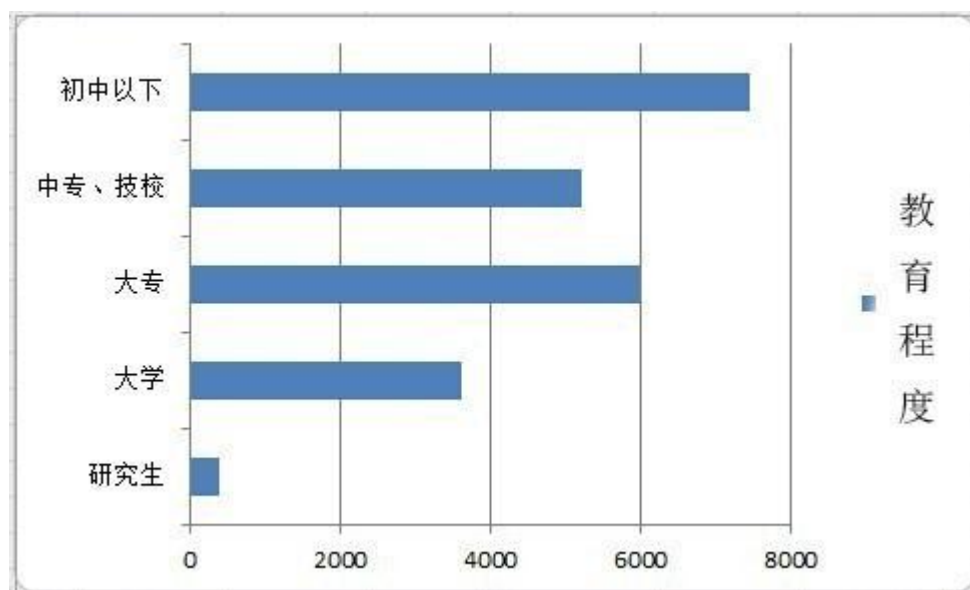
VI. Employees of the Company

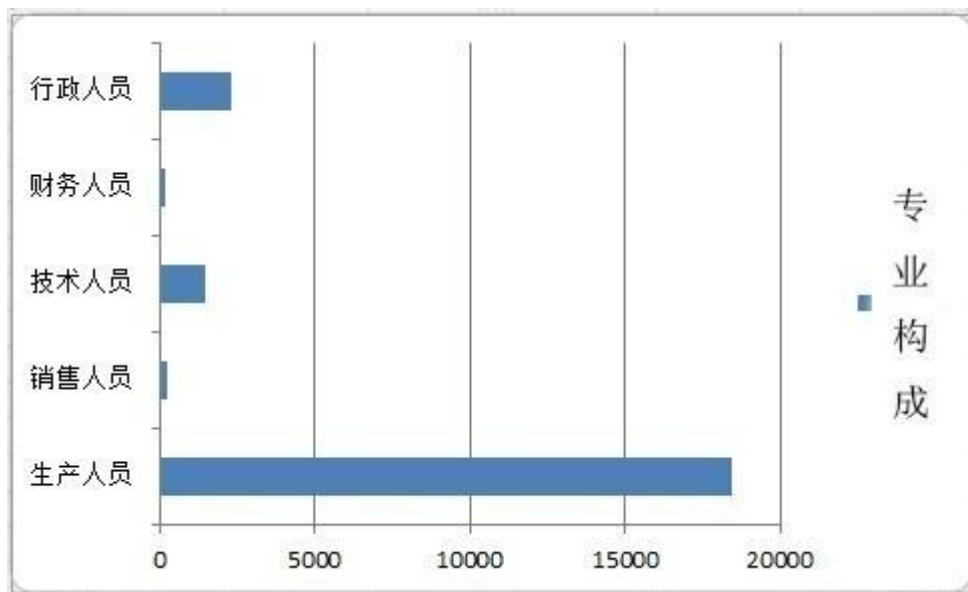
As of the end of report term, the Company had 22620 employees, including administrative 2691; technical 1482; operational 18447.

Sales department: 211; administrative 204; technical 1; operational 6; Financial department 167, all of them are administrative.

(1) Classified by occupations: production 18441, count for 81.52%; sale 211, count for 0.93%; technical 1481, count for 6.55%; finance 167, count for 0.74% and administration 2320, count for 10.26%.

(2) On educational background: master degree or above 379, count for 1.68%; college graduate 3605, 15.94%; college diploma 5975, 26.41%; technical school 5217, 23.06%; below middle school 7444, 32.91%.





(3) There are 20712 retired employees get pensions form the Company.

(4) Remuneration policies

The Company optimized the remuneration system basing on the principles of efficiency, fairness, and competitiveness. The ERP system was further refined targeting on further optimize the remuneration scheme in viewing of more effective motivation and controlling of manpower.

(5) Training programs in 2014

211 training programs were provided to 17466 employees, which was 90% as scheduled and covered 70% of the whole employees.

Chapter IX. Administration

I. Fundamental Situation of Company Administration

Since listed in the stock exchange, the Company has been following the laws, regulations and documents such as the Company Law, Securities Law, Listed Company Administration Rules, Shareholders' Meeting Criteria of Listed Companies, Guide of Lifting the Quality of Listed Company, and Instructions for Articles of Association of Listed Companies. The Company has been establishing and improving the administration structures to protect the interests of the Company and the investors. The Shareholders' Meeting was working with clear responsibilities and decision making procedures. Arrangement were made to enable convenient participating of the public investors. Online voting system was introduced for material decision making processes.

No new regulations was enforced in the report period.

Is there any difference between the management practice and the regulations of the Company Law and CSRC

Yes No

There isn't any difference between the management practice and the regulations of the Company Law and CSRC.

