

Bengang Steel Plates Co., Ltd.

Annual Report 2024

2024 Annual Report

I . Important Notice, Table of Contents, and Definitions

The Board of Directors, the Supervisory Board, and all Directors, Supervisors, and Senior Management of the Company ensure the authenticity, accuracy, and completeness of this annual report and confirm that there are no false records, misleading statements, or material omissions. They assume individual and joint legal responsibility for the report.

Huang Zuowei, the person in charge of the company, Zheng Zhengli, the person in charge of accounting work, and XXX3, the person in charge of the accounting organization (accounting officer), hereby confirm that the financial report in this annual report is true, accurate and complete.

All directors have attended the board meeting for reviewing this report.

This report involves forward-looking statements such as future plans, which do not constitute a substantial commitment of the company to investors. Investors are advised to pay attention to investment risks. This report is prepared in Chinese and English respectively. In the event of discrepancies in the interpretation of Chinese and foreign texts, the Chinese version shall prevail.

The Company has described the existing risks and countermeasures in detail in this report, please refer to the content of Section 3-11 "Risks Faced by the Company and Countermeasures". "China Securities Journal", "Securities Times", "Hong Kong Commercial Daily" and Juchao Information Network (www.cninfo.com.cn) are selected as the company's information disclosure media. All information of the company is subject to the information published in the above-mentioned designated media. Investors are kindly advised to pay attention to investment risks.

The Company plans not to pay cash dividends, issue bonus shares, or convert capital reserves into share capital.

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Reference File Directory

- 1. Financial statements containing the signatures and seals of legal representative, chief financial officer, and chief accountant;**
- 2. Original audit report stamped by the accounting firm and signed and stamped by certified public accountants;**
- 3. The originals of all company documents and announcements publicly disclosed during the reporting period;**
- 4. Annual reports published in other securities markets.**

Definition

Terms to be defined	Refers to	Content of Definition
Bengang Bancai, the Company, the Listed Company	Refers to	Bengang Steel Plates Co., Ltd.
Ansteel	Refers to	Ansteel Group Co., Ltd.
Bengang Group	Refers to	Bengang Group Co., Ltd.
Bengang Steel Co., Bengang Co.	Refers to	Benxi Steel & Iron (Group) Co., Ltd.
SSE	Refers to	Shenzhen Stock Exchange
Liaoning Provincial State-asset Administration	Refers to	Liaoning State-owned Asset Supervisory and Management Committee
Bengang Posco	Refers to	Bengang Posco Cold-rolled Sheet Co., Ltd.
Ansteel Finance Co.	Refers to	Ansteel Group Finance Co., Ltd.
Angang	Refers to	Angang Steel Company Limited
Vanadium & Titanium Co.	Refers to	Pangang Group Vanadium & Titanium Resources Co., Ltd.

II. Company Profile and Main Financial Index

I. Company Information

Stock abbreviation	Bengang Bancaí, Bengangban B	Stock Code	000761, 200761
Stock exchange for listing	Shenzhen Stock Exchange		
Company name in Chinese	本钢板材股份有限公司		
Abbreviation of Company name in Chinese	本钢板材		
Company name in English (If any)	BENGANG STEEL PLATES CO., LTD.		
Abbreviation of Company name in English (If any)	BSP		
Legal representative	Huang Zuowei		
Registered Address	No 16 Renmin Road, Pingshan District, Benxi City, Liaoning Province		
Postal Code of Registered Address	117000		
Historical Changes of Registered Address	None		
Office Address	No1-1 Gangtie Road, Pingshan District, Benxi City, Liaoning Province		
Postal Code of Office Address	117000		
Company Website	None		
Email	zhengzhengli76@126.com		

II. Contact Information

	Secretary of the Board	Representative of Stock Affairs
Name	Zheng Zhengli	Chen Liwen
Address	No1-1 Gangtie Road, Pingshan District, Benxi City, Liaoning Province	No1-1 Gangtie Road, Pingshan District, Benxi City, Liaoning Province
Tel	024-47827003	024-47828980
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Email	zhengzhengli76@126.com	bgb000761@126.com

III. Information Disclosure and Place for Consulting

Stock exchange website for annual report disclosure	http://www.szse.cn
Designated media and website for annual report disclosure	"China Securities Journal," "Securities Times," CNINFO (http://www.cninfo.com.cn)
Annual report archive location	Secretary Office of the Board, Bengang Steel Plate Co., Ltd.

IV. Change of Business Registration

Organization Code	91210000242690243E
Changes of principal business activities since listing (if any)	No change
Changes of the controlling shareholder in the past (is any)	On August 20, 2021, the company's original actual controller, the State-owned Assets Supervision and Administration Commission of Liaoning Provincial People's Government, signed the "Agreement on the Free Transfer of State-owned Equity of Benxi Steel Group Co., Ltd. between the State-owned Assets Supervision and Administration Commission of Liaoning Provincial People's Government and Angang Group Co., Ltd." The State-owned Assets Supervision and Administration Commission of Liaoning Province transferred 51% of its shares in Benxi Steel Group Co., Ltd. to Angang Group Co., Ltd. The business registration change was completed on October 12, 2021, and Angang Group Co., Ltd. became the actual controller of the company. The company's direct controlling shareholder remains unchanged, still being Benxi Steel (Group) Co., Ltd.

V. Other Information

The information of accounting Firm engaged by the Company:

Name of the accountants' firm	BDO China Shu Lun Pan Certified Public Accountants LLP
Address of the accountants' firm	Address: 4/F 61 Nanjing Rd. East, Huangpu, Shanghai
Name of the signing auditors	Wang Hongna, Fu Yangyi

Sponsor engaged by the Company to conduct sustained supervision during the reporting period

☐ Applicable ☒ Not applicable

Financial advisor responsible for ongoing supervision during the reporting period

☐ Applicable ☒ Not applicable

VI. Key accounting data and financial indicators

Whether the Company needs to retrospectively adjust or restate the accounting data of previous years

☒ Yes ☐ No

Reasons for retrospective adjustment or restatement

Business Combinations under Common Control

	2024	2023		Change compared to the previous year	2022	
		Prior to adjustment	After adjustment		Prior to adjustment	After adjustment
Operating income (RMB)	51,266,361,501.22	57,814,969,351.65	57,957,301,717.02	-11.54%	62,616,621,627.60	62,950,821,627.81
Net profit attributable to the	-5,037,271,398.28	-1,742,574,163.92	-1,720,871,697.00	-192.72%	-1,232,976,557.37	-1,220,743,024.01

shareholders of the listed company (RMB)						
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	-5,221,601,823.63	-2,067,775,288.69	-2,062,055,810.29	-153.22%	-1,416,415,028.51	-1,418,647,368.46
Net Cash flow generated by business operation (RMB)	1,100,287,994.25	4,329,351,258.30	4,346,233,881.23	-74.68%	1,276,362,965.56	1,195,846,602.31
Basic earnings per share (RMB/Share)	-1.226	-0.424	-0.419	-192.60%	-0.300	-0.297
Diluted earnings per share (RMB/Share)	-1.226	-0.424	-0.419	-192.60%	-0.300	-0.297
Weighted average net assets yield	-34.29%	-9.73%	-9.60%	-24.69%	-5.68%	-5.63%
	2024/12/31	2023/12/31		Change compared to the previous year	2022/12/31	
		Prior to adjustment	After adjustment	After adjustment	Prior to adjustment	After adjustment
Gross assets (RMB)	45,815,896,140.58	46,181,979,851.06	46,517,731,929.05	-1.51%	44,459,650,119.11	44,918,710,936.65
Net assets attributable to shareholders of the listed company (RMB)	11,887,217,861.48	17,009,969,496.07	17,208,525,613.69	-30.92%	18,789,151,216.62	17,186,714,934.88

In the most recent three accounting years, the lower of the net profit before and after deducting non-recurring gains and losses has been negative, and the audit report for the most recent year indicates uncertainty regarding the company's ability to continue as a going concern

☐ Yes ☒ No

The lower of the net profit before and after deducting non-recurring gains and losses is negative

☒ Yes ☐ No

Item	2024	2023	Notes
Operating income (RMB)	51,266,361,501.22	57,957,301,717.02	Total operating income
Amount deducted from operating income (RMB)	4,271,862,046.64	5,383,378,945.20	Income from the consolidated subsidiary, North Hengda Logistics Co., Ltd., from the beginning of the year to the consolidation date, including income from the sale of raw materials, waste products, and services provided
Operating income after deductions (RMB)	46,994,499,454.58	52,573,922,771.82	Amount of operating income after deductions

VII. Differences between CAS and IFRS

1. Differences of net profit and net assets disclosed in financial reports prepared under IFRS and Chinese accounting standards.

☐ Applicable ☒ Not applicable

There are no differences of net profit and net assets disclosed in financial reports prepared under IFRS and Chinese accounting standards during the reporting period.

2. Differences of net profit and net assets disclosed in financial reports prepared under IFRS and Chinese accounting standards.

☐ Applicable ☒ Not applicable

There are no differences of net profit and net assets disclosed in financial reports prepared under IFRS and Chinese accounting standards during the reporting period.

VIII. Key financial indicators by quarter

Unit: RMB

	First quarter	Second quarter	Third quarter	Fourth quarter
Operation income	14,807,070,392.43	13,557,468,894.37	11,803,800,343.86	11,098,021,870.56
Net profit attributable to the shareholders of the listed company	-905,564,796.05	-645,385,341.66	-1,654,743,264.77	-1,831,577,995.80
Net profit after deducting non-recurring gain/loss attributable to the shareholders of listed company	-917,000,630.43	-704,651,975.49	-1,707,422,431.70	-1,892,526,786.01
Net cash flows generated by operating activities	520,202,722.95	574,888,673.59	1,310,460,630.00	-1,305,264,032.29

Whether the above financial indicators or their totals differ materially from the financial indicators disclosed in the company's previously released quarterly or semi-annual reports.

☐ Yes ☒ No

IX. Items and Amount of Non-recurring Profits and Losses

☒ Applicable ☐ Not applicable

Unit: RMB

Item	2024	2023	2022	Notes
Gains and losses on disposal of non-current assets (including the write off part of the provision for impairment)	-35,999,024.90	298,940,955.41	3,648,546.62	
Government subsidy attributable to profit and loss of current period (except such government subsidy closely related to the company's normal business operation, meeting the regulation of national policy and enjoyed constantly in certain quota or quantity according to a certain standard)	180,819,165.49	100,870,396.00	91,310,786.48	
Profit or loss from investment or assets entrusted to others		-6,626,340.44	2,879,850.07	
Reversal of impairment provision for individually tested receivables	18,456,201.45			
Current period net profit or loss of subsidiaries from the beginning of the period to the merger date under common control	16,120,746.07			

business combination.				
Gains and losses of debt restructuring	6,459,490.86	5,200,982.08	1,274,270.98	
Other non-operating income and expenses other than above	40,152,707.29	-51,690,430.09	13,785,641.70	
Other profit and loss items that meet the definition of non-recurring gains and losses			92,174,927.78	
Less: impact of income tax	33,544,011.54	5,654,983.26	6,778,539.23	
impact of minority equity (after tax)	8,134,849.37	-143,533.59	391,139.95	
Total	184,330,425.35	341,184,113.29	197,904,344.45	--

Specific circumstances of other items that meet the definition of non-recurring gains and losses:

☐ Applicable ☒ Not applicable

The company has no other specific circumstances that meet the definition of non-recurring gains and losses.

Explanation of situations where non-recurring gains and losses items listed in the "Public Offering of Securities Information Disclosure Explanatory Notice No. 1 - Non-Recurring Gains and Losses" are defined as recurring gains and losses items.

☐ Applicable ☒ Not applicable

The company has no situations where non-recurring gains and losses items listed in the "Public Offering of Securities Information Disclosure Explanatory Notice No. 1 - Non-Recurring Gains and Losses" are defined as recurring gains and losses items.

III. Management Discussion and Analysis

I. Industry Overview During the Reporting Period

The company operates in the steel industry, which is a fundamental sector of China's national economy, a crucial support for building a modernized strong nation, and a key area for achieving green and low-carbon development.

In 2024, the steel industry faced multiple challenges and opportunities. Influenced by global economic conditions, domestic policy adjustments, and shifts in market demand, the industry exhibited characteristics such as "high supply levels, demand structure adjustments, strong export growth, continuous price declines, and squeezed profitability."

According to data from the National Bureau of Statistics, China's crude steel production in 2024 was 1.005 billion tons, a year-on-year decrease of 1.7%. Pig iron production was 852 million tons, decreased by 2.3% year-on-year, while steel production reached 1.4 billion tons, increase by 1.1% year-on-year. The apparent consumption of crude steel was 892 million tons, marking a 5.4% year-on-year decline. This indicates that while steel production was somewhat controlled, the drop in consumption was significantly larger than the decline in production, reinforcing the imbalance between strong supply and weak demand in the market.

Steel exports surged, with total exports increasing by 22.7% year-on-year to a record high, although the total export value fell by 1.1% year-on-year. Meanwhile, steel imports declined by 10.9% year-on-year. The China Steel Price Index (CSPI) averaged 102.47 points in 2024, decrease of 8.39% year-on-year. The industry's overall profitability also declined, with the total profits of key steel enterprises amounting to RMB 42.9 billion, reflecting a 50.3% year-on-year decrease.

In 2024, the Chinese government and relevant authorities introduced policies such as the 2024–2025 Energy Conservation and Carbon Reduction Action Plan and the Steel Industry Specification Conditions (2024 Revision) (Draft for Public Comment). These policies continued to implement crude steel output controls, promoted a higher proportion of electric arc furnace steelmaking and scrap steel utilization, and enhanced resource efficiency. Additionally, they introduced stricter environmental protection and technical standards, as well as comprehensive capacity upgrades and elimination requirements. These measures aim to push the steel industry toward high-end, intelligent, green, efficient, and safe development, thereby improving overall industry competitiveness and sustainability. The policies are expected to have significant impacts, including driving industry transformation and upgrading, strengthening environmental protection and resource utilization, enhancing product quality and standardization, influencing production capacity distribution and market dynamics, optimizing tax policies and market mechanisms, and fostering international cooperation and competitiveness.

II. Main Business Operations During the Reporting Period

1. Main Business, Main Products, and Their Uses

During the reporting period, the company's main business activities included steelmaking, rolling processing, power generation, coal chemical industry, special steel bar production, railway, import and export trade, scientific research, and product sales. The company introduced advanced global equipment technology to upgrade and transform the steel business, essentially establishing a premium steel base. It developed a product series of over 60 varieties and more than 7,500 specifications, with a proportion of high value-added and high-tech content products reaching over 80%. Leading products such as automotive surface panels, home appliance panels, petroleum pipeline steel, container steel, and shipbuilding steel are widely used in industries such as automotive, home appliances, petrochemicals, aerospace, machinery manufacturing, energy and transportation, construction decoration, and metal products. These products are also exported to multiple countries and regions.

2. Business Model

Procurement Model: The company's procurement model includes domestic and foreign procurement. Domestic procurement involves collaborative purchasing, unified bidding (public, invitation), inquiry comparison, competitive bidding, negotiation, etc. Foreign procurement is conducted through long-term agreements, direct procurement, public and invitation bidding, inquiry price comparison, competitive negotiation, and consulting procurement, mainly handled by Bensteel International Trade Company.

Sales Model: The company's sales are divided into domestic and export sales. Domestic sales mainly focus on futures sales, with sales channels primarily including direct supply, circulation, and engineering, and contract orders are organized monthly in advance, followed by production based on the orders. Various pricing policies such as post-settlement futures, customized pricing per plant, and index pricing are implemented based on different regions, channels, and industries. Export sales are managed by Bensteel International Trade Company, with the company paying an agency fee for export services.

3. Main Performance Drivers

The company focuses on building a world-class enterprise, closely aligning with the strategic deployment of "focusing on five key areas and pushing for three new breakthroughs." It fully implements the overall work requirements of "stabilizing, controlling, and improving three aspects, while opening up five new areas." The company promotes the transformation and upgrading of "Reform + Lean" and "Digital + Technology." It insists on making strategic implementation and brand building key tasks, strengthens the "sales, research, and production" linkage, and vigorously promotes the "one-consistent system" quality management across all processes. The company is customer-centered, meeting user needs, and strengthening the construction of the industrial chain ecosystem. The company focuses on building the competitiveness of automotive steel brands and enhancing its core functions.

By prioritizing technological innovation, the company accelerates its shift from "extensive" to "intensive" development, advancing the development of new productive forces, and continuously shaping new momentum and advantages. The company firmly focuses on the "Reform + Lean" transformation and upgrading, and pursues innovation with integrity, achieving deep efficiency transformation, which has led to remarkable results in production, operation, and enterprise reform.

During the reporting period, the company's main business and business model have not changed.

III. Core Competence Analysis

The company adheres to an innovation-driven approach and a "premium + service" development model, with strategic goals to build an internationally competitive premium steel plate base, a leading domestic special steel base, and a comprehensive service provider. By playing a leading role in strategy, the company focuses on quality improvement, efficiency enhancement, product upgrades, technological innovation, and green and smart manufacturing. These efforts aim to innovate business management strategies, enhance core competitiveness, and drive high-quality, green, and smart development.

1. **Production and Manufacturing Capacity:** The company focuses on efficiency, adhering to the strategic goal of leading development in automotive steel. It aims to stabilize production, improve quality, reduce costs, and increase efficiency. The company is strongly advancing structural adjustments to production lines, increasing the proportion of efficient and high-quality production lines, and addressing fluctuations in blast furnace performance. The company has gradually stabilized the blast furnace while maintaining high output. The integration of production and sales is strengthened, allowing for flexible adjustment of sales strategies. The direct supply ratio of automotive steel and sales to major automotive manufacturers are on the rise. The company continues to deepen "Lean + Basic" management, striving to achieve manufacturing and processing cost advantages over industry standards for key products.

2. **Equipment Transformation and Upgrading:** In 2024, the company approved a fixed asset investment plan of 1.945 billion yuan. The company has implemented several key projects, including the transformation of the plate energy management center from steam drum to electric drum, supporting power grid renovation for the supercritical power generation project, and multiple dust removal system upgrades for the blast furnace operation area and sintering systems. These projects represent a new round of large-scale technological transformation and ultra-low emission upgrades.

3. **New Product Development Capability:** The company successfully developed 58 new product grades, achieving orders of 390,000 tons. It has overcome technical barriers in the hydrogen energy industry and developed hydrogen pipeline steel grades L245MH and L360MH, with excellent hydrogen resistance performance meeting Sinopec's technical specifications for hydrogen transmission. The company also developed a 700MPa high-strength steel for photovoltaic brackets (GF700), which offers excellent formability and high wind resistance. Additionally, it achieved stable exports of hot-rolled pile pipe steel (HK490, HK400) to Japan, made breakthroughs in key technologies for high-carbon, large-sized special steel products, and successfully rolled 0.8mm ultra-thin CP steel using a six-roll reversible mill.

4. **Technological Innovation Capability:** The company strengthens university-industry cooperation, signing 13 external technology cooperation projects with institutions like Dalian University of Technology and Northeastern University, facilitating the transfer of mature scientific and technological achievements to the company. The company has participated in the completion of one international standard (ISO), one national standard, two industry standards, and two group standards. It has drafted 87 enterprise standards. The company has filed 311 patent applications, including 20 overseas, and received 101 patents, with 32 being invention patents. In terms of scientific and technological achievements, the company has won 12 provincial and ministerial-level awards, including the second prize of the National Science and Technology Progress Award for a project on electromagnetic regulation technology for large metal billet preparation, and first and second prizes in metallurgical science and technology progress.

5. **Green Development Capability:** The company actively responds to national environmental protection policies, implementing 111 ultra-low emission projects to fulfill its environmental responsibilities. In 2024, the company successfully completed the "semi-steel" production path and achieved a 30% carbon reduction target, earning recognition as a "Best Practice Energy Efficiency Benchmark Enterprise" under the "Double Carbon" initiative. It was also selected as a 2024 "Carbon Peak Leader" enterprise in China. The company has also been actively promoting the recycling and utilization of by-products in the smelting industry and expanding its photovoltaic power generation projects, achieving more than 17 MW of grid-connected electricity.

6. **Intelligent Manufacturing Capability:** In 2024, the company focused on deep applications in projects like integrated control of plate steel production, energy management, and smart material yards. The company achieved a saving of 177 million yuan in effectiveness and improved information security through intrusion prevention network construction. The company is advancing towards high-quality development in line with the big data era. Guided by the core indicators of the 14th Five-Year Plan, the company is advancing the construction of automation, informatization, digitization, and intelligence, with an automation rate of key production line areas reaching 96% and full coverage of production execution system construction. The completion rate of 3D job replacement, four-dimensional production lines, and four-dimensional factories increased by 30%.

IV. Main Business Analysis

1. Overview

In 2024, faced with a challenging and complex market environment, the company firmly upheld the concept of excellence, strengthened systematic thinking, proactively planned, and responded positively, ensuring overall stability in production and operations. The annual output reached 9.88 million tons of pig iron, 10.72 million tons of crude steel, and 13.59 million tons of commercial steel. Key achievements throughout the year are as follows:

The company fully advanced the enhancement of production and operational control capabilities. The ability to maintain efficient and stable production was further strengthened, and the adjustment of production line structures was vigorously promoted. The company successfully overcame the persistent challenges in blast furnace fluctuations, ensuring high and steady output. The integration of production and sales was further strengthened, allowing for flexible adjustment of sales strategies, optimizing resource allocation, and deepening market penetration in regional markets, with a focus on national key projects and actively expanding markets for pipeline steel and container steel. The ability to reduce costs and increase efficiency was also enhanced, adhering to the principle of "ensuring survival" through optimization of technical and economic indicators, ensuring new production lines reached expected capacity and efficiency, and optimizing the production line structure to maximize resource savings.

The company made breakthroughs in industry transformation and upgrading. With a firm focus on high-quality development, the company promoted transformation and upgrading towards higher-end, intelligent, and green directions. Achievements in digitalization included the establishment of a smart environmental protection and carbon data management platform, as well as the online collection of LCA data. The company further deepened its digital infrastructure, and the integration of informatization and industrialization management systems was evaluated at a 2A level. In terms of green and low-carbon development, the company pioneered the "50% scrap steel + electric furnace" low-carbon metallurgy process and launched cold-rolled galvanized automotive sheets as a green and low-carbon product at the China Brand Expo. The company also initiated energy efficiency actions, eliminating outdated mechanical and electrical equipment.

The company continued to drive technological innovation. It achieved certification as a "National High-Tech Enterprise," and Benxi POSCO was recognized as a "Liaoning Province Innovative SME." Significant progress was made in key process technologies, and scientific and technological achievements continued to rise. The company increased its efforts in new product development, with 58 new product grades developed in 2024. The company focused on the development of products for China's hydrogen energy industry and new energy industry, completing the development of various grades of precision tubing steel. In addition, efforts were made to improve product certification, with 22 grades of soft steel, high-strength steel, and hot-stamping steel passing certification by Hozon Auto, laying the foundation for supplying full vehicles.

The company also made steady progress in enhancing reform and management capabilities. Under the guidance of the 14th Five-Year Plan, the company continued to improve market-oriented management and operational mechanisms, laying a solid foundation for high-quality development. Lean management capabilities were further strengthened, with plant-specific strategies and on-site evaluations implemented, reinforcing operational standardization and promoting precision management. Reform demonstration actions were further deepened, aligning organizational restructuring with corporate strategy, and enhancing management efficiency in operations, environmental protection, and digitalization. Risk control capabilities were strengthened, with efforts to secure national policy support, revitalize idle assets, and reinforce safety management through the "100-Day Action" campaign. Furthermore, daily environmental supervision, legal risk management, equipment precision enhancement, and audit supervision were all reinforced.

2. Operating Income and Operating Cost

(1) Breakdown of Operating Income

Unit: RMB

	2024		2023		Change over last year
	Amount	Proportion	Amount	Proportion	
Total operating income	51,266,361,501.22	100%	57,957,301,717.02	100%	-11.54%
By industries					
Industry	51,266,361,501.22	100.00%	57,957,301,717.02	100.00%	-11.54%
By product					
Steel plate	50,063,324,955.34	97.65%	55,988,417,376.02	96.60%	-10.58%
Others	1,203,036,545.88	2.35%	1,968,884,341.00	3.40%	-38.90%
By region					
Domestic	42,160,555,732.72	82.24%	49,647,890,061.78	85.66%	-15.08%
International	9,105,805,768.50	17.76%	8,309,411,655.24	14.34%	9.58%

By sales model					
Direct selling	30,551,325,723.59	59.59%	39,218,786,088.06	67.67%	-22.10%
Distribution	20,715,035,777.63	40.41%	18,738,515,628.96	32.33%	10.55%

(2) Industries, products, regions, or sales models accounting for more than 10% of the company's revenue or operating profit

☒Applicable ☐Not applicable

Unit: RMB

	Operating income	Operating costs	Gross margin	Operating income change over last year	Operating costs change over last year	Gross margin change over last year
By industries						
Industry	51,266,361,501.22	54,693,756,805.43	-6.69%	-11.54%	-6.43%	-5.83%
By product						
Steel plate	50,063,324,955.34	53,477,611,508.35	-6.82%	-10.58%	-5.37%	-5.89%
Others	1,203,036,545.88	1,216,145,297.08	-1.09%	-38.90%	-37.33%	-2.53%
By region						
Domestic	42,160,555,732.72	45,296,220,341.15	-7.44%	-15.08%	-11.24%	-6.34%
International	9,105,805,768.50	9,397,536,464.28	-3.20%	9.58%	26.65%	-4.02%
By sales model						
Direct selling	30,551,325,723.59	32,496,042,825.90	-6.37%	-22.10%	-17.68%	-5.72%
Distribution	20,715,035,777.63	22,197,713,979.53	-7.16%	10.55%	16.97%	-5.88%

In the case where the statistical scope of the company's main business data has been adjusted during the reporting period, the company's main business data for the most recent year, adjusted according to the reporting period's scope.

☐Applicable ☒Not applicable

(3) Whether the company's physical sales revenue is greater than service revenue

☒Yes ☐No

Industry classification	Item	Unit	2024	2023	Change over last year
Steel rolling processing industry	Sales volume	ton	14,138,570.54	13,969,225.21	1.21%
	Production volume	ton	14,118,898.30	13,906,372.52	1.53%
	Inventory volume	ton	389,800.00	409,472.24	-4.80%

Explanation of the reasons for a year-on-year change of more than 30%

☐Applicable ☒Not applicable

(4) The performance of major sales contracts and major procurement contracts signed by the company as of the end of this report period

☐Applicable ☒Not applicable

(5) Breakdown of Operating Cost

Products classification

Unit: RMB

Industry classification	Item	2024	2023	Change over last
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						year
		Amount	Proportion	Amount	Proportion	
Steel rolling processing industry	Raw material	28,457,161,665.87	52.03%	30,657,207,929.57	52.45%	-0.42%
Steel rolling processing industry	Supplementary materials	2,417,464,050.80	4.42%	2,320,478,846.15	3.97%	0.45%
Steel rolling processing industry	Spare parts and tools	661,794,457.35	1.21%	625,418,731.83	1.07%	0.14%
Steel rolling processing industry	Fuel	17,283,227,150.52	31.60%	18,324,184,339.22	31.35%	0.25%
Steel rolling processing industry	Energy	2,357,300,918.31	4.31%	2,489,984,857.58	4.26%	0.05%
Steel rolling processing industry	Salary and benefits	1,422,037,676.94	2.60%	1,776,890,602.59	3.04%	-0.44%
Steel rolling processing industry	Depreciation	1,635,343,328.48	2.99%	1,823,650,881.61	3.12%	-0.13%
Steel rolling processing industry	Others	459,427,557.17	0.84%	432,532,580.89	0.74%	0.10%
Steel rolling processing industry	Total	54,693,756,805.43	100.00%	58,450,348,769.43	100.00%	0.00%

Note

None

(6) Whether there were any changes in the consolidation scope during the reporting period

☒Yes ☐No

On December 23, 2024, the company held the 31st meeting of the 9th Board of Directors, where the proposal regarding the acquisition of equity in North Hengda Logistics Co., Ltd. was reviewed and approved. The company agreed to acquire 100% of the equity in North Hengda Logistics Co., Ltd. held by Benxi Steel Group Co., Ltd. in cash. After the completion of this transaction, Hengda Logistics became a wholly-owned subsidiary of the company and was included in the scope of the company's consolidated financial statements. The business registration procedures were completed on December 25, 2024.

(7) Significant changes or adjustments in the Company's business, products, or services during the reporting period

☐Applicable ☒Not applicable

(8) Information of Main Customers and Main Suppliers

Information of Main Customers

Total sales amount of the top five customers (Yuan)	9,861,558,536.01
Total sales amount of the top five customers accounted for the proportion of total annual sales	19.24%
The proportion of the total sales of the related parties in the top five customers	6.14%

Information of the top 5 customers

No	Name	Amount (Yuan)	Proportion
1	Delin Land Port Supply Chain Service Co., Ltd.	3,147,919,354.04	6.14%
2	China North Industries Group (Shanghai) Co., Ltd.	2,431,466,454.47	4.74%
3	Haining Tengchuang New Materials Technology Co., Ltd.	1,886,454,329.54	3.68%
4	Hailian Jinhui Technology Co., Ltd.	1,281,564,773.31	2.50%
5	Ningbo AUX Trade Co., Ltd.	1,114,153,624.65	2.17%
Total	--	9,861,558,536.01	19.24%

Other information of principal customers

☐ Applicable ☒ Not applicable

Information of the Company's main suppliers

Total purchase amount of the top five suppliers (Yuan)	24,831,267,185.88
Total purchase amount of the top five suppliers accounted for the proportion of total purchase	45.40%
The proportion of the total purchase of the related parties in the top five suppliers	36.71%

Information of the top 5 suppliers

No.	Name	Amount (Yuan)	Proportion
1	Benxi Beiyang Steel & Iron (Group) Co., Ltd.	12,984,510,675.06	23.74%
2	Benxi Steel & Iron (Group) Mining Co., Ltd.	4,591,090,218.87	8.39%
3	Liaoning Electric Power Co., Ltd. Benxi Electric Power Supply Company	2,575,333,402.40	4.71%
4	Benxi Steel (Group) Mining Liaoyang Ma'erling Pellet Co., Ltd.	2,504,269,802.79	4.58%
5	Heilongjiang Dragon Coal Group Co., Ltd.	2,176,063,086.76	3.98%
Total	--	24,831,267,185.88	45.40%

Other information of principal suppliers

☐ Applicable ☒ Not applicable

3. Expense

Unit: RMB

	2024	2023	Change over last year	Notes to significant change
Selling and distribution expenses	142,638,617.77	149,659,100.28	-4.69%	
General and administrative expenses	702,788,411.83	619,677,417.05	13.41%	
Financial Expenses	240,331,316.82	308,033,042.23	-21.98%	
Research and Development Expenses	86,415,509.29	81,247,560.73	6.36%	

4. Research and Development Input

☒Applicable ☐Not applicable

Name of Project	Project Objective	Project Progress	Expected Target	Expected Impact
Development and Application of Coal Blending Structure Optimization and Control Technology Based on Associated Coal Quality Expansion	Based on the research of 25 types of complex coking coal quality characteristics used by Bensteel, the aim is to establish the relationship between the expansion and rheological characteristics of coking coal and its coking ability. The goal is to identify how changes in the inherent expansion and rheological characteristics of coking coal impact key indicators such as coke CSR.	Currently in the basic experimental phase. 20 single coal samples, including main coking coal, fat coal, one-third coking coal, and lean coal, have been collected. Comparative analysis of coal quality, especially expansion degree, has been conducted and basic coal quality data accumulated, resulting in three blending schemes to guide coke production.	Focused on the high-temperature bonding properties of 25 types of production coking coal, developing blending research for low-cost coal and new resource development, as well as controlling coke particle size uniformity. The optimization of blending structure is expected to reduce blending costs by 2 RMB per ton of coke, resulting in cost savings of over 7 million RMB annually.	Stabilizing coke quality and reducing blending costs.
Study on Hydrogen Permeation Behavior and Hydrogen Embrittlement Mechanism of 980MPa Grade Medium Manganese Steel	To systematically study the hydrogen diffusion and permeation behavior and hydrogen damage performance of 980MPa grade medium manganese steel, establishing the correlation between high-strength steel microstructure (phase composition, grain size, etc.) and hydrogen embrittlement sensitivity.	The small furnace smelting process has been completed, and laboratory hot rolling processes have been developed. Subsequent heat treatment processes are completed, and hydrogen embrittlement experimental design and preparations are underway.	Analyze steel sample microstructures using metallography, SEM, and EDS methods to compare their hydrogen permeation properties. The goal is to identify advanced high-strength steel phases responsible for hydrogen permeation performance and to analyze microstructural characteristics that mitigate hydrogen embrittlement.	Providing data support for improving hydrogen embrittlement resistance in automotive high-strength steels, guiding future design and optimization to extend component lifespan.
Development of Hot-Rolled Coil for X52 Hydrogen Pipeline	To study the key production technology of X52 grade hot-rolled coil for hydrogen pipelines, conduct R&D, and industrial trial production to meet	X52 grade pure hydrogen pipeline steel has been trial-produced. The mechanical performance of the pipe body meets all inspection	Achieve industrial trial production of X52 grade hydrogen pipelines (with diameter $\geq \Phi 460\text{mm}$, pressure $\geq 6.3\text{MPa}$, wall thickness $\geq 12.7\text{mm}$,	Supporting national low-carbon green development strategy, establishing manufacturing technology

	hydrogen resistance performance requirements.	requirements, and hydrogen resistance performance evaluation is ongoing.	and hydrogen purity $\geq 99.9\%$). The mechanical and process performance will meet DEC standards, and hydrogen resistance performance will meet the requirements of a hydrogen embrittlement sensitivity index $\leq 30\%$, and fracture toughness $\geq 55\text{MPa}\cdot\text{m}^{1/2}$.	reserves for pure hydrogen pipelines, and enabling Bensteel to position itself in the new energy market.
Revision of International Standard for Determining Iron Content in Manganese Ore and Manganese Concentrates by Flame Atomic Absorption Spectrometry	To develop the international standard for determining iron content in manganese ore and concentrates using flame atomic absorption spectrometry. This standard will specify the applicable scope, principle, reagents, equipment, testing steps, result calculation, and test report.	Following the international standard development timeline, internal precision verification experiments have been completed, and the standard draft has been submitted to the International Organization for Standardization (ISO) at the WD (Working Draft) stage. After completing internal verification, inter-laboratory precision verification experiments were conducted, with 2 foreign laboratories and 12 domestic laboratories participating.	The international standard for determining iron content in manganese ore and concentrates by flame atomic absorption spectrometry will be published and implemented.	As China is the largest importer of manganese ore and concentrates globally, leading the development of international standards for iron content detection will strengthen China's influence in the ferroalloy field and protect the rights of domestic manganese ore importers in international trade.