Executing of special administration activities and Registration and Administration Rules of Information Insiders

The Company has been following the instructions of the regulatory authorities and special person was assigned to conduct information disclosure and registration of information users.

The Company has been following the requirements of the authorities and fully executed the criteria. In the report period, all insiders were registered and filed to prevent revealing of information in viewing of fair access to information. Insiders are prompted not to trade the Company's shares in material period such as the period of preparing the annual reports. Undercover transactions were effectively prevented.

None of the directors, supervisors, or executives took advantage of the inside information to trade the Company's shares before the material information were released to the public. None of them were under punishment by any of the authorities.

II. Shareholders' Annual Meeting and the provisional meetings in the report period

1. Shareholders' Annual Meeting in the report period

No. of meeting	Date of meeting	Titles of proposals	Resolutions	Date of disclosure	Index of information disclosure
Shareholders' Annual Meeting 2013	May 20, 2014	1. The Board of Directors' Work Report 2013; 2. The Supervisory Committee's Report 2013; 3. Annual Report 2013 and Summary; 4. Financial Settlement Report 2013; 5. Dividend Plan 2013; 6. Proposal to Engage the CPA for Year 2014; 7. The proposal on investment outline for year 2013; 8. Proposal of Routine Related Transactions; 9. The Proposal of Reengaging of Material and Service Providing Agreement; 10. The proposal of electing Ms. Zhong Tianli independent directors of the 6th term of Board of the Company; 11. Proposal of Providing Inventory Impairment Provision, Bad Debt Provision, and Fixed Asset Impairment Provision.	All adopted	May 21, 2014	China Securities Journal, Securities Times, Hong Kong Commercial Daily, and http://www.cninfo.com.cn

2. Provisional shareholders' meetings in the report period

No. of meeting	Date of meeting	Titles of proposals	Resolutions	Date of disclosure	Index of information disclosure
The 1 st Shareholders' Provisional Meeting 2014	Feb 19, 2014	1. Proposal to elect Mr. Wang Shu director of the Board; 2. Proposal to elect Mr. Han Ge director of the Board; 3. Proposal to elect Ms. Dong Liju supervisor of the Company; 4. Proposal to elect Ms. Han Mei supervisor of the Company; 5. Proposal to elect Ms. Li Lin supervisor of the Company; 6. Proposal about satisfaction of conditions to issue corporation bonds; 7. Proposal to issue corporation bonds; 8. The proposal on requesting the shareholders' meeting to authorize the Board of Directors to fully handle the issues related to issuing of corporation bonds; 9. Proposal to the shareholders' meeting about authorizing the Board to implement secure measurements when the principal or interest of corporation bonds are expected or actually not able to be paid at mature.	All adopted	Feb 20 2014	China Securities Journal, Securities Times, Hong Kong Commercial Daily, and http://www.cninfo.com.cn
The 2 nd Shareholders' Provisional Meeting 2014	July 30, 2014	Proposal to adjust the expiration date of the resolution about issuing of corporation bonds	All adopted	July 31, 2014	China Securities Journal, Securities Times, Hong Kong Commercial Daily, and http://www.cninfo.com.cn

3. Provisional shareholders' meeting called by preference shareholders

Applicable; Not applicable

III. Fulfilling of duties of the Independent Directors in the report period

1. Independent directors' presenting of board meetings

Independent directors' presenting of board meetings						
Name of Independent Director	Meetings to attend in the report period	Actually attended	Attended by way of telecom	Presented by proxy	Absented	Not attend the meetings for successively 2 times
Li Kai	7	5	2			No
Jin Yongli	7	5	2			No
Zhong Tianli	4	2	2			No
Wang Yiqiu	3	3				No
Observation of shareholders' meetings by independent directors						3

Statement on not presenting the board meetings for successively two times

2. Objection upon relative events raised by the independent directors

Whether any of the independent directors has raised objective opinions on decision-making issues?

Yes No

None of the independent directors has raised objective opinions on decision-making issues

3. Other remarks on independent directors' fulfilling of duties

Whether the suggestions of independent directors have been adopted

Yes No

Remarks on acceptance or rejection of the suggestions raised by independent directors

Independent directors haven't raised any suggestion in the report period.

IV. Fulfilling of duties by the Special Committees under the Board of Directors

The Remuneration and Assessment Committee is responsible to inspect the assessment process of the executives in year 2014.

The Development and Strategy Committee is responsible to examine the Board of Directors' Work Report 2014 in advance and provide suggestions on the Company's long-term development basing on its researches.

The Auditing Committee is responsible to inspect the operation of internal auditing system, to verify the financial information disclosure, to examine the Financial Report 2014, and the Internal Control Introspective Evaluation Report, etc.

Nomination Committee provided opinions on the adjustment of executive positions.

V. Fulfilling of duties of the Supervisory Committee

Is there any risk with the Company discovered by the Supervisory Committee in the report period

Yes No

The Supervisory Committee hasn't issued any objection on inspection issues.

VI. Particulars about the independency of the Company in aspects of business, personnel, asset, organization, and accounting

The Company is separated from the controlling shareholder in aspects of personnel, assets, financial affairs, institution, business, etc. and has its own independent and complete business operation.

(1) In business operation: the Company has its own production and business planning, financial affairs check and calculate, personnel, raw material supplies and products selling business system independently and completely, .

(2) In personnel: The Company and controlling shareholder are separate in such aspects as labor, personnel and salary management. Such senior executives as company's chairman, general manager, vice general manager, secretary of Board of Directors, etc. get salary from the Company, and have not held the important position other than a director in shareholding party.

(3) In Asset: The Company is separated from the controlling shareholder's clearly in asset. The Company has its own independent purchase, production, and marketing system.

(4) In organization: The internal operations of the Company are independent; organization structuring and working function are totally independent.

(5) In finance: The company has independent financial & accounting department, the accounting and financial management system were are complete and operated independently, and has bank account and pay taxes independently.

VII. Horizontal competition

Applicable; Not applicable

VIII. Assessment and incentive scheme for executives

The Company's performance assessment scheme for executives has become a regular mechanism. Annual business plans adopted by the shareholders' meeting and the Board were assigned and authorized to the executive team of the Company and were used as basis of annual assessment. Operational targets were scheduled by the Board to the executives and were reviewed from time to time during the year and annual rewards or penalties were issued at end of year. The incentive scheme was working effectively to motivate the directors, supervisors and executives.

Chapter X. Internal Control

I. Construction of internal control system

According to the Enterprise Internal Control Standards and relative instructions and requirements, with consideration of its practice and daily inspection, the Company conducted internal evaluation on the effectiveness of its internal control system on December 31, 2014. The evaluation process has been covering most of the main aspects of management, and especially those fields with higher risks.

In the report period, the Company has been reinforcing the implementation of internal control operation. Training programs were provided all through the departments.

Internal control operations were focusing on internal business environment, risk assessment, controlling actions, information and communication, and internal inspection. All internal systems were fully operated and inspected. No material flaw was found in the report period.

There is no material change occurred between the target date of the evaluation report and the date when it was released. In year 2015, the Company will push forward the construction of internal control system and make sure it will contribute to the constant and healthy development of the Company.

II. Statement of the Board of Directors on responsibilities of internal control

According to the Enterprise Internal Control Standards and relative instructions and requirements, the internal control system will be further improved and evaluated for its effectiveness. It is the Board's responsibility to disclose the internal control evaluation report. The Supervisory Committee is responsible to perform inspection on the establishing and operation of the internal control system. The management is responsible to organize and conduct its daily operation.

III. Basis of internal control on financial statements

The Board of the Company will keep reinforce the operation of internal control system according to "Accounting Law", "The Securities Law", and the "Company Law", and also take reference to the "Share Listing Rules of Hong Kong Stock Exchange", "Share Listing Rules of Shenzhen Stock Exchange", "Enterprise Administration Standard", "Shenzhen Stock Exchange Instruction of Internal Control", and "Enterprise Internal Control Standard".

IV. Assessment report on internal control

Details about material flaw of internal control system in the report period discovered by the assessment report	
No material defect was found in the report period.	
Date of the assessment report was disclosed in full text	April 22, 2015
Index of internal control assessment report	Official information disclosure website: http://www.cninfo.com.cn

V. Internal control auditing report or verification report

Internal control auditing report

Auditing opinions in the auditing report on internal control	
We acknowledge that Bengang Bancai has been conducting effective internal control in all material aspects complying with “Fundamental Rules of Enterprise Internal Control” up to December 31, 2014.	
Disclosing date of internal control auditing report full text	April 22, 2015
Index of the internal control auditing report full text	Official information disclosure website: http://www.cninfo.com.cn

Whether the CPA has issued a non-standard auditors’ report on the internal control system

Yes No

Whether the opinions of the auditors’ report are of concordance with the self-assessment report issued by the Board

Yes No

VI. Responsibility retrospective mechanism for material faults in annual report

The Company has been executing the Material Error Tracking Criteria adopted by the Board. No such situation occurred in the report period, nor committed punishment by the supervisory authority.

Chapter XI. Financial Report

I. Auditors' Report

Type of auditing opinion	Standard report without qualified opinion
Date of issue of the Auditors' Report	April 20, 2015
Name of the CPA	BDO China Shu Lun Pan Certified Public Accountants LLP
Ref. No. of the Auditors' Report	信会师报字[2015]第 210569 号
Name of the certified accountants	Zhu Jinmei, Zhang Huice

Auditors' Report

To all shareholders of Bengang Steel Plate Co., Ltd.

We have audited the accompanying financial statements of Bengang Steel Plates Co., Ltd. (hereinafter referred to as "the Company") which comprise the consolidated statement of financial position and statement of financial position as at 31 December 2014, the consolidated statement of comprehensive income and statement of comprehensive income, the consolidated statement of changes in equity and statement of changes in equity, the consolidated statement of cash flows and statement of cash flows for the year then ended, and notes to the financial statements.

I. Executives' responsibilities on the Financial Statements

Preparing of the Financial Statements according to Enterprise Accounting Standard is the responsibility of the management of the Company. This responsibility is including: (1) to prepare the financial statements according to the accounting standard, and ensure its fair reflection of business position; (2) to design, implement and maintain the internal control system related to producing of the Financial Statements, to prevent the Financial Statements from major false presentation due to cheating or error

II. Responsibilities of the CPA

Our responsibilities are to issue auditing opinions on the Financial Statements basing on the auditing works we've done on them. We carried out the auditing works with compliance to Chinese CPA Auditing Standard, which requires us to plan and implement our works on the basis of professional ethic standards, and obtain reasonable guarantee that the Financial Statements are free of major false statements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider the internal control relevant to the entity's preparation of financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting polices used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Auditors' Opinions

In our opinion, the financial statements of Bengang Steel Plates Co., Ltd. present fairly, in all material respects, the consolidated financial position and financial position of the Company as at 31 December 2014, and the consolidated results of operations and results of operations and the consolidated cash flows and cash flows of the

Company for the year then ended in accordance with the requirements of Accounting standards for Business Enterprises.