Company R&D Personnel Information

	2024	2023	Change over last year
Number of R&D Personnel (persons)	1,370	1,456	-5.91%
Percentage of R&D Personnel	10.43%	10.12%	0.31%
Educational Structure of R&D Personnel			
Bachelor's Degree	936	1,090	-14.13%
Master's Degree	142	152	-6.58%

Age Structure of R&D Personnel			
Under 30 years old	73	75	-2.67%
30-40 years old	354	452	-21.68%

R&D Investment Overview

	2024	2023	Change over last year
R&D Investment Amount (in RMB)	1,595,660,007.17	1,787,193,677.09	-10.72%
R&D Investment as a Percentage of Operating revenue	3.11%	3.08%	0.03%
Amount of R&D Investment Capitalized (in RMB)	0.00	0.00	0.00%
Capitalized R&D Investment as a Percentage of Total R&D Investment	0.00%	0.00%	0.00%

Reasons for Significant Changes in R&D Personnel Composition and Impact

☐ Applicable ☒ Not applicable

Reasons for Significant Changes in the Proportion of R&D Investment to Operating Income Compared to the Previous Year

☐ Applicable ☒ Not applicable

Reasons for the Significant Change in Capitalization Rate of R&D Investment and Explanation of Its Reasonableness

☐ Applicable ☒ Not applicable

5. Cash Flow

Unit: RMB

Item	2024	2023	Change over last year
Subtotal of cash inflows from operating activities	56,354,930,509.54	55,578,037,984.00	1.40%
Subtotal of cash outflows from operating activities	55,254,642,515.29	51,231,804,102.77	7.85%
Net cash flows from operating activities	1,100,287,994.25	4,346,233,881.23	-74.68%
Subtotal of cash inflows from investing activities	137,069,554.37	87,797,599.66	56.12%
Subtotal of cash outflows paid for investing activities	975,204,696.55	994,821,507.90	-1.97%
Net cash flows from investing activities	-838,135,142.18	-907,023,908.24	7.60%
Subtotal of cash inflows from financing activities	7,573,123,889.76	2,778,395,091.10	172.57%
Subtotal of cash outflows from financing activities	7,497,684,459.06	6,348,054,743.09	18.11%
Net cash flows from financing activities	75,439,430.70	-3,569,659,651.99	102.11%
Net increase in cash and cash equivalents	390,519,810.53	-96,978,218.41	502.69%

Explanation of Major Impact Factors for Significant Year-on-Year Changes

☒ Applicable ☐ Not applicable

- (1) The net cash flow from operating activities decreased by 74.68% compared to the previous period, mainly due to a decrease in cash receipts from sales.
- (2) The total cash inflow from investing activities increased by 56.12% compared to the previous period, primarily due to higher cash proceeds from asset disposals.
- (3) The total cash inflow from financing activities increased by 172.57% compared to the previous period, mainly due to an increase in borrowings.
- (4) The net cash flow from financing activities increased by 102.11% compared to the previous period, primarily due to an increase in borrowings.

(5) The net increase in cash and cash equivalents increased by 502.69% compared to the previous period, mainly due to the increase in cash received from asset disposals and the increase in borrowings.

Explanation of the significant difference between the net cash flow generated from operating activities and the net profit for the reporting period.

☒Applicable ☐Not applicable

Item	Current Year Amount
Adjust Net Profit to Operating Cash Flow:	
Net Profit	-4,960,117,417.26
Add: Asset Impairment Loss	278,486,334.42
Credit Impairment Loss	-50,143,005.20
Depreciation of Fixed Assets, Depletion of Oil and Gas Assets, Depreciation of Productive Biological Assets	1,635,677,342.74
Amortization of Right-of-Use Assets	77,920,658.71
Amortization of Intangible Assets	9,634,760.52
Amortization of Long-term Deferred Expenses	
Loss on Disposal of Fixed Assets, Intangible Assets, and Other Long-term Assets (gain indicated by "-")	-13,020,778.49
Loss on Fixed Asset Retirement (gain indicated by "-")	49,019,803.39
Fair Value Change Loss (gain indicated by "-")	
Financial Expenses (gain indicated by "-")	272,427,588.47
Investment Loss (gain indicated by "-")	42,967,621.92
Decrease in Deferred Income Tax Assets (increase indicated by "-")	93,801,445.51
Increase in Deferred Income Tax Liabilities (decrease indicated by "-")	-77,015,188.35
Decrease in Inventory (increase indicated by "-")	157,980,745.75
Decrease in Operating Receivables (increase indicated by "-")	1,927,753,242.95
Increase in Operating Payables (decrease indicated by "-")	1,654,268,244.56
Others	646,594.61
Net Cash Flow from Operating Activities	1,100,287,994.25

V. Analysis of Non-core Business

☒Applicable ☐Not applicable

Unit: RMB

	Amount	Proportion in total profit	Explanation of cause	Whether sustainable
Credit impairment loss (losses are marked with a "-")	50,143,005.20	-1.03%	Mainly for the reversal of impairment provision for accounts receivable.	No
Investment income (losses are marked with a "-")	-42,967,621.92	0.88%	Mainly due to the interest from the discounting of bank acceptance bills and investment income from long-term equity investments accounted for using the equity method.	No
Asset impairment loss (losses are marked with a "-")	-278,486,334.42	5.72%	For the provision for inventory impairment.	No
Other income	200,140,947.91	-4.11%	Mainly for government subsidy gains.	No
Non-operating income	45,789,122.58	-0.94%	Mainly for gains from the disposal of non-current assets	No

			and insurance compensation.	
Non-operating expenses	54,707,998.74	-1.12%	Mainly for the losses from the disposal of non-current assets.	No

VI. Assets and Liabilities

1. Significant Change of Assets Components

Unit: RMB

	Ending balance of 2024		Beginning balance of 2024		Proportion on change	Notes to significant change
	Amount	Proportion in the total assets	Amount	Proportion in the total assets		
Cash and cash equivalents	2,453,888,470.48	5.36%	2,210,057,475.05	4.75%	0.61%	
Accounts receivable	501,484,081.73	1.09%	1,329,347,134.49	2.86%	-1.77%	
Inventories	7,333,084,694.27	16.01%	7,769,551,774.44	16.70%	-0.69%	
Long-term equity investment	45,413,221.72	0.10%	46,910,346.41	0.10%		
Fixed assets	26,426,320,453.57	57.68%	25,174,210,887.76	54.12%	3.56%	
Construction in process	3,934,442,501.50	8.59%	4,308,404,147.31	9.26%	-0.67%	
Right of use asset	1,685,925,710.14	3.68%	1,319,616,179.37	2.84%	0.84%	
Short-term loans	371,055,490.50	0.81%	328,000,000.00	0.71%	0.10%	
Contract liability	2,908,598,425.73	6.35%	3,318,451,501.35	7.13%	-0.78%	
Long-term loans	2,891,941,462.40	6.31%	1,723,726,700.80	3.71%	2.60%	
Lease liability	1,633,911,586.51	3.57%	1,342,427,252.45	2.89%	0.68%	

The proportion of foreign assets is high

☐Applicable ☒Not applicable

2. Assets and Liabilities Measured at Fair Value

☒Applicable ☐Not applicable

Unit: RMB

Item	Beginning balance	Profit and loss from changes in fair value in the current period	Accumulated fair value changes recognised in equity	Impairment accrued in the current period	Amount purchased in the current period	Amount sold in the current period	Other changes	Ending balance
Financial assets								
Other equity instruments investment	974,463,039.83		-122,613,267.37					933,426,254.63

Total	974,463,039.86		- 122,613,267.37					933,426,254.63
Financial liabilities	0.00		0.00					0.00

Other changes

Whether there has been a significant change in the measurement attributes of the company's main assets during the reporting period

☐ Yes ☒ No

3. Restricted Assets by the End of the Period

Item	Ending balance	Why asset is restricted
Cash and cash equivalents	863,683,251.57	Bill margin, letter of credit margin
Notes receivable	165,968,800.17	Pledge

VII. Analysis on Main Subsidiaries and Share Participating Companies

1. Overview

☐ Applicable ☒ Not applicable

2. Significant equity investment obtained during the reporting period

☒ Applicable ☐ Not applicable

Unit: RMB

Invested company name	Main business	Acquisition method	Investment amount	Shareholding ratio	Funding source	Partners	Investment duration	Product type	Progress as of the balance sheet date	Expected return	Investment profit or loss for the period	Involves litigation	Disclosure date (if any)	Disclosure index (if any)
North Hengda Logistics Co., Ltd.	Steel rolling processing, etc.	Acquisition	196,619,544.86	100.00%	Own fund	None	Long-term	Equity investment	Equity acquisition completed	0.00	16,120,746.07	None	December 24, 2024	Announcement on the Acquisition of Equity in North Hengda Logistics Co., Ltd. and Relat

														ed Trans actio ns (Ann ounc emen t No. 2024- 073)
Total	--	--	196,6 19,54 4.86	--	--	--	--	--	--	0.00	16,12 0,746 .07	--	--	--

3. Major non-equity investments ongoing during the reporting period.

☐Applicable ☒Not applicable

4. Financial asset investments

(1) Securities investment

☐Applicable ☒Not applicable

The company did not have any securities investments during the reporting period.

(2) Derivative investment situation

☐Applicable ☒Not applicable

The company did not have any derivative investments during the reporting period.

5. Use of raised funds

☒Applicable ☐Not applicable

(1) Use of Raised Funds

☒Applicable ☐Not applicable

Unit: RMB

Fund raisin g Year	Fund raisin g Metho d	Securi ties Listin g Date	Total Raise d Funds	Net Raise d Funds (1)	Total Funds Used in the Curre nt Period	Cumu lative Funds Used (2)	Fund Usage Ratio at the End of the Repor ting Period (3) = (2) / (1)	Total Funds Redir ected Durin g the Repor ting Period	Cumu lative Redir ected Funds	Cumu lative Redir ected Funds Ratio	Total Unuse d Raise d Funds	Purpo se and Destin ation of Unuse d Funds	Amou nt of Funds Idle for More Than Two Years
2020	Issue of conve rtible	Augus t 4, 2020	680,0 00	675,9 20	11,19 1.83	487,4 23.37	72.11 %	0	0	0.00%	188,4 96.63	Not applic able	101,4 79

	bonds												
Total	--	--	680,000	675,920	11,191.83	487,423.37	72.11%	0	0	0.00%	188,496.63	--	101,479
Explanation of the overall use of raised funds													
1. Use of Funds Raised for Investment Projects													
The actual use of the funds raised in 2024 is detailed in the attached table "Comparison Table of the Use of Funds Raised by Public Issuance of Convertible Bonds."													
2. Changes in the Implementation Location or Method of Investment Projects													
During the reporting period, there were no changes in the investment projects funded by the raised funds, nor were there any changes in their implementation locations or methods.													
3. Initial investment and replacement of raised funds investment projects													

The 13th meeting of the 8th Board of Directors and the 11th meeting of the 8th Board of Supervisors of the Company reviewed and approved the "Proposal on Using Raised Funds to Replace Self-raised Funds Pre-invested in Raised Fund Investment Projects and Paid Issuance Expenses", agreeing that the company will use raised funds to replace self-raised funds pre-invested in raised funds investment projects and paid issuance expenses, with a total replacement amount of RMB 366,180,860.17. This replacement does not involve a disguised change in the use of raised funds, does not affect the normal progress of raised funds investment projects, and the replacement time is no more than 6 months from the time the raised funds arrive, which is in compliance with relevant laws and regulations.

Before the raised funds were received, the company had used self-raised funds to pre-invest in the raised projects according to the project progress. As of May 31, 2020, the amount of self-raised funds pre-invested was RMB 365,630,860.17, including the steel plant No. 8 casting machine project was RMB 76,278,945.59, the iron plant No. 5 blast furnace capacity replacement project was RMB 119,043,290.09, the special steel electric furnace upgrade and transformation project was RMB 59,948,807.90, the CCPP power generation project was RMB 95,098,084.16, and the steel plant No. 4-6 converter environmental protection transformation project was RMB 15,261,732.43. As of July 6, 2020, the above-mentioned issuance expenses of RMB 55,000.00 paid by the company's own funds were replaced with raised funds.

From March 1, 2019 to May 31, 2021, the company used self-raised funds to pay for the construction of projects funded by the raised funds, amounting to RMB 1,082,356,809.47, including RMB 180,000.00 for the high-grade high-magnetic induction non-oriented silicon steel project, RMB 55,364,729.08 for the No. 8 casting machine project of the steelmaking plant, RMB 628,049,033.12 for the capacity replacement project of the No. 5 blast furnace of the ironmaking plant, RMB 253,298,156.22 for the upgrading and transformation project of the special steel electric furnace, RMB 115,353,050.36 for the CCPP power generation project, and RMB 30,111,840.69 for the environmental protection transformation project of the No. 4-6 converters of the steelmaking plant. The company has transferred the above amounts from the raised funds account to the general deposit account in 2021.

From June 1, 2021 to May 31, 2022, the company used self-raised funds to pay for the construction of projects funded by the raised funds, amounting to RMB 614,208,698.23, including: RMB 12,881,890.61 for the No. 8 Casting Machine Project of the Steelmaking Plant, RMB 17,508,088.97 for the Capacity Replacement Project of the No. 5 Blast Furnace of the Ironmaking Plant, RMB 364,155,482.35 for the Upgrading and Reconstruction Project of the Special Steel Electric Furnace, RMB 186,441,497.75 for the CCPP Power Generation Project, and RMB 33,221,738.55 for the Environmental Protection Reconstruction Project of the No. 4 and No. 6 Converters of the Steelmaking Plant. The company has transferred the above amounts from the raised funds account to the general deposit account in 2022.

From June 1, 2022 to May 31, 2023, the company used self-raised funds to pay for the construction of the raised funds investment projects, amounting to RMB 494,502,583.01, of which RMB 15,316,136.52 was used for the capacity replacement project of No. 5 blast furnace of the ironmaking plant, RMB 19,796,661.74 for the CCPP power generation project, RMB 429,392,157.76 for the upgrading and transformation project of the special steel electric furnace, RMB 21,452,968.70 for the environmental protection transformation project of No. 4-6 converters of the steelmaking plant, and RMB 8,544,658.29 for the No. 8 casting machine project of the steelmaking plant. As of December 31, 2023, the company has transferred the funds from the raised funds account to the general deposit account.

From June 1, 2023 to May 31, 2024, the company used self-raised funds to pay for the construction of the raised investment projects, amounting to RMB 102,185,736.55, of which RMB 24,887,030.75 was used for the No. 8 casting machine project of the steelmaking plant, RMB 5,111,121.59 for the capacity replacement project of the No. 5 blast furnace of the ironmaking plant, RMB 60,162,375.13 for the upgrading and transformation project of the special steel electric furnace, RMB 5,454,868.60 for the CCPP power generation project, and RMB 6,570,340.48 for the environmental protection transformation project of the No. 4-6 converters of the steelmaking plant. As of December 31, 2024, the company has transferred the funds from the raised funds account to the general deposit account.

4. Using idle raised funds to temporarily supplement working capital

During the reporting period, according to the construction progress of the company's raised funds investment projects and the plan for the use of raised funds, part of the funds raised by the company's non-public offering is temporarily idle. According to the provisions of the China Securities Regulatory Commission's "Guidelines for the Supervision of Listed Companies No. 2 - Regulatory Requirements for the Management and Use of Raised Funds by Listed Companies (Revised in 2022)" (CSRC Announcement [2022] No. 15) and other regulatory documents, in line with the principle of maximizing shareholder interests, on the premise of ensuring the capital demand of the raised funds investment projects and the normal progress of the raised funds investment projects, in order to improve the efficiency of the use of raised funds, further reduce the company's financial costs, reduce financial expenditures, and protect the interests of the majority of investors, the company intends to use idle raised funds to temporarily supplement working capital, and the use period shall not exceed 12 months from the date of approval by the board of directors. Supplementing working capital will save financial expenses for the company.

(1) The funds raised from the public issuance of convertible corporate bonds in July 2020 will temporarily supplement working

capital

The company used idle raised funds of RMB4,180,000,000.00 (RMB1,010,000,000.00 for high-grade and high-magnetic induction non-oriented silicon steel project, RMB220,000,000.00 for the No. 8 casting machine project of the steel plant, RMB800,000,000.00 for the capacity replacement project of No. 5 blast furnace of the iron plant, RMB1,300,000,000.00 for the special steel electric furnace upgrading and renovation project, RMB700,000,000.00 for the CCPP power generation project, and RMB150,000,000.00 for the environmental protection renovation project of No. 4-6 converters of the steel plant) to temporarily supplement working capital. The matter was reviewed and approved at the 14th meeting of the 8th Board of Directors and the 12th meeting of the 8th Board of Supervisors held on July 28, 2020. The company's independent directors have expressed their clear consent. The time for supplementing working capital shall not exceed 12 months.

The sponsor of the company's public issuance of convertible corporate bonds agreed that the company could use idle raised funds to temporarily supplement working capital and issued the "Guotai Junan Securities Co., Ltd.'s Verification Opinion on the Company's Use of Idle Raised Funds to Temporarily Supplement Working Capital".

As of July 27, 2021, the Company has returned all of the idle raised funds of RMB 4,180,000,000.00 used to temporarily supplement working capital to the Company's special account for raised funds.

- (2) The funds raised from the public issuance of convertible corporate bonds in July 2021 will temporarily supplement working capital

The company used idle raised funds of RMB 3,030,000,000.00 (RMB 1,010,000,000.00 for high-grade and high-magnetic induction non-oriented silicon steel project, RMB 150,000,000.00 for the No. 8 casting machine project of the steel plant, RMB 160,000,000.00 for the capacity replacement project of No. 5 blast furnace of the iron plant, RMB 1,000,000,000.00 for the special steel electric furnace upgrade and renovation project, RMB 590,000,000.00 for the CCPP power generation project, and RMB 120,000,000.00 for the environmental protection renovation project of No. 4-6 converters of the steel plant) to temporarily supplement working capital. The matter was reviewed and approved at the 19th meeting of the 8th Board of Directors and the 17th meeting of the 8th Board of Supervisors held on July 28, 2021. The company's independent directors have expressed their clear consent. The time for replenishing working capital shall not exceed 12 months.

The sponsor of the company's public issuance of convertible corporate bonds agreed that the company could use idle raised funds to temporarily supplement working capital and issued the "Guotai Junan Securities Co., Ltd.'s Verification Opinion on the Company's Use of Idle Raised Funds to Temporarily Supplement Working Capital".

As of December 31, 2021, the Company has returned all of the idle raised funds of RMB3,030,000,000.00 used to temporarily supplement working capital to the Company's special account for raised funds.

- (3) The funds raised from the public issuance of convertible corporate bonds in July 2022 will temporarily supplement working capital

The company used idle raised funds of RMB 3,014,000,000.00 (RMB 1,015,000,000.00 for high-grade and high-magnetic induction non-oriented silicon steel project, RMB 165,000,000.00 for the No. 8 casting machine project of the steel plant, RMB 175,000,000.00 for the capacity replacement project of No. 5 blast furnace of the iron plant, RMB 933,000,000.00 for the special steel electric furnace upgrade and renovation project, RMB 578,000,000.00 for the CCPP power generation project, and RMB 148,000,000.00 for the environmental protection renovation project of No. 4-6 converters of the steel plant) to temporarily supplement working capital. The matter was reviewed and approved at the third meeting of the ninth board of directors and the third meeting of the ninth board of supervisors held on July 28, 2022. The company's independent directors have expressed their clear consent. The time for replenishing working capital shall not exceed 12 months.

The sponsor of the company's public issuance of convertible corporate bonds agreed that the company could use idle raised funds to temporarily supplement working capital and issued the "Guotai Junan Securities Co., Ltd.'s Verification Opinion on the Company's Use of Idle Raised Funds to Temporarily Supplement Working Capital".

- (4) The funds raised from the public issuance of convertible corporate bonds in July 2023 will temporarily supplement working capital.

The company used idle raised funds of RMB 1,961,200,000.00 (RMB 1,015,000,000.00 for high-grade and high-magnetic induction non-oriented silicon steel project, RMB 125,000,000.00 for the No. 8 casting machine project of the steel plant, RMB 145,000,000.00 for the capacity replacement project of No. 5 blast furnace of the iron plant, RMB 188,000,000.00 for the special steel electric furnace upgrade and renovation project, RMB 393,200,000.00 for the CCPP power generation project, and RMB 95,000,000.00 for the environmental protection renovation project of No. 4-6 converters of the steel plant) to temporarily supplement

working capital. The matter was reviewed and approved at the 17th meeting of the 9th Board of Directors and the 12th meeting of the 9th Board of Supervisors held on July 19, 2023. The company's independent directors have expressed their clear consent. The time for supplementing working capital shall not exceed 12 months.

The sponsor of the company's public issuance of convertible bonds agreed that the company could use idle raised funds to temporarily supplement working capital and issued the "Guotai Junan Securities Co., Ltd.'s Verification Opinion on the Company's Use of Idle Raised Funds to Temporarily Supplement Working Capital".

- (5) The funds raised from the public issuance of convertible corporate bonds in July 2024 will temporarily supplement working capital.

The company used idle raised funds of RMB 1,860,000,000.00 (RMB 1,015,000,000.00 for high-grade and high-magnetic induction non-oriented silicon steel project, RMB 100,000,000.00 for the No. 8 casting machine project of the steel plant, RMB 140,000,000.00 for the capacity replacement project of No. 5 blast furnace of the iron plant, RMB120,000,000.00 for the special steel electric furnace upgrade and renovation project, RMB 397,000,000.00 for the CCPP power generation project, and RMB 88,000,000.00 for the environmental protection renovation project of No. 4-6 converters of the steel plant) to temporarily supplement working capital. The matter was reviewed and approved at the 26th meeting of the 9th Board of Directors and the 17th meeting of the 9th Board of Supervisors held on July 18, 2024. The company's independent directors have expressed their clear consent. The time for supplementing working capital shall not exceed 12 months.

The sponsor of the company's public issuance of convertible bonds agreed that the company could use idle raised funds to temporarily supplement working capital and issued the "Guotai Junan Securities Co., Ltd.'s Verification Opinion on the Company's Use of Idle Raised Funds to Temporarily Supplement Working Capital".

As of December 31, 2024, the company used idle funds raised from the public issuance of convertible corporate bonds to temporarily supplement the balance of RMB1,860,000,000.00 in working capital.

5. Cash management using idle raised funds

The company did not use idle raised funds for cash management during the reporting period.

6. Use of surplus raised funds

The company does not use the surplus funds from the raised funds investment projects for other raised funds investment projects or non-raised funds investment projects.

7. Utilization of excess funds

The company does not have any situation of over-using raised funds.

8. Purpose and destination of unused raised funds

As of December 31, 2024, except for the advance investment and replacement of investment projects with raised funds and the temporary supplement of working capital with idle raised funds as described in "3. Initial investment and replacement of raised funds investment projects" and "4. Using idle raised funds to temporarily supplement working capital", the remaining raised funds will be temporarily deposited in the special account for raised funds.

9. Other Situations Regarding the Use of Raised Funds

The company did not have any other situations regarding the use of raised funds.

(2) Fundraising commitments

☒Applicable ☐Not applicable

Unit: RMB

Financing	Securities	Commitment	Project	If the Project	Total Commitment	Adjusted	Investment	Cumulative	Investment	Project	Benefits	Cumulative	Expected	Has There
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Project Name	Listing Date	Investment Projects and Excessive Fund Allocation	Nature	Has Been Changed (Including Partial Changes)	Invested Investment Amount	Total Investment Amount (1)	Amount for the Reporting Period	Investment Amount by the End of the Period (2)	Progress by the End of the Period (3) = (2)/(1)	Reached Predefined Usable Status Date	Achieved in the Reporting Period	Benefits Achieved by the End of the Period	Benefits Achieved	Has a Major Change in Project Feasibility
Committed Investment Projects														
BenGang Convertible Bonds	August 4, 2020	High-grade high magnetic induction non-oriented silicon steel project	Manufacturing construction	No	101,620	101,620	0.00	141.00	0.14%		0	0	Not applicable	No
BenGang Convertible Bonds	August 4, 2020	Steel plant No. 8 casting machine project	Manufacturing construction	No	33,500	33,500	3,037.60	22,726.00	67.84%	October 31, 2020	-58,158.08	-19,629.07	No	No
BenGang Convertible Bonds	August 4, 2020	Blast furnace No. 5 capacity replacement project	Manufacturing construction	No	96,000	96,000	745.58	80,912.52	84.28%	November 30, 2020	-44,737.76	-5,689.76	No	No
BenGang Convertible Bonds	August 4, 2020	Special steel electric furnace upgrade project	Manufacturing construction	No	141,600	141,600	6,017.62	129,042.92	91.13%		0	0	Not applicable	No

		ct												
BenG ang Conv ertibl e Bond s	Augu st 4, 2020	CCP P powe r gener ation proje ct	Manu factur ing const ructio n	No	83,30 0	83,30 0	587.9 7	43,42 2.78	52.13 %	Dece mber 31, 2020	23,48 7.22	50,52 5.39	Yes	No
BenG ang Conv ertibl e Bond s	Augu st 4, 2020	Steel plant No. 4-6 conv erter envir onmen tal transf ormat ion proje ct	Manu factur ing const ructio n	No	19,90 0	19,90 0	803.0 6	11,17 8.16	56.17 %	Dece mber 31, 2020	0	0	Not appli cable	No
BenG ang Conv ertibl e Bond s	Augu st 4, 2020	Repa ymen t of bank loans	Repa ymen t of bank loans	No	200,0 00	200,0 00	0	200,0 00	100.0 0%		0	0	Not appli cable	No
Subtotal of Committed Investment Projects				--	675,9 20	675,9 20	11,19 1.83	487,4 23.38	--	--	- 79,40 8.62	25,20 6.56	--	--
Use of Over-Raised Funds														
None	Augu st 4, 2020	None	Not appli cable	No	0	0	0	0	0.00 %		0	0	Not appli cable	No
Total				--	675,9 20	675,9 20	11,19 1.83	487,4 23.38	--	--	- 79,40 8.62	25,20 6.56	--	--
Explanation of Project Delays, Expected Returns, and Reasons (Including Reasons for Selecting "Not Applicable" for Expected Returns)		The high-grade high-magnetic-induction non-oriented silicon steel project is greatly affected by market factors. The company has adjusted its development strategy and continues to monitor market changes.												
Description of Significant Changes in Project		None												

Feasibility	
Amount, Purpose, and Progress of Over-Raised Funds	Not applicable
Changes in the Implementation Location of Fundraising Investment Projects	Not applicable
Adjustments in the Implementation Method of Fundraising Investment Projects	Not applicable
Advance Investment and Replacement of Fundraising Investment Projects	Applicable
	For details, please refer to the content stated in Special Report Section III (3), which is not applicable.
Use of Idle raised Funds for Temporary Supplementati on of Working Capital	Applicable
	For details, please refer to the content stated in Special Report Section III (3), which is not applicable.
Amount and Reasons for Surplus raised Funds in Project Implementatio n	Not applicable
Purpose and Destination of Unused raised Funds	The unused raised funds are deposited in a designated account for raised funds.
Issues or Other Situations in the Use and Disclosure of raised Funds	There are no issues or other situations.

(3) The situation for raised funds change project

☐Applicable ☒Not applicable

The company did not have any changes in fundraising projects during the reporting period.

VIII. Significant Assets and Equity Sold**1. Significant Assets Sold**

☐Applicable ☒Not applicable

There were no significant asset sold during the reporting period.

2. Substantial Equity Sold

☐Applicable ☒Not applicable

IX. Analysis of Major Subsidiaries and Affiliates

☒Applicable ☐Not applicable

Details of Major Subsidiaries and Affiliates that Contribute More Than 10% to the Company's Net Profit

Unit: RMB

Company Name	Company type	Main business	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net Profit
Bengang Puxiang Cool Rolling Steel Sheet Co., Ltd.	Subsidiaries	Processing and sales of steel	1,920,000,000	7,376,809,524.34	2,386,756,111.48	8,387,472,486.78	365,186,443.24	300,929,945.71

Acquisition and Disposal of Subsidiaries During the Reporting Period

☒Applicable ☐Not applicable

Company Name	The Methods of Acquiring and Disposing of Subsidiaries During the Reporting Period	Impact on Overall Production Operations and Performance
North Hengda Logistics Co., Ltd.	Cash Acquisition	The acquisition further expands the deep processing business, strengthens the company's industrial chain, and enhances customer service capabilities.

Explanation of Major Holding and Associated Companies

☒Applicable ☐Not applicable

X. Structured Entities Controlled by the Company

☐Applicable ☒Not applicable

XI. Outlook for the Company's Future Development

(I) Industry Development Trends and the Market Competition Landscape Facing the Company

2025 is the final year of the "14th Five-Year Plan" and will be a critical year for the company to solidify its internal foundations and win new victories in the survival defense battle. Overall, the situation we face is complex and ever-changing, with unfavorable factors and favorable conditions interwoven. On the unfavorable side, the steel industry is entering a deep adjustment cycle, and the trend

toward steel reduction and industrial upgrading is accelerating. On the favorable side, the central economic work conference emphasized the need to "implement a more proactive and effective macroeconomic policy," and the national policy guidance and support continue to strengthen. The favorable conditions for China's economic development remain unchanged. At the same time, the company's own ability to respond to crises and overcome difficulties has fundamentally changed. Through years of unremitting effort and reform and development, the foundation for high-quality development has been continuously solidified.

(II) General Strategy for Production and Operations

Guided by Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implementing the spirit of the 20th National Congress of the Communist Party and the second and third plenary sessions of the 20th Central Committee, the important directives of General Secretary Xi Jinping on February 26 and his speech at the symposium on promoting the comprehensive revitalization of Northeast China, combined with the company's actual situation, we will establish a strong awareness of breaking the situation and management, and fully deepen lean management and "dual basic" strategies to drive the company's high-quality development.

(III) Operational Plan and Goals

The production and operational goals for 2025 are: strive to achieve 10.09 million tons of iron, 10.55 million tons of steel, and 14.24 million tons of finished products; zero safety incidents and zero environmental accidents. To implement these overall work ideas and production and operation goals, we will focus on "three key areas" and emphasize "five comprehensive improvements":

1. Firmly Win the Product Effectiveness Battle: Focus on market orientation and prioritizing efficiency, with an emphasis on adjusting product mix.
2. Firmly Win the Cost Reduction and Efficiency Improvement Battle: Establish a strong awareness that "all expenses are costs, and all revenues are benefits," and actively promote cost reduction across all factors, at all times, and across all processes.
3. Firmly Win the Efficiency Improvement Battle: Adhere to the principle of efficient and intensive production organization, increase efficient production lines, and reduce inefficient ones.
4. Focus on Technological Innovation to Improve Performance: Accelerate breakthroughs in key technologies, driving high-quality development.
5. Focus on Production Line Upgrades: Promote production line structure adjustments, accelerate digital transformation, and increase green and low-carbon transformations.
6. Deepen Reforms: Focus on market orientation, value creation, enhancing management capabilities, and performance evaluations.
7. Focus on Risk Control: Strengthen bottom-line thinking, prevent and resolve production safety risks, professional risks, and integrity risks.
8. Strengthen Party Building Leadership: Strengthen political construction, grassroots development, cultural development, talent team construction, and unity among employees.

(IV) Maintaining Current Business and Funding Arrangements for Ongoing Investment Projects

The company will use its own funds and bank loans to meet the funding needs for production operations and technological transformation.

(V) Potential Risks

Environmental Protection Risks

With the country's "carbon peak" and "carbon neutrality" targets in place, environmental protection departments are increasing regulation of pollution control in the steel industry. Steel companies face higher environmental protection investments and operational costs.

Response Measures: Build a green and low-carbon production system, upgrade energy-efficient and environmentally friendly equipment, apply advanced technologies, and reduce carbon emissions. Improve eco-design and lifecycle assessments of products. Strengthen existing environmental equipment and facilities management, and improve pollution source monitoring.

Market Competition Risks

The progress of domestic economic recovery has been slower than expected, and demand growth remains uncertain. The risk of overcapacity remains due to continuous supply growth. The steel industry is transitioning from incremental growth to stock optimization, and we will face supply-demand imbalances and increased market competition for a long time.

Response Measures: Use lean management tools, deepen predictive operations, strengthen market analysis, adjust marketing strategies, and optimize product structure. Improve customer service and satisfaction in the terminal market.

Raw Material Prices and Supply Risks

The global monopoly over iron ore supply is unlikely to change in the short term, and steel companies have a high dependence on iron ore imports. Geopolitical conflicts and increasing supply chain risks pose challenges, with raw material prices frequently fluctuating.

Response Measures: Strengthen raw material supply and market demand analysis, construct procurement models, optimize procurement structure, and ensure strategic cooperation with raw material suppliers. Optimize production material structures to reduce production costs and minimize the impact of raw material price fluctuations.