Shu Lun Pan Certified Public Accountant LLP CPA China: Zhu Jinmei

(Limited Liability Partnership)

Shanghai, China CPA China: Zhang Huice

April 20, 2015

II. The Financial Statements

All figures in the Notes to the Financial Statements are in RMB Yuan

1. Consolidated Balance Sheet

Bengang Steel Plate Co., Ltd.

Dec 31 2014

In RMB Yuan

Items	Closing balance	Opening balance
Current asset:		
Monetary capital	9,792,940,409.40	4,574,532,598.83
Settlement provision		
Outgoing call loan		
Financial assets accounted at fair value and fluctuation accounted into current income		
Deductive financial assets		
Notes receivable	2,089,039,261.13	2,433,550,653.99
Account receivable	487,767,042.22	354,770,643.94
Prepayment	1,236,314,004.73	1,057,057,803.49
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable	7,011,095.89	
Dividend receivable		
Other account receivable	257,708,098.03	187,896,130.26
Repurchasing of financial assets		
Inventories	11,008,413,817.92	11,607,047,545.14
Categorized as asset hold for sale		
Non-current asset due in 1 year		
Other current asset	457,504,509.43	863,068,482.67
Total of current asset	25,336,698,238.75	21,077,923,858.32
Non-current assets		
Loans and payment on other' s behalf disbursed		
Sellable financial asset	20,271,278.63	20,271,278.63
Expired investment in possess		
Long-term receivable		
Long-term share equity investment		
Investment real estates		
Fixed assets	17,144,282,253.99	18,574,585,898.20

Construction in process	6,126,175,722.67	3,072,825,789.22
Engineering goods	90,221,101.46	7,821,295.85
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	271,459,969.75	112,092,162.53
R&D expense		
Goodwill		
Long-term amortizable expenses		
Deferred income tax asset	181,494,465.42	184,787,041.91
Other non-current asset		
Total of non-current assets	23,833,904,791.92	21,972,383,466.34
Total of assets	49,170,603,030.67	43,050,307,324.66
Current liabilities		
Short-term loans	18,187,945,675.93	14,242,610,696.91
Loan from Central Bank		
Deposit received and hold for others		
Call loan received		
Financial liabilities booked as current gain/loss at fair value		
Deductive financial liability		
Notes payable	822,581,591.46	153,175,292.90
Account payable	8,780,948,804.18	7,440,328,267.35
Advances received	3,144,418,091.52	2,665,468,224.81
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	35,383,951.55	84,786,965.55
Tax payable	32,323,181.76	29,240,548.05
Interest payable	26,935,067.99	24,854,193.88
Dividend payable		
Other account payable	469,316,015.83	485,579,109.34
Reinsurance fee payable		
Insurance contract provision		
Entrusted trading of securities		
Entrusted selling of securities		
Liabilities categorized as hold for sale		
Non-current liability due in 1 year	591,740,000.00	1,163,814,681.99
Other current liability		
Total of current liability	32,091,592,380.22	26,289,857,980.78
Non-current liabilities		
Long-term borrowings	814,627,465.85	745,666,892.70
Bond payable		
Incl. Preference Shares		
Perpetual liability		
Long-term payable		
Long-term employee wage payable		
Special payable		
Expected liabilities		
Differed income	427,524,000.00	336,216,224.00
Deferred income tax liability		
Other non-recurring liabilities		
Total of non-current liabilities	1,242,151,465.85	1,081,883,116.70
Total of liability	33,333,743,846.07	27,371,741,097.48
Owners' equity:		
Share capital	3,136,000,000.00	3,136,000,000.00
Other equity instruments		
Incl. Preference Shares		
Perpetual liability		
Capital reserves	9,114,845,542.05	9,114,845,542.05
Less: Shares in stock		
Other misc incomes		
Special reserves	430,777.94	210,972.68
Surplus reserves	961,105,529.85	956,694,103.74
Common risk provision		
Retained profit	2,172,180,473.24	2,100,587,079.16

Total of owner's equity belong to the parent company	15,384,562,323.08	15,308,337,697.63
Minor shareholders' equity	452,296,861.52	370,228,529.55
Total of owners' equity	15,836,859,184.60	15,678,566,227.18
Total of liabilities and owners' equity	49,170,603,030.67	43,050,307,324.66

Legal representative: Wang Shu

CFO: Han Ge

Accounting Manager: Wang Shaoyu

2. Balance Sheet of the Parent Company

In RMB Yuan

Items	Closing balance	Opening balance
Current asset:		
Monetary capital	9,530,304,140.51	4,304,424,513.46
Financial assets accounted at fair value and fluctuation accounted into current income		
Deductive financial assets		
Notes receivable	1,863,613,673.54	2,287,026,533.02
Account receivable	388,842,194.63	651,280,698.09
Prepayment	1,126,416,683.45	963,761,418.30
Interest receivable	7,011,095.89	
Dividend receivable		
Other account receivable	302,622,013.53	261,165,598.02
Inventories	9,215,120,654.72	9,885,156,126.53
Categorized as asset hold for sale		
Non-current asset due in 1 year		
Other current asset	404,119,874.38	806,197,784.04
Total of current asset	22,838,050,330.65	19,159,012,671.46
Non-current assets		
Sellable financial asset	18,303,673.00	18,303,673.00
Expired investment in possess		
Long-term receivable		
Long-term share equity investment	1,690,981,902.16	1,690,981,902.16
Investment real estates		
Fixed assets	14,089,675,221.83	15,229,658,352.73
Construction in process	6,074,588,463.12	3,044,697,564.93
Engineering goods	90,221,101.46	7,821,295.85
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	162,000,727.11	
R&D expense		
Goodwill		
Long-term amortizable expenses		
Deferred income tax asset	81,964,982.51	87,312,493.14
Other non-current asset		
Total of non-current assets	22,207,736,071.19	20,078,775,281.81
Total of assets	45,045,786,401.84	39,237,787,953.27
Current liabilities		
Short-term loans	16,028,552,000.00	12,264,551,200.00
Financial liabilities booked as current gain/loss at fair value		
Deductive financial liability		
Notes payable	732,475,382.04	144,994,492.90
Account payable	8,914,580,556.14	7,570,742,890.27
Advances received	2,639,010,215.36	1,985,709,079.59
Employees' wage payable	32,213,350.61	82,156,107.48
Tax payable	7,979,826.50	5,633,746.17
Interest payable	5,080,000.00	4,008,373.03
Dividend payable		
Other account payable	327,382,843.61	297,207,569.77
Liabilities categorized as hold for sale		
Non-current liability due in 1 year	308,740,000.00	1,138,914,681.99

Other current liability		
Total of current liability	28,996,014,174.26	23,493,918,141.20
Non-current liabilities		
Long-term borrowings	814,627,465.85	487,566,892.70
Bond payable		
Incl. Preference Shares		
Perpetual liability		
Long-term payable		
Long-term employee wage payable		
Special payable		
Expected liabilities		
Differed income	427,524,000.00	336,216,224.00
Deferred income tax liability		
Other non-recurring liabilities		
Total of non-current liabilities	1,242,151,465.85	823,783,116.70
Total of liability	30,238,165,640.11	24,317,701,257.90
Owners' equity:		
Share capital	3,136,000,000.00	3,136,000,000.00
Other equity instruments		
Incl. Preference Shares		
Perpetual liability		
Capital reserves	8,694,693,859.93	8,694,693,859.93
Less: Shares in stock		
Other misc incomes		
Special reserves	430,777.94	210,972.68
Surplus reserves	961,105,529.85	956,694,103.74
Retained profit	2,015,390,594.01	2,132,487,759.02
Total of owners' equity	14,807,620,761.73	14,920,086,695.37
Total of liabilities and owners' equity	45,045,786,401.84	39,237,787,953.27

3. Consolidated Income Statement

In RMB Yuan

Items	Occurred current term	Occurred in previous term
I. Total revenue	41,422,088,025.70	40,329,344,514.29
Incl. Business income	41,422,088,025.70	40,329,344,514.29
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	41,115,934,904.54	40,162,750,804.90
Incl. Business cost	38,489,119,026.43	37,751,979,617.32
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net insurance policy reserves provided		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	118,161,457.86	130,666,065.11
Sales expense	863,079,137.09	697,569,398.95
Administrative expense	899,624,299.29	1,140,642,182.09
Financial expenses	717,292,853.39	401,940,789.84
Asset impairment loss	28,658,130.48	39,952,751.59
Plus: gains from change of fair value ("-" for loss)		
Investment gains ("-" for loss)	20,845,473.00	16,956,475.95
Incl. Investment gains from affiliates		4,356,443.00
Exchange gains ("-" for loss)		
III. Operational profit ("-" for loss)	326,998,594.16	183,550,185.34
Plus: Non business income	37,115,131.68	191,030,564.41
Incl. Gains from disposal of non-current assets	7,287,133.61	20,739.70
Less: Non-business expenses	10,297,285.52	17,220,244.72

Incl. Loss from disposal of non-current assets	10,297,285.52	12,854,836.97
IV. Gross profit (“-“ for loss)	353,816,440.32	357,360,505.03
Less: Income tax expenses	38,943,288.16	77,915,769.77
V. Net profit (“-“ for net loss)	314,873,152.16	279,444,735.26
Net profit attributable to the owners of parent company	232,804,820.19	275,592,999.75
Minor shareholders’ equity	82,068,331.97	3,851,735.51
VI. Net amount of other gains after tax		
Net amount of other gains after tax attributable to owners of parent company		
(I) Other gains not able to be relocated to gain/loss afterward		
1. Change of net liability or asset of beneficiary plan from recalculating		
2. The share of other gains in invested entities under equity basis which are not able to be relocated to gain/loss categories		
(II) Other gains which will be relocated to gain/loss in the future		
1. The share of other gains in invested entities under equity basis which are to be relocated to gain/loss categories		
2. Gain/loss from change of fair value of sellable financial asset		
3. Gain/loss from relocating of investment held to mature which is relocated to sellable financial asset		
4. Effective part of gain/loss from cash flow hedge operation		
5. Difference in translating of foreign currency accounts		
6. Others		
Net amount of other gains after tax attributable to minority shareholders		
VII. Total of integrated income	314,873,152.16	279,444,735.26
Total of misc. incomes attributable to the owners of the parent company	232,804,820.19	275,592,999.75
Total misc gains attributable to the minor shareholders	82,068,331.97	3,851,735.51
VIII. Earning per share		
(I) Basic earnings per share	0.074	0.088
(II) Diluted earnings per share	0.070	0.088

If there are entities merged under common control, their net profit realized before the merger were totaled to RMB***. While it was RMB*** previous period.