XII. Researches, visits and interviews received in this reporting period

☒Applicable ☐Not applicable

Reception Time	Reception Location	Reception Method	Visitor Type	Visitor	Main Topics Discussed and Materials Provided	Basic Information Index of the Research
11-Jan-24	Benxi	On-site Research	Institution	Guosen Securities - Feng Siyu, Xingzheng Global Fund - Huang Zhiyuan	Company's production and operational status	Investor Relations Activity Record on January 11, 2024
17-Jan-24	Benxi	On-site Investigation	Institution	Pacific Securities Co., Ltd. - Wang Qili, Pacific Securities Co., Ltd. - Zhang Lei, Pacific Securities Co., Ltd. - Pan Di, Pacific Securities Co., Ltd. - Yang Aohe	Company production and operation status	January 17, 2024 Investor Relations Activity Record Table
7-May-24	Benxi	Online Platform Exchange	Institution	Invesco Great Wall Fund Management Co., Ltd. - Li Nanxi, Invesco Great Wall Fund Management Co., Ltd. - Cai Wenchen, Shenzhen Zhengyuan Investment Co., Ltd. - Xiong Xiaoming, Shenzhen Qianhai Haifu Asset Management Co., Ltd.—Yuan Zihuai, Guangdong Dehui Investment Management Co., Ltd.—Yang Peng, Shanghai Guozan Private Equity Fund Management Partnership (Limited Partnership)—Guo Yulei, Shanghai Mingda Industrial (Group) Co., Ltd.—Xia Bugang, Sino-British Life Insurance Co., Ltd.—Zheng Lin, Donghai Fund Management Co., Ltd.—Dai Neng, Xinyuan Fund	Company production and operation status	May 7, 2024 Investor Relations Activity Record Table

				Management Co., Ltd.-Xu Zhicheng GF Securities-Li Sha Jinjiang Chenhan Private Equity Fund Management Co., Ltd.-You Wenjian Shanghai Chaos Investment (Group) Co., Ltd.-Li Xiaonan Xinyuan Fund Management Co., Ltd.-Chen Yuxiang Guorong Fund Management Co., Ltd.-Huang Jingxuan Dongxing Fund Management Co., Ltd.-Zhou Hao GF Securities-Chen Qiwei China- Canada Fund Management Co., Ltd.-Duan Jinxuan Shanghai Jiashi Private Equity Management Co., Ltd.-Li Qidong CITIC Securities Co., Ltd.-Li Qidong CITIC Securities Co., Ltd.-Liu Guangzong Guolian Securities Co., Ltd.-Zhao Yu Lujiazui International Trust Co., Ltd.-Ye Kechen Changxin Fund Management Co., Ltd. - Ni Wei Everbright Pramerica Fund Management Co., Ltd. - Hua Yesu Shanghai Tuling Asset Management Co., Ltd. - Zhao Zifeng Wanjia Fund Management Co., Ltd. - Fu Yite Beijing Chengquan Capital Management Co., Ltd. - Wang Haibin Mingya Fund Management Co., Ltd. - He Ming Haining Shibe Investment Management Partnership (Limited Partnership) - Wang Yingying		
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				Zhongjia Fund Management Co., Ltd. - Duan Jinxuan		
15-May-24	Benxi	Other	Individual	Performance Presentation	Company production and operation status	May 15, 2024 Investor Relations Activity Record Table
23-May-24	Benxi	On-site Investigation	Individual	Shareholders' Meeting	Company production and operation status	May 23, 2024 Investor Relations Activity Record Table
29-May-24	Benxi	Online Platform Exchange	Institution	Shanghai Yongming Asset Management Co., Ltd. - Xin Weiting, Shanghai Yinye Investment Co., Ltd. - Wang Guofeng, IONAnalytics - Mergermarket - Wang Peier, Roadshow Light Years--He Tianjiao Shenzhen Android Investment Co., Ltd.--Li Wei	Company production and operation status	May 29, 2024 Investor Relations Activity Record Table
13-Jun-24	Benxi	Online Platform Exchange	Institution	Golden Eagle Fund Management Co., Ltd. - Sun Qianqian, Golden Eagle Fund Management Co., Ltd. - Lv Yanan, Golden Eagle Fund Management Co., Ltd. - Zhou Yawen	Company production and operation status	June 13, 2024 Investor Relations Activity Record Table
13-Jun-24	Benxi	On-site Investigation	Institution	Everbright Securities - Dai Mo, Southern Fund - Liu Yingxing, Huitianfu - Huang Heqing, Xingzheng Global Fund - Huang Zhiyuan, Dongzheng Asset - Xu Wangting, China Life Asset Management -- Yang Chen Franklin Guohai -- Zhang Dengke China Pacific Insurance Asset Management -- Xue Chu China Pacific Insurance Asset Management -- Zhang Zhe	Company production and operation status	June 13, 2024 Investor Relations Activity Record Table
14-Jun-24	Benxi	On-site Investigation	Institution	Pacific Securities - Wang Qili, Pacific Securities - Zhang Lei Chai Jingxi,	Company production and operation status	June 14, 2024 Investor Relations Activity Record Table

				Pacific Securities - Chai Jingxi		
1-Jul-24	Benxi	On-site Investigation	Institution	Huachuang Securities - Ma Ye, Huaxia Securities - Chen Xiweng	Company production and operation status	July 1, 2024 Investor Relations Activity Record Table
24-Jul-24	Benxi	On-site Investigation	Institution	CITIC Securities - Liao Zonghui, CITIC Securities - Lin Yuchi, Individual Investor - Li Chunhou, Individual Investor - Li Guanshui	Company production and operation status	July 24, 2024 Investor Relations Activity Record Table
30-Aug-24	Benxi	Online Platform Exchange	Institution	Everbright Metal - Dai Mo, Invesco Great Wall Fund - Long Zhen, Invesco Great Wall Fund - Li Zhenzhuozhuo, Invesco Great Wall Fund - Qiu Kaiyue, Invesco Great Wall Fund - Liu Erkang, Invesco Great Wall Fund—Cai Wenchen Invesco Great Wall Fund—Chen Yuxin	Company production and operation status	August 30, 2024 Investor Relations Activity Record Table
2-Sep-24	Benxi	Online Platform Exchange	Institution	Huachuang Securities - Dong Hanxing, China Southern Fund - Ding Yuecheng, China Southern Fund - Guo Qi, China Southern Fund - Guo Min	Company production and operation status	September 2, 2024 Investor Relations Activity Record Table
4-Sep-24	Benxi	On-site Investigation	Institution	Pacific Securities - Li Haoyang, Pacific Securities - Wang Qili	Company production and operation status	September 4, 2024 Investor Relations Activity Record Table
6-Sep-24	Benxi	Other	Individual	Performance Presentation	Company production and operation status	September 6, 2024 Investor Relations Activity Record Table
9-Sep-24	Benxi	On-site Investigation	Institution	BOC Fund—Ding Jiuyun	Company production and operation status	September 9, 2024 Investor Relations Activity Record Table
10-Sep-24	Benxi	Online Platform Exchange	Institution	CITIC Securities - Huang Delong, CITIC Securities - Huang Zhaoteng, CITIC Securities - Du Bozhao, CITIC Securities - Tian Xiangxun, CITIC Securities - Zheng Qinyuan	Company production and operation status	September 10, 2024 Investor Relations Activity Record Table

13-Sep-24	Benxi	On-site Investigation	Institution	Huafu Securities - Hu Senhao	Company production and operation status	September 13, 2024 Investor Relations Activity Record Table
8-Nov-24	Benxi	Online Platform Exchange	Institution	Yin Hua Fund - Feng Fan, Yin Hua Fund - Zhang Ziyu, Guotai Junan Securities - Wei Yudi, Guotai Junan Securities - Wang Hongyu	Company production and operation status	November 8, 2024 Investor Relations Activity Record Table
4-Dec-24	Benxi	On-site Investigation	Institution	Pacific Securities - Li Haoyang, Pacific Securities - Wang Qili	Company production and operation status	December 4, 2024 Investor Relations Activity Record Table

XIII. The Formulation and Implementation of Market Value Management System and Valuation Enhancement Plan.

Whether the company established a market value management System

☐Yes ☒No

Whether the company disclosed its valuation enhancement plan

☐Yes ☒No

XIV. Implementation of the "Quality Return Dual Improvement" Action Plan

Whether the company has disclosed the announcement of the "Quality Return Dual Improvement" action plan

☐Yes ☒No

IV. Corporate Governance

I. Basic Situation of Corporate Governance

During the reporting period, the Company has been following the laws, regulations and documents such as the *Company Law*, *Securities Law*, *Governance Guidelines for Listed Companies*, *Guidelines for the Normative Operation of Listed Companies on the Shenzhen Stock Exchange* and *Articles of Association*. Based on the actual situation of the company, the Company has been continuously improving the corporate governance structure and internal control system of the company, improves the governance level, and promotes the company's standardized operation. As of the end of the reporting period, the actual situation of corporate governance meets the requirements of the regulatory documents related to the governance of listed companies.

1. Shareholders and Shareholders' General Meeting: The company has formulated the "Rules of Procedures for General Meetings of Shareholders" in strict accordance with the "Company Law", "Rules for Shareholders' General Meetings of Listed Companies" and the company's "Articles of Association" to ensure the exercise of the rights of the company's shareholders and the standard operation of the shareholders' meeting. The company's previous shareholder meetings have provided two attendance channels, on-site voting and online voting, to facilitate shareholders. Involving major issues that affect the interests of small and medium investors, the company counts the votes of small and medium investors individually and discloses them in a timely manner to ensure that all shareholders enjoy equal status and fully exercise their rights. And by hiring lawyers to witness and ensure the legal compliance of the convening, convening and voting procedures of the meeting, the legitimate rights and interests of the company and shareholders have been safeguarded.

2. Directors and the board of directors: the company's board of directors has clear responsibilities, and the company's directors exercise their powers in strict accordance with the "Articles of Association", "Rules of Procedures of the Company's Board of Directors", "Company Independent Directors Work System" and other related systems, perform their duties with integrity and diligence, and safeguard the legitimate rights and interests of the company and shareholders. The company's board of directors has four special committees, namely audit, strategy, nomination, remuneration and assessment, each of which performs its own responsibilities and functions, and can carry out its work in accordance with the rules of procedure of each special committee. During the reporting period, the convening and holding procedures of the company's board of directors complied with the "Company Law", "Articles of Association" and "Rules of Procedure of the Board of Directors" and other relevant laws and regulations.

3. Supervisors and Board of Supervisors: The company's supervisors can earnestly perform their duties, independently and effectively perform supervision and inspection functions. The company's supervisors attend shareholders' meetings, attend board meetings as non-voting delegates, regularly inspect the company's legal operations and financial conditions, and issue opinions from the board of supervisors. Supervise the company's finances, the performance of the company's directors and senior management personnel, and the capital exchanges with related parties, so as to safeguard the legal rights and interests of the company and shareholders. The number and structure of the board of supervisors meet the requirements of laws and regulations, and its convening and convening are strictly implemented in accordance with the "Articles of Association" and "Rules of Procedure of the Board of Supervisors" to ensure that the board of supervisors effectively performs its duties.

4. Controlling shareholders and the company: The company has independent and complete business and independent management capabilities, and is independent of the controlling shareholders and actual controllers in terms of business, personnel, assets, institutions, and finances; The company's board of directors, board of supervisors and other internal institutions operate independently; The company's major decisions are made by the board of directors or the general meeting of shareholders in accordance with the law. There is no direct or indirect intervention in the company's decision-making and production and operation activities beyond the general meeting of shareholders, nor does it harm the interests of the company and other shareholders.

5. Information disclosure and transparency: The company strictly complies with the requirements of the "Shenzhen Stock Exchange Stock Listing Rules" and the "Information Disclosure Management System" and other requirements, truthful, accurate, and complete, without false records, misleading statements or major omissions in performing information disclosure obligation, "China Securities Journal", "Securities Times", "Hong Kong Commercial Daily" and www.cninfo.com.cn are the designated media for company information disclosure. The company publishes regular reports and temporary announcements through the above-mentioned information disclosure media to ensure that all shareholders of the company can obtain information with equal opportunities.

6. Investor relationship management: The company continues to strengthen communication with investors to deepen investors' understanding and recognition of the company. The company appoints the secretary of the board of directors as the person in charge of investor relations management, and the office of the board of directors is the organization that undertakes the daily work of investor relations management. The company makes full use of on-site meetings, dedicated telephone calls, investor interaction platforms and other methods to communicate with the company's shareholders, listens carefully to the opinions and suggestions of investors on the company's strategic development and production and operation, and has established a good communication mechanism with investors, which enhances investors' understanding and investment confidence in the company.

Whether there exists any difference in compliance with corporate governance, PRC Company Law and relevant provisions of CSRC

☐ Yes ☒ No

There exists no difference in compliance with corporate governance, PRC Company Law and relevant provisions of CSRC.

II. Explanation on Structural Independence of the Company on Business, Personnel, Assets, Organization and Finance from the Controlling Shareholder

The Company is separated from the controlling shareholder in aspects of business, personnel, assets, organization and finance, 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, labor and 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 hold the important position other than a director in shareholder department.

(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 structure and working function are totally independent.

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

III. Competition Situations of the Industry

☒ Applicable ☐ Not applicable

Question type	Type of affiliation with listed	Company name	Company nature	Cause	Solution	Progress and follow-up plans
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	companies					
Horizontal competition	Controlling shareholder	Ansteel Group Co., Ltd.	Other	Ansteel Group Co., Ltd. reorganized Benxi Steel Group Co., Ltd.	Ansteel promises that within 5 years from the date of issuance of its commitment letter, and strive to use a shorter period of time, in accordance with the requirements of the relevant securities regulatory authorities, and on the premise of complying with the applicable laws and regulations and relevant regulatory rules at that time, it will comprehensively use various methods such as asset restructuring, business adjustment, entrusted management, etc. to steadily promote the integration of relevant businesses to solve the problem of horizontal competition.	The Company disclosed that the Plan for <i>Major Asset Replacement and Related Party Transactions</i> on June 21st, 2023 and planned to carry out asset replacement with Bengang Steel Co.. At present, the Company is further demonstrating , communicating and negotiating the transaction plan. After the relevant matters are determined, the Company will convene the Board of Directors again for deliberation.

IV. Annual General Meeting and Extraordinary Shareholders' Meetings in the Reporting Period

1. Annual General Meeting

Sessions	Type	Investor participation ratio	Meeting Date	Date of disclosure	Index of information disclosure
Annual General Meeting of 2023	Annual General Meeting	77.10%	23 May 2024	24 May 2024	Announcement of Resolutions of 2023

					Annual General Meeting of Shareholders
First Extraordinary General Meeting of Shareholders in 2024	Extraordinary General Meeting	78.24%	25 Dec 2024	26 Dec 2024	Announcement of Resolutions of the First Extraordinary General Meeting of Shareholders of 2024

2. Request for Extraordinary General Meeting by Preferred Stockholders Whose Voting Rights Restore

☐ Applicable ☒ Not applicable

V. Status of Directors, Supervisors and Senior Executives

1. Basic Information

Name	Gender	Age	Position	Office Status	Starting date of office term	Expiry date of office term	Shares held at the year-begin	Shares increased during the reporting period	Shares decreased during the reporting period	Other increase / decrease	Shares held at the year-end	Reason for changes
Huang Zuowei	Male	54	Chairman, General manager	In office	18 May 2023	26 Apr 2025						
Quan Xihong	Male	47	Director	In office	19 Oct 2023	26 Apr 2025						
Wang Donghui	Male	55	Director	In office	16 Mar 2023	26 Apr 2025						
Tang Yaowu	Male	52	Director	In office	22 Jul 2022	26 Apr 2025						
Liu Zhengang	Male	54	Director	In office	25 Dec 2024	26 Apr 2025						
Zhang Suxun	Female	69	Independent Director	In office	16 May 2019	26 Apr 2025						
Yuan Zhizhu	Male	43	Independent Director	In office	20 May 2020	26 Apr 2025						
Zhong Tianli	Female	68	Independent Director	In office	27 May 2021	26 Apr 2025						
Lu Xuezhu	Male	44	Chairman of the Supervisory Board	In office	18 Jul 2023	26 Apr 2025						

			visory Board									
Lu Weijun	Male	49	Super visor	In office	7 Dec 2021	26 Apr 2025						
Zhang Weian	Male	55	Empl o yee Super visor	In office	19 Oct 2023	26 Apr 2025						
Guo Peng	Male	46	Empl o yee Super visor	In office	19 Oct 2023	26 Apr 2025						
Mao Xiuru	Femal e	45	Empl o yee Super visor	In office	23 Mar 2024	26 Apr 2025						
Liu Zhangm an	Male	50	Deput y genera l manag er	In office	17 Aug 2022	26 Apr 2025						
Guo Yuwei	Male	55	Deput y genera l manag er	In office	17 Aug 2022	26 Apr 2025						
Zheng Zhengli	Male	48	Chief Accou ntant, Secret ary of the Board of Direct ors	In office	28 Feb 2023	26 Apr 2025						
Li Yan	Male	42	Chair man	Leave office	16 Mar 2023	7 Aug 2024						
Jin Ge	Male	56	Direct or	Leave office	18 Dec 2023	25 Oct 2024						
Jiang Zhenyu	Male	46	Empl o yee superv isor	Leave office	19 Oct 2023	23 Mar 2024						
Liu Yansong	Male	53	Deput y genera l manag er	Leave office	18 Jul 2023	2 Apr 2024						
Total	--	--	--	--	--	--	0	0	0	0	0	--

During the reporting period, is there any resignation of directors and supervisors and dismissal of senior management personnel during the reporting period

√Yes ☐No

1. Mr. Li Yan, former Chairman of the Company, resigned during the reporting period due to job changes during his term of office;
2. Mr. Jin Ge, former director, resigned during the reporting period due to job changes during his term of office;
3. Mr. Jiang Zhenyu, former employee supervisor, resigned during the reporting period due to job changes during

his term of office;

4. Mr. Liu Yansong, former deputy general manager, resigned during the reporting period due to job changes during his term of office.

Changes in directors, supervisors and senior management of the Company

√Applicable □Not applicable

Name	Position	Type of change	Date	Reason
Li Yan	Chairman	Leave office	7 Aug 2024	Voluntary resignation
Jin Ge	Director	Leave office	25 Aug 2024	Voluntary resignation
Jiang Zhenyu	Employee supervisor	Leave office	23 Mar 2024	Voluntary resignation
Liu Yansong	Deputy general manager	Dismissal	2 Apr 2024	Job changes
Huang Zuowei	Chairman	Elected	7 Aug 2024	Elected
	General manager	Appointment	25 Apr 2024	Appointment
Liu Zhengang	Director	Elected	25 Dec 2024	Elected
Mao Xiuru	Employee supervisor	Elected	23 Mar 2024	Elected

2. Posts holding

Work experience, professional background and currently mainly responsibilities of Directors, Supervisors and Senior Executives in current office

Huang Zuowei, male, 54 years old, university degree, master of engineering, senior engineer, currently serving as Party Secretary, Chairman and General Manager of Bengang Bancai; Chairman of Bengang Posco. Formerly served as Director of Energy and Environmental Protection Department of Bengang Bancai; General Manager of Planning and Technology Department of Bengang Group; Director of Bengang Beiyong Company; Director of Bengang Mining Company; Deputy Party Secretary, Director and Deputy General Manager of Bengang Bancai.

Quan Xihong, male, 47 years old, university degree, bachelor of engineering, senior engineer, currently serving as deputy secretary of the Party Committee, employee director, secretary of the Discipline Inspection Commission, chairman of the labor union, general legal counsel, chief compliance officer, and secretary of the Party Committee of Bengang Bancai. He was formerly deputy director of the Comprehensive Supervision Department of the Discipline Inspection Commission (Supervision Department) of Bengang Group; director of the Discipline Inspection and Supervision Cadre Supervision and Management Office of the Discipline Inspection Commission (Supervision Department) of Bengang Group; director of the Discipline Inspection and Supervision Office of the Discipline Inspection Commission (Supervision Department) of Bengang Group; deputy secretary of the Discipline Inspection Commission, manager of the Audit Department, and director of the Party and Government Supervision Office of Bengang Beiyong Company.

Wang Donghui, male, 55 years old, university degree, bachelor of engineering, bachelor of economics, senior accountant, currently serving as director of Bengang Bancai; general manager of the Capital Finance Department of Bengang Group. Former chief accountant and director of the Finance Department and Operation Improvement Department of Bengang Beiyong Company; deputy director of the Finance Department of Bengang Group and chief accountant of Bengang Beiyong Company; director of the Finance Department of Bengang Group; chief accountant and secretary of the board of directors of Bengang Bancai; chief accountant of Bengang Mining Company.

Tang Yaowu, male, 52 years old, university degree, bachelor of engineering, engineer. He is currently the director of Bengang Bancai; full-time director and supervisor of Bengang Group Office; director of Machinery Manufacturing Company; director of Thermal Power Company; supervisor of Benxin Company. He was formerly the deputy director of the rolling mill of Bengang Beiyong Company; executive deputy director of the rolling mill of Bengang Beiyong Company; director of the rolling mill of Bengang Beiyong Company; assistant to the general manager of Bengang Beiyong Company and director of the production department; chief engineer of Bengang Beiyong Company; chief engineer and director of the rolling mill of Bengang Beiyong Company; deputy general manager and chief engineer of Bengang Beiyong Company; deputy director of the Energy and Environmental Protection Department of Bengang Bancai. Liu Zhengang, male, 54 years old, university degree, senior political worker. He is currently the director of Bengang Bancai; full-time director and supervisor of Bengang Group Office; director of Bengang Company; director of Industrial Company; supervisor of Construction Company. He was formerly the deputy manager and deputy secretary of the Party Committee of Bengang New Industrial Development Company; deputy director of the Administrative Management Center of Benxi Iron and Steel Company; director of asset management of the Planning and Technology Department of Bengang Group; and director of New Business Company.

Zhang Suxun, female, 69 years old, bachelor degree, professor. Currently serving as independent director of Bengang Bancai. Former teacher of Liaoning University Business School.

Yuan Zhizhu, male, 43 years old, PhD, associate professor of accounting at Northeastern University, master's tutor, non-practicing member of the Chinese Institute of Certified Public Accountants. He is currently an independent director of Bengang Bancai; director of the Accounting Department of the School of Business Administration of Northeastern University, and a director of the Liaoning Provincial Accounting and Abacus Mental Arithmetic Society and the Liaoning Provincial Auditing Society. He was a lecturer at the School of Business Administration of Northeastern University.

Zhong Tianli, female, 68 years old, professor (doctoral supervisor) at Northeastern University. Currently an independent director of Bengang Bancai; professor of the Accounting Department of the School of Business Administration of Northeastern University. Former vice dean of the School of Business Administration of Northeastern University; dean of the School of Basic Sciences of Northeastern University and director of the Institute of Financial Management of the School of Business Administration.

Brief Introduction of Supervisory Board Members:

Lu Xuezhong, male, 44 years old, university degree, bachelor of engineering, senior economist, senior accountant, currently serving as Chairman of the Supervisory Committee of Bengang Bancai; General Manager of the Audit Department of Bengang Group; Director of Bengang Mining Company. Formerly served as Deputy Director of the Economic Responsibility Audit Department of Angang Group Audit Department; Deputy Director of the Operation and Management Audit Department of Angang Group Audit Department; Director of the Operation and Management Audit Department of Angang Group Audit Department; Supervisor of Bengang Bancai.

Lu Weijun, male, 49 years old, university degree, senior accountant. Currently serving as the supervisor of Bengang Bancai; director of operation and management audit of the Audit Department of Bengang Group. Formerly the chief of the cost section of the Finance Department of the Construction Company; chief business engineer of the Audit Department of Bengang Bancai; chief business engineer of the Audit Department of Bengang Group; deputy manager of the Finance Department of Bengang Bancai.

Zhang Weian, male, 55 years old, university degree, senior accountant, currently serving as employee supervisor and manager of the audit department of Bengang Bancai; supervisor of Bengang Posco Company; supervisor of Dalian Benruitong Company; supervisor of Shenyang Xiangyu New Materials Technology Co., Ltd. He was formerly deputy director of the Financial Department of Bengang Beiyong Company; deputy director of the Financial Department of Bengang Group.

Guo Peng, male, 46 years old, university degree, assistant engineer, senior technician, currently serving as employee supervisor of Bengang Bancai and special grade technician of rolling mill in 2300 production operation area of hot rolling mill. He was formerly production shift supervisor of the third hot rolling production operation area of hot rolling mill of Bengang Bancai; chief operator and first grade technician of rolling mill in the third hot rolling production operation area of hot rolling mill of Bengang Bancai.

Mao Xiuru, female, 45, university degree, Bachelor of Law, corporate legal advisor, currently serving as employee supervisor of Bengang Bancai, deputy director (deputy manager) of the Party and Mass Work Department (Organization Department of the Party Committee, Human Resources Department, Propaganda Department of the Party Committee, United Front Work Department, Labor Union, Youth League Committee, Party Committee of the Office); deputy chairman of the Labor Union of Bengang Bancai; deputy secretary of the Party Committee of the Office of Bengang Bancai, secretary of the Discipline Inspection Commission of the Office, and chairman of the Labor Union of the Office. She was previously the senior manager of legal protection of the Legal and Compliance Department of Bengang Group; deputy manager (deputy director) of the General Management Department (Party Committee Office, Board Office, Confidentiality Office) of Bengang Bancai.

Brief introduction of Non-Director Senior Management Members:

Liu Zhangman, male, 50 years old, university degree, senior engineer. Currently serving as deputy general manager of Bengang Bancai. Former deputy director of the Second Steelmaking Plant of Bengang Beiyong Company; deputy director of the Steelmaking Plant of Bengang Beiyong Company; assistant to the executive deputy general manager of Bengang Beiyong Company and chairman of the Science and Technology Association, director of the Technology Center; chief engineer and chairman of the Science and Technology Association, director of the New Product Department, manager of the Bar and Wire Development Project Department, and director of the Bar and Wire Research Institute of Bengang Beiyong Company; deputy general manager and director of Bengang Beiyong Company; deputy director of the Manufacturing Department of Bengang Bancai; deputy general manager of the Operation Management Department of Bengang Group; director of Bengang Bancai.

Guo Yuwei, male, 55 years old, university degree, master of engineering, senior engineer. He is currently the deputy general manager of Bengang Bancai. He used to be the assistant to the director of the ironmaking plant of Bengang Bancai; deputy director of the ironmaking plant of Bengang Bancai; secretary of the Party Committee and chairman of the labor union of the ironmaking plant of Bengang Bancai; deputy director of the ironmaking plant of Bengang Bancai; member of the preparatory group of the Party Committee of Bengang Beiyong Company and deputy general manager; director of Bengang Construction Company; secretary of the Party Committee and deputy director of the ironmaking plant of Bengang Bancai.

Zheng Zhengli, male, 48 years old, graduate education, MBA, senior accountant, currently serving as Chief Accountant and Secretary of the Board of Directors of Bengang Bancai; Director of Bengang Posco Company. He was formerly Deputy Director of the Financial Department of Bengang Bancai; Accounting and Taxation Director of the Financial Department of Bengang Bancai; Party Committee Member and Assistant to the General Manager of Bengang Beiyong Company.

Posts holding in Shareholders

✓ Applicable □ Not applicable

Names of the person in office	Names of the shareholders	Titles engaged in the shareholders	Starting date of office term	Expiry date of office term	Does he /she receive remuneration or allowance from the shareholder's company
Wang Donghui	Bengang Group Co., Ltd.	General Manager of Capital Finance Department	9 Feb 2023		Yes
Tang Yaowu	Bengang Group Co., Ltd.	Full-time director	24 Mar 2022		Yes
Liu Zhengang	Bengang Group	Full-time director	1 Jul 2024		Yes

Names of the person in office	Names of the shareholders	Titles engaged in the shareholders	Starting date of office term	Expiry date of office term	Does he /she receive remuneration or allowance from the shareholder's company
	Co., Ltd.				
Lu Xuezhu	Bengang Group Co., Ltd.	General manager of audit department	12 Apr 2023		Yes
Lu Weijun	Bengang Group Co., Ltd.	Director of Operation and Management Audit of Audit Department	6 Jun 2023		Yes
Description of the position in the shareholder	None				

Posts holding in other companies

√Applicable ☐Not applicable

Names of the person in office	Names of the other companies	Titles engaged in other companies	Starting date of office term	Expiry date of office term	Does he /she receive remuneration or allowance from other company
Huang Zuowei	Bengang Puxiang Cold-rolled Sheet Co., Ltd.	Chairman	25 Jul 2024		No
Liu Zhengang	Beitai Steel (Group) Co., Ltd.	Director	10 Jul 2023		No
Liu Zhengang	Benxi Iron and Steel (Group) Industrial Development Co., Ltd.	Director	21 Apr 2022		No
Liu Zhengang	Benxi Iron and Steel (Group) Construction Co., Ltd.	Supervisor	1 Jul 2024		No
Zhang Weian	Dalian Benruitong Automotive Materials Technology Co., Ltd.	Supervisor	12 Aug 2023		No
Zhang Weian	Bengang Puxiang Cold-rolled Sheet Co., Ltd.	Supervisor	25 Jul 2023		No
Zhang Weian	Shenyang Xiangyu New Materials Technology Co., Ltd.	Supervisor	21 Sep 2023		No
Zhong Tianli	School of Business Administration	Professor	1 Oct 1982		No

	Northeastern University				
Yuan Zhizhu	School of Business Administration Northeastern University	Dean of Department of Accounting	13 Jul 2009		Yes
Yuan Zhizhu	Shenyang Machine Tool Co., Ltd.	Independent director	28 May 2021		Yes
Description of the position in other companies	None				

Punishment by the securities regulatory authorities in last three years

☐ Applicable ☒ Not applicable

3. Remuneration to Directors, Supervisors and Senior Executives

Decision-making procedures, basis of recognition and actual payment of the remuneration to Directors, Supervisors and Senior Executives

Decision making procedures

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. According to performance assessment criteria and procedures, the Remuneration and Assessment Committee undertakes assessment on the Directors and Senior Executives;
3. Remuneration amounts and ways of rewards will be proposed according to the assessment and remuneration policies for Directors, Supervisors and Senior 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. Remunerations are distributed based on the assessment results and remuneration policies.

Actual payment of the remuneration

Remuneration is paid on monthly basis according to the remuneration allocation policies.

Remuneration of Directors, Supervisors and Senior Executives during the reporting period

Unit: RMB 10 thousand

Name	Gender	Age	Position	Office status	Total pre-tax compensation received from the company	Whether receive remuneration in the Company's related parties
Huang Zuowei	Male	54	Chairman, General manager	In office	58.8	No
Quan Xihong	Male	47	Employee director	In office	44.18	No
Wang Donghui	Male	55	Director	In office	0	Yes
Tang Yaowu	Male	52	Director	In office	0	Yes
Liu Zhengang	Male	54	Director	In office	0	Yes
Zhang Suxun	Female	69	Independent director	In office	5	No
Yuan Zhizhu	Male	43	Independent director	In office	5	No
Zhong Tianli	Female	68	Independent director	In office	5	No
Lu Xuezhu	Male	44	Chairman of the Supervisory Committee	In office	0	Yes

Lu Weijun	Male	49	Supervisor	In office	0	Yes
Zhang Weian	Male	55	Supervisor	In office	32.71	No
Guo Peng	Male	46	Supervisor	In office	27.29	No
Mao Xiuru	Female	45	Supervisor	In office	27.03	No
Liu Zhangman	Male	50	Deputy general manager	In office	57.97	No
Guo Yuwei	Male	55	Deputy general manager	In office	55.45	No
Zheng Zhengli	Male	48	Chief Accountant, Secretary of the Board of Directors	In office	50.54	No
Li Yan	Male	42	Chairman	Leave office	22.31	No
Jin Ge	Male	56	Director	Leave office	0	Yes
Jiang Zhenyu	Male	46	Supervisor	Leave office	3.85	No
Liu Yansong	Male	53	Deputy general manager	Leave office	7.43	No
Total	--	--	--	--	402.56	--

Other information:

☐ Applicable ☒ Not applicable

VI. Duty fulfillment of directors during the reporting period

1. The situation of the Board of Directors during the reporting period

Sessions	Meeting Date	Date of disclosure	Index of information disclosure
24th Ninth session	9 Apr 2024		Resolution of the 24th meeting of the 9th Board of Directors
25th Ninth session	25 Apr 2024	29 Apr 2024	Announcement of Resolutions of the 25th Meeting of the Ninth Board of Directors
26th Ninth session	18 Jul 2024	19 Jul 2024	Announcement of Resolutions of the 26th Meeting of the Ninth Board of Directors
27th Ninth session	7 Aug 2024	8 Aug 2024	Announcement of Resolutions of the 27th Meeting of the Ninth Board of Directors
28th Ninth session	27 Aug 2024	29 Aug 2024	Announcement of Resolutions of the 28th Meeting of the Ninth Board of Directors
29th Ninth session	25 Oct 2024	29 Oct 2024	Announcement of Resolutions of the 29th Meeting of the Ninth Board of Directors
30th Ninth session	5 Dec 2024	6 Dec 2024	Announcement of Resolutions of the 30th Meeting of the Ninth Board of Directors
31st Ninth session	23 Dec 2024	24 Dec 2024	Announcement of Resolutions of the 31st Meeting of the

			Ninth Board of Directors
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2. The situation of directors attending the BOD and shareholders meeting

Attendance of Directors at Board of Directors and General Meetings of Shareholders							
Director name	Number of Board meetings necessary to be attended during the reporting period	Number of spot attendances	Number of meetings attended by Communication	Number of attendances by representative	Number of absences	Failure to personally attend board meetings successively twice (Yes/No)	Number of general meetings to be attended
Huang Zuowei	8	4	4	0	0	No	2
Quan Xihong	8	4	4	0	0	No	2
Wang Donghui	8	4	4	0	0	No	2
Zhang Suxun	8	4	4	0	0	No	2
Zhong Tianli	8	4	4	0	0	No	2
Yuan Zhizhu	8	4	4	0	0	No	2
Tang Yaowu	8	4	4	0	0	No	2
Jin Ge	6	3	3	0	0	No	1
Li Yan	3	1	2	0	0	No	1

Explanation of two consecutive absences from attending the Board of Directors in person

None

3. Objections of directors on relevant issues

Objections of directors on some relevant issues

☐ Yes ☒ No

Directors proposed no objection against the relevant matters during the reporting period.

4. Other Notes to Duty Fulfillment of Directors

Whether any director's advice to the Company was accepted

☒ Yes ☐ No

Illustration of acceptance of or failure to accept director's advice to the Company

Directors have not made recommendations during the reporting period.

VII. Duty Fulfillment of the Special Committees under the Board during the reporting period

Committees	Membership	Number of meetings held	Meeting date	Meeting content	Important comments and suggestions raised	Other performance of duties	Specific circumstances of the objection (if any)
Strategy Committee	Li Yan, Wang Donghui, Zhong Tianli	1	17 Mar 2024	1. 2023 Board of Directors Report; 2. Proposal on 2024 Investment Framework Plan; 3. 2024 Bengang Bancai Deepening	Agree	Not applicable	None

				Reform Plan			
Nominating Committee	Yuan Zhizhu, Zhang Suxun, Huang Zuowei	2	17 Mar 2024	Proposal on the appointment of the company's general manager	Agree	Not applicable	None
			15 Oct 2024	Proposal on nominating candidates for directors	Agree	Not applicable	None
Audit and Risk Management Committee	Zhang Suxun, Yuan Zhizhu, Wang Donghui	6	17 Mar 2024	1. 2023 Annual Report and Summary; 2. 2023 Financial Statements; 3. 2023 Profit Distribution Plan; 4. Proposal on Renewal of Accounting Firm; 5. Proposal on Provision for Asset Impairment in the 2023 Internal Control Evaluation Report; 6. Special Report on Deposit and Use of Raised Funds in 2023	Agree	Not applicable	None
			14 Apr 2024	1. 2024 first quarter report; 2. 2023 annual compliance work report; 3. 2023 internal control system work report; 4. 2024 major risk assessment	Agree	Not applicable	None

				report			
			12 Jul 2024	Proposal on using idle raised funds to supplement working capital	Agree	Not applicable	None
			16 Aug 2024	1. 2024 semi-annual report of Bengang Plates Co., Ltd.; 2. Proposal on the risk assessment report of Angang Finance Co., Ltd. in the first half of 2024; 3. Special report on the deposit and use of raised funds of Bengang Plates Co., Ltd. in the first half of 2024; 4. Proposal on changes in accounting policies	Agree	Not applicable	None
			15 Oct 2024	2024 Third Quarter Report	Agree	Not applicable	None
			13 Dec 2024	2024 Internal Control Evaluation Work Plan	Agree	Not applicable	None
Remuneration and Appraisal Committee	Zhong Tianli, Yuan Zhizhu, Tang Yaowu	2	14 Apr 2024	Opinions on the payment of annual remuneration for senior management of the company in 2023	Agree	Not applicable	None
			11 Jul 2024	Proposal on the performance	Agree	Not applicable	None

				evaluation indicators for the company's management in 2024 and the term of office from 2024 to 2026			
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VIII. Duty Fulfillment of the Supervisory Committee

Whether the supervisory board made any objection against the supervision issue during the reporting period

☐ Yes ☒ No

The Supervisory Board made no objection against the supervision issue during the reporting period.

IX. Staff Condition

1. Staff number, Professional Structure and Education Level

Number of in-service staff in parent company	12,495
Number of in-service staff in main subsidiaries	637
Total Number of in-service staff	13,132
Total Number of staff receiving remuneration in the current period	13,132
Number of retired staff whose expense was borne by parent company and major subsidiary companies	23,727
Professional Composition	
Type of Professional Composition	Headcount
Production Staff	10,894
Sales Staff	164
Technician	1,228
Financial Staff	89
Administrative Staff	757
Total	13,132
Educational Degree	
Type of Educational Degree	Headcount
PhD and above	12
Postgraduate	252
Undergraduate	4,052
Junior College	5,054
Technical secondary school	277
High School and Technical School	2,317
Middle School and others	1,168
Total	13,132

2. Remuneration Policies

In 2024, the company will establish a sound performance management system. Based on the determined annual production and operation guidelines, policies and management goals, the company will assess the operating indicators and work task completion of each functional department and factory, set key performance assessment indicators, and implement monthly assessments. Pay according to position, ability and performance. Set salary according to position, and salary changes with position changes. Guide employees to improve their abilities, establish a salary distribution mechanism in which job placement depends on competition and income depends on contribution, highlight the assessment of key performance indicators, and truly realize that income can be increased or decreased. Continue to promote the lump sum of total salary, guide each unit to rationally allocate human resources, optimize the distribution mechanism and improve labor productivity.

3. Training Plan

In 2024, the company will implement the "talent-driven enterprise" strategy, focus on building an internationally competitive production base for automotive steel and high-quality steel bars and wires, optimize the education and training system, improve the training evaluation mechanism, and improve the quality and effectiveness of training. It will highlight the political, systematic, precise and effective nature of training, continuously improve the political, leadership, general and professional abilities of employees, and strive to create distinctive high-quality training projects, effectively release the effectiveness of training, further improve the comprehensive quality of the workforce, and lay a solid foundation for the company's high-quality development. The company completed 17 training projects throughout the year, trained 21 thousand people, and the training qualification rate reached 96%, and the annual training plan execution rate reached 100%. The training target plan was fully achieved.

4. Outsourcing

☐ Applicable ☒ Not applicable

X. Profit Distribution or Capital Reserve Conversion

Formulation, implementation and adjustment of profit distribution policy of common shares especially cash dividend policy during the reporting period

☒ Applicable ☐ Not applicable

Profit distribution plan for 2024: Audited and confirmed by BDO China Shu Lun Pan Certified Public Accountants LLP., in accordance with the Chinese Accounting Standards for Business Enterprises, the net profit attributable to the parent company in 2024 is RMB -5,037,271,398.28 yuan. As of December 31, 2024, the ending balance of company's undistributed profit is RMB -7,497,011,632.90 yuan. The profit distribution plan for 2024 is: no cash dividends, no bonus shares, and no capital reserve conversion to increase share capital.

Special description of cash dividend policy	
Whether it meets the requirements of the company's articles of association or the resolutions of the shareholders meeting:	Yes
Whether the dividend standard and ratio are clear:	Yes
Whether the relevant decision-making procedures and mechanisms are complete:	Yes
Whether independent directors have performed their duties due diligence and played their due role:	Yes
If a company does not distribute cash dividends, it should disclose the specific reasons and the measures it intends to take to enhance the level of investor returns:	Due to the company's losses in 2024, the specific conditions for cash dividends in the Articles of Association are not met. Taking into account the company's development and capital needs, in order to better protect the company's sustainable development and the long-term interests of all shareholders, it is planned that no cash dividends will be distributed, no bonus shares will be issued, and no capital increase will be made from reserve in 2024. The company will continue to deepen reforms and innovations, strive to improve profitability, and reward investors with better performance.
Whether small and medium shareholders have sufficient opportunities to express their opinions and demands, and whether their legitimate rights and interests are fully protected:	Yes
If the cash dividend policy is adjusted or changed, whether the conditions and procedures are compliant and transparent:	Yes

Both the Company's profit and the parent company's retained earnings are positive however no proposal of cash dividend distribution was proposed during the reporting period

☐ Applicable ☒ Not applicable

Profit distribution and capital reserve conversion into share capital during the reporting period

☐ Applicable ☒ Not applicable

The company plans not to distribute cash dividends, issue bonus shares, or convert capital reserves into share capital during the year.

XI. Implementation of the company's equity incentive plan, employee stock ownership plan or other employee incentive measures

☐ Applicable ☒ Not applicable

The company had no equity incentive plan, employee stock ownership plan or other employee incentive measures and their implementation during the reporting period.

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

1. Construction and implementation of internal control system

During the reporting period, the company strictly abided by the provisions of the Basic Norms for Enterprise Internal Control and its supporting guidelines and other internal control regulatory requirements, and combined with industry characteristics, business operations, and the company's internal control system and evaluation methods, continuously improved and refined the internal control management system, promoted the improvement of the company's decision-making efficiency, provided guarantees for the legality and compliance of the company's business management and asset security, and effectively promoted the steady implementation of the company's strategy.

The company has established a sound internal control system, and has revised and improved it in due course in light of actual operations, giving full play to its system guarantee role. During the reporting period, the company formulated 33 systems, including the "Bengang Steel Plates Co., Ltd. Work Secret Protection Management Measures" and the "Bengang Steel Plates Co., Ltd. Development Strategy and Planning Management Measures", and revised 263 systems, including the "Bengang Steel Plates Co., Ltd. Investor Relations Management System" and the "Bengang Steel Plates Co., Ltd. Related Transaction Management Measures". As of the end of the reporting period, the company had a total of 311 effective systems.

2. Material internal control defects found during the reporting period

☐ Yes ☒ No

XIII. Management and control of subsidiaries during the reporting period

Company name	Integration plan	Integration progress	Problems encountered during integration	Solutions implemented	Solutions progress	Follow-up solutions plan
North Hengda Logistics Co., Ltd.	Hengda's assets, personnel, finance, organization and business are integrated into the company's management system	Completed	Not applicable	Not applicable	Not applicable	Not applicable

XIV. Internal control self-evaluation report or internal control audit report

1. Self-Evaluation Report on Internal Control

Disclosing date of internal control auditing report full text	April 4, 2025
Index of the internal control auditing report full text	http://www.cninfo.com.cn
Proportion of total assets of subsidiaries belong to the scope of self-evaluation report in the total assets of the Company's consolidated financial statements	100.00%
Proportion of operation income of subsidiaries belong to the scope of self-evaluation report in the operation income of the Company's consolidated financial statements	100.00%

Standards of Defects Evaluation		
Category	Financial Report	Non-financial Report
Qualitative criteria	<p>1. Material deficiencies: Fraud by directors, supervisors and senior management; correction of published financial statements by the enterprise; major misstatements in financial statements, which were not discovered during the operation of internal control; ineffective supervision of internal control by the enterprise audit committee and internal audit agency. 2. Significant deficiencies: Internal control defects in accounting policies, accounting and financial reporting that are less serious and have lower economic consequences than major defects, but may still cause the company to deviate from the control objectives. 3. General deficiencies: Other internal control defects in financial reporting other than major defects and significant defects.</p>	<p>1. Criteria for identifying internal control deficiencies in daily operations of a company: 1) Material deficiencies: have a significant impact on the normal operations of the company; affect most of the company's main business types/main functional areas; have a significant impact on the company's overall operations, and it is difficult to recover in the long term. 2) Significant deficiencies: have a significant impact on the normal operations of the company; affect some of the company's main business types/main functional areas; have a significant impact on the company's overall operations, and it will take a long time to recover at a high cost. 3) General deficiencies: have a moderate or less impact on the normal operations of the company; affect a certain main business type/main functional area or general business type/general functional area of the company; have a moderate or less impact on the company's overall operations, and it will take a certain amount of time to recover at a certain cost. 2. Criteria for identifying internal control deficiencies in the realization of the company's business objectives: 1) Material deficiencies: have a significant impact on the company's business objectives; have a significant impact on any of the company's budget indicators; affect most of the company's important management objectives; have a significant impact on working capital ($0.8 \text{ times} \leq \text{current asset turnover rate} \leq 1 \text{ time}$);</p>

		<p>have a significant impact on any of the company's budget indicators (profit \geq RMB 800 million yuan).</p> <p>(2) Significant deficiencies: have a significant impact on the company's business objectives; have a significant impact on any of the company's budget indicators; affect some of the company's important management objectives; have a significant impact on working capital ($0.5 \leq$ current asset turnover rate ≤ 0.8 times); have a significant impact on any of the company's budget indicators (RMB 400 million yuan \leq profit \leq RMB 800 million yuan).</p> <p>3) General deficiencies: medium or less impact on the company's operating objectives; medium or less impact on any category of the company's budget indicators; impact on one of the company's important management objectives or several general management objectives; medium or less impact on working capital (current asset turnover rate < 0.5 times); medium or less impact on any category of the company's budget indicators (profit $<$ RMB 400 million yuan).</p> <p>3. Criteria for identifying deficiencies in the company's internal safety control:</p> <p>1) Material deficiencies: affecting the health/safety of a certain number of employees/the public, and particularly serious accidents. 2) Significant deficiencies: affecting the health/safety of some employees/the public, and major accidents. 3) General deficiencies: affecting the health/safety of a small number of</p>
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		employees/the public, and major accidents. 4. Criteria for identifying deficiencies in the company's internal environmental protection control: 1) Material deficiencies: serious environmental damage, major environmental incidents (national level II) or above. 2) Significant deficiencies: major environmental damage, major environmental incidents (national level III). 3) General deficiencies: environmental impacts of moderate or less, and general environmental incidents (national level IV).
Quantitative criteria	1. Material deficiencies: 1) misstatement $\geq 5\%$ of the total profits; 2) misstatement $\geq 3\%$ of the total assets; 3) misstatement $\geq 1\%$ of the total operating income; 4) misstatement $\geq 1\%$ of the total amount of the owner's equity. 2. Significant deficiencies: 1) 3% of the total profits \leq misstatement $< 5\%$ of the total profits; 2) 0.5% of the total assets \leq misstatement $< 3\%$ of the total assets; 3) 0.5% of the total operating income \leq misstatement $< 1\%$ of the total operating income; 4) 0.5% of the total amount of the owner's equity \leq misstatement $< 1\%$ of the total amount of the owner's equity. 3. General deficiencies: 1) misstatement $< 3\%$ of the total profits; 2) misstatement $< 0.5\%$ of the total assets; 3) misstatement $< 0.5\%$ of the total operating income; 4) misstatement $< 0.5\%$ of the total amount of the owner's equity.	None
Number of major defects in financial reporting(a)		0
Number of major defects in non-financial reporting(a)		0
Number of important defects in financial reporting(a)		0
Number of important defects in non-financial reporting(a)		0

2. Internal Control Audit Report

√ Applicable □ Not applicable

Opinion in the internal control audit report	
As of December 31, 2024, the internal control over financial reporting of Bengang Bancai is effective in all material aspects in accordance with 'Fundamental Rules of Enterprise Internal Control' and relevant regulations.	
Internal Control Audit Report Status	Disclosure
Disclosure date of audit report of internal control (full-text)	April 4, 2025
Index of audit report of internal	http://www.cninfo.com.cn

control (full-text)	
Internal audit report's opinion	Standard unqualified opinion
Whether there is significant defect in non-financial report	No

Whether the accountants' firm issued a qualified opinion on report of internal control audit

☐ Yes ☒ No

Whether the internal control audit report issued by the accountants' firm agree with the self-assessment report of the Board of Directors

☒ Yes ☐ No

XV. Rectification of issues found in self-examination of special actions for listed company governance

During the reporting period, the company actively implemented the instructions of the "Opinions of the State Council on Further Improving the Quality of Listed Companies" and, in accordance with the requirements of the "Announcement on Launching a Special Action on the Governance of Listed Companies" (No. 69, 2020) of the China Securities Regulatory Commission, carried out self-examination and self-correction of listed company governance in accordance with the principle of seeking truth from facts, and compiled the "Special Self-examination List of Listed Company Governance", which truly, accurately and completely reflects the legal problems of listed companies and the relevant regulatory rectifications. By strengthening the endogenous driving force of corporate governance, improving corporate governance system rules, and building a good corporate governance ecology, the company has further improved the governance structure of listed companies with each performing its duties, assuming its responsibilities, coordinating operations, and effectively checking and balancing, laying a solid foundation for the high-quality development of listed companies and improving the governance level of listed companies.

V. Environment and Social Responsibilities

I. Major Environmental Issues

Whether the listed company and its subsidiaries are key pollutant-discharging units announced by the environmental protection department

☒ Yes ☐ No

Environmental protection related policies and industry standards

Implement the relevant ecological environment related policies such as the Environmental Protection Law of the People's Republic of China, the Environmental Impact Assessment Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, the Air Pollution Prevention and Control Law of the People's Republic of China, the Soil Pollution Prevention and Control Law of the People's Republic of China, and the Solid Waste Pollution Prevention and Control Law of the People's Republic of China, and implement the Water Pollutant Emission Standard for the Iron and Steel Industry (GB13456-2012), the Pollutant Emission Standard for the Coking Chemical Industry (GB 16171-2012), the Air Pollutant Emission Standard for Sintering and Sintering Pelletizing in the Iron and Steel Industry (GB28662-2012), the Air Pollutant Emission Standard for the Ironmaking Industry (GB28663-2012), the Air Pollutant Emission Standard for the Steel Rolling Industry (GB28665-2012), and the Air Pollutant Emission Standard for Thermal Power Plants (GB13223-2011).

Environmental protection administrative license situation

The company involves 12 pollutant discharge units, 10 of which are key pollutant discharge units. They obtained the license for the first time in December 2018, and in December 2021, they applied for an extension to December 2026 according to the license management requirements. In 2022, two units changed their registrations and applied for a registration receipt for fixed pollution sources in March 2020, which is valid until 2025. In 2024, two units reapplied for approval and were valid until February 2029 and April 2029 respectively. The company strictly implements the stable operation of environmental protection facilities, strictly controls the emission of pollutants, discharges pollutants within the permitted scope every year, and submits quarterly implementation reports and annual reports online as required.

Industry emission standards and specific information on pollutant emissions involved in production and operation activities

Name of company or subsidiary	Types of main pollutant s and characteristic pollutant s	Names of main pollutant s and characteristic pollutant s	Emission method	Number of emission outlets	Distribution of emission outlets	Emission concentration/intensity	Implemented pollutant emission standards	Total emission amount	Approved total emission amount	Exceeding emission standards
Bengang Steel Plates Co., Ltd.	Wastewater pollutant s	COD	continuous	1	Energy Plant Wastewater Treatment Plant	14	50	50.69 tons	Not approved by the government	none
Bengang Steel Plates Co., Ltd.	Wastewater pollutant s	Ammonia nitrogen	continuous	1	Energy Plant Wastewater Treatment	0.31	8	3.35 tons	Not approved by the government	none

					nt Plant					
Bengang Steel Plates Co., Ltd.	Exhaust pollutants	Particles	Continuous and intermittent	191	Raw material dumper, transfer station, ore receiving trough, pre-batch; iron-making tapping yard, furnace top, fuel, solvent, whole grain, ore coke trough, sintering machine head dust removal, machine tail dust removal; steelmaking molten steel pretreatment, north-south backflow station, tundish, primary dust removal, secondary dust removal, refining dust removal; special steel electric furnace, refining furnace;	Raw materials 12-15; sintering 1.36-28; ironmaking 0.76-8; steelmaking 0.6-10; special steel 0.7-10; coking 0.7-7; power generation 0.2-7; cold rolling; 6-18 hot rolling 2-6.	Raw materials 25; sintering 50-30; ironmaking 25; steelmaking 20-50; special steel 20; coking 10-50; power generation 10-30; cold rolling 20; hot rolling 20-30.	Smoke 595 tons, dust 9518 tons	Not approved by the government	none

					coking coal adding, coke pushing, dry quenching, chimney desulfurization and denitrification; power generation boiler dust removal, desulfurization and denitrification; cold rolling acid regeneration, pickling, straightening, welding machine, leveling, annealing, roasting; hot rolling heating furnace.					
Bengang Steel Plates Co., Ltd.	Exhaust pollutants	Sulfur dioxide	Continuous and intermittent	65	Sintering machine head; coke oven chimney ; power boiler desulfurization; cold rolling roasting, annealing; hot	Sintering machine head 13- 40; coke oven chimney 7-17; power generation 2-21; cold rolling 11-25; hot rolling	Sintering machine head 200; coke oven 50- 100; power generation 100- 200; cold rolling 100; hot rolling	2167 tons	Not approved by the government	none

					rolling heating furnace.	3-44.	150			
Bengang Steel Plates Co., Ltd.	Exhaust pollutants	Nitrogen oxides	Continuous and intermittent	58	Sintering machine head; coking chimney; power boiler; cold rolling roasting; annealing; hot rolling heating furnace.	Sintering machine head 25-77; coking chimney 77-177; power generation 20-60; cold rolling 84-94; hot rolling 10-100.	Sintering machine head 300; coking chimney 150-500; power generation 100-200; cold rolling 200; hot rolling 300.	6195 tons	Not approved by the government	none

Treatment of pollutants

In 2024, the Company will coordinate the overall situation of corporate development and environmental protection, comprehensively promote ultra-low emission transformation, adopt a process technology route that combines source reduction, process control, and end-of-pipe treatment, and complete 65 ultra-low emission transformation projects, including the dust removal system transformation of the former second operation area of the Ironmaking General Plant, the dust removal transformation of the raw materials and steelmaking areas of the steelmaking plant, the electrostatic precipitator transformation of the sintering machine head, the heat treatment transformation of the production line of the hot rolling plant, and the transformation of the scrap steel yard of the resource service branch. With the gradual commissioning of the projects, the company's total pollutant emissions have continued to decline, and the company's environmental protection management and control capabilities have been significantly improved. The total amount of pollutant emissions decreased year-on-year: sulfur dioxide decreased by 47.67%, and nitrogen oxides decreased by 29.91%.

The Company has made every effort to promote the company's clean transportation work, managed vehicle emission standards for more than 1,000 materials, introduced 3,320 National VI vehicles and 60 electric heavy trucks, gradually eliminated old vehicles and non-road mobile machinery that do not meet ultra-low requirements, and deploy battery swap stations, charging piles, hydrogen stations and other facilities on major transportation routes to broaden the application scenarios of new energy vehicle services. The company completed the corresponding transformation of related systems such as material holding and metering. The control of vehicles involving bulk materials and products of National VI and above is under control, and all functions required for clean transportation requirements have been realized in stable operation. The transportation vehicles and non-road mobile machinery in the factory meet the requirements of ultra-low emission clean transportation publicity. The average level of clean transportation + electric card ratio has increased from 68% to 81.75% (including: clean transportation ratio 77.07%), and the ultra-low emission publicity of clean transportation will be completed in the second half of 2024.

Environmental Self-Monitoring Program

During the reporting period, the following monitoring points were manually monitored for pollution sources: 279 flue gas monitoring points, 13 wastewater monitoring points, 19 factory boundary noise monitoring points, and 12 air dust fall points. (1) 279 flue gas monitoring points: 203 organized monitoring points and 76 unorganized monitoring points. According to the monitoring plan, the monitoring was carried out at weekly, monthly, quarterly, semi-annual, and annual frequencies, completing routine monitoring tasks for unorganized and organized atmospheric flue gas. A total of 704 monitoring data were obtained throughout the year. (2) 13 wastewater monitoring points: According to the monitoring plan, the monitoring was carried out at weekly, monthly, and quarterly frequencies, and 1,264 monitoring data were obtained throughout the year. (3) 19 factory boundary noise monitoring points: According to the monitoring plan, the monitoring was carried out at quarterly frequencies, and 116 monitoring data were obtained throughout the year. (4) 12 air dust fall points: According to the monitoring plan, the monitoring was carried out at quarterly frequencies, and 124 monitoring data were obtained throughout the year.

Emergency Plan for Sudden Environmental Events

The company and its 13 subordinate units strictly carry out environmental emergency management in accordance with the current laws and regulations such as the Law of the People's Republic of China on Response to Emergency Events, the Notice on Issuing the Guidelines for Risk Assessment of Sudden Environmental Events in Enterprises (Trial), and the Measures for the Administration of Filing of Emergency Plans for Sudden Environmental Events in Enterprises and Institutions (Trial), complete the revision of the emergency plan for sudden environmental events, re-carry out risk assessment and emergency resource investigation, and complete the assessment and filing work in accordance with the management requirements of the Municipal Bureau. At the same time, all units of the company formulated a 2024 exercise plan in accordance with the plan and carried out corresponding plan exercises.

Investment in environmental governance and protection and payment of environmental protection tax

1. The operating expenses of environmental protection facilities in 2024 are 1.003 billion yuan, and the environmental protection tax paid is 24.27 million yuan.
2. In 2024, an investment of 1.84 billion yuan was made to fully promote ultra-low emission transformation.

Measures taken to reduce its carbon emissions during the reporting period and their effects

☒Applicable ☐Not applicable

Through technology upgrades, equipment transformation, energy conservation and emission reduction measures, the company has reduced energy consumption per unit of output value, and unit carbon emissions have decreased year by year. The company has achieved fruitful results in green and low-carbon development. Give full play to the synergistic advantages of smelting facilities, process structure, energy structure, and material technology, and propose three low-carbon metallurgical technology paths, which will be implemented in stages to meet customer needs. High-quality scrap steel is melted into "semi-steel" molten steel in an electric furnace, and 50% molten iron transported from the blast furnace to the electric furnace is added. They are transported together for converter smelting and then rolled. Taking the production of hot-dip galvanized products as an example, this path reduces carbon by 34% compared to the long process production of slabs, and reduces it by 26% to the end product. Considering the green electricity deduction of the entire process, it reduces it by 38% to the end product. Environmental product declarations for six products, including hot-dip galvanized IF steel, cold-rolled IF steel, and hot-rolled pickled low-carbon stamping steel, have been issued, and third-party EPD certification has been carried out. Through the implementation of photovoltaic power generation projects, the three cold rolling mills, storage and transportation center, sewage treatment center, 2250 hot rolling mill and office building, storage and transportation center, and parking lot of Building 4 have a construction area of 310,000 square meter, with an average annual power generation of 15.081 million kWh. The electric furnace project of Bengang Plate Special Steel Division has introduced new technologies and equipment from Japan Steel Plantech (SPCO for short). It is the first Japanese SPCO ecological electric furnace (ECOARC electric furnace) in China. It adopts vertical furnace continuous scrap preheating and flat molten pool smelting technology, representing the international advanced level of electric furnace technology today. The carbon emission per ton of steel in the whole process is 0.43t, a low-carbon leading level, and the use of Bengang's green electricity resources to achieve a near "zero carbon" production line.

Administrative penalties for environmental issues during the reporting period

Name of company or subsidiary	Reason for penalty	Violation	Result of penalty	Impact on the production and operation of the listed company	Corrective measures of the company
none	none	none	none	none	none

Other environmental information that should be disclosed

None

Other environmental protection related information

None

II. Social Responsibility

For details, please refer to the 2024 Environmental, Social and Governance (ESG) Report of Bengang Plate Co., Ltd. disclosed by the company on www.cninfo.com.cn on April 4, 2025.

III. Consolidation and expansion of poverty alleviation achievements and rural revitalization

The company continues to deepen the practice of "I do practical things for the people". In 2024, all 13 projects in 10 aspects of the key livelihood projects of "I do practical things for the people" have been implemented, which continuously improves the sense of gain, happiness and security of the employees. Strictly implement the working principle of "build as much as possible, help as much as possible, dynamic management, and precise policy implementation", effectively solve problems for needy employees, and issue 406,500 yuan of relief funds to 27 needy employees throughout the year, promote the full coverage of filing and assistance for needy employees who meet the filing standards, and effectively do things that benefit the people's livelihood, things that warm the people's hearts, and things that conform to the will of the people.

The company actively selects outstanding cadres to participate in rural revitalization work, and currently 2 people serve as the first secretaries of the village. The village cadres closely focus on the guiding ideology and policies of enriching and benefiting the people of the central and provincial governments on rural revitalization work, based on the actual situation of the villages they are stationed in, do not forget their original intentions, keep their missions in mind, and have completed the consolidation and expansion of poverty alleviation achievements and rural revitalization work in 2024.

VI. Important Events

I. Implementation of commitments

1. Commitments that the actual controller, shareholders, related parties, acquirers and the company and other related parties have fulfilled during the reporting period and have not yet fulfilled by the end of the reporting period

☒Applicable ☐Not applicable

Reason for commitment	Commitment party	Commitment type	Commitment content	Commitment time	Commitment period	Performance status
Commitments made in acquisition reports or equity change reports	Angang Group Co., Ltd.	Other commitments	In order to maintain the independence of Bengang Steel Plates Co., Ltd., Angang Group Co., Ltd. promises as follows: 1. Angang Group Co., Ltd. guarantees to keep Bengang Steel Plates Co., Ltd. separate in terms of assets, personnel, finance, institutions and business, and strictly abide by the relevant regulations of the China Securities Regulatory Commission on the independence of listed companies, and will not use its controlling position to interfere with the standardized operation of Bengang Steel Plates Co., Ltd., interfere with the business decisions of Bengang Steel Plates Co., Ltd., or damage the	August 20, 2021	Long term	In progress

			legitimate rights and interests of Bengang Steel Plates Co., Ltd. and other shareholders. Angang Group Co., Ltd. and its controlled subsidiaries guarantee not to illegally occupy the funds of Bengang Steel Plates Co., Ltd. and its controlled subsidiaries in any way. 2. The above commitments will remain valid during the period when Angang Group Co., Ltd. controls Bengang Steel Plates Co., Ltd.. If Angang Group Co., Ltd. fails to fulfill the above commitments and causes losses to Bengang Steel Plates Co., Ltd., Angang Group Co., Ltd. will bear the corresponding compensation liability.			
	Angang Group Co., Ltd.	Other commitments	To avoid horizontal competition, Angang Group Co., Ltd. undertakes as follows: (1) With regard to the overlap of some businesses between Angang Group Co., Ltd. and Bengang Steel Plates Co., Ltd. after the completion of this acquisition, in accordance with the requirements of	August 20, 2021	Long term	In progress

			<p>current laws, regulations and relevant policies, Angang Group Co., Ltd. will, within 5 years from the date of this letter of commitment, and strive to achieve the same within a shorter period of time, in accordance with the requirements of relevant securities regulatory authorities, and on the premise of complying with the laws, regulations and relevant regulatory rules applicable at that time, and in line with the principle of benefiting the development of Bengang Steel Plates Co., Ltd. and safeguarding the interests of shareholders, especially the interests of small and medium-sized shareholders, steadily promote the integration of related businesses to resolve the problem of horizontal competition by comprehensively using a variety of methods such as asset restructuring, business adjustments, and entrusted management. The above solutions include but are not limited to:</p>			
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			<p>1) Asset restructuring: adopt cash consideration or share issuance consideration and other methods permitted by relevant laws and regulations to purchase assets, asset replacement, asset transfer or other feasible restructuring methods, gradually sort out and reorganize the assets of Angang Group Co., Ltd. and Bengang Plate with overlapping businesses, and eliminate the overlap of some businesses; 2) Business adjustment: sort out the business boundaries and make every effort to achieve differentiated operations, such as different ways to achieve business differentiation through asset transactions, business division, etc., including but not limited to differentiation in business composition, product grade, application field and customer groups; 3) Entrusted management: by signing an entrustment agreement, one party fully entrusts the decision-making power and</p>			
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			<p>management power involved in the operation of some relevant assets with overlapping businesses to the other party for unified management; 4) Other feasible solutions within the scope permitted by laws, regulations and relevant policies. The implementation of the above solutions is subject to the necessary review procedures for listed companies, the approval procedures of securities regulatory authorities and relevant competent authorities in accordance with relevant laws and regulations. (2) Angang Group Co., Ltd. has not yet formulated a specific implementation plan and time schedule for resolving the issue of overlap between Angang Group Co., Ltd. and Bengang Steel Plates Co., Ltd.. Angang Group Co., Ltd. will fulfill its information disclosure obligations in accordance with relevant laws and regulations in a timely manner after</p>			
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			<p>formulating a specific and feasible plan;</p> <p>(3) In addition to the above circumstances, when Angang Group Co., Ltd. or other subsidiaries obtain business opportunities that may compete with Bengang Steel Plates Co., Ltd.' business, Angang Group Co., Ltd. will make every effort to give Bengang Steel Plates Co., Ltd. priority development rights and priority acquisition rights for such opportunities, ensure that the price of the relevant transaction is fair and reasonable, and will use the business practices followed in normal commercial transactions with independent third parties as the basis for pricing;</p> <p>(4) Angang Group Co., Ltd. guarantees to strictly abide by laws, regulations and the provisions of the "Articles of Association of Bengang Steel Plates Co., Ltd. Co., Ltd." and its relevant management systems, and will not use its position as an indirect controlling</p>			
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			shareholder of Bengang Steel Plates Co., Ltd. to seek improper interests, thereby damaging the rights and interests of other shareholders of Bengang Steel Plates Co., Ltd.; (5) The above commitments made by Angang Group Co., Ltd. are valid during the period when Angang Group Co., Ltd. controls Bengang Steel Plates Co., Ltd.. If the rights and interests of Bengang Steel Plates Co., Ltd. are damaged due to the violation of the above commitments, Angang Group Co., Ltd. is willing to bear the corresponding liability for damages.			
	Angang Group Co., Ltd.	Other commitments	In order to regulate and reduce the related-party transactions between Angang Group Co., Ltd. and listed companies, Angang Group Co., Ltd. has made the following commitments: 1. Angang Group Co., Ltd. will ensure that Bengang Steel Plates Co., Ltd. has independent business and complete assets, and has independent	August 20, 2021	Long term	In progress

			<p>and complete production, supply, sales and other supporting systems. 2. Angang Group Co., Ltd. and other enterprises controlled by Angang Group Co., Ltd. will not use their control over Bengang Steel Plates Co., Ltd. to seek priority in transactions with Bengang Steel Plates Co., Ltd. and its subsidiaries. 3. Angang Group Co., Ltd. and other enterprises controlled by Angang Group Co., Ltd. will avoid and reduce unnecessary transactions with Bengang Steel Plates Co., Ltd. and its subsidiaries. If there are truly necessary and unavoidable transactions, Angang Group Co., Ltd. and other enterprises controlled by Angang Group Co., Ltd. will sign agreements with Bengang Steel Plates Co., Ltd. and its subsidiaries in accordance with the principles of fairness, equity, and equal compensation, and perform legal procedures. In accordance with the requirements of relevant laws,</p>			
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			<p>regulations and normative documents and the provisions of the Articles of Association of Bengang Steel Plates Co., Ltd. Co., Ltd., they will perform information disclosure obligations and relevant internal decision-making and approval procedures in accordance with the law, and ensure that they will not trade with Bengang Steel Plates Co., Ltd. and its subsidiaries under conditions that are obviously unfair compared to market prices, and will not use such transactions to engage in any behavior that damages the legitimate rights and interests of Bengang Steel Plates Co., Ltd. and other shareholders of Bengang Steel Plates Co., Ltd..</p> <p>4. If the above commitments are violated and the legitimate rights and interests of Bengang Plate are damaged, Angang Group Co., Ltd. will compensate Bengang Plate for the losses caused thereby in accordance with the law.</p>			
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Commitments made during initial public offering or refinancing	Company directors and senior managers/Benxi Steel Group Co., Ltd.	Other commitments	In accordance with the relevant regulations of the China Securities Regulatory Commission, all directors and senior management of the company make the following commitments to ensure that the company's measures to make up for the diluted immediate return can be effectively implemented: 1. I promise to perform my duties faithfully and diligently to safeguard the legitimate rights and interests of the company and all shareholders. 2. I promise not to transfer benefits to other units or individuals without compensation or under unfair conditions, nor to harm the interests of the company in other ways. 3. I promise to restrict the official consumption behavior of the company's directors and senior management. 4. I promise not to use the company's assets for investment and consumption activities that are not related to the performance of their duties. 5. I	May 22, 2019	Long term	In progress
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			<p>promise to, within the scope of my duties and authority, make every effort to promote the remuneration system formulated by the company's board of directors or the remuneration and assessment committee to be linked to the implementation of the company's measures to make up for the return, and vote in favor of the relevant proposals reviewed by the company's board of directors and shareholders' meeting (if I have the right to vote). 6. If the company intends to implement equity incentives, I promise to, within the scope of my duties and authority, make every effort to promote the equity incentive exercise conditions to be announced by the company to be linked to the implementation of the company's measures to make up for the return, and vote in favor of the relevant proposals reviewed by the company's board of directors and shareholders' meeting (if I</p>			
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			have the right to vote). 7. If the China Securities Regulatory Commission makes other new regulatory provisions on compensation measures and commitments between the date of this commitment and the completion of the company's public offering of convertible corporate bonds, and the above commitments cannot meet the requirements of the China Securities Regulatory Commission, the company promises to issue a supplementary commitment in accordance with the latest regulations of the China Securities Regulatory Commission. The company's controlling shareholder, Benxi Steel Group Co., Ltd., promises not to interfere with the company's business management activities beyond its authority and not to infringe on the company's interests.			
	Bengang Group Co., Ltd. and Benxi Steel Group Co., Ltd.	Other commitments	1. Bengang International trade Co., Ltd. and Bengang Steel Plates Co., Ltd.'s sales companies in	July 24, 2019	Long term	In progress