Legal representative: Wang Shu CFO: Han Ge Accounting Manager: Wang Shaoyu

4. Income Statement of the Parent Co.

In RMB Yuan

Items	Occurred current term	Occurred in previous term
I. Turnover	41,634,258,361.21	41,978,861,718.60
Less: Operation cost	39,551,413,702.03	40,130,787,370.30
Business tax and surcharge	92,196,044.43	108,249,864.27
Sales expense	679,034,187.84	494,409,144.56
Administrative expense	833,935,376.24	1,076,585,032.39
Financial expenses	596,662,880.18	281,505,410.82
Asset impairment loss	28,039,768.05	12,448,114.97
Plus: gains from change of fair value (“-“ for loss)		
Investment gains (“-“ for loss)	172,968,147.30	176,032,255.82
Incl. Investment gains from affiliates		4,356,443.00
II. Operational profit (“-“ for loss)	25,944,549.74	50,909,037.11
Plus: Non business income	33,814,507.51	186,341,164.26
Incl. Gains from disposal of non-current assets	7,287,133.61	20,739.70
Less: Non-business expenses	10,297,285.52	12,854,836.97
Incl. Loss from disposal of non-current assets	10,297,285.52	12,854,836.97
III. Total profit (“-“ for loss)	49,461,771.73	224,395,364.40
Less: Income tax expenses	5,347,510.63	-2,095,269.50
IV. Net profit (“-“ for net loss)	44,114,261.10	226,490,633.90
V. Net amount of other gains after tax		
(I) Other gains not able to be relocated to gain/loss afterward		
1. Change of net liability or asset of beneficiary plan from recalculating		
2. The share of other gains in invested entities under equity basis which		

are not able to be relocated to gain/loss categories		
(II) Other gains which will be relocated to gain/loss in the future		
1. The share of other gains in invested entities under equity basis which are to be relocated to gain/loss categories		
2. Gain/loss from change of fair value of sellable financial asset		
3. Gain/loss from relocating of investment held to mature which is relocated to sellable financial asset		
4. Effective part of gain/loss from cash flow hedge operation		
5. Difference in translating of foreign currency accounts		
6. Others		
VI. Total of other gains	44,114,261.10	226,490,633.90
VII. Earning per share		
(I) Basic earnings per share	0.01	
(II) Diluted earnings per share	0.01	

5. Consolidated Cash Flow Statement

In RMB Yuan

Items	Occurred current term	Amount of previous period
I. Net cash flow from business operation		
Cash received from sales of products and providing of services	27,081,903,407.76	35,850,425,031.89
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Net increased amount of financial assets on fair value and with changes accounted into current gain/loss		
Cash received as interest, processing fee, and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Tax returned	125,801,169.55	160,695,005.07
Other cash received from business operation	355,359,346.31	472,536,801.77
Sub-total of cash inflow from business activities	27,563,063,923.62	36,483,656,838.73
Cash paid for purchasing of merchandise and services	21,366,796,915.86	29,564,321,383.55
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	2,256,955,412.05	2,224,160,068.50
Taxes paid	527,920,890.61	1,049,743,318.54
Other cash paid for business activities	543,250,610.24	957,487,989.66
Sub-total of cash outflow from business activities	24,694,923,828.76	33,795,712,760.25
Cash flow generated by business operation, net	2,868,140,094.86	2,687,944,078.48
II. Cash flow generated by investing		
Cash received from investment retrieving	8,214,370,000.00	6,891,000,000.00
Cash received as investment gains	20,845,473.00	12,600,032.95
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	4,317,974.80	25,197.45
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow due to investment activities	8,239,533,447.80	6,903,625,230.40
Cash paid for construction of fixed assets, intangible assets and other long-term assets	642,437,425.53	1,142,360,871.65
Cash paid as investment	7,684,370,000.00	7,421,000,000.00
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		15,126,584.39
Sub-total of cash outflow due to investment activities	8,326,807,425.53	8,578,487,456.04

Net cash flow generated by investment	-87,273,977.73	-1,674,862,225.64
III. Cash flow generated by financing		
Cash received as investment		
Incl. Cash received as investment from minor shareholders		
Cash received as loans	20,842,507,551.86	21,681,645,037.84
Cash received from bond placing		
Other financing-related cash received		9,739,203.60
Subtotal of cash inflow from financing activities	20,842,507,551.86	21,691,384,241.44
Cash to repay debts	17,417,163,487.98	21,124,077,003.55
Cash paid as dividend, profit, or interests	965,170,022.92	768,528,664.82
Incl. Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities	346,082,054.07	65,203,224.28
Subtotal of cash outflow due to financing activities	18,728,415,564.97	21,957,808,892.65
Net cash flow generated by financing	2,114,091,986.89	-266,424,651.21
IV. Influence of exchange rate alternation on cash and cash equivalents	-20,346,548.36	-30,380,526.81
V. Net increase of cash and cash equivalents	4,874,611,555.66	716,276,674.82
Plus: Balance of cash and cash equivalents at the beginning of term	4,452,422,474.41	3,736,145,799.59
VI. Balance of cash and cash equivalents at the end of term	9,327,034,030.07	4,452,422,474.41