			<p>the same region guarantee personnel independence, business independence, financial independence, and asset independence, and guarantee that they are not in the same place of registration and never work in the same office;</p> <p>2. In view of the fact that Bengang Steel Plates Co., Ltd. has recently completed the registration of foreign trade operators, and considering that the qualification level certification of raw material suppliers and customs import and export qualification level certification still need to be gradually improved, it lacks the actual conditions and capabilities to independently carry out import and export business in the short term. In order to ensure the normal business development of Bengang Steel Plates Co., Ltd., the Group agrees that Bengang International Trade Co., Ltd. will continue to act as the agent for the main import and export business of Bengang Steel Plates</p>			
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			<p>Co., Ltd. within a period of no more than 5 years from the date of issuance of this commitment, until Bengang Steel Plates Co., Ltd. believes that it can independently carry out import and export business, and during this period, Bengang International Trade Co., Ltd. will provide necessary support for Bengang Steel Plates Co., Ltd. to establish and improve its import and export business. In addition, Bengang International Trade Co., Ltd.'s sales companies are only responsible for selling the products of Beiyang Iron&Steel Group, and never sell third-party steel products. 3. The three sales companies of the Group, namely Shanghai Bengang Steel Sales Co., Ltd., Shanghai Bengang Steel Materials Co., Ltd. and Guangzhou Bonded Zone Bengang Sales Co., Ltd., are no longer actually engaged in any business activities. The specific details are as follows:</p>			
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			<p>(1) Shanghai Bengang Steel Trading Co., Ltd. filed for bankruptcy in 2014. The People's Court of Changning District, Shanghai issued an announcement to appoint Grandall Law Firm (Shanghai) as the bankruptcy administrator. After communicating with the bankruptcy administrator, the relevant procedures for the cancellation of Shanghai Bengang Steel Sales Co., Ltd. will be handled immediately after the completion of the aforementioned bankruptcy liquidation procedures. (2) Shanghai Bengang Steel Materials Co., Ltd. is a holding subsidiary of Shanghai Bengang Steel Trading Co., Ltd. and was cancelled in November 2020. (3) Guangzhou Bonded Zone Bengang Sales Co., Ltd. was cancelled in July 2022.</p>			
	Bengang Group Co., Ltd. and Benxi Steel Group Co., Ltd.	Other commitments	Benxi Steel Group Co., Ltd. and Bengang Group Co., Ltd. (hereinafter collectively referred to as the "Group"), as the direct and indirect	July 24, 2019	Long term	Normal execution

			controlling shareholders of Bengang Steel Plates Co., Ltd. (hereinafter referred to as "Bengang Plate"), hereby make the following commitments to avoid horizontal competition: 1. During the period when the Group serves as the controlling shareholder of Bengang Plate, the Group and other enterprises controlled by the Group except Bengang Plate will no longer produce or develop any products that compete or may compete with the products produced by Bengang Plate and its subsidiaries at home and abroad, will not directly or indirectly operate any business that competes or may compete with the business operated by Bengang Plate and its subsidiaries, and will not participate in the investment in any other enterprises that compete or may compete with the products produced or businesses operated by Bengang Plate and its subsidiaries. 2. If Bengang Plates and its			
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			<p>subsidiaries further expand their business scope, the Group and other enterprises controlled by the Group will not compete with the expanded business of Bengang Plates and its subsidiaries; if there is a possibility of competition with the expanded business of Bengang Plates and its subsidiaries, they will withdraw from the competition with Bengang Plates in the following ways: (1) stop the business that competes or may compete with Bengang Plates and its subsidiaries; (2) incorporate the competing business into Bengang Plates and its subsidiaries in a legal and compliant manner; (3) transfer the competing business to an unrelated third party. 3. If the Group has any business opportunity to engage in or participate in activities that may compete with the business operations of Bengang Plates, the Group shall immediately notify Bengang Plates of the above business</p>			
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			<p>opportunity. If Bengang Plates responds affirmatively within a reasonable period specified in the notification that it is willing to utilize the business opportunity, the Group will try its best to provide the business opportunity to Bengang Plates on terms no less favorable than those provided to any independent third party. 4. If the above commitments are violated, the Group is willing to bear all the responsibilities arising therefrom and fully compensate or indemnify Bengang Plates for all direct or indirect losses caused thereby. 5. This letter of commitment shall remain valid and cannot be changed or revoked during the period when the Group serves as the controlling shareholder of Bengang Plates.</p>			
	Bengang Group Co., Ltd. and Benxi Steel Group Co., Ltd.	Other commitments	<p>Benxi Steel Group Co., Ltd. and Bengang Group Co., Ltd. (hereinafter collectively referred to as "the Group"), as the direct and indirect controlling shareholders of Bengang Steel Plates Co., Ltd.</p>	July 24, 2019	Long term	Normal execution

			<p>(hereinafter referred to as "Bengang Plate"), hereby promise to regulate the related transactions between the Group and Bengang Plate:</p> <p>1. The Group will fully respect the independent legal person status of Bengang Plate, guarantee the independent operation and independent decision-making of Bengang Plate, ensure the business independence, asset integrity, personnel independence and financial independence of Bengang Plate, so as to avoid and reduce unnecessary related transactions; the Group will strictly control the related transactions between Bengang Plate and its subsidiaries.</p> <p>2. The Group and other companies controlled by it promise not to occupy or misappropriate the funds of Bengang Plate and its subsidiaries by borrowing, repaying debts, advancing funds or other means, nor require Bengang Plate and its</p>			
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			<p>subsidiaries to provide illegal guarantees for the Group and other companies controlled by it.</p> <p>3. The Group and other companies controlled by it will minimize related transactions with Bengang Plate. When conducting related transactions that are truly necessary and unavoidable, the decision-making authority, decision-making procedures, and avoidance system stipulated in the Articles of Association of Bengang Plates and the decision-making system for related transactions shall be strictly implemented, the role of the Supervisory Board and independent directors shall be fully utilized, and the information disclosure obligations shall be conscientiously fulfilled to ensure that transactions are conducted in accordance with the principles of openness, fairness, and equity in market transactions and normal commercial terms. The</p>			
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			<p>Group and other companies controlled by it will not require or accept Bengang Plates to provide more favorable conditions than any third party in any fair market transaction, and protect the interests of other shareholders of Bengang Plates and Bengang Plates from being harmed.</p> <p>4. The Group guarantees that the above commitments will remain valid and irrevocable during the period when the Group is listed on the domestic stock exchange and the Group is its direct and indirect controlling shareholder. If any violation of the above commitments occurs, the Group shall bear all losses caused to Bengang Plates.</p>			
Whether the promise is fulfilled on time	Yes					

2. If the company's assets or projects have profit forecasts and the reporting period is still within the profit forecast period, the company shall explain whether the assets or projects have achieved the original profit forecast and the reasons for this.

☐Applicable ☒Not applicable

II. Non-operating capital occupation of listed companies by controlling shareholders and other related parties

☐Applicable ☒Not applicable

During the reporting period, there was no non-operating capital occupation of the listed company by the controlling shareholder or other related parties.

III. Illegal external guarantees

☐Applicable ☒Not applicable

The company did not provide any illegal external guarantees during the reporting period.

IV. The Board of Directors' Statement on the Latest "Non-standard Audit Report"

☐Applicable ☒Not applicable

V. Explanation of the Board of Directors, the Board of Supervisors and the Independent Directors (if any) on the "Non-standard Audit Report" of the Accounting Firm during the Reporting Period

☐Applicable ☒Not applicable

VI. Description of changes in accounting policies, accounting estimates, or corrections of significant accounting errors compared with the previous year's financial report

☒Applicable ☐Not applicable

1. Change of major accounting policy during this reporting period

(1) Implementation of Interpretation of Enterprise Accounting Standards No. 17

The Ministry of Finance issued the "Interpretation of the Enterprise Accounting Standards No. 17 " (Accounting [2023] No. 21, hereinafter referred to as "Interpretation No. 17") on October 25, 2023.

A. Classification of current liabilities and non-current liabilities

Interpretation No. 17 clarifies:

- If an enterprise does not have a substantive right to postpone the repayment of a liability for more than one year after the balance sheet date on the balance sheet date, the liability should be classified as a current liability.
- For liabilities arising from an enterprise's loan arrangement, the enterprise's right to postpone the repayment of the liability for more than one year after the balance sheet date may depend on whether the enterprise has complied with the conditions stipulated in the loan arrangement (hereinafter referred to as the contractual conditions). When judging whether it has a substantive right to postpone the repayment of the debt, the enterprise should only consider the contractual conditions that should be followed on or before the balance

sheet date, and should not consider the contractual conditions that should be followed by the enterprise after the balance sheet date.

– Liability repayment for the purpose of classifying the liquidity of liabilities means that the enterprise discharges the liability by transferring cash, other economic resources (such as goods or services) or the enterprise's own equity instruments to the counterparty. If the terms of a liability result in the enterprise settling the liability by delivering its own equity instruments at the option of the counterparty, if the enterprise classifies the above option as an equity instrument and recognizes it separately as the equity component of a compound financial instrument in accordance with the provisions of Accounting Standard for Enterprises No. 37 - Presentation of Financial Instruments, the term does not affect the liquidity classification of the liability.

This interpretation will be effective from January 1, 2024. The aforementioned regulations have no significant impact on the Company's financial reports.

B. Disclosures about supplier financing arrangements

Interpretation No. 17 requires that when an enterprise makes a note disclosure, it should disclose information related to supplier financing arrangements in a summary manner to help users of financial statements assess the impact of these arrangements on the liabilities, cash flows and liquidity risk exposure of the enterprise. The impact of supplier financing arrangements should also be considered when identifying and disclosing liquidity risk information. This disclosure provision only applies to supplier financing arrangements. A supplier financing arrangement refers to a transaction with the following characteristics: one or more financing providers provide funds to pay the amount owed by the enterprise to its suppliers, and it is agreed that the enterprise will repay the financing providers on the day or after its suppliers receive the payment in accordance with the terms and conditions of the arrangement. Compared with the original payment due date, the supplier financing arrangement extends the payment period of the enterprise or advances the collection period of the enterprise's suppliers.

This interpretation will be effective from January 1, 2024. The aforementioned regulations have no significant impact on the Company's financial reports.

C. Accounting treatment of sale and leaseback transactions

Interpretation No. 17 provides that when a lessee subsequently measures the lease liability arising from a sale and leaseback, the method of determining the lease payments or the modified lease payments shall not result in the recognition of gains or losses related to the right of use obtained from the leaseback. When an enterprise first implements this provision, it shall make retrospective adjustments to sale and leaseback transactions conducted after the first implementation date of Enterprise Accounting Standard No. 21 - Leases.

This interpretation will be effective from January 1, 2024. The aforementioned regulations have no significant impact on the Company's financial reports.

(2) Implement the "Interim Provisions on Accounting Treatment of Enterprise Data Resources"

On August 1, 2023, the Ministry of Finance issued the "Interim Provisions on Accounting Treatment of Enterprise Data Resources" (Accounting [2023] No. 11), which applies to data resources that are recognized as intangible assets or inventory and other assets in accordance with the relevant provisions of the Enterprise Accounting Standards, as well as data resources that are legally owned or controlled by the enterprise and are expected to bring economic benefits to the enterprise, but do not meet the conditions for asset recognition and are not recognized. The relevant accounting treatment, and put forward specific requirements for the disclosure of data resources.

This provision will take effect on January 1, 2024. Enterprises should adopt the prospective application method. Data resource-related expenses that have been expensed and included in profit and loss before the implementation of this provision will no longer be adjusted. The implementation of this provision has no significant impact on the company's financial position and operating results.

(3) Implement the provisions of "Interpretation No. 18 of the Enterprise Accounting Standards on the accounting treatment of quality assurance that is not a single performance obligation"

On December 6, 2024, the Ministry of Finance issued the "Interpretation No. 18 of the Enterprise Accounting Standards" (Accounting [2024] No. 24, hereinafter referred to as "Interpretation No. 18"), which will be implemented from the date of issuance, and enterprises are allowed to implement it in advance from the year of issuance.

Interpretation No. 18 stipulates that when accounting for the estimated liabilities arising from the quality assurance of the guarantee type that does not belong to the single performance obligation, it shall be debited to the "principal business cost" and "other business cost" and other accounts, and credited to the "estimated liabilities" account according to the relevant provisions of the "Enterprise Accounting Standard No. 13-Contingencies" according to the determined estimated liabilities, and shall be listed in the "operating costs" in the income statement and the "other current liabilities", "non-current liabilities due within one year", "estimated liabilities" and other items in the balance sheet.

When the enterprise implements the content of this interpretation for the first time, if the original provision of the quality assurance of the guarantee type is included in the "sales expenses", it shall be retroactively adjusted in accordance with the change in accounting policies. The above provisions have no significant impact on the financial statements of the Company.

2. Change of accounting estimate during the reporting period

There is no significant changes in accounting estimates during the reporting period.

VII. Explanation of changes in the scope of the consolidated financial statements compared with the previous year's financial report

☒Applicable ☐Not applicable

The company acquired 100% equity of North Hengda Logistics Co., Ltd. held by Benxi Steel Group Co., Ltd. After the completion of this transaction, Hengda Logistics became a wholly-owned subsidiary of the company and was included in the company's consolidated financial statements.

VIII . Appointment and dismissal of accounting firms

Accountant's firm currently appointed

Name of domestic accounting firm	BDO China Shu Lun Pan Certified Public Accountants LLP
Remuneration of domestic accounting firm (RMB 10,000)	295
Continuous years of audit services provided by domestic accounting firm	2
Name of domestic certified public accountant	Wang Hongna, Fu Yangyi
Continuous years of audit services provided by domestic certified public accountant	1 year for Wang Hongna, 2 years for Fu Yangyi
Name of foreign accounting firm (if any)	Not applicable
Continuous years of audit services provided by foreign accounting firm (if any)	Not applicable
Name of foreign certified public accountant (if any)	Not applicable
Continuous years of audit services provided by foreign certified public accountant (if any)	Not applicable

Whether to hire a new accounting firm during the current period

☐Yes ☒No

Employment of internal control audit accounting firms, financial advisors or sponsors

☒Applicable ☐Not applicable

This year, the company hired BDO China Shu Lun Pan Certified Public Accountants LLP as its internal control audit accounting firm, and the audit fee was RMB 600,000.

IX. Situations of delisting after the disclosure of the annual report

☐Applicable ☒Not applicable

X. Bankruptcy and reorganization related matters

☐Applicable ☒Not applicable

The company did not have any bankruptcy reorganization related matters during the reporting period.

XI. Major litigation and arbitration matters

☒Applicable ☐Not applicable

Basic information	Amount involved (in	Whether estimated	Progress of litigation	Results and impact of	Execution of litigation	Date of	Disclosure
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of litigation (arbitration)	10,000 yuan)	liabilities are formed	(arbitration)	litigation (arbitration)	(arbitration) judgment	disclosure	index
Summary of matters where the company does not meet the disclosure standards for major litigation (arbitration)	5,405.7	None	Under review	None	Handle according to legal provisions		

XII . Penalties and Rectification

☒Applicable ☐Not applicable

Name	Type	Reason	Investigation Penalty Type	Conclusion (if any)	Disclosure Date	Disclosure Index
Bengang Steel Plates Co., Ltd., Gao Lie, Shen Qiang, Zhao Zhonghua	other	Before 2019, the company failed to promptly settle the port and transit consumption of raw materials procured on behalf of others, resulting in inaccurate disclosure of the amounts of relevant report items in the current period; at the same time, there was also a lack of independence in the procurement business and irregular management of accounting files.	China Securities Regulatory Commission takes administrative supervision measures	Issue a warning letter and record it in the securities and futures market integrity file	May 18, 2024	Announcement on Receiving Warning Letter from Liaoning Securities Regulatory Bureau (No.: 2024-022)

XIII. Integrity of the company and its controlling shareholders and actual controllers

☐Applicable ☒Not applicable

XIV. Major Related-Party Transactions

1. Related-party transactions related to daily operations

☒Applicable ☐Not applicable

Related party	Relationship	Transaction type	Related party transaction content	Pricing principles of related party transactions	Related party transaction price	Amount of Affiliated Transaction (ten thousand Yuan)	Proportion of the amount of similar transactions	Approved transaction amount (ten thousand yuan)	Whether the approved quota is exceeded	Settlement method of related party transactions	The market price of similar transactions available	Disclosure date	Disclosure index
Ansteel Scrap Resources (Anshan) Co., Ltd.	Also belong to Angang Iron and Steel Group	Purchase of Goods /Acceptance of Services	Procurement of Main Raw Materials	Market-oriented Principles	Related Party Agreement Price	112,480.20	2.06%	157,700	No	According to the agreement	Yes	2-Dec-23	2023-068
Ansteel Co., Ltd.	Also belong to Angang Iron and Steel Group	Purchase of Goods /Acceptance of Services	Procurement of Main Raw Materials	Market-oriented Principles	Related Party Agreement Price	3,162.11	0.06%	3,200	No	According to the agreement	Yes	2-Dec-23	2023-068
Ansteel Group International Economic & Trade Co., Ltd.	Also belong to Angang Iron and Steel Group	Purchase of Goods /Acceptance of Services	Procurement of Main Raw Materials	Market-oriented Principles	Related Party Agreement Price	18,589.30	0.34%	28,000	No	According to the agreement	Yes	2-Dec-23	2023-068
Ansteel Group Mining Gongchangling Co., Ltd.	Also belong to Angang Iron and Steel Group	Purchase of Goods /Acceptance of Services	Procurement of Main Raw Materials	Market-oriented Principles	Related Party Agreement Price	30,866.73	0.56%	31,000	No	According to the agreement	Yes	2-Dec-23	2023-068
Anshan Iron and Steel Group Co., Ltd.	Also belong to Angang Iron and Steel Group	Purchase of Goods /Acceptance of Services	Procurement of Main Raw Materials	Market-oriented Principles	Related Party Agreement Price	2,117.13	0.04%	2,200	No	According to the agreement	Yes	2-Dec-23	2023-068

	Steel Group	Services											
Benxi Beiyi ng Iron & Steel (Group) Co., Ltd.	Also belong to Benga ng Group	Purch ase of Goods /Acce ptance of Serv ices	Procu remen t of Main Raw Mater ials	Marke t-ori ented Princi ples	Relate d Party Agree ment Price	1,145, 170.4 1	20.94 %	1,493, 000	No	Accor ding to the agree ment	Yes	2- Dec- 23	2023- 068
Benxi Iron & Steel (Group) Minin g Co., Ltd.	The same parent comp any	Purch ase of Goods /Acce ptance of Serv ices	Procu remen t of Main Raw Mater ials	Marke t-ori ented Princi ples	Relate d Party Agree ment Price	709,5 36	12.97 %	750,0 00	No	Accor ding to the agree ment	Yes	2- Dec- 23	2023- 068
Benxi Iron & Steel (Group) Indust rial De velop ment Co., Ltd.	The same parent comp any	Purch ase of Goods /Acce ptance of Serv ices	Procu remen t of Main Raw Mater ials	Marke t-ori ented Princi ples	Relate d Party Agree ment Price	22,31 4.12	0.41%	31,00 0	No	Accor ding to the agree ment	Yes	2- Dec- 23	2023- 068
Benxi Iron & Steel (Group) Co., Ltd.	parent comp any	Purch ase of Goods /Acce ptance of Serv ices	Procu remen t of Main Raw Mater ials	Marke t-ori ented Princi ples	Relate d Party Agree ment Price	42.3	0.00%	50	No	Accor ding to the agree ment	Yes	2- Dec- 23	2023- 068
Anste el Co., Ltd.	Also belong to Anga ng Iron and Steel Group	Purch ase of Goods /Acce ptance of Serv ices	Procu remen t of Auxili ary Mater ials	Marke t-ori ented Princi ples	Relate d Party Agree ment Price	316.1 8	0.01%	320	No	Accor ding to the agree ment	Yes	2- Dec- 23	2023- 068
Anste el Group Engin eering Techn ology Devel opme nt Co., Ltd.	Also belong to Anga ng Iron and Steel Group	Purch ase of Goods /Acce ptance of Serv ices	Procu remen t of Auxili ary Mater ials	Marke t-ori ented Princi ples	Relate d Party Agree ment Price	730.4 9	0.01%	750	No	Accor ding to the agree ment	Yes	2- Dec- 23	2023- 068
Anste el Group Intern	Also belong to Anga	Purch ase of Goods /Acce	Procu remen t of Auxili	Marke t-ori ented	Relate d Party Agree	35	0.00%	2,000	No	Accor ding to the	Yes	2- Dec- 23	2023- 068

ational Economic & Trade Co., Ltd.	ng Iron and Steel Group	ptance of Servic es	ary Mater ials	Princi ples	ment Price					agree ment			
Ansteel Group Zhong yuan Indust rial Devel opme nt Co., Ltd.	Also belong to Angang Iron and Steel Group	Purch ase of Goods /Acce ptance of Servic es	Procu remen t of Auxili ary Mater ials	Marke t-ori ented Princi ples	Relate d Party Agree ment Price	943.9 9	0.02%	1,000	No	Accor ding to the agree ment	Yes	2- Dec- 23	2023- 068
Anshan Iron and Steel Group Co., Ltd.	Also belong to Angang Iron and Steel Group	Purch ase of Goods /Acce ptance of Servic es	Procu remen t of Auxili ary Mater ials	Marke t-ori ented Princi ples	Relate d Party Agree ment Price	2,652. 06	0.05%	2,700	No	Accor ding to the agree ment	Yes	2- Dec- 23	2023- 068
Benxi Steel Electr ical Co., Ltd.	Parent Comp any's Assoc iate	Purch ase of Goods /Acce ptance of Servic es	Procu remen t of Auxili ary Mater ials	Marke t-ori ented Princi ples	Relate d Party Agree ment Price	18,22 6.98	0.33%	20,02 5	No	Accor ding to the agree ment	Yes	2- Dec- 23	2023- 068
Benxi Iron & Steel (Grou p) Machi nery Manu facturi ng Co., Ltd.	The same parent comp any	Purch ase of Goods /Acce ptance of Servic es	Procu remen t of Auxili ary Mater ials	Marke t-ori ented Princi ples	Relate d Party Agree ment Price	18,82 1.64	0.34%	10,00 0	Yes	Accor ding to the agree ment	Yes	2- Dec- 23	2023- 068
Benxi Iron & Steel (Grou p) Const ructio n Co., Ltd.	The same parent comp any	Purch ase of Goods /Acce ptance of Servic es	Procu remen t of Auxili ary Mater ials	Marke t-ori ented Princi ples	Relate d Party Agree ment Price	308.3	0.01%	10,00 0	No	Accor ding to the agree ment	Yes	2- Dec- 23	2023- 068
Benxi Iron & Steel (Grou p) Equip ment	The same parent comp any	Purch ase of Goods /Acce ptance of Servic es	Procu remen t of Auxili ary Mater ials	Marke t-ori ented Princi ples	Relate d Party Agree ment Price	1,816. 32	0.03%	1,900	No	Accor ding to the agree ment	Yes	2- Dec- 23	2023- 068

Engin eering Co., Ltd.													
Benxi Iron & Steel (Grou p) Indust rial Devel opme nt Co., Ltd.	The same parent comp any	Purch ase of Goods /Acce ptance of Servic es	Procu remen t of Auxili ary Mater ials	Marke t-ori ented Princi ples	Relate d Party Agree ment Price	28,19 4.88	0.52%	30,00 0	No	Accor ding to the agree ment	Yes	2- Dec- 23	2023- 068
Benxi Iron & Steel (Grou p) Infor matio n & Auto matio n Co., Ltd.	Also belon g to Anga ng Iron and Steel Group	Purch ase of Goods /Acce ptance of Servic es	Procu remen t of Auxili ary Mater ials	Marke t-ori ented Princi ples	Relate d Party Agree ment Price	701.6 9	0.01%	750	No	Accor ding to the agree ment	Yes	2- Dec- 23	2023- 068
Benxi Iron & Steel (Grou p) Co., Ltd.	parent comp any	Purch ase of Goods /Acce ptance of Servic es	Procu remen t of Auxili ary Mater ials	Marke t-ori ented Princi ples	Relate d Party Agree ment Price	1,713. 32	0.03%	2,450	No	Accor ding to the agree ment	Yes	2- Dec- 23	2023- 068
Liaoni ng Hengt ai Heavy Machi nery Co., Ltd.	The same parent comp any	Purch ase of Goods /Acce ptance of Servic es	Procu remen t of Auxili ary Mater ials	Marke t-ori ented Princi ples	Relate d Party Agree ment Price	1,005. 16	0.02%	1,695	No	Accor ding to the agree ment	Yes	2- Dec- 23	2023- 068
Liaoni ng Hengt ong Metall urgica l Equip ment Manu facturi ng Co., Ltd.	The same parent comp any	Purch ase of Goods /Acce ptance of Servic es	Procu remen t of Auxili ary Mater ials	Marke t-ori ented Princi ples	Relate d Party Agree ment Price	15,24 5.29	0.28%	16,50 0	No	Accor ding to the agree ment	Yes	2- Dec- 23	2023- 068
Panga ng Group Cheng du Vanad	Also belon g to Anga ng Iron	Purch ase of Goods /Acce ptance of	Procu remen t of Auxili ary	Marke t-ori ented Princi ples	Relate d Party Agree ment Price	236.1 6	0.00%	240	No	Accor ding to the agree ment	Yes	2- Dec- 23	2023- 068

ium & Titanium Resources Development Co., Ltd.	and Steel Group	Services	Materials										
Benxi Beiyi Iron & Steel (Group) Co., Ltd.	Also belong to Bengang Group	Purchase of Goods /Acceptance of Services	Procurement of Energy and Power	Market-oriented Principles	Related Party Agreement Price	64,620.67	1.18%	60,000	Yes	According to the agreement	Yes	2-Dec-23	2023-068
Benxi Iron & Steel (Group) Co., Ltd.	parent company	Purchase of Goods /Acceptance of Services	Procurement of Energy and Power	Market-oriented Principles	Related Party Agreement Price	28.35	0.00%	30	No	According to the agreement	Yes	2-Dec-23	2023-068
Ansteel Co., Ltd.	Also belong to Angang Iron and Steel Group	Purchase of Goods /Acceptance of Services	Acceptance of Supportive Services	Market-oriented Principles	Related Party Agreement Price	210.97	0.00%	246	No	According to the agreement	Yes	2-Dec-23	2023-068
Ansteel Group Engineering Technology Development Co., Ltd.	Also belong to Angang Iron and Steel Group	Purchase of Goods /Acceptance of Services	Acceptance of Supportive Services	Market-oriented Principles	Related Party Agreement Price	1,610.36	0.03%	3,625	No	According to the agreement	Yes	2-Dec-23	2023-068
Ansteel Group Engineering Technology Co., Ltd.	Angang Iron and Steel Group's Associate	Purchase of Goods /Acceptance of Services	Acceptance of Supportive Services	Market-oriented Principles	Related Party Agreement Price	13,593.01	0.25%	19,058	No	According to the agreement	Yes	2-Dec-23	2023-068
Ansteel Group Zhongyuan Industrial Development	Also belong to Angang Iron and Steel Group	Purchase of Goods /Acceptance of Services	Acceptance of Supportive Services	Market-oriented Principles	Related Party Agreement Price	1,378.87	0.03%	2,800	No	According to the agreement	Yes	2-Dec-23	2023-068

nt Co., Ltd.													
Ansteel Group Automation Co., Ltd.	Also belong to Angang Iron and Steel Group	Purchase of Goods /Acceptance of Services	Acceptance of Supportive Services	Market-oriented Principles	Related Party Agreement Price	5,101	0.09%	5,200	No	According to the agreement	Yes	2-Dec-23	2023-068
Ansteel Resources Co., Ltd.	Also belong to Angang Iron and Steel Group	Purchase of Goods /Acceptance of Services	Acceptance of Supportive Services	Market-oriented Principles	Related Party Agreement Price	29.79	0.00%	30	No	According to the agreement	Yes	2-Dec-23	2023-068
Anshan Iron and Steel Group Co., Ltd.	Also belong to Angang Iron and Steel Group	Purchase of Goods /Acceptance of Services	Acceptance of Supportive Services	Market-oriented Principles	Related Party Agreement Price	110.39	0.00%	122	No	According to the agreement	Yes	2-Dec-23	2023-068
Benxi Steel Electrical Co., Ltd.	Parent Company's Associate	Purchase of Goods /Acceptance of Services	Acceptance of Supportive Services	Market-oriented Principles	Related Party Agreement Price	1,400.58	0.03%	1,450	No	According to the agreement	Yes	2-Dec-23	2023-068
Benxi Steel Group International Economic & Trade Co., Ltd.	Also belong to Bengang Group	Purchase of Goods /Acceptance of Services	Acceptance of Supportive Services	Market-oriented Principles	Related Party Agreement Price	7,973.98	0.15%	8,031.50	No	According to the agreement	Yes	2-Dec-23	2023-068
Benxi Steel Group Co., Ltd.	Controlling shareholder of the parent company	Purchase of Goods /Acceptance of Services	Acceptance of Supportive Services	Market-oriented Principles	Related Party Agreement Price	21,899.32	0.40%	36,200	No	According to the agreement	Yes	2-Dec-23	2023-068
Benxi Beiyi Iron & Steel (Group) Co., Ltd.	Also belong to Bengang Group	Purchase of Goods /Acceptance of Services	Acceptance of Supportive Services	Market-oriented Principles	Related Party Agreement Price	13,805.32	0.25%	14,000	No	According to the agreement	Yes	2-Dec-23	2023-068

Benxi Iron & Steel (Group) Guomao Tengda Co., Ltd.	Also belong to Angang Iron and Steel Group	Purchase of Goods /Acceptance of Services	Acceptance of Supportive Services	Market-oriented Principles	Related Party Agreement Price	62,838.64	1.15%	50,320.50	Yes	According to the agreement	Yes	2-Dec-23	2023-068
Benxi Iron & Steel (Group) Machinery Manufacturing Co., Ltd.	The same parent company	Purchase of Goods /Acceptance of Services	Acceptance of Supportive Services	Market-oriented Principles	Related Party Agreement Price	8,629.71	0.16%	7,000	Yes	According to the agreement	Yes	2-Dec-23	2023-068
Benxi Iron & Steel (Group) Construction Co., Ltd.	The same parent company	Purchase of Goods /Acceptance of Services	Acceptance of Supportive Services	Market-oriented Principles	Related Party Agreement Price	36,200.26	0.66%	42,000	No	According to the agreement	Yes	2-Dec-23	2023-068
Benxi Iron & Steel (Group) Mining Co., Ltd.	The same parent company	Purchase of Goods /Acceptance of Services	Acceptance of Supportive Services	Market-oriented Principles	Related Party Agreement Price	0	0.00%	3,000	No	According to the agreement	Yes	2-Dec-23	2023-068
Benxi Iron & Steel (Group) Equipment Engineering Co., Ltd.	The same parent company	Purchase of Goods /Acceptance of Services	Acceptance of Supportive Services	Market-oriented Principles	Related Party Agreement Price	111,863.91	2.05%	49,100	Yes	According to the agreement	Yes	2-Dec-23	2023-068
Benxi Iron & Steel (Group) Industrial Development	The same parent company	Purchase of Goods /Acceptance of Services	Acceptance of Supportive Services	Market-oriented Principles	Related Party Agreement Price	3,684.50	0.07%	5,000	No	According to the agreement	Yes	2-Dec-23	2023-068

Co., Ltd.													
Benxi Iron & Steel (Group) Information & Automation Co., Ltd.	Also belong to Angang Iron and Steel Group	Purchase of Goods /Acceptance of Services	Acceptance of Supportive Services	Market-oriented Principles	Related Party Agreement Price	20,175.41	0.37%	21,000	No	According to the agreement	Yes	2-Dec-23	2023-068
Benxi Iron & Steel (Group) Co., Ltd.	parent company	Purchase of Goods /Acceptance of Services	Acceptance of Supportive Services	Market-oriented Principles	Related Party Agreement Price	7,932.66	0.15%	10,920	No	According to the agreement	Yes	2-Dec-23	2023-068
Delin Landport Supply Chain Services Co., Ltd.	Also belong to Angang Iron and Steel Group	Purchase of Goods /Acceptance of Services	Acceptance of Supportive Services	Market-oriented Principles	Related Party Agreement Price	920.12	0.02%	1,010	No	According to the agreement	Yes	2-Dec-23	2023-068
Liaoning Hengtai Heavy Machinery Co., Ltd.	The same parent company	Purchase of Goods /Acceptance of Services	Acceptance of Supportive Services	Market-oriented Principles	Related Party Agreement Price	2,860.26	0.05%	4,080	No	According to the agreement	Yes	2-Dec-23	2023-068
Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	The same parent company	Purchase of Goods /Acceptance of Services	Acceptance of Supportive Services	Market-oriented Principles	Related Party Agreement Price	1,019.87	0.02%	2,000	No	According to the agreement	Yes	2-Dec-23	2023-068
Pangang Group Co., Ltd.	Also belong to Angang Iron and Steel Group	Purchase of Goods /Acceptance of Services	Acceptance of Supportive Services	Market-oriented Principles	Related Party Agreement Price	168.56	0.00%	180	No	According to the agreement	Yes	2-Dec-23	2023-068

Other Subsidiaries of Ansteel Group	Also belong to Angang Iron and Steel Group	Purchase of Goods /Acceptance of Services	Acceptance of Supportive Services	Market-oriented Principles	Related Party Agreement Price	108.15	0.00%	117	No	According to the agreement	Yes	2-Dec-23	2023-068
Ansteel Co., Ltd.	Also belong to Angang Iron and Steel Group	Sale of Goods /Rendering of Services	Sale of Goods	Market-oriented Principles	Related Party Agreement Price	13,979.75	0.27%	14,140	No	According to the agreement	Yes	2-Dec-23	2023-068
Ansteel Chemical Technology Co., Ltd.	Also belong to Angang Iron and Steel Group	Sale of Goods /Rendering of Services	Sale of Goods	Market-oriented Principles	Related Party Agreement Price	25,505.04	0.50%	25,600	No	According to the agreement	Yes	2-Dec-23	2023-068
Ansteel Group Engineering Technology Co., Ltd.	Angang Iron and Steel Group's Associate	Sale of Goods /Rendering of Services	Sale of Goods	Market-oriented Principles	Related Party Agreement Price	4.77	0.00%	0	Yes	According to the agreement	Yes	2-Dec-23	2023-068
Ansteel Group International Economic & Trade Co., Ltd.	Also belong to Angang Iron and Steel Group	Sale of Goods /Rendering of Services	Sale of Goods	Market-oriented Principles	Related Party Agreement Price	22,831.63	0.45%	30,000	No	According to the agreement	Yes	2-Dec-23	2023-068
Ansteel Green Resources Technology Co., Ltd.	Also belong to Angang Iron and Steel Group	Sale of Goods /Rendering of Services	Sale of Goods	Market-oriented Principles	Related Party Agreement Price	4,224.87	0.08%	1,079	Yes	According to the agreement	Yes	2-Dec-23	2023-068
Anshan Iron and Steel Group Co., Ltd.	Also belong to Angang Iron and Steel Group	Sale of Goods /Rendering of Services	Sale of Goods	Market-oriented Principles	Related Party Agreement Price	13.98	0.00%	20	No	According to the agreement	Yes	2-Dec-23	2023-068

Benxi Steel Electrical Co., Ltd.	Parent Company's Associate	Sale of Goods /Rendering of Services	Sale of Goods	Market-oriented Principles	Related Party Agreement Price	0.01	0.00%	1	No	According to the agreement	Yes	2-Dec-23	2023-068
Benxi Steel Group Co., Ltd.	Controlling shareholder of the parent company	Sale of Goods /Rendering of Services	Sale of Goods	Market-oriented Principles	Related Party Agreement Price	282.36	0.01%	1,000	No	According to the agreement	Yes	2-Dec-23	2023-068
Benxi Beiyi Iron & Steel (Group) Co., Ltd.	Also belong to Bengang Group	Sale of Goods /Rendering of Services	Sale of Goods	Market-oriented Principles	Related Party Agreement Price	35,869.72	0.70%	50,000	No	According to the agreement	Yes	2-Dec-23	2023-068
Benxi Iron & Steel (Group) Machinery Manufacturing Co., Ltd.	The same parent company	Sale of Goods /Rendering of Services	Sale of Goods	Market-oriented Principles	Related Party Agreement Price	1,880.97	0.04%	1,350	Yes	According to the agreement	Yes	2-Dec-23	2023-068
Benxi Iron & Steel (Group) Construction Co., Ltd.	The same parent company	Sale of Goods /Rendering of Services	Sale of Goods	Market-oriented Principles	Related Party Agreement Price	228.16	0.00%	500	No	According to the agreement	Yes	2-Dec-23	2023-068
Benxi Iron & Steel (Group) Mining Co., Ltd.	The same parent company	Sale of Goods /Rendering of Services	Sale of Goods	Market-oriented Principles	Related Party Agreement Price	5,724.74	0.11%	83,700	No	According to the agreement	Yes	2-Dec-23	2023-068
Benxi Iron & Steel (Group) Equipment Engineering	The same parent company	Sale of Goods /Rendering of Services	Sale of Goods	Market-oriented Principles	Related Party Agreement Price	1,560.34	0.03%	3,000	No	According to the agreement	Yes	2-Dec-23	2023-068

Engineering Co., Ltd.													
Benxi Iron & Steel (Group) Industrial Development Co., Ltd.	The same parent company	Sale of Goods /Rendring of Services	Sale of Goods	Market-oriented Principles	Related Party Agreement Price	14,614.28	0.29%	18,094	No	According to the agreement	Yes	2-Dec-23	2023-068
Benxi Iron & Steel (Group) Information & Automation Co., Ltd.	Also belong to Angang Iron and Steel Group	Sale of Goods /Rendring of Services	Sale of Goods	Market-oriented Principles	Related Party Agreement Price	48.89	0.00%	50	No	According to the agreement	Yes	2-Dec-23	2023-068
Benxi Iron & Steel (Group) Co., Ltd.	parent company	Sale of Goods /Rendring of Services	Sale of Goods	Market-oriented Principles	Related Party Agreement Price	10,402.02	0.20%	16,055	No	According to the agreement	Yes	2-Dec-23	2023-068
Delin Landport Supply Chain Services Co., Ltd.	Also belong to Angang Iron and Steel Group	Sale of Goods /Rendring of Services	Sale of Goods	Market-oriented Principles	Related Party Agreement Price	314,739.50	6.14%	306,610	Yes	According to the agreement	Yes	2-Dec-23	2023-068
Other Subsidiaries of Ansteel Group	Also belong to Angang Iron and Steel Group	Sale of Goods /Rendring of Services	Sale of Goods	Market-oriented Principles	Related Party Agreement Price	4,837.53	0.09%	5,801	No	According to the agreement	Yes	2-Dec-23	2023-068
Benxi Iron & Steel (Group) Mining Co., Ltd.	The same parent company	Sale of Goods /Rendring of Services	Provision of Supportive Services	Market-oriented Principles	Related Party Agreement Price	735.85	0.01%	10,000	No	According to the agreement	Yes	2-Dec-23	2023-068
Total				--	--	2,980,	--	3,510,	--	--	--	--	--

			874.8 6		000					
Details of any sales return of a large amount	No applicable									
Actual performance of the estimated total amount of daily related transactions to occur in the current period during the reporting period by category (if any)	No applicable									
Reason for any significant difference between the transaction price and the Market price for reference (if applicable)	No applicable									

2. Related party transactions relevant to asset acquisition or sold

☒Applicable ☐Not applicable

Related Party	Relationship	Type of Related-Party Transaction	Transaction Details	Pricing Principle	Book Value of Transferred Assets (RMB 10,000)	Appraisal Value of Transferred Assets (RMB 10,000)	Transaction Price (RMB 10,000)	Settlement Method	Gain/Loss on Transaction (RMB 10,000)	Disclosure Date	Disclosure Reference
Benxi Steel Group Co., Ltd.	Parent Company's Controlling Shareholder	Equity Transaction	Acquisition of 100% equity in Northern Hengda Logistics Co., Ltd.	The transaction price was determined based on the appraised value of 100% equity of the target company as of the valuation reference date, mutually agreed by both parties.	16,966.19	19,661.95	19,661.95	Cash	0	December 24, 2024	Announcement on the Acquisition of Equity in Northern Hengda Logistics Co., Ltd. and Related Transactions (Announcement No. 2024-073)
Reason for Significant Variance Between				None							

Transaction Price and Book/Appraisal Value (if applicable)	
Impact on Operating Results and Financial Position	It helps reduce related-party transactions and enhance the Company's profitability.
Performance Commitment Fulfillment During the Reporting Period (if applicable)	None

3. Related party transactions relevant to joint investments

☐ Applicable ☒ Not applicable

There was no related transaction relevant to joint investments during the reporting period.

4. Credits and liabilities with related parties

☐ Applicable ☒ Not applicable

There were no related credits and debts during the reporting period.

5. Transactions with related financial companies

☒ Applicable ☐ Not applicable

Deposit business

Related party	Relationship	Maximum daily deposit limit (ten thousand)	Deposit interest rate range	Beginning balance (10 thousand)	Current period		Ending balance (10 thousand)
					Total deposit amount of the current period (10 thousand)	Total withdrawal amount of this period (10 thousand)	
Angang Group Finance Co., Ltd.	Also belong to Ansteel	450,000	1.35%-2.25%	40,628.8	11,119,016.66	11,036,925.58	122,719.88

Credit or other financial services

Related party	Relationship	Business type	Total amount (10 thousand)	Actual amount (10 thousand)
Angang Group Finance Co., Ltd.	Also belong to Ansteel	Other financial services	59,150.75	59,150.75

6. Transactions between the financial company controlled by the company and its related parties

☐ Applicable ☒ Not applicable

There were no deposits, loans, credit or other financial businesses between the financial company controlled by the company and its related parties.

7. Other significant related transactions

☐ Applicable ☒ Not applicable

There were no other significant related transactions during the reporting period.

XV. Significant Contracts and Their Performance

1. Trusteeship, Contracting, and Lease Arrangements

(1) Trusteeship

☐ Applicable ☒ Not Applicable

During the reporting period, the Company had no trusteeship arrangements.

(2) Contracting

☐ Applicable ☒ Not Applicable

During the reporting period, the Company had no contracting arrangements.

(3) Leasing

☒ Applicable ☐ Not Applicable

Details of leasing

The Company as Lessor:

Lessee Name	Type of Leased Assets	Lease Income Recognized in Current Period (RMB)	Lease Income Recognized in Prior Period (RMB)
Benxi Iron and Steel (Group) Equipment Engineering Co., Ltd.	Factory buildings and ancillary equipment	108,980.00	217,960.00
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Factory buildings and ancillary equipment	670,802.00	
Benxi Steel Group International Trade Co., Ltd.	Factory buildings and ancillary equipment	1,957,007.77	

The Company as Lessee

Name of lessor	Type of leased assets	Current period					Previous period				
		Rental fees for short-term leases and low-value assets	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities assumed	Increased access assets	Rental fees for short-term leases and low-value assets	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities assumed	Increased access assets
Benxi Iron and Steel (Group) Co., Ltd.	Land use right 7,669,068.17 square meters, land use right 42,920.00 square meters			55,277,544.12	37,677,819.06				55,277,544.12	39,000,108.00	
Benxi Iron and Steel (Group) Co., Ltd.	2300 hot rolling mill production line, related real estate			16,098,161.04	6,968,900.84				16,098,161.05	7,740,688.68	

Ltd.											
Benxi Beiyin g Iron and Steel (Group) Co., Ltd.	1780 hot rolling mill production line, related property			14,351,637.72	5,367,055.84				14,351,637.72	5,961,443.40	
Ben Steel Group Co., Ltd	Land use right is 728,282.30 square meters			9,945,423.12	1,757,731.16				9,945,423.12	2,449,918.80	
Ansteel Group Energy Saving Technology Service Co., Ltd.	machinery equipment			7,418,960.00	6,474,538.06	255,128,489.65					

Items with Profit/Loss Impact Exceeding 10% of the Company's Total Profit for the Reporting Period

☐ Applicable ☒ Not Applicable

During the reporting period, there were no lease arrangements that generated profit/loss exceeding 10% of the Company's total profit.

2. Significant Guarantees

☐ Applicable ☒ Not Applicable

During the reporting period, there were no significant guarantees provided by the Company.

3. Entrusted Cash Asset Management

(1) Entrusted Wealth Management

☐ Applicable ☒ Not Applicable

During the reporting period, the Company did not engage in entrusted wealth management.

(2) Entrusted Loans

☐ Applicable ☒ Not Applicable

During the reporting period, the Company did not engage in entrusted loans.

4. Other Significant Contracts

☐ Applicable ☒ Not Applicable

During the reporting period, there were no other significant contracts.

XVI. Other Major Events

☒ Applicable ☐ Not Applicable

On June 20, 2023, the company disclosed the "Major Asset Replacement and Related Transaction Plan" to carry out asset replacement with Benxi Iron and Steel Company, intending to acquire 100% equity of Benxi Iron and Steel (Group) Mining Co., Ltd., and intending to dispose of all assets and liabilities of the listed company except for retained assets and liabilities. The difference between the assets to be acquired and the assets to be disposed of shall be made up by one party to the other in cash. At present, the company is conducting further demonstration and communication and negotiation on the transaction plan. After the relevant matters are determined, the company will convene the board of directors again for deliberation.

XVII. Major Events of Subsidiaries

☒ Applicable ☐ Not Applicable

On December 23, 2024, the Company held the 31st meeting of the Ninth Board of Directors and approved the Proposal on Acquiring Equity of North Hengda Logistics Co., Ltd., agreeing to acquire 100% equity of North Hengda Logistics Co., Ltd. held by Bengang Group Co., Ltd. in cash. Upon completion of the transaction, Hengda Logistics became a wholly-owned subsidiary of the Company and was included in the consolidated financial statements. The industrial and commercial registration changes were completed on December 25, 2024. For details, refer to the Announcement on Acquiring Equity of North Hengda Logistics Co., Ltd. and Related-Party Transaction (Announcement No.: 2024-073) and the Announcement on Progress of Equity Acquisition and Completion of Industrial and Commercial Registration Changes (Announcement No.: 2024-076) published by the Company on designated information disclosure platforms.

VII. Status of Share Capital Changes and Shareholders

I. Share Capital Changes

1. Share capital changes

Unit: Share

	Before the change		Increase/decrease(+, -)					After the Change	
	Quantity	Percentage	Issuing of new share	Bonus shares	Capitalization of common reserve fund	Others	Subtotal	Quantity	Percentage
I. Restricted Shares									
2. State-own Legal-person Shareholding									
3. Other domestic shareholdings									
Including: Domestic legal person holding									
Domestic person holding									
4. Foreign Shareholding									
Including: Foreign legal person holding									
Foreign person holding									
II. Non-restricted Shares	4,108,219,302	100.00%				8,855	8,855	4,108,228,157	100.00%
1. Common shares in RMB	3,708,219,302	90.26%				8,855	8,855	3,708,228,157	90.26%
2. Foreign shares in domestic market	400,000,000	9.74%						400,000,000	9.74%
3. Foreign shares in oversea market									
4.Others									
III. Total shares	4,108,219,302	100.00%				8,855	8,855	4,108,228,157	4,108,219,302

Reason of share capital changes

√Applicable □Not applicable

During the reporting period, 350 convertible bonds were converted into shares and the company's total

share capital increased by 8,855 shares.

Approval of share capital changes

☐ Applicable ☒ Not applicable

Status of registration process of transferred shares

☐ Applicable ☒ Not applicable

Influences of share capital changes on financial indices such as basic earnings per share, diluted earnings per share, and net asset per share attributed to common shareholders

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

2. Changes of Restricted Shares

☐ Applicable ☒ Not applicable

II. Securities Issuance and Listing

1. Status of Security Issuance (Excluding Preferred Shares) in the Reporting Period

☐ Applicable ☒ Not applicable

2. Total Share and Shareholder Change and Asset and Liability Structure Change

☐ Applicable ☒ Not applicable

3. Employee Shareholding Status

☐ Applicable ☒ Not applicable

III. Shareholders and Actual Controller

1. Total Number of shareholders and shareholding

In Shares

Total number of common shareholders at the end of the reporting period	45,628	Total number of common shareholders at the end of the month	47,914	Total number of preferred shareholders whose voting rights were restored at the end of	0	Total number of preferred shareholders whose voting rights were	0
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		before the annual report disclosure date		the reporting period (if any) (see Note 8)		restored at the end of the month before the annual report disclosure date (if any) (see Note 8)		
Shareholding of shareholders holding more than 5% or top 10 shareholders(Excluding shares lent through refinancing)								
Name of the shareholder	Nature of shareholder	Holding Percentage	Number of shares held at period-end	Changes in reporting period	Restricted shares held	Un-restricted shares held	Number of pledged or frozen shares	
							Status	Number
Benxi Steel & Iron (Group) Co., Ltd.	State-owned legal person	58.65%	2,409,628,094	0	0	2,409,628,094	Frozen	102,100,000
Bengang Group Co., Ltd.	State-owned legal person	17.95%	737,371,532	0	0	737,371,532	Not applicable	0
Guan Hui	Domestic natural person	0.69%	28,213,600	-516,400	0	28,213,600	Not applicable	0
Zhang Wenyou	Domestic natural person	0.44%	18,162,365	-987,602	0	18,162,365	Not applicable	0
Gao Tao	Domestic natural person	0.38%	15,500,000	-8,250,000	0	15,500,000	Not applicable	0
Lyu Ruijun	Domestic natural person	0.29%	12,011,440	12,011,440	0	12,011,440	Not applicable	0
China Merchants Securities (HK) Co., Ltd.	Foreign legal person	0.29%	11,768,807	11,768,807	0	11,768,807	Not applicable	0
Hong Kong Securities Clearing Company Limited	Foreign legal person	0.26%	10,881,390	-3,347,359	0	10,881,390	Not applicable	0
Ma Yonghua	Domestic natural person	0.24%	10,022,457	10,022,457	0	10,022,457	Not applicable	0
Zhou Wei	Domestic natural person	0.22%	8,995,300	-1,000	0	8,995,300	Not applicable	0
Strategy investors or general legal person becomes top 10		None						

shareholders due to rights issued (if any) (See Notes 3)			
Notes to relationship or ‘action in concert’ among the top 10 shareholders.	Benxi Iron and Steel (Group) Co., Ltd. has a related relationship with Benxi Iron and Steel Group Co., Ltd., and is a concerted action person stipulated in the "Administrative Measures for the Acquisition of Listed Companies". 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.		
Explanation of the above-mentioned shareholders' entrusted/entrusted voting rights and waiver of voting rights	The above shareholders are not involved in the entrustment, entrusted voting rights, or abstention of voting rights.		
Special instructions for the existence of special repurchase accounts among the top 10 shareholders (if any) (see Note 10)	None		
Shareholding of top 10 unrestricted shareholders (Excluding shares lent through refinancing and shares locked by senior executives)			
Name of the shareholder	Un-restricted shares held at the end of the reporting period	Category of shares	
		Category of shares	Quantity
Benxi Steel & Iron (Group) Co., Ltd.	2,409,628,094	Common shares in RMB	2,409,628,094
Bengang Group Co., Ltd.	737,371,532	Common shares in RMB	737,371,532
Guan Hui	28,213,600	Common shares in RMB	28,213,600
Zhang Wenyou	18,162,365	Common shares in RMB	18,162,365
Gao Tao	15,500,000	Foreign shares in domestic exchange	15,500,000
Lyu Ruijun	12,011,440	Foreign shares in domestic exchange	12,011,440
China Merchants Securities (HK) Co., Ltd.	11,768,807	Foreign shares in domestic exchange	11,768,807
Hong Kong Securities Clearing Company Limited	10,881,390	Common shares in RMB	10,881,390
Ma Yonghua	10,022,457	Foreign shares in domestic exchange	10,022,457
Zhou Wei	8,995,300	Common shares in RMB	8,995,300
Notes to relationship or ‘action in concert’ among the top 10 non-restricted shareholders, and among the top 10 non-restricted shareholders and top 10 shareholders	Benxi Iron and Steel (Group) Co., Ltd. has a related relationship with Benxi Iron and Steel Group Co., Ltd., and is a concerted action person stipulated in the "Administrative Measures for the Acquisition of Listed Companies". It is unknown to the Company whether there is any related connection or ‘Action in Concert’ as described by Rules of Information Disclosing Regarding Changing of Shareholding Status of Listed Companies existing among the above shareholders.		
Shareholders among the top 10 participating in securities margin trading (if any) (see Note 4)	Guan Hui holds 213,600 shares of the Company's stock through an investor general account and 28,000,000 shares of the Company's stock through an investor credit securities account. Zhang Wenyou holds 105,998 shares of the Company's stock through an investor credit securities account, 18,056,367 shares of the Company's stock through an investor credit securities account. Zhou Wei holds 163,500 shares of the Company's		

	stock through an investor general account and 8,831,800 shares of the Company's stock through an investor credit securities account.
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Shareholders holding more than 5% of the shares, the top 10 shareholders and the top 10 shareholders of unrestricted tradable shares participating in the refinancing business and lending shares

☐ Applicable ☒ Not Applicable

The top 10 shareholders and the top 10 shareholders of unrestricted tradable shares have changed compared with the previous period due to lending/repayment of refinancing

☐ Applicable ☒ Not Applicable

Whether top 10 common shareholders and top 10 un-restricted common shareholders have a buy-back agreement dealing in reporting period

☐ Yes ☒ No

Top 10 common shareholders and top 10 un-restricted common shareholders had no buy-back agreement dealing in reporting period.

2. Information of the Company's controlling shareholder

Nature of Controlling Shareholder: Central State-owned Holdings

Type of Controlling Shareholder: Legal person

Name of the Controlling shareholder	Legal representative / person in charge	Date of incorporation	Organization Code	Principal business activities
Benxi Steel & Iron (Group) Co., Ltd.	Li Naiming	July 10,1996	91210500119726263U	Steel and iron smelting, steel rolling processing, metal material manufacturing, ferroalloy smelting, heat production and supply, metal cutting processing services, general equipment manufacturing (excluding special equipment manufacturing), import and export of goods, office services, building materials sales, refractory materials sales, refractory materials production, instrumentation manufacturing, natural science research and experimental development, professional design services, industrial design services, information consulting services (excluding licensed information consulting services), property management, productive scrap metal recycling, renewable resource recycling (except productive scrap metal), renewable resource processing, renewable resource sales, non-residential real estate leasing, housing leasing, asset management services for self-owned capital investment, advertising production, advertising design, agency, advertising

				publication (except for projects that must be approved according to law, business activities are carried out independently in accordance with the law with a business license)
Equity details of other domestic and overseas listed companies controlled or invested by the controlling shareholder during the reporting period	None			

Changes of controlling shareholders during the reporting period

☐ Applicable ☒ Not applicable

The controlling shareholder of the company has not changed during the reporting period.

3. The actual controller and its persons acting in concert

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

Type of actual controller: Legal person

Name of the controlling shareholder	Legal representative / person in charge	Date of incorporation	Organization Code	Principal business activities
Ansteel Group Co., Ltd	Tan Chengxu	July 28, 2010	91210000558190456G	Steel, iron, vanadium, titanium, stainless steel, special steel production and manufacturing, non-ferrous metal production and manufacturing, steel rolling processing, iron, vanadium, titanium, and other non-ferrous metals, non-metallic mineral mining and comprehensive utilization, mining auxiliary industries, clean energy power generation, coal and

				coal products sales, chemical products and gases (excluding hazardous chemicals), refractory materials production and sales, industrial and mining engineering, metallurgical engineering construction, engineering technology services, equipment manufacturing, Internet of Things information services, energy conservation, environmental protection technology services, new material research and development, renewable resources development, mechanical processing, technology development, transfer, and services, transportation services, real estate development, urban energy supply, software and information technology services, intelligent manufacturing and services, domestic and international trade, financial management,
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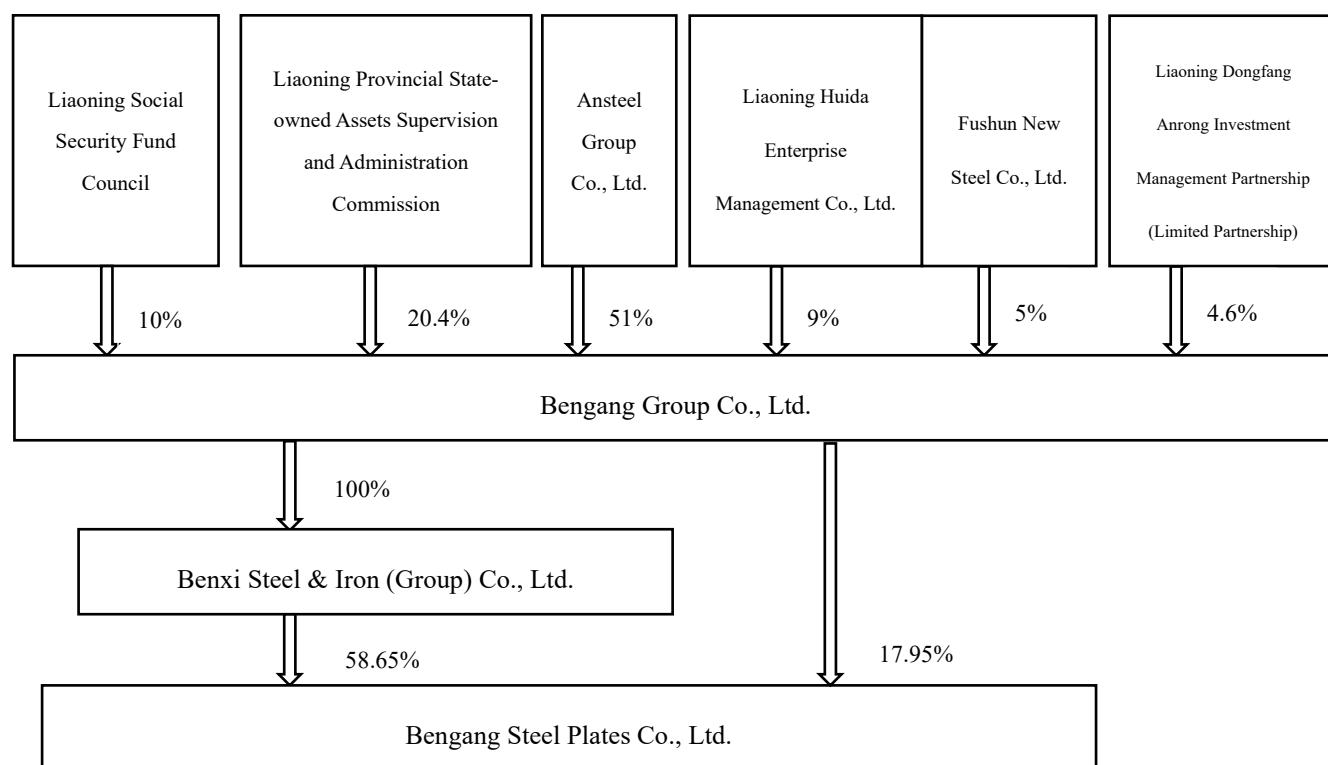
				tendering and bidding services, medical and health care services, vocational skills training, economic information consulting services, enterprise management, hotel and catering services, operation of other state-owned assets and investments within the scope authorized by the State-owned Assets Supervision and Administration Commission of the State Council; the following are limited to branch operations: newspaper distribution, publication printing, packaging decoration, and other printing products printing. (Projects that require approval by law must obtain approval from relevant departments before engaging in business activities.)
Equity details of other domestic and overseas listed companies controlled by the actual controller during the reporting period	During the reporting period, Ansteel Group Co., Ltd indirectly held 53.46% of the shares of Angang Steel Company Limited, directly and indirectly held 49.67% of the shares of Vanadium & Titanium Company Limited, and indirectly held 36.97% of the shares of Linggang Co., Ltd.			

Change of actual controller during the reporting period

☐ Applicable ☒ Not applicable

There is no change of actual controller during the reporting period.

Block diagram of the ownership and control relations between the Company and the actual controller



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

☐ Applicable ☒ Not applicable

4. The total number of shares pledged by the company's controlling shareholder or largest shareholder and its persons acting in concert accounts for 80% of the total number of shares held by them

☐ Applicable ☒ Not applicable

5. Shareholders holding More than 10% of the Shares

☐ Applicable ☒ Not applicable

6. Status of Share Reduction Limitation of Controlling Shareholders, Actual Controller, Restructuring Party and Other Commitment Subjects

☐ Applicable ☒ Not applicable

IV. Specific implementation of share repurchases during the reporting period

Progress of share repurchase implementation

☐ Applicable ☒ Not applicable

Progress of the implementation of share repurchase through centralized bidding transactions

☐ Applicable ☒ Not applicable

VIII. Status of Preferred Shares

☐ Applicable ☒ Not applicable

The company had no preferred shares during the reporting period.

IX. Status of Bonds

√ Applicable ☐ Not applicable

I. Enterprise bonds

☐ Applicable √ Not applicable

During the reporting period, the company did not have Enterprise bonds.

II. Corporate bonds

☐ Applicable √ Not applicable

During the reporting period, the company did not have corporate bonds.

III. Debt financing tools for non-financial companies

☐ Applicable √ Not applicable

During the reporting period, the company did not have non-financial corporate debt financing instruments.

IV. Convertible corporate bonds

√ Applicable ☐ Not applicable

1. Previous adjustments to the conversion price

1. The initial conversion price of "Bengang Convertible Bonds" is 5.03 yuan per share.
2. As the company implemented the 2020 equity distribution plan, the conversion price of "Bengang Convertible Bonds" was adjusted to RMB 5.02 per share on July 19, 2021.
3. As the company implemented the 2021 mid-term equity distribution plan, the conversion price of "Bengang Convertible Bonds" was adjusted to RMB 4.55 per share on October 13, 2021.
4. As the company implemented the 2021 equity distribution plan, the conversion price of "Bengang Convertible Bonds" was adjusted to RMB 3.95 per share on June 16, 2022.

2. Cumulative share conversion

√ Applicable ☐ Not applicable

Name of Convertible Bond	Start date and end date of conversion	Total issue quantity (sheet)	Total issue amount (Yuan)	Cumulative conversion amount (Yuan)	Cumulative conversion quantity (shares)	Proportion of converted shares to the total issue quantity	Amount of shares not converted (Yuan)	Proportion of unconverted amount to the total issue amount
Bengang Convertible Bond	4th Jan 2021 – 28th Jun 2026	68,000,000	6,800,000,000.00	1,169,014,900.00	232,856,625	6.01%	5,630,985,100.00	82.81%

3. The top ten holders of convertible bonds

No.	Convertible bond holders	Nature of convertible bond holders	Number of convertible bonds held at the end of the reporting period (sheets)	Amount of convertible bonds held at the end of the reporting period (yuan)	Percentage of convertible bonds held at the end of the reporting period
1	Soochow Securities Co., Ltd.	State-owned Legal Person	3,317,717	331,771,700.00	5.89%
2	China Merchants Bank Co., Ltd - Bosera CSI Convertible Bond & Exchangeable Bond Index ETF	Others	2,456,530	245,653,000.00	4.36%
3	E Fund Peace of Mind Fixed Income Pension Product – China Construction Bank Corporation	Others	2,444,591	244,459,100.00	4.34%
4	Industrial and Commercial Bank of China Limited - Bosera Credit Bond Fund	Others	1,900,011	190,001,100.00	3.37%
5	Pacific Securities Co.	Domestic non State-owned legal person	1,689,676	168,967,600.00	3.00%
6	Deji Capital Management Company - DK MS FPI (Cayman) Ltd. - QFII	Foreign Legal Person	1,486,793	148,679,300.00	2.64%
7	China Guangfa Bank Co., Ltd. – GS Funds Anji Pure bond half-yearly open bond-type initiated securities investment fund	Others	1,334,982	133,498,200.00	2.37%
8	National Social Security Fund Portfolio 207	Others	1,043,578	104,357,800.00	1.85%

9	China Asset Management's Longevity No. 9 Fixed Income Pension Product—China Merchants Bank Co., Ltd.	Others	968,118	96,811,800.00	1.72%
10	Industrial and Commercial Bank of China Limited – Huashang Convertible Bond Securities Investment Fund	Others	886,040	88,604,000.00	1.57%

4. Significant changes in the guarantor's profitability, asset status, and credit status

☐ Applicable ☒ Not applicable

5. At the end of the reporting period, the company's liabilities, changes in credit standing, and cash arrangements for debt repayment in future years

As of the end of the reporting period, based on the company's major accounting data and financial indicators for the past two years, the company's convertible bond credit rating for this year has not changed.

V. The loss of the consolidated financial statements during the reporting period exceeds 10% of the net assets at the end of the previous year

☒ Applicable ☐ Not applicable

Items	Losses	Reasons for the losses	The impact on the company's production and operation and debt repayment capacity
Parent company of Bengang Steel Plates Co., Ltd.	Net profit in 2024 RMB - 5,188,686,716.67	Operational loss	The parent company's net profit in 2024 was - 5,188,686,716.67 yuan, which was 10% higher than the net assets in the audited consolidated balance sheet of the previous year, affecting the increase in the audited consolidated net loss in this period and the increase in the debt-to-asset ratio.

VI. The situation of overdue interest-bearing debts excluding bonds at the end of the reporting period

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

VIII. The company's main accounting data and financial indicators for the past two years as of the end of the reporting period

Unit: 10 thousand yuan

Item	31 Dec 2024	31 Dec 2023	Changes over ending balance of last year
Current ratio	0.52	0.70	-25.71%
Debt-to-asset ratio	72.72%	61.74%	10.98%
Quick ratio	0.18	0.27	-33.33%
	Current period	Previous period	Changes over previous period
Net profit after deducting non-recurring gains and losses	-522,160.18	-206,205.58	-153.22%
EBITDA total debt ratio	-7.76%	3.10%	-10.86%
Interest Coverage ratio	-9.33	-2.37	-293.67%
Cash Interest Coverage ratio	-1.74	9.11	-119.10%
EBITDA Interest Coverage ratio	-5.74	1.20	-578.33%
Loan repayment rate	100.00%	100.00%	0.00%
Interest repayment rate	100.00%	100.00%	0.00%

X. Financial Report

1. Auditor's report

Opinion of audit report	Unqualified opinion
Date of audit report	2th April 2025
Name of CPA Firm	BDO China Shu Lun Pan CPAs LLP
Audit report number	PCPAR [2025] No.ZG10828
Name of CPA	Wang Hongna, Fu Yangyi

Auditors' Report

PCPAR [2025] No. ZG10828

To All Shareholders of Bengang Steel Plates Co., Ltd.:

Auditor's Opinion

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 2024, 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.

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position and financial position of the Company as at 31 December 2024, 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.

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the China Code of Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with China Code of Ethics for Certified Public Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

The key audit matters are matters that we consider to be the most important for the audit of the current financial statements based on professional judgment. The response to these matters is based on the overall audit of the financial statements and the formation of audit opinions. We do not express a separate opinion on these matters.

We have identified the following items as key audit matters that need to be disclosed in the audit report.