6. Cash Flow Statement of the Parent Co.

In RMB Yuan

Items	Occurred current term	Occurred in previous term
I. Net cash flow from business operation		
Cash received from sales of products and providing of services	29,100,336,040.94	30,505,853,321.93
Tax returned	98,742,453.92	81,683,665.14
Other cash received from business operation	438,335,184.14	367,574,420.35
Sub-total of cash inflow from business activities	29,637,413,679.00	30,955,111,407.42
Cash paid for purchasing of merchandise and services	23,773,038,481.99	25,574,791,961.44
Cash paid to staffs or paid for staffs	2,139,961,256.89	2,149,010,384.10
Taxes paid	327,014,362.65	798,729,941.59
Other cash paid for business activities	480,494,224.57	778,386,758.14
Sub-total of cash outflow from business activities	26,720,508,326.10	29,300,919,045.27
Cash flow generated by business operation, net	2,916,905,352.90	1,654,192,362.15
II. Cash flow generated by investing		
Cash received from investment retrieving	7,440,000,000.00	6,691,000,000.00
Cash received as investment gains	16,389,712.34	12,328,800.01
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	4,317,974.80	25,197.45
Net cash received from disposal of subsidiaries or other operational units		52,091,154.07
Other investment-related cash received		
Sub-total of cash inflow due to investment activities	7,460,707,687.14	6,755,445,151.53
Cash paid for construction of fixed assets, intangible assets and other long-term assets	636,628,096.53	601,089,270.28
Cash paid as investment	6,910,000,000.00	7,221,000,000.00
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	7,546,628,096.53	7,822,089,270.28
Net cash flow generated by investment	-85,920,409.39	-1,066,644,118.75
III. Cash flow generated by financing		
Cash received as investment		
Cash received as loans	18,594,014,000.00	16,121,779,400.00
Cash received from bond placing		
Other financing-related cash received		
Subtotal of cash inflow from financing activities	18,594,014,000.00	16,121,779,400.00
Cash to repay debts	15,336,096,665.14	15,266,027,956.80
Cash paid as dividend, profit, or interests	856,130,197.71	616,575,268.05
Other cash paid for financing activities	310,194,469.10	40,206,824.28
Subtotal of cash outflow due to financing activities	16,502,421,331.95	15,922,810,049.13
Net cash flow generated by financing	2,091,592,668.05	198,969,350.87
IV. Influence of exchange rate alternation on cash and cash equivalents	-17,606,654.45	-3,299,333.69

V. Net increase of cash and cash equivalents	4,904,970,957.11	783,218,260.58
Plus: Balance of cash and cash equivalents at the beginning of term	4,185,495,189.04	3,402,276,928.46
VI. Balance of cash and cash equivalents at the end of term	9,090,466,146.15	4,185,495,189.04

7. Statement of Change in Owners' Equity (Consolidated)

Amount of the Current Term

In RMB Yuan

Items	Current term												
	Owners' Equity Attributable to the Parent Company											Minor shareholders' equity	Total of owners' equity
	Share capital	Preference shares	Perpetual liability	Others	Capital reserves	Less: Shares in stock	Other misc incomes	Special reserves	Surplus reserves	Common risk provision	Retained profit		
I. Balance at end of prev. year	3,136,000,000.00	0.00	0.00	0.00	9,114,845,542.05	0.00	0.00	210,972.68	956,694,103.74	0.00	2,100,587,079.16	370,228,529.55	15,678,566,227.18
Plus: Change of accounting policy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Correcting of previous errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Business combination under common control	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Balance at beginning of current year	3,136,000,000.00	0.00	0.00	0.00	9,114,845,542.05	0.00	0.00	210,972.68	956,694,103.74	0.00	2,100,587,079.16	370,228,529.55	15,678,566,227.18
III. Amount of change in current term ("-" for decrease)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	219,805.26	4,411,426.11	0.00	71,593,394.08	82,068,331.97	158,292,957.42
(I) Total of other gains	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	232,804.820.19	82,068,331.97	314,873,152.16
(II) Owners' input our retrieving of capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Common shares input by shareholders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Capital input by other equity holders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Amount of share payment including owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(III) Profit distribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,411,426.11	0.00	-161,211,426.11	0.00	-156,800,000.00
1. Providing of surplus reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,411,426.11	0.00	-4,411,426.11	0.00	0.00
2. Common risk provision	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Allotment to the owners (or shareholders)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-156,800,000.00	0.00	-156,800,000.00
4. Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(IV) Internal transition of owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Capitalizing of capital reserves (or to capital shares)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Capitalizing of surplus reserves (or to capital shares)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Making up losses by surplus reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(V) Special reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	219,805.26	0.00	0.00	0.00	0.00	219,805.26
1. Provided this year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35,149,380.86	0.00	0.00	0.00	0.00	35,149,380.86
2. Used this term	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-34,929,575.60	0.00	0.00	0.00	0.00	-34,929,575.60
(VI) Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IV. Balance at the end of this term	3,136,000,000.00	0.00	0.00	0.00	9,114,845,542.05	0.00	0.00	430,777.94	961,105,529.85	0.00	2,172,180,473.24	452,296,861.52	15,836,859,184.60

Amount of the Previous Term

In RMB Yuan

Items	Previous term												
	Owners' Equity Attributable to the Parent Company											Minor shareholders' equity	Total of owners' equity
	Share capital	Preference shares	Perpetual liability	Others	Capital reserves	Less: Shares in stock	Other misc incomes	Special reserves	Surplus reserves	Common risk provision	Retained profit		
I. Balance at end of prev. year	3,136,000,000.00	0.00	0.00	0.00	8,822,821,134.76	0.00	0.00	311,224.81	934,045,040.35	0.00	2,387,628,114.61	34,756,303.72	15,315,561,818.25
Plus: Change of accounting policy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Correcting of previous errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Business combination under common control	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00	1,439,933,253.22	0.00	0.00	0.00	0.00	0.00	-477,264,971.81	331,620,490.32	1,294,288,771.73
II. Balance at beginning of current year	3,136,000,000.00	0.00	0.00	0.00	10,262,754,387.98	0.00	0.00	311,224.81	934,045,040.35	0.00	1,910,363,142.80	366,376,794.04	16,609,850,589.98
III. Amount of change in current term ("+" for increase)	0.00	0.00	0.00	0.00	-1,147,908,845.93	0.00	0.00	-100,252.13	22,649,063.39	0.00	190,223,936.36	3,851,735.51	-931,284,362.80
(I) Total of other gains	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	275,592,999.75	3,851,735.51	279,444,735.26
(II) Owners' input our retrieving of capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Common shares input by shareholders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Capital input by other equity holders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Amount of share payment including owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. 其它	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(III) Profit distribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,649,063.39	0.00	-85,369,063.39	0.00	-62,720,000.00
1. Providing of surplus reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,649,063.39	0.00	-22,649,063.39	0.00	0.00
2. Common risk provision	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-62,720,000.00	0.00	-62,720,000.00
3. Allotment to the owners (or shareholders)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(IV) Internal transition of owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Capitalizing of capital reserves (or to capital shares)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Capitalizing of surplus reserves (or to capital shares)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Making up losses by surplus reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(V) Special reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-100,252.13	0.00	0.00	0.00	0.00	-100,252.13
1. Provided this year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35,218,214.92	0.00	0.00	0.00	0.00	35,218,214.92
2. Used this term	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-35,318,467.05	0.00	0.00	0.00	0.00	-35,318,467.05
(VI) Others	0.00	0.00	0.00	0.00	-1,147,908,845.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1,147,908,845.93
IV. Balance at the end of this term	3,136,000,000.00	0.00	0.00	0.00	9,114,845,542.05	0.00	0.00	210,972.68	956,694,103.74	0.00	2,100,587,079.16	370,228,529.55	15,678,566,227.18

8. Statement of Change in Owners' Equity (Parent Co.)

Amount of the Current Term

In RMB Yuan

Items	Current term										
	Share capital	Other equity instruments			Capital reserves	Less: Shares in stock	Other misc incomes	Special reserves	Surplus reserves	Retained profit	Total of owners' equity
Preference shares	Perpetual liability	Others									
I. Balance at end of prev. year	3,136,000,000.00	0.00	0.00	0.00	8,694,693,859.93	0.00	0.00	210,972.68	956,694,103.74	2,132,487,759.02	14,920,086,695.37
Plus: Change of accounting policy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Correcting of previous errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Balance at beginning of current year	3,136,000,000.00	0.00	0.00	0.00	8,694,693,859.93	0.00	0.00	210,972.68	956,694,103.74	2,132,487,759.02	14,920,086,695.37
III. Amount of change in current term ("-" for decrease)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	219,805.26	4,411,426.11	-117,097,165.01	-112,465,933.64
(I) Total of other gains	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	44,114,261.10	44,114,261.10
(II) Owners' input our retrieving of capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Common shares input by shareholders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Capital input by other equity holders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Amount of share payment including owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. 其它	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(III) Profit distribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,411,426.11	-161,211,426.11	-156,800,000.00
1. Providing of surplus reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,411,426.11	-4,411,426.11	0.00
2. Allotment to the owners (or shareholders)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-156,800,000.00	-156,800,000.00
3. Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(IV) Internal transition of owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Capitalizing of capital reserves (or to capital shares)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Capitalizing of surplus reserves (or to capital shares)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Making up losses by surplus reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(V) Special reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	219,805.26	0.00	0.00	219,805.26
1. Provided this year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35,149,380.86	0.00	0.00	35,149,380.86
2. Used this term	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-34,929,575.60	0.00	0.00	-34,929,575.60
(VI) Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IV. Balance at the end of this term	3,136,000,000.00	0.00	0.00	0.00	8,694,693,859.93	0.00	0.00	430,777.94	961,105,529.85	2,015,390,594.01	14,807,620,761.73

Amount of the Previous Term

In RMB Yuan

Items	Previous term										
	Share capital	Other equity instruments			Capital reserves	Less: Shares in stock	Other misc incomes	Special reserves	Surplus reserves	Retained profit	Total of owners' equity
		Preference shares	Perpetual liability	Others							
I. Balance at end of prev. year	3,136,000,000.00	0.00	0.00	0.00	8,822,821,134.76	0.00	0.00	311,224.81	934,045,040.35	1,991,366,188.51	14,884,543,588.43
Plus: Change of accounting policy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Correcting of previous errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Balance at beginning of current year	3,136,000,000.00	0.00	0.00	0.00	8,822,821,134.76	0.00	0.00	311,224.81	934,045,040.35	1,991,366,188.51	14,884,543,588.43
III. Amount of change in current term ("-" for decrease)	0.00	0.00	0.00	0.00	-128,127,274.83	0.00	0.00	-100,252.13	22,649,063.39	141,121,570.51	35,543,106.94
(I) Total of other gains	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	226,490,633.90	226,490,633.90
(II) Owners' input our retrieving of capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Common shares input by shareholders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Capital input by other equity holders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Amount of share payment including owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. 其它	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(III) Profit distribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,649,063.39	-85,369,063.39	-62,720,000.00
1. Providing of surplus reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,649,063.39	-22,649,063.39	0.00
2. Allotment to the owners (or shareholders)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-62,720,000.00	-62,720,000.00
3. Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(IV) Internal transition of owners' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Capitalizing of capital reserves (or to capital shares)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Capitalizing of surplus reserves (or to capital shares)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Making up losses by surplus reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(V) Special reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-100,252.13	0.00	0.00	-100,252.13
1. Provided this year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35,218,214.92	0.00	0.00	35,218,214.92
2. Used this term	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-35,318,467.05	0.00	0.00	-35,318,467.05
(VI) Others	0.00	0.00	0.00	0.00	-128,127,274.83	0.00	0.00	0.00	0.00	0.00	-128,127,274.83
IV. Balance at the end of this term	3,136,000,000.00	0.00	0.00	0.00	8,694,693,859.93	0.00	0.00	210,972.68	956,694,103.74	2,132,487,759.02	14,920,086,695.37

Section XII. Documents for Reference

1. Financial Statements signed and stamped by the legal representative, CFO, and accounting manager;
2. All of the original copies of documents and announcements that have been published on China Securities Journal, Securities Times, and Hong Kong Commercial Daily.
3. Original copy of the Auditors' Report under the seal of the CPA and signed by and under the seal of certified accountants.