Key Audit Matters	Audit Procedure
1. Revenue Recognition	
<p>Please refer to the Note (20) under “3. Significant accounting policies and accounting estimates” and Note (30) under “5. Notes to consolidated financial statements”.</p> <p>In 2024, the amount of operating income recognized in the consolidated financial statements is RMB 51,266.36 million. Since revenue is a key performance indicator of the Company, the management of the Company may have a significant risk of misstatement in revenue recognition. Therefore, we consider revenue recognition as a key audit matter.</p>	<p>The main audit procedures we performed are as follows:</p> <p>(1) Understand and test the key internal controls related to revenue, and evaluate whether the relevant controls are appropriate and effectively implemented;</p> <p>(2) We performed analytical procedures on revenue, including comparison of the gross profit of the current period of revenue of major products with that of the previous period, analysis of revenue fluctuations, and checking whether there are any abnormalities;</p> <p>(3) Obtain the sales details of the current year, select samples of revenue transactions recorded in the current year, check the supporting documents such as sales contracts, invoices, yard sheets, customs declarations, and evaluate whether the relevant revenue recognition complies with the company's accounting policies;</p> <p>(4) Select samples to check sales contracts, identify the contract terms and conditions related to the transfer of control of goods, and evaluate whether the timing of revenue recognition of the Company complies with</p>

	<p>the requirements of Accounting Standards for Business Enterprises;</p> <p>(5) In combination with the accounts receivable audit procedures, perform confirmation procedures with sample customers for sales revenue during the reporting period;</p> <p>(6) Check the sales to related parties, review the fairness of the transaction prices of related parties, and perform confirmation procedures with related party customers;</p> <p>(7) Check whether information related to revenue has been properly reported and disclosed in the financial statements.</p>
2. Impairment of Inventory	
<p>Please refer to the Note (11) under “3. Significant accounting policies and accounting estimates” and Note (7) under “5. Notes to consolidated financial statements”.</p> <p>As at December 31,2024, the carrying amount of inventory in consolidated statement is RMB 7,638.56 million , impairment of inventory is RMB 305.47 million, the book value of inventory is RMB 7,333.08 million. Inventory is measured at the lower of cost and net realizable value. The sufficiency of impairment for inventory will exert a great impact on the financial statement.</p> <p>The net realizable value of finished goods</p>	<p>The main audit procedures we performed are as follows:</p> <p>(1) Evaluated the design and operation of internal control related to the impairment of inventory;</p> <p>(2) Supervise stocktaking and check the quantity and status of inventory, especially the aged inventory;</p> <p>(3) Obtain the calculation table of the impairment of inventory. Check whether it follows the requirements of related accounting standards of the Company, check the changes in the inventory impairment provision made in previous years, etc., and analyze whether the inventory impairment provision is sufficient;</p> <p>(4) Implement net realizable value testing</p>

<p>is determined by deducting the estimated selling expenses and related taxes from the estimated selling price.</p> <p>Management estimates the expected selling price based on the condition of inventory. It involves significant management judgement in the estimation process.</p> <p>As at December 31, 2024, the carrying amount of inventory was significant and involves the estimation of net realizable value. Therefore, we identified it as a key audit matter.</p>	<p>of inventories and review the method of making provisions for inventory impairment, and test the integrity of the reports and data on which it is based.</p>
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Other information

The management of the Company is responsible for the other information. The other information comprises information of the Company's annual report for the period of 2024 but excludes the financial statements and our auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit if there appears to be a material misstatement.

Based on the work we have performed, if we determine that there is a material misstatement of other information, we should report that fact. In this regard, we have nothing to report.

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

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

In preparing the financial statements, management of the Company is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable,

matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Bengang Steel Plate's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Bengang Steel Plates to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within Bengang Steel Plates to express an opinion on the financial statements. We are responsible for guiding, supervising and executing the group audit and assume full responsibility for the audit opinion.

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

We also provide a statement to those charged with governance on compliance with the ethical requirements associated with independence and communicate with those charged with governance all relationships and other matters that may reasonably be considered to

affect our independence, and related precautions (if applicable).

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

BDO CHINA SHU LUN PAN CERTIFIED
PUBLIC ACCOUNTANTS LLP

Certified Public Accountants of China
(Engagement Partner)

Certified Public Accountants of China

Shanghai, the People's Republic of China

2 April 2025

This auditor's report and the accompanying notes to the financial statement are English translation of the Chinese auditors' report. In case of doubt as to the presentation of these documents, the Chinese version shall prevail.

2. Financial statements

BENGANG STEEL PLATES CO., LTD.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2024
(Expressed in Renminbi unless otherwise indicated)

Assets	Notes 5	Dec 31, 2024	Dec 31, 2023
Current assets			
Cash at bank and on hand	(1)	2,453,888,470.48	2,210,057,475.05
Settlement provisions			
Capital lent			
Financial assets held for trading			
Derivative financial assets			
Notes receivable	(2)	607,279,481.42	454,407,444.02
Accounts receivable	(3)	501,484,081.73	1,329,347,134.49
Accounts receivable financing	(4)	64,399,942.70	806,822,622.43
Prepayments	(5)	391,823,135.87	677,140,188.41
Premium receivable			
Reinsurance accounts receivable			
Receivable deposit for reinsurance contract			
Other receivables	(6)	149,015,138.26	318,832,784.47
Redemptory financial assets for sale			
Inventories	(7)	7,333,084,694.27	7,769,551,774.44
Including: data assets			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets	(8)	437,081,260.66	157,789,976.90
Total current assets		11,938,056,205.39	13,723,949,400.21
Non-current assets			
Loan and advances issued			
Debt Investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	(9)	45,413,221.72	46,910,346.41
Other equity instrument investments	(10)	933,426,254.63	974,463,039.83
Other non-current financial assets			
Investment property			
Fixed assets	(11)	26,426,320,453.57	25,174,210,887.76
Construction in progress	(12)	3,934,442,501.50	4,308,404,147.31
Productive biological assets			
Oil and gas assets			
Right-of-use assets	(13)	1,685,925,710.14	1,319,616,179.37
Intangible assets	(14)	394,780,068.68	363,818,317.13
Including: data assets			
Development expenditure			
Including: data assets			
Goodwill			
Long-term deferred expenses			
Deferred tax assets	(15)	371,234,449.79	467,040,631.42
Other non-current assets	(16)	86,297,275.16	139,318,979.61
Total non-current assets		33,877,839,935.19	32,793,782,528.84
Total assets		45,815,896,140.58	46,517,731,929.05

The notes to the financial statements attached form part of these financial statements.

Legal Representative:

Chief Financial Officer:

Chief Accountant:

BENGANG STEEL PLATES CO., LTD.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
As at 31 December 2024
(Expressed in Renminbi unless otherwise indicated)

Liabilities and equities	Notes 5	Dec 31,2024	Dec 31, 2023
Current Liabilities			
Short-term loans	(18)	371,055,490.50	328,000,000.00
Loan from central bank			
Loan from other banks			
Financial liability held for trading			
Derivative financial liabilities			
Notes payable	(19)	12,982,703,669.86	10,370,940,819.87
Accounts payable	(20)	2,761,759,439.36	2,809,289,562.55
Advance from customers	(21)	59,327.21	143,119.29
Contract liabilities	(22)	2,908,598,425.73	3,318,451,501.35
Financial assets sold for repurchase			
Deposits from customers and interbank			
Receipt from vicariously traded securities			
Receipt from vicariously underwriting securities			
Employee benefits payable	(23)	1,773,068.35	1,326,522.66
Current tax liabilities	(24)	54,070,097.83	57,639,085.30
Other payables	(25)	2,354,694,200.01	1,727,079,607.48
Handling charges and commission payable			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	(26)	1,030,502,916.66	685,881,691.76
Other current liabilities	(27)	328,981,058.74	399,791,720.50
Total current liabilities		22,794,197,694.25	19,698,543,630.76
Non-current liabilities			
Provision for insurance contract			
Long-term loans	(28)	2,891,941,462.40	1,723,726,700.80
Bonds payable	(29)	5,569,899,459.53	5,451,381,676.38
Including: Preferred stock			
Perpetual bond			
Lease liabilities	(30)	1,633,911,586.51	1,342,427,252.45
Long-term payables			
Long-term employee benefits payable			
Estimated liabilities			
Deferred income	(31)	173,919,087.47	174,142,383.18
Deferred tax liabilities	(15)	252,893,530.26	329,914,385.19
Other non-current liabilities			
Total non-current liabilities		10,522,565,126.17	9,021,592,398.00
Total liabilities		33,316,762,820.42	28,720,136,028.76
Shareholders' equity:			
Share capital	(32)	4,108,228,157.00	4,108,219,302.00
Other equity instruments	(33)	947,850,195.03	947,858,134.16
Including: Preferred stock			
Perpetual bond			
Capital reserves	(34)	13,225,632,166.95	13,422,225,870.92
Less: treasury shares			
Other comprehensive income	(35)	-93,407,196.62	-50,371,341.88
Special reserves	(36)	809,649.65	163,055.04
Surplus reserves	(37)	1,195,116,522.37	1,195,116,522.37
General risk reserve			
Undistributed profits	(38)	-7,497,011,632.90	-2,414,685,928.92
Total equity attributable to equity holders of the parent company		11,887,217,861.48	17,208,525,613.69
Non-controlling interests		611,915,458.68	589,070,286.60
Total shareholder's equity		12,499,133,320.16	17,797,595,900.29
Total of liabilities and owners' equity		45,815,896,140.58	46,517,731,929.05

The notes to the financial statements attached form part of these financial statements.

Legal Representative:

Chief Financial Officer:

Chief Accountant:

BENGANG STEEL PLATES CO., LTD.
STATEMENT OF FINANCIAL POSITION
As at 31 December 2024
(Expressed in Renminbi unless otherwise indicated)

Assets	Notes 15	Dec 31, 2024	Dec 31, 2023
Current assets			
Cash at bank and on hand		1,928,597,252.93	2,084,382,077.60
Financial assets held for trading			
Derivative financial assets			
Notes receivable		879,167,997.23	613,514,613.02
Accounts receivable	(1)	899,413,301.62	1,243,326,802.56
Accounts receivable financing		67,033,501.52	693,239,068.68
Prepayments		552,668,067.77	664,669,952.97
Other receivables	(2)	399,809,663.60	604,535,173.18
Inventories		6,510,049,399.94	6,726,641,809.04
Including: data assets			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		401,232,007.64	82,661,697.57
Total current assets		11,637,971,192.25	12,712,971,194.62
Non-current assets			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	(3)	2,437,356,681.15	2,269,191,936.65
Other equity instrument investments		933,426,254.63	974,463,039.83
Other non-current financial assets			
Investment property			
Fixed assets		25,361,023,150.98	24,052,882,215.31
Construction in progress		3,813,480,844.57	4,275,801,115.73
Productive biological assets			
Oil and gas assets			
Right-of-use assets		1,685,925,710.14	1,319,616,179.37
Intangible assets		206,105,870.50	170,176,158.95
Including: data assets			
Development expenditure			
Including: data assets			
Goodwill			
Long-term deferred expenses			
Deferred tax assets		370,213,799.88	465,645,459.77
Other non-current assets		85,556,957.68	131,159,433.56
Total non-current assets		34,893,089,269.53	33,658,935,539.17
Total assets		46,531,060,461.78	46,371,906,733.79

The notes to the financial statements attached form part of these financial statements.

Legal Representative:

Chief Financial Officer:

Chief Accountant:

BENGANG STEEL PLATES CO., LTD.
STATEMENT OF FINANCIAL POSITION (Continued)
As at 31 December 2024
(Expressed in Renminbi unless otherwise indicated)

Liabilities and shareholders' equities	Notes 15	Dec 31, 2024	Dec 31, 2023
Current liabilities			
Short-term loans		371,055,490.50	328,000,000.00
Financial liability held for trading			
Derivative financial liabilities			
Notes payable		11,915,812,506.01	10,361,392,779.12
Accounts payable		2,881,087,998.48	3,190,842,780.56
Prepayments			
Contract liabilities		6,637,545,634.05	4,903,008,138.37
Employee benefits payable		354,432.32	
Current tax liabilities		28,685,832.43	30,105,183.40
Other payables		2,206,387,975.74	1,656,804,114.53
Liabilities held for sale			
Non-current liabilities due within one year		1,030,502,916.66	685,881,691.76
Other current liabilities		61,868,166.75	79,447,326.71
Total current liabilities		25,133,300,952.94	21,235,482,014.45
Non-current liabilities			
Long term loans		2,891,941,462.40	1,723,726,700.80
Bonds payable		5,569,899,459.53	5,451,381,676.38
Including: Preferred stock			
Perpetual bond			
Lease liabilities		1,633,911,586.51	1,342,427,252.45
Long-term payables			
Long-term employee benefits payable			
Estimated liabilities			
Deferred income		154,871,615.47	136,084,955.18
Deferred tax liabilities		252,893,530.26	329,914,385.19
Other non-current liabilities			
Total non-current liabilities		10,503,517,654.17	8,983,534,970.00
Total liabilities		35,636,818,607.11	30,219,016,984.45
Shareholder's equity:			
Share capital		4,108,228,157.00	4,108,219,302.00
Other equity instruments		947,850,195.03	947,858,134.16
Including: Preferred stock			
Perpetual bond			
Capital reserves		12,825,142,354.02	12,852,074,188.80
Less: Treasury shares			
Other comprehensive income		-93,407,196.62	-50,371,341.88
Special reserves		9,276.81	3,681.16
Surplus reserves		1,195,116,522.37	1,195,116,522.37
Undistributed Profits		-8,088,697,453.94	-2,900,010,737.27
Total shareholder's equity		10,894,241,854.67	16,152,889,749.34
Total liabilities and shareholder's equity		46,531,060,461.78	46,371,906,733.79

The notes to the financial statements attached form part of these financial statements.

Legal Representative:

Chief Financial Officer:

Chief Accountant:

BENGANG STEEL PLATES CO., LTD.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2024
(Expressed in Renminbi unless otherwise indicated)

Items	Notes 5	Current period	Previous period
1. Total operating income		51,266,361,501.22	57,957,301,717.02
Including: Operating income	(39)	51,266,361,501.22	57,957,301,717.02
Interest income			
Premium earned			
Income from handling charges and commission			
2. Total operating cost		56,068,974,028.50	59,824,687,870.58
Including: Operating cost	(39)	54,693,756,805.43	58,450,348,769.43
Interest expense			
Expenditure for handling charges and commission			
Surrender value			
Net expenditure for compensation			
Net provision for insurance contract appropriated			
Bonus payment for policy			
Reinsurance premium			
Tax and surcharges	(40)	203,043,367.36	215,721,980.86
Selling and distribution expenses	(41)	142,638,617.77	149,659,100.28
General and administrative expenses	(42)	702,788,411.83	619,677,417.05
Research and development expenses	(43)	86,415,509.29	81,247,560.73
Financial expenses	(44)	240,331,316.82	308,033,042.23
Including: Interest expense		384,713,981.73	415,219,929.72
Interest income		43,019,766.05	56,283,070.97
Add: Other income	(45)	200,140,947.91	100,870,396.00
Income on investment (“-” for loss)	(46)	-42,967,621.92	-2,805,789.13
Including: Income from associates and joint ventures		-1,497,124.69	-1,085,968.20
Income from derecognition of financial assets measured at amortized cost		-60,611.63	
Exchange gains (“-” for loss)			
Net exposure hedge income (“-” for loss)			
Gains from change of fair value (“-” for loss)			
Credit impairment loss (“-” for loss)	(47)	50,143,005.20	10,021,338.62
Asset impairment loss (“-” for loss)	(48)	-278,486,334.42	-35,339,403.25
Assets disposal gains (“-” for loss)	(49)	13,020,778.49	298,940,955.41
3. Operational profit (“-” for loss)		-4,860,761,752.02	-1,495,698,655.91
Add: Non-operating income	(50)	45,789,122.58	43,408,651.98
Less: Non-operating expenses	(51)	54,707,998.74	95,099,082.07
4. Total profit (“-” for loss)		-4,869,680,628.18	-1,547,389,086.00
Less: Income tax expenses	(52)	90,436,789.08	100,979,291.81
5. Net profit (“-” for loss)		-4,960,117,417.26	-1,648,368,377.81
1. Classification by continuing operating			
1. Net profit from continuing operation (“-” for loss)		-4,960,117,417.26	-1,648,368,377.81
2. Net profit from discontinued operation (“-” for loss)			
2. Classification by ownership			
1. Net profit attributable to the owners of parent company (“-” for loss)		-5,037,271,398.28	-1,720,871,697.00
2. Net profit attributable to non-controlling shareholders (“-” for loss)		77,153,981.02	72,503,319.19
6. Other comprehensive income		-43,035,854.74	-34,466,581.86
Other comprehensive income attributable to owners of the parent company after tax		-43,035,854.74	-34,466,581.86
1. Other comprehensive income items that will not be reclassified into gains/losses		-43,035,854.74	-34,466,581.86
1) Re-measurement of defined benefit plans of changes in net debt or net assets			
2) Other comprehensive income under the equity method cannot be reclassified into profit or loss			
3) Changes in fair value of investments in other equity instruments		-43,035,854.74	-34,466,581.86
4) Changes in fair value of company's credit risk			
2. Other comprehensive income that will be reclassified into profit or loss.			
1) Other comprehensive income under the equity method which can be reclassified into profit or loss			
2) Changes in fair value of other debt investments			
3) Amount of financial assets reclassified into other comprehensive income			
4) Credit impairment provision of other debt investments			
5) Cash flow hedges reserve			
6) Translation differences in foreign currency financial statements			
7) Others			
Other comprehensive income attributable to non-controlling shareholders' equity after tax			
7. Total comprehensive income		-5,003,153,272.00	-1,682,834,959.67
Total comprehensive income attributable to the owner of the parent company		-5,080,307,253.02	-1,755,338,278.86
Total comprehensive income attributable to non-controlling shareholders		77,153,981.02	72,503,319.19
8. Earnings per share			
1) Basic earnings per share		-1.226	-0.419
2) Diluted earnings per share		-1.226	-0.419

For the business combination under common control that occurred in this period, the net profit realized by the combined party before the combination was RMB 16,120,746.07, and the net profit realized by the combined party in the previous period was RMB 21,702,466.92. The notes to the financial statements attached form part of these financial statements.

Legal Representative:

Chief Financial Officer:

Chief Accountant:

BENGANG STEEL PLATES CO., LTD.
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2024
(Expressed in Renminbi unless otherwise indicated)

Items	Notes 15	Current period	Previous period
1. Total operating income	(4)	51,996,293,457.84	58,186,982,131.76
Less: Operating cost	(4)	55,850,177,739.34	59,293,494,660.13
Tax and surcharges		155,742,776.69	160,404,863.00
Selling and distribution expenses		175,678,966.90	143,971,980.36
General and administrative expenses		666,227,276.41	577,042,517.96
Research and development expenses		86,415,509.29	81,247,560.73
Financial expenses		260,257,651.32	320,034,306.92
Including: Interest expense		384,713,981.73	413,822,456.17
Interest income		36,704,884.79	40,683,621.30
Add: Other income		129,520,303.41	78,279,172.38
Income on investment ("-" for loss)	(5)	120,893,779.91	461,590,550.66
Including: Income from associates and joint ventures		-1,497,124.69	-1,085,968.20
Income from derecognition of financial assets measured at amortized cost		-60,611.63	
Net exposure hedge income ("-" for loss)			
Gains from change of fair value ("-" for loss)			
Credit impairment loss ("-" for loss)		30,265,261.74	12,829,866.46
Assets impairment loss ("-" for loss)		-278,486,334.42	-35,339,403.25
Assets disposal gains ("-" for loss)		13,017,822.58	298,940,955.41
2. Operational profit ("-" for loss)		-5,182,995,628.89	-1,572,912,615.68
Add: Non-operating income		45,130,689.39	42,653,931.69
Less: Non-operating expenses		42,889,041.92	94,106,015.35
3. Total profit ("-" for loss)		-5,180,753,981.42	-1,624,364,699.34
Less: Income tax expenses		7,932,735.25	-20,687,646.74
4. Net profit ("-" for loss)		-5,188,686,716.67	-1,603,677,052.60
1. Net profit from continuing operation ("-" for loss)		-5,188,686,716.67	-1,603,677,052.60
2. Net profit from discontinued operation ("-" for loss)			
5. Other comprehensive income		-43,035,854.74	-34,466,581.86
1. Other comprehensive income items that will not be reclassified into gains/losses		-43,035,854.74	-34,466,581.86
1) Re-measurement of defined benefit plans of changes			
2) Other comprehensive income under the equity method cannot be reclassified into profit or loss			
3) Changes in fair value of investments in other equity instruments		-43,035,854.74	-34,466,581.86
4) Changes in fair value of company's credit risk			
2. Other comprehensive income that will be reclassified into profit or loss.			
1) Other comprehensive income under the equity method investee can be reclassified into profit or loss			
2) Changes in fair value of other debt investments			
3) Amount of financial assets reclassified into other comprehensive income			
4) Credit impairment provision of other debt investments			
5) Cash flow hedges reserve			
6) Translation differences in foreign currency financial statements			
7) Others			
6. Total comprehensive income		-5,231,722,571.41	-1,638,143,634.46
7. Earnings per share			
1) Basic earnings per share			
2) Diluted earnings per share			

The notes to the financial statements attached form part of these financial statements.

Legal Representative:

Chief Financial Officer:

Chief Accountant:

BENGANG STEEL PLATES CO., LTD.
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2024
(Expressed in Renminbi unless otherwise indicated)

Items	Notes 5	Current period	Previous period
1. Cash flow from operating activities			
Cash received from sale of goods or rendering of services		55,987,587,183.40	55,063,430,323.73
Net increase of customers' deposit and interbank deposit			
Net increase of loan from central bank			
Net increase of loans from other financial institutions			
Cash received for premium of original insurance contract			
Net cash received for reinsurance business			
Net increase of deposit and investment of the insured			
Cash from receiving interest, handling charge and commission			
Net increase of loans from borrowing funds			
Net increase of fund for repurchase business			
Net cash received from traded securities			
Tax rebate received		124,001,236.84	211,151,790.47
Other cash received relating to operating activities	(53)	243,342,089.30	303,455,869.80
Subtotal of cash inflows from operating activities		56,354,930,509.54	55,578,037,984.00
Cash paid for goods and services		52,271,670,593.20	47,738,828,807.44
Net increase of customer's loan and advances			
Net increase of deposit in central bank and interbank deposit			
Cash for payment of compensation for original insurance contract			
Net increase in capital lent			
Cash for payment of interest, handling charge and commission			
Cash for payment of policy bonus			
Cash paid to and on behalf of employees		2,136,471,168.09	2,518,509,902.02
Cash paid for all types of taxes		440,396,205.59	541,296,146.69
Other cash paid relating to operating activities	(53)	406,104,548.41	433,169,246.62
Subtotal of cash outflows from operating activities		55,254,642,515.29	51,231,804,102.77
Net cash flows from operating activities		1,100,287,994.25	4,346,233,881.23
2. Cash flows from investing activities			
Cash received from disposal of investments			1,843,800.00
Cash received from return on investments			896,200.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		137,069,554.37	85,057,599.66
Net cash received from disposal of subsidiary and other operating units			
Other cash paid relating to investing activities			
Subtotal of cash inflows from investing activities		137,069,554.37	87,797,599.66
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		975,204,696.55	994,821,507.90
Cash paid for acquisition of investments			
Net increase of mortgage loan			
Net cash received from subsidiary and other operating unit			
Other cash paid relating to investing activities			
Subtotal of cash outflows from investing activities		975,204,696.55	994,821,507.90
Net cash flows from investing activities		-838,135,142.18	-907,023,908.24
3. Cash flows from financing activities			
Proceeds from investment			
Including: Proceeds from investment of non-controlling shareholders of subsidiary			
Proceeds from borrowings		3,765,000,000.00	1,570,000,000.00
Other proceeds relating to financing activities	(53)	3,808,123,889.76	1,208,395,091.10
Subtotal of cash inflows from financing activities		7,573,123,889.76	2,778,395,091.10
Cash repayments of borrowings		2,283,590,268.00	3,947,582,606.32
Cash payments for distribution of dividends, profit or interest expenses		274,024,906.84	279,847,394.73
Including: Cash paid to non-controlling shareholders as dividend and profit by subsidiaries			68,041,170.80
Other cash payments relating to financing activities	(53)	4,940,069,284.22	2,120,624,742.04
Subtotal of cash outflows from financing activities		7,497,684,459.06	6,348,054,743.09
Net cash flows from financing activities		75,439,430.70	-3,569,659,651.99
4. Effect of foreign exchange rate changes on cash and cash equivalents		52,927,527.76	33,471,460.59
5. Net increase in cash and cash equivalents	(54)	390,519,810.53	-96,978,218.41
Add: Cash and cash equivalents at the beginning of the period	(54)	1,199,685,408.38	1,296,663,626.79
6. Cash and cash equivalents at the ending of the period	(54)	1,590,205,218.91	1,199,685,408.38

The notes to the financial statements attached form part of these financial statements.

Legal Representative:

Chief Financial Officer:

Chief Accountant:

BENGANG STEEL PLATES CO., LTD.
STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

(Expressed in Renminbi unless otherwise indicated)

Items	Notes 15	Current period	Previous period
1. Cash flow from operating activities			
Cash received from sale of goods or rendering of services		55,337,530,940.66	54,729,135,209.16
Tax rebate received		117,007,166.59	182,654,395.44
Other cash received relating to operating activities		214,590,835.88	313,226,321.84
Subtotal of cash inflows from operating activities		55,669,128,943.13	55,225,015,926.44
Cash paid for goods and services		52,556,437,895.34	47,458,464,490.84
Cash paid to and on behalf of employees		1,974,094,315.49	2,350,688,837.49
Cash paid for all types of taxes		280,573,222.50	227,899,745.84
Other cash paid relating to operating activities		365,386,433.69	383,220,547.63
Subtotal of cash outflows from operating activities		55,176,491,867.02	50,420,273,621.80
Net cash flows from operating activities		492,637,076.11	4,804,742,304.64
2. Cash flows from investing activities			
Cash received from disposal of investments			
Cash received from return on investments		199,000,000.00	204,123,512.41
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		137,064,700.00	85,053,599.66
Net cash received from disposal of subsidiary and other operating units			
Other cash received relating to investing activities			
Subtotal of cash inflows from investing activities		336,064,700.00	289,177,112.07
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		966,576,178.20	989,247,449.99
Cash paid for acquisition of investments			
Net cash paid for acquisition of subsidiary and other operating unit			
Other cash paid relating to investing activities			
Subtotal of cash outflows paid for investing activities		966,576,178.20	989,247,449.99
Net cash flows from investing activities		-630,511,478.20	-700,070,337.92
3. Cash flows from financing activities			
Proceeds from investment			
Cash received from borrowings		3,765,000,000.00	1,570,000,000.00
Other cash received relating to financing activities		3,808,123,889.76	1,128,377,111.10
Subtotal of cash inflows from financing activities		7,573,123,889.76	2,698,377,111.10
Cash repayments of borrowings		2,283,590,268.00	3,947,582,606.32
Cash payments for distribution of dividends, profit or interest		274,024,906.84	211,806,223.93
Other cash payments relating to financing activities		4,940,069,284.22	2,022,320,452.46
Subtotal of cash outflows from financing activities		7,497,684,459.06	6,181,709,282.71
Net cash flows from financing activities		75,439,430.70	-3,483,332,171.61
4. Effect of foreign exchange rate changes on cash and cash equivalents		52,846,084.97	32,520,496.22
5. Net increase in cash and cash equivalents		-9,588,886.42	653,860,291.33
Add: Cash and cash equivalents at the beginning of the period		1,074,502,887.78	420,642,596.45
6. Ending balance of cash and cash equivalents		1,064,914,001.36	1,074,502,887.78

The notes to the financial statements attached form part of these financial statements.

Legal Representative:

Chief Financial Officer:

Chief Accountant:

BENGANG STEEL PLATES CO., LTD.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024
(Expressed in Renminbi unless otherwise indicated)

Items	Current period												
	Owner's equity attributable to parent company												Non-controlling interest
	Share capital	Preference shares	Perpetual bond	Others	Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserve	Undistributed profit	Subtotal	
1. Ending balance of last year	4,108,219,302.00			947,858,134.16	13,422,225,870.92		-50,371,341.88	163,055.04	1,195,116,522.37		-2,414,685,928.92	17,208,525,613.69	589,070,286.60
Add: Change of accounting policies													
Correction of errors for last period													
Business consolidation under common control													
Others													
2. Beginning balance of current year	4,108,219,302.00			947,858,134.16	13,422,225,870.92		-50,371,341.88	163,055.04	1,195,116,522.37		-2,414,685,928.92	17,208,525,613.69	589,070,286.60
3. Changes in current year ("+" for increase)	8,855.00			-7,939.13	-196,593,703.97		-43,035,854.74	646,594.61			-5,082,325,703.98	-5,321,307,752.21	22,845,172.08
1) Total comprehensive income							-43,035,854.74				-5,037,271,398.28	-5,080,307,253.02	77,153,981.02
2) Capital increase and decrease by shareholders	8,855.00			-7,939.13	-196,593,703.97							-196,592,788.10	
(1) Common share invested by shareholders													
(2) Capital input by the holder of other equity instruments	8,855.00			-7,939.13	25,840.89							26,756.76	
(3) Share-based payment attributable to owners' equity													
(4) Others					-196,619,544.86							-196,619,544.86	
3) Profit distribution											-45,054,305.70	-45,054,305.70	-54,632,794.65
(1) Appropriation to surplus reserves													
(2) Appropriation to general risk reserve													
(3) Profit distribution to shareholders											-45,054,305.70	-45,054,305.70	-54,632,794.65
(4) Others													
4) Transfers within shareholders' equity													
(1) Capital reserves transferred into paid-in capital (or stock)													
(2) Surplus reserves transferred into paid-in capital (or stock)													
(3) Surplus reserves to recover loss													
(4) Net changes of defined contribution plans transferred into Retained Earnings													
(5) Other comprehensive income transferred into Retained Earnings													
(6) Others													
5) Special reserves								646,594.61				646,594.61	323,985.71
(1) Provision of special reserves								72,180,947.90				72,180,947.90	5,182,353.19
(2) Use of special reserves								71,534,353.29				71,534,353.29	4,858,367.48
(6) Others													
4. Ending balance of current year	4,108,228,157.00			947,850,195.03	13,225,632,166.95		-93,407,196.62	809,649.65	1,195,116,522.37		-7,497,011,632.90	11,887,217,861.48	611,915,458.68

The notes to the financial statements attached form part of these financial statements

Legal Representative:

Chief Financial Officer:

Chief Accountant:

BENGANG STEEL PLATES CO., LTD.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)
For the year ended 31 December 2024
(Expressed in Renminbi unless otherwise indicated)

Items	Previous period													
	Owner's equity attributable to parent company											Subtotal	Non-controlling interest	Total of owner's equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserve	Undistributed profit			
		Preference shares	Perpetual bond	Others										
1. Ending balance of last year	4,108,212,217.00			947,863,834.02	13,272,205,160.21		-15,904,760.02	2,217,913.77	1,195,116,522.37		-720,559,670.73	18,789,151,216.62	584,587,863.76	19,373,739,080.38
Add: Change of accounting policies														
Correction of errors for last period														
Business consolidation under common control					150,000,000.00						26,745,438.81	176,745,438.81		176,745,438.81
Others														
2. Beginning balance of current year	4,108,212,217.00			947,863,834.02	13,422,205,160.21		-15,904,760.02	2,217,913.77	1,195,116,522.37		-693,814,231.92	18,965,896,655.43	584,587,863.76	19,550,484,519.19
3. Changes in current year ("+" for decrease)	7,085.00			-5,699.86	20,710.71		-34,466,581.86	-2,054,858.73			-1,720,871,697.00	-1,757,371,041.74	4,482,422.84	-1,752,888,618.90
1) Total comprehensive income							-34,466,581.86				-1,720,871,697.00	-1,755,338,278.86	72,503,319.19	-1,682,834,959.67
2) Capital increase and decrease by shareholders	7,085.00			-5,699.86	20,710.71							22,095.85		22,095.85
(1) Common share invested by shareholders														
(2) Capital input by the holder of other equity instruments	7,085.00			-5,699.86	20,710.71							22,095.85		22,095.85
(3) Share-based payment attributable to owners' equity														
(4) Others														
3) Profit distribution													-68,041,170.80	-68,041,170.80
(1) Appropriation to surplus reserves														
(2) Appropriation to general risk reserve														
(3) Profit distribution to shareholders													-68,041,170.80	-68,041,170.80
(4) Others														
4) Transfers within shareholders' equity														
(1) Capital reserves transferred into paid-in capital (or stock)														
(2) Surplus reserves transferred into paid-in capital (or stock)														
(3) Surplus reserves to recover loss														
(4) Net changes of defined contribution plans transferred into Retained Earnings														
(5) Other comprehensive income transferred into Retained Earnings														
(6) Others														
5) Special reserves								-2,054,858.73				-2,054,858.73	20,274.45	-2,034,584.28
(1) Provision of special reserves								78,097,744.04				78,097,744.04	4,945,238.85	83,042,982.89
(2) Use of special reserves								80,152,602.77				80,152,602.77	4,924,964.40	85,077,567.17
6) Others														
4. Ending balance of current year	4,108,219,302.00			947,858,134.16	13,422,225,870.92		-50,371,341.88	163,055.04	1,195,116,522.37		-2,414,685,928.92	17,208,525,613.69	589,070,286.60	17,797,595,900.29

The notes to the financial statements attached form part of these financial statements

Legal Representative:

Chief Financial Officer:

Chief Accountant:

BENGANG STEEL PLATES CO., LTD.
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024
(Expressed in Renminbi unless otherwise indicated)

Items	Current period										
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total shareholder's equity
1. Ending balance of last year	4,108,219,302.00			947,858,134.16	12,852,074,188.80		50,371,341.88	3,681.16	1,195,116,522.37	-2,900,010,737.27	16,152,889,749.34
Add: Change of accounting policies											
Correction of errors for last period											
Others											
2. Beginning balance of current year	4,108,219,302.00			947,858,134.16	12,852,074,188.80		50,371,341.88	3,681.16	1,195,116,522.37	-2,900,010,737.27	16,152,889,749.34
3. Changes in current year ("-" for decrease)	8,855.00			-7,939.13	-26,931,834.78		43,035,854.74	5,595.65		-5,188,686,716.67	-5,258,647,894.67
1) Total comprehensive income							43,035,854.74			-5,188,686,716.67	-5,231,722,571.41
2) Capital increase and decrease by shareholders	8,855.00			-7,939.13	-26,931,834.78						-26,930,918.91
(1) Common share invested by shareholders											
(2) Capital input by the holder of other equity instruments	8,855.00			-7,939.13	25,840.89						26,756.76
(3) Share-based payment attributable to shareholders' equity											
(4) Others					-26,957,675.67						-26,957,675.67
3) Profit distribution											
(1) Appropriation of surplus reserves											
(2) Profit distribution to shareholders											
(3) Others											
4) Transfers within shareholders' equity											
(1) Capital reserves transferred into paid-in capital (or stock)											
(2) Surplus reserves transferred into paid-in capital (or stock)											
(3) Surplus reserves to recover loss											
(4) Net changes of defined contribution plans transferred into Retained Earnings											
(5) Other comprehensive income transferred into retained earnings											
(6) Others											
5) Special reserves								5,595.65			5,595.65
(1) Provision of special reserves								57,316,980.35			57,316,980.35
(2) Use of special reserves								57,311,384.70			57,311,384.70
6) Others											
4. Ending balance of current year	4,108,228,157.00			947,850,195.03	12,825,142,354.02		93,407,196.62	9,276.81	1,195,116,522.37	-8,088,697,453.94	10,894,241,854.67

The notes to the financial statements attached form part of these financial statements

Legal Representative:

Chief Financial Officer:

Chief Accountant:

BENGANG STEEL PLATES CO., LTD.
STATEMENT OF CHANGES IN EQUITY (Continued)
For the year ended 31 December 2024
(Expressed in Renminbi unless otherwise indicated)

Items	Previous period										
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehens ive income	Special reserves	Surplus reserves	Undistributed profits	Total shareholder's equity
		Preference shares	Perpetual bond	Others							
1. Ending balance of last year	4,108,212,217.00			947,863,834.02	12,852,053,478.09		- 15,904,760.02	58,212.15	1,195,116,522.37	-1,296,333,684.67	17,791,065,818.94
Add: Change of accounting policies											
Correction of errors for last period											
Others											
2. Beginning balance of current year	4,108,212,217.00			947,863,834.02	12,852,053,478.09		- 15,904,760.02	58,212.15	1,195,116,522.37	-1,296,333,684.67	17,791,065,818.94
3. Changes in current year ("-" for decrease)	7,085.00			-5,699.86	20,710.71		- 34,466,581.86	-54,530.99		-1,603,677,052.60	-1,638,176,069.60
1) Total comprehensive income							- 34,466,581.86			-1,603,677,052.60	-1,638,143,634.46
2) Capital increase and decrease by shareholders	7,085.00			-5,699.86	20,710.71						22,095.85
(1) Common share invested by shareholders											
(2) Capital input by the holder of other equity instruments	7,085.00			-5,699.86	20,710.71						22,095.85
(3) Share-based payment attributable to shareholders' equity											
(4) Others											
3) Profit distribution											
(1) Appropriation of surplus reserves											
(2) Profit distribution to shareholders											
(3) Others											
4) Transfers within shareholders' equity											
(1) Capital reserves transferred into paid-in capital (or stock)											
(2) Surplus reserves transferred into paid-in capital (or stock)											
(3) Surplus reserves to recover loss											
(4) Net changes of defined contribution plans transferred into Retained Earnings											
(5) Other comprehensive income transferred into retained earnings											
(6) Others											
5) Special reserves								-54,530.99			-54,530.99
(1) Provision of special reserves								63,360,278.27			63,360,278.27
(2) Use of special reserves								63,414,809.26			63,414,809.26
(6) Others											
4. Ending balance of current year	4,108,219,302.00			947,858,134.16	12,852,074,188.80		- 50,371,341.88	3,681.16	1,195,116,522.37	-2,900,010,737.27	16,152,889,749.34

The notes to the financial statements attached form part of these financial statements

Legal Representative:

Chief Financial Officer:

Chief Accountant:

3. Basic Information of the Company

Bengang Steel Plates Co., Ltd. (hereinafter referred to as “Bengang Steel Plates” or “the Company”), as approved in Liao-Zheng (1997) No. 57 by Liaoning People’s Government on 27 March 1997, was incorporated as a joint stock limited company through public share offer of domestic listed foreign currency denominated shares (B shares) in the People’s Republic of China (the “PRC”) on 27 June 1997 by Benxi Steel and Iron (Group) Co., Ltd. (“Bengang Group”), through reorganization of operations, assets and liabilities of its plants, namely, Steel Smelting Plant, Primary Rolling Plant and Continuous Hot Rolling Plant.

As approved by China Securities Regulatory Commission (hereinafter referred to as “the CSRC”), the Company issued 400,000,000 B-shares at HKD 2.38 each in Shenzhen Stock Exchange on 10 June 1997. On 3 November 1997, the Company issued another 120,000,000 A-shares (Renminbi common Shares) at RMB 5.40 each, and listed in Shenzhen Stock Exchange since 15 January 1998. The capital shares were totaled to 1,136,000,000 shares.

On 14 March 2006, according to the resolutions of the Shareholders’ Meeting regarding share equity relocation, the Share Equity Relocation Scheme, Response to Bengang Steel Plate Co., Ltd. about Share Equity Relocation issued by Liaoning Provincial Government State-owned Asset Administrative Committee, Bengang Group – the only holder of non-negotiable state-owned legal person shares paid the consideration to the current shareholders to obtain the current option for the 40,800,000 shares of the total 616,000,000 shares it was holding. Shareholding positions have been registered with China Securities Depository & Clearing Corporation Ltd. Shenzhen Office. However, the total amount of capital shares of Bengang Steel Plates Co., Ltd. was not changed through the share equity relocation action.

According to the approval document “Zheng-Jian-Gong-Si-Zi [2006] No. 126” by China Securities Regulatory Commission on 30 June 2006, the Company was approved to place 2 billion Renminbi common shares particularly to Bengang Group and the proceeds would be used to purchase the related assets of the Group. On the same day, Bengang Group received circular Zheng-Jian-Gong-Si-Zi [2006] No. 127 issued by China Securities Regulatory Committee, and were exempted for the liability of undertaking the purchase offer. The liability was caused by subscribing of the 2 billion new shares and the total shareholding was thus increased to 2.5752 billion shares (accounting for 82.12% of the total capital shares of the Company). On 28 August 2006, as approved by China Securities Depository & Clearing Corporation Ltd. Shenzhen Office, the registration and conditional placing procedures of the 2 billion new shares were completed. On 28 September 2006, the privately placed shares were

approved by Shenzhen Stock Exchange to be placed in the stock market. The placing price was RMB4.6733 per share.

Approved by the China Securities Regulatory Commission [2017] No. 1476, Bengang Steel Plate Co., Ltd. privately placed no more than 739,371,534 RMB ordinary shares (A shares) to no more than 10 issuers. The non-public offering was completed on 9 February 2018, and 739,371,532 shares were actually issued. The placing price was RMB5.41 per share.

On August 20, 2021, the State-owned Assets Supervision and Administration Commission of the People's Government of Liaoning Province (hereinafter referred to as Liaoning SASAC) and Ansteel Group Co., Ltd. (hereinafter referred to as Ansteel) signed the "Agreement on the Gratuitous Transfer of State-owned Equity in Bengang Group Co., Ltd. between the State-owned Assets Supervision and Administration Commission of the People's Government of Liaoning Province and Ansteel Group Co., Ltd." According to the agreement, Liaoning SASAC will transfer its 51% equity in Bengang Group Co., Ltd. (hereinafter referred to as Bengang Group) to Ansteel Group Co., Ltd. for free. After the completion of this free transfer, Ansteel became the controlling shareholder of Bengang Group, and Ansteel indirectly hold 81.07% of the total share capital of Bengang Steel Plates.

As at 31 December 2024, the capital shares were totaled to 4,108,221,073.00 shares.

The Company's uniform social credit code: 91210000242690243E.

The Company's registered address: 16th Renmin Road, Pingshan District, Benxi, Liaoning Province.

The Company's legal representative: Huang Zuowei.

The parent company of Bengang Steel Plates Co., Ltd is Benxi Steel and Iron (Group) Co., Ltd. and the actual controller is Ansteel Group Co., Ltd..

Bengang Steel Plates Co., Ltd. belongs to ferrous metal smelting and rolling processing industry and is mainly involved in producing and trading of ferrous metal products.

The financial statements have been approved for reporting by the board of directors of the Company on 2 April 2025.

4. Basis of preparation

(1) Basis of preparation

The financial statements have been prepared in accordance with "Accounting Standards for Business Enterprises – Basic Standard" and relevant specific standards, application materials,

interpretations (together hereinafter referred to as “Accounting Standards for Business Enterprises”) issued by the Ministry of Finance, and “Information Disclosure Rules for Companies of securities for public issuance No. 15 – General Regulations for Financial Statements” issued by the China Securities Regulatory Commission.

(2) Going concern

The financial statements have been prepared on a going concern basis.

5. Significant accounting policies and accounting estimates

The following disclosed content covers the specific accounting policies and accounting estimates that are adopted by the Company based on the actual production and operation characteristics. Please see Note (10) Financial instruments, (11) Inventory, (14) Fixed assets, (17) Intangible assets, (23) Revenue under “5. Significant accounting policies and accounting estimates” for details.

(1) Statement of compliance with China Accounting Standards for Business Enterprises

The financial statements present truly and completely the financial position, operation results and cash flows of the consolidated and parent company during the reporting period in accordance with China Accounting Standards for Business Enterprises.

(2) Accounting year

The Accounting year is from 1 January to 31 December.

(3) Operating period

The operating period is twelve months.

(4) Functional currency

The Company’s functional currency is RMB.

(5) The accounting treatment for Business combination under/not under common control

Business combination under common control

The assets and liabilities that the Company acquired in a business combination shall be measured on the basis of their carrying amount of acquiree’s assets, liabilities (as well as the goodwill arising from the business combination) in the consolidated financial statement of the ultimate controller on the combining date. As for the balance between the carrying amount of the net assets obtained by the Company and the carrying amount of the consideration paid by it (or the total par value of the shares issued), capital reserve needs to be adjusted. If the capital reserve is not sufficient, any excess shall be adjusted against retained earnings.

Business combination not under common control

The Company shall, on the acquisition date, measure the assets given and liabilities incurred or assumed by an enterprise for a business combination in light of their fair values, and shall record the balances between them and their carrying amounts into the profits and losses at the current period. The Company shall recognize the positive balance between the combination costs and the fair value of the identifiable net assets it obtains from the acquiree as goodwill. The Company shall treat the negative balance between the combination costs and the fair value of the identifiable net assets it obtains from the acquiree into the profits and losses of the current period. All identifiable assets, liabilities and contingent liabilities of the acquiree that meet the recognition criteria acquired in the merger are measured at fair value on the acquisition date.

Directly related expenses incurred for a business combination are recorded in the current period's profit or loss when incurred; transaction costs of equity securities or debt securities issued for a business combination are included in the initial recognition amount of the equity securities or debt securities.

(6) Scope of consolidation and Consolidation of Financial Statements

1. Scope of consolidation

The scope of consolidation of consolidated financial statements is determined based on control and the scope of consolidation includes the Company and all its subsidiaries. Control means that the Company has power over the investee, enjoys variable returns through participation in the relevant activities of the investee, and has the ability to use the power over the investee to influence the amount of its returns.

2. Procedure of consolidation

When preparing consolidated financial statements, the parent shall consider the entire group as an accounting entity, adopt uniform accounting policies to prepare the consolidated financial statements which reflect the overall financial position, operating results and cash flows of the group. The impact of internal transactions between the Company and its subsidiaries and between subsidiaries shall be offset. If internal transactions indicate that relevant assets have suffered impairment losses, such losses shall be fully recognized. The accounting policy and accounting period of the subsidiaries within the consolidation scope shall be in accordance with those of the Company. If not, it is necessary to make the adjustment according to the Company's accounting policies and accounting period when preparing the consolidated financial statements.

The owners' interests, profit or loss, and comprehensive income of the subsidiary attributable to the non-controlling shareholders shall be presented separately in the shareholders' equity of the consolidated balance sheet and under the item of net profit of the consolidated statement of

comprehensive income and under the item of total comprehensive income. Where losses assumed by the minority exceed the minority's interests in the beginning equity of a subsidiary, the excess shall be charged against the minority's interests.

(1) Increasing new subsidiaries and businesses

If the Company has a new subsidiary due to business combination under common control during the reporting period, it shall adjust the beginning balance in the consolidated statement of financial position when preparing consolidated statement of financial position. The revenue, expenses and profits of the subsidiaries from the acquisition date to the end of the reporting period are included in the Company's consolidated statement of comprehensive income. The cash flow of the subsidiaries from the acquisition date to the end of the reporting period is included in the Company's consolidated statement of cash flows. And meanwhile the Company shall adjust the relevant items of the comparative financial statements as if the reporting entity for the purpose of consolidation has been in existence since the date the ultimate controlling party first obtained control.

When the Company becomes capable of exercising control over an investee under common control due to additional investment or other reasons, adjustment shall be made as if the reporting entity after the combination has been in existence since the date the ultimate controlling party first obtained control. The investment income recognized between date of previously obtaining equity investment and the date the acquiree and acquirer are under common control, which is later, and the combining date, other comprehensive income and other changes of net assets arising from the equity investment previously held before obtaining the control the acquiree shall be adjusted against the prior retained earnings of the comparative financial statements and the current profit or loss respectively.

If it is not under common control, it will be included in the consolidated financial statements from the date of acquisition based on the fair value of each identifiable asset, liability and contingent liability determined on the date of acquisition.

When the Company becomes capable of exercising control over an investee not under common control due to additional investment or other reasons, the acquirer shall remeasure its previously held equity interest in the acquiree to its fair value at the acquisition date. The difference between the fair value and the carrying amount shall be recognized as investment income for the period when the acquisition takes place. When the previously held equity investment is accounted for under the equity method, any other comprehensive income previously recognized in relation to the acquiree's equity changes shall be transferred to profit or loss for the current period when the acquisition takes place.

(2) Disposing subsidiaries or businesses

1. General treatment

When the Company loses control over an investee due to partial disposal or other reasons, the acquirer shall re-measure the remaining equity interests in the acquiree to its fair value at the acquisition date. The difference, between sums of consideration received for disposal equity shares and fair value of the remaining shares, and sums of share of net assets of the subsidiary calculated continuously from the acquisition date or the combination date based on the previous shareholding proportion and goodwill, shall be recognized as investment income for the period when the Company loses control over acquiree. When the previously held equity investment is accounted for under the equity method, any other comprehensive income previously recognized in relation to the acquiree's equity changes, and other equity changes rather than changes from net profit, other comprehensive income and profit distribution, shall be transferred to investment income for the current period when the Company loses control over acquiree.

2. Disposing subsidiaries by multiple transactions

Where the Company loses control of a subsidiary in multiple transactions in which it disposes of its subsidiary in stages, in determining whether to account for the multiple transactions as a single transaction, the Company shall consider all of the terms and conditions of the transactions and their economic effects. One or more of the following may indicate that the Company shall account for the multiple arrangements as a single transaction:

- (a) Arrangements are entered into at the same time or in contemplation of each other;
- (b) Arrangements work together to achieve an overall commercial effect;
- (c) The occurrence of one arrangement is dependent on the occurrence of at least one other arrangement; and
- (d) One arrangement considered on its own is not economically justified, but it is economically justified when considered together with other arrangements.

If each of the multiple transactions forms part of a bundled transaction which eventually results in loss of control of the subsidiary, these multiple transactions shall be accounted for as a single transaction. In the consolidated financial statements, the difference between the consideration received and the corresponding proportion of the subsidiary's net assets in each transaction prior to the loss of control shall be recognized in other comprehensive income and transferred to the profit or loss when the Company eventually loses control of the subsidiary.

If each of the multiple transactions which eventually results in loss of control of the

subsidiary do not form part of a bundled transaction, apply the treatment of disposing partial long-term equity investments in a subsidiary without loss of control prior to the loss of control. After the loss of control, apply the treatment of disposing the subsidiary in common cases.

(3) Acquiring the subsidiaries' equity interest held by non-controlling shareholders

Where the Company has acquired a subsidiary's equity interest held by non-controlling shareholders, the difference between the increase in the cost of long-term investments as a result of acquisition of non-controlling interests and the share of net assets of the subsidiary calculated continuously from the acquisition date or the combination date based on the new shareholding proportion shall be adjusted to the capital reserve(capital premium or share premium) in the consolidated financial statements. If the balance of the capital reserve is not sufficient, any excess shall be adjusted against retained earnings.

(4) Disposing portion of equity investments in subsidiaries without losing control

When the Company disposes of a portion of the long-term equity investments in a subsidiary without loss of control, the difference between the amount of the consideration received and the corresponding portion of the net assets of the subsidiary calculated continuously from the acquisition date or the combination date related to the disposal of the long-term equity investments shall be adjusted to the capital reserve (capital premium or share premium) in the consolidated financial statements. If the balance of the capital reserve is not sufficient, any excess shall be adjusted against retained earnings.

(7) Classification of joint venture arrangements and accounting treatment

Joint venture arrangements are divided into joint operations and joint ventures.

When the Company is a joint venture party of a joint venture arrangement and have the assets related to the arrangement and assumes the liabilities related to the arrangement, it is a joint operation.

The Company confirms the following items related to the share of interest in the joint operation and performs accounting treatment in accordance with the relevant enterprise accounting standards:

- a. Confirm the assets held by the company separately, and confirm the assets held jointly by the Company's share;
- b. Recognize the liabilities assumed by the Company separately and the liabilities jointly assumed by the company's share;
- c. Recognize the income generated by the sale of the Company's share of common operating output;
- d. Recognize the revenue generated from the sale of joint operations based on the Company's share;
- e. Confirm the expenses incurred separately and the expenses incurred in the joint operation according to the Company's share.

The Company's investment in joint ventures is accounted for using the equity method. For details, see Note (13) Long-term equity investments under “3. Significant accounting policies and accounting estimates”.

(8) Recognition of cash and cash equivalents

The term “cash” refers to the cash on hand and the unrestricted deposit. And the term “cash equivalents” refers to short-term (maturing within three months from acquisition) and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(9) Foreign currency transaction and translation of foreign currency financial statements

1. Foreign currency transactions

Foreign currency transactions are translated into RMB at the current rate at the day of transactions.

The foreign currency monetary items shall be translated at the spot exchange rate on the balance sheet date. The balance of exchange arising from the difference between the spot exchange rate on the balance sheet date and the spot exchange rate at the time of initial recognition or prior to the balance sheet date, except those arising from the raising of special foreign debt for the purchase or construction of capitalizable assets thus shall be capitalized according to the borrowing costs capitalization principle, shall be recorded into the profits and losses at the current period.

2. Translation of foreign currency financial statements

The asset and liability items in the statement of financial position shall be translated at a spot exchange rate on the balance sheet date. Among the owner's equity items, except the ones as "undistributed profits", others shall be translated at the spot exchange rate at the time when they are incurred. The income and expense items in the income statement shall be translated using an exchange rate that is determined in a systematic and reasonable manner and approximates the spot exchange rate on the transaction date.

When disposing an overseas business, the Company shall shift the balance, which is presented under the items of the owner's equities in the statement of financial position and arises from the translation of foreign currency financial statements related to this overseas business, into the disposal profits and losses of the current period.

(10) Financial instruments

The Company recognizes a financial asset, financial liability or equity instrument when it becomes a party to a financial instrument contract.

1. Classification of financial instruments

The Company shall classify financial assets on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset as: financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss at initial measurement.

A financial asset which is not designated as a financial asset measured at fair value through profit or loss shall be measured at amortised cost if both of the following conditions are met.

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met.

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company may make an election at initial recognition for non-trading equity instrument investments whether it is designated as a financial asset (equity instrument) that is measured at fair value through other comprehensive income. The designation is made on the basis of a single investment, and the related investment meets the definition of an equity instrument from the issuer's perspective.

Other financial assets other than these are classified as financial assets measured at fair value through profit or loss. At the initial recognition, in order to eliminate or significantly reduce accounting mismatches, financial assets that should be classified as measured at amortized value or financial assets measured at fair value through other comprehensive income can be designated as financial assets measured at fair value through profit or loss.

The Company shall classify financial liabilities as financial liabilities measured at amortised cost and financial liabilities measured at fair value through profit or loss at initial measurement.

The Company may, at initial recognition, designate a financial liability as measured at fair value through profit or loss because either:

- (a) it eliminates or significantly reduces an accounting mismatch;
- (b) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity's key management personnel;
- (c) the financial liability contains embedded derivatives that need to be separated.

2. Recognition and measurement of financial instruments

(1) Financial assets measured at amortised cost

Financial assets measured at amortized cost include notes receivables, accounts receivables, other receivables, long-term receivables, debt investments, etc. At initial recognition, the Company shall measure a financial asset at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset. The Company shall measure account receivables at their transaction price if the account receivables do not contain a significant financing component and accounts receivables that the company has decided not to consider for a financing component of no more than one year.

Interests calculated by using the effective interest method during the holding period shall be recognized in profit or loss.

When recovering or disposing the receivables, the difference between the price obtained and the carrying value shall be recognized in current profit or loss.

(2) Financial assets measured at fair value through other comprehensive income (debt instruments)

Financial assets measured at fair value through other comprehensive income (debt instruments) include receivables financing, other debt investments, etc. At initial recognition, the Company shall measure a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition or issuance of the financial asset. The financial assets are subsequently measured at fair value. Changes in fair value are included in other comprehensive income

except for interest calculated using the effective interest method, impairment losses or gains and exchange gains and losses. When the financial assets are derecognized, the accumulated gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income and recognized in profit or loss.

(3) Financial assets at fair value through other comprehensive income (equity instruments)

Financial assets at fair value through other comprehensive income (equity instruments). include other equity instrument investments, etc. At initial recognition, the Company shall measure a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. The financial assets are subsequently measured at fair value. Changes in fair value are included in other comprehensive income. The dividends obtained are recognised in profit and loss.

When the financial assets are derecognized, the accumulated gain or loss previously. recognised in other comprehensive income is transferred from other comprehensive income and recognised in retained earnings.

(4) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include transactional financial assets, derivative financial assets, other non-current financial assets, etc. The Company shall measure the financial assets at fair value at initial recognition. Transaction costs are recognised in profit or loss. Changes in fair value are included in profit or loss.

(5) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include current financial liabilities, derivative financial liabilities, etc. The Company shall measure the financial assets at fair value at initial recognition. Transaction costs are recognised in profit or loss. Changes in fair value are included in profit or loss.

When the financial liabilities are derecognized, the difference between the fair value and the. initially recorded amount is recognized as investment income, and the gains and losses from

changes in fair value are adjusted.

(6) Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost include short-term borrowings, notes payables, accounts payables, other payables, long-term borrowings, bonds payables, long-term payables. At initial recognition, the Company shall measure a financial liability at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Interests calculated by using the effective interest method during the holding period shall be recognized in profit or loss.

When the financial liabilities are derecognized, the difference between the price obtained and the carrying value shall be recognised in profit and loss.

3. Termination of recognition of financial assets and financial assets transfer

When one of the following conditions is met, the company terminates the recognition of financial assets.

- Termination of contractual rights to receive cash flows from financial assets;
- The financial assets have been transferred, and almost all the risks and rewards in the ownership of the financial assets have been transferred to the transferee;
- The financial assets have been transferred. Although the company has neither transferred nor retained almost all the risks and rewards of the ownership of the financial assets, it has not retained control of the financial assets.

If the Company modifies or renegotiates a contract with its counterparty and the modification constitutes a substantial modification, the original financial asset will be derecognized and a new financial asset will be recognized in accordance with the modified terms.

If it retained nearly all of the risks and rewards related to the ownership of the financial asset, it shall not stop recognizing the financial asset.

To judge whether the transfer of a financial asset can satisfy the conditions as prescribed in these Standards for stopping the recognition of a financial asset, the Company shall follow the principle of the substance over form.

Transfer of an entire financial asset can be divided into partial financial assets transfer and entire financial asset transfer. If the transfer of an entire financial asset satisfies the conditions

for de-recognition, the difference between the amounts of the following 2 items shall be recorded in the profits and losses of the current period:

- (1) The book value of the transferred financial asset; and
- (2) The sum of consideration received from the transfer, and the accumulative amount of the changes of the fair value originally recorded in the owners' equities (in the event that the financial asset involved in the transfer is a financial asset Available-for-sale).

If the transfer of partial financial asset satisfies the conditions to derecognize, the entire book value of the transferred financial asset shall, between the portion whose recognition has been stopped and the portion whose recognition has not been stopped (under such circumstance, the service asset retained shall be deemed as a portion of financial asset whose recognition has not been stopped), be apportioned according to their respective relative fair value, and the difference between the amounts of the following 2 items shall be included into the profits and losses of the current period :

- (1) The book value of the portion whose recognition has been stopped; and
- (2) The sum of consideration of the portion whose recognition has been stopped, and the portion of the accumulative amount of the changes in the fair value originally recorded in the owner's equities which is corresponding to the portion whose recognition has been stopped (in the event that the financial asset involved in the transfer is a financial asset Available-for-sale).

If the transfer of financial assets does not satisfy the conditions to stop the recognition, it shall continue to be recognized as financial assets and the consideration received shall be recognized as financial liabilities.

4. Termination of recognition of financial liabilities

Only when the prevailing obligations of a financial liability are relieved in all or in part may the recognition of the financial liability be terminated in all or partly. Where the Company (debtor) enters into an agreement with a creditor so as to substitute the existing financial liabilities by way of any new financial liability, and if the contractual stipulation regarding the new financial liability is substantially different from that regarding the existing financial liability, it shall terminate the recognition of the existing financial liability, and shall at the same time recognize the new financial liability.

Where the Company makes substantial revisions to part or all of the contractual stipulations of the existing financial liability, it shall terminated the recognition of the existing financial liability or part of it, and at the same time recognize the financial liability after revising the contractual stipulations as a new financial liability.

Where the recognition of a financial liability is totally or partially terminated, the Company shall include into the profits and losses of the current period the difference between the carrying amount which has been terminated from recognition and the considerations it has paid (including the non-cash assets it has transferred out and the new financial liabilities it has assumed).

Where the Company buys back part of its financial liabilities, it shall distribute, on the date of repurchase, the carrying amount of the whole financial liabilities in light of the comparatively fair value of the part that continues to be recognized and the part whose recognition has already been terminated. The gap between the carrying amount which is distributed to the part whose recognition has terminated and the considerations it has paid (including the noncash assets it has transferred out and the new financial liabilities it has assumed) shall be recorded into the profits and losses of the current period.

5. Determination of the fair value of the financial assets (liabilities)

If active markets for the financial instruments exist, the fair value shall be measured by quoted prices in the active markets. If active markets for the financial instruments do not exist,

valuation techniques shall be applied for the measurement. The Company uses valuation techniques appropriate in the circumstances and for which sufficient data are available to measure fair value. The Company chooses relevant observable inputs for identical or similar assets or liabilities. Only when relevant observable inputs are unavailable or should the Company use unobservable inputs for the asset or liability.

6. Impairment provision of the financial assets

The Company recognize the expected credit loss on financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income (debt instruments), financial guarantee contract, and so on, on the individual or portfolio basis.

The Company considers all reasonable and relevant information, including past events, current conditions, and forecasts of future economic conditions, and uses the risk of default as the weight to calculate the probability-weighted amount of present value of difference between the cash flow receivable from the contract and the cash flow expected to be received to confirm the expected credit loss.

For account receivables and contract assets recognized according to Accounting Standards for Business Enterprises No. 14 Revenue, whether a significant financing component is contained or not, the Company shall always measure the loss allowance at an amount equal to lifetime expected credit losses.

For lease receivables recognized according to Accounting Standards for Business Enterprises No. 21 Lease, the Company shall always measure the loss allowance at an amount equal to lifetime expected credit losses.

For other financial instruments, the Company shall assess changes in the credit risk of the relevant financial instruments since initial recognition at each balance sheet date.

The company compares the risk of default on the balance sheet date of financial instruments with the risk of default on the date of initial recognition to determine the relative change in the risk of default during the expected life of the financial instrument to assess whether there is a significant increase in credit risk of financial assets since the initial recognition. Generally, the Company believes that the credit risk of the financial instrument has significantly increased over 30 days after the due date, unless there is solid evidence that the credit risk of the financial instrument has not increased significantly since initial recognition.

If the credit risk of a financial instrument at the reporting date is relatively low, the Company considers that the credit risk of the financial instrument has not increased significantly since the initial recognition.

If the credit risk of the financial instrument has increased significantly since the initial confirmation, the Company shall measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. The increase or reversal amount of loss allowance thus formed shall be included in the current profits and losses as impairment losses or gains. For financial assets at fair value through other comprehensive income (debt instruments), loss provisions are recognised in other comprehensive income and impairment losses or gains are recognised in profit or loss at the current period without reducing the carrying amount of the financial asset in the balance sheet.

(11) Inventory**1. Inventory classification**

Inventories include material in transit, raw material, turnover materials, finished goods, work in process, issue commodity, materials for consigned processing, etc.

Inventory is initially measured at cost. Inventory cost includes purchase cost, processing cost and other expenditures incurred to bring inventory to its current location and state.

2. Valuation method for inventory dispatched

The weighted average method is used to confirm the actual cost of the inventories dispatched.

3. Inventory system

The Company uses perpetual inventory system.

4. Amortization of low-valued consumables and packing materials

(1) Low-valued consumables shall be amortized in full amount on issuance.

(2) Packing materials shall be amortized in full amount on issuance.

5. The basis for confirming the net realizable value of inventories and the methods to make provision for the inventory impairment loss

On the balance sheet date, inventories shall be measured at the lower of cost and net realizable value. When the cost of inventories is higher than its net realizable value, provision for inventory impairment loss shall be made. The net realizable value refers to the amount of the estimated selling price of the inventory minus the estimated costs that will occur at the time of completion, estimated selling expenses, and relevant taxes in daily activities.

The net realizable value of inventories (finished goods, stock commodity, material, etc.) held for direct selling in the daily business activity shall be calculated by deducting the estimated sale expense and relevant taxes from the estimated sale price of inventories; The net realizable value of inventories for further processing in the daily business activity shall be calculated by deducting the estimated cost of completion, estimated sale expense and relevant taxes from the estimated sale price of inventories; The net realizable value of inventories held for the execution of sales contracts or labor contracts shall be calculated on the ground of the contract price. If the Company holds more inventories than the quantities subscribed in the sales contract, the net realizable value of the excessive part of the inventories shall be calculated on the ground of the general sales price.

After the inventory impairment is withdrawn, if the factors that previously affected the write-down of the inventory value have disappeared, causing the net realizable value of the inventory to be higher than its book value, it shall be reversed within the amount of the inventory impairment that has been withdrawn, and the reverted amount shall be included in the current profit and loss.

(12) Contract asset

1. Recognition methods and criteria of contract assets

When either party to a contract has performed, the Company shall present the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the Company's performance and the customer's payment. If the Company have the rights to receive consideration (the right is conditioned on factors other than the passage of time) by transferring goods or services to a customer, the entity shall present the contract as a contract asset. Contract assets and contract liabilities under the same contract are disclosed in net amount. An entity shall present any unconditional rights to consideration (only the passage of time is required) separately as a receivable.

2. Expected credit loss of contract assets

For the accounting policy of the expected credit loss of contract assets, please refer to Note (10) 6. Impairment provision of the financial assets under "3. Significant accounting policies and accounting estimates"

(13) Long-term equity investment

1. Criteria of joint control and significant influence

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. If the Company and other joint venture have joint control of the investee and have rights to the net assets of the investee, the investee is a joint venture of the Company.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or join control of those policies. If the Company could exert significant influence over the investee, the investee is the associate of the Company.

2. The initial cost of long-term equity investment from business acquisition

(1) Long-term equity investment from business acquisition

For a business combination under common control, the initial investment cost of the long-term equity investment shall be the absorbing party's share of the carrying amount of the owner's equity of the party being absorbed in the consolidated financial statements of the ultimate controlling party at combination date. The difference between the initial investment cost and the carrying amount of the previously held equity investment, together with the additional investment cost for new shares at combination date, shall be adjusted to the capital reserve. If the balance of capital reserve is not sufficient, any excess shall be adjusted to retained earnings.

When an investor becomes capable of exercising control over an investee due to additional investment or other reasons, the difference between the initial investment cost recognized in accordance with the above principles and the sum of the book value of the long-term equity investment before the merger plus the book value of the cost for the further shares acquired on the merger date, shall be adjusted to the capital reserve. If the balance of capital reserve is not sufficient, any excess shall be adjusted to retained earnings.

For a business combination not under common control, the initial investment cost of the long-term equity investment shall be the acquisition cost at the acquisition date. When an investor becomes capable of exercising control over an investee due to additional investment or other reasons, the initial investment cost under the cost method shall be the carrying amount of previously held equity investment together with the additional investment cost.

(2) The initial cost of the long-term equity investment other than from business acquisition

The initial cost of a long-term equity investment obtained by making payment in cash shall be the purchase cost which is actually paid.

The initial cost of a long-term equity investment obtained on the basis of issuing equity securities shall be the fair value of the equity securities issued.

3. Subsequent measurement and profit or loss recognition

(1) Cost method

The Company adopts cost method for the long term investment in subsidiary company unless the investment qualifies as held for sale. An investing enterprise shall, in accordance with the attributable share of the net profits or losses of the invested entity, recognize the investment profits or losses except the dividend declared but unpaid, which is included in the payment when acquiring the investment.

(2) Equity method

A long-term equity investment in an associate or a joint venture shall be accounted for using the equity method. Where the initial investment cost of a long-term equity investment exceeds investor's interest in the fair values of an investee's identifiable net assets at the acquisition date, no adjustment shall be made to the initial investment cost. Where the initial cost is less than the investor's interest in the fair values of the investee's identifiable net assets at the acquisition date, the difference shall be credited to profit or loss for the current period, and the cost of long-term equity investment shall be adjusted accordingly.

The Company shall recognize its share of the investee's net profits or losses, as well as its share of the investee's other comprehensive income, as investment income or losses and other comprehensive income, and adjust the carrying amount of the investment accordingly. The carrying amount of the investment shall be reduced by the portion of any profit distributions or cash dividends declared by the investee that is attributable to the investor. The investor's share of the investee's owners' equity changes, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution, and the carrying amount of the long-term equity investment shall be adjusted accordingly.

During the holding period, if the investee makes consolidated financial statements, the Company shall calculate its share based on the investee's net profit, other comprehensive income and the amount of other owners' equity attribute to the investee in the consolidated financial statements. The investor shall recognize its share of the investee's net profits or losses after making appropriate adjustments according to the Company's accounting principles and operating period based on the fair values of the investee's identifiable net assets.

The unrealized profits or losses resulting from transactions between the investor and its associate or joint venture shall be eliminated in proportion to the investor's equity interest in the investee, based on which investment income or losses shall be recognized, except the transaction of investment or sale of assets is a business. Any losses resulting from transactions between the investor and investee which are attributable to asset impairment shall be recognized in full.

The company's net losses incurred by joint ventures or associates, in addition to assuming additional loss obligations, are limited to the book value of long-term equity investments and other long-term equity that essentially constitutes net investment in joint ventures or associates. If a joint venture or associated enterprise realizes net profits in the future, the company resumes recognizing its share of profits after the share of profits makes up for the share of unrecognized losses.

(3) Disposal of long-term equity investment

When disposing long-term equity investment, the difference between the proceeds actually received and the carrying amount shall be recognized in profit or loss for the current period.

Partial disposal of long-term equity investments accounted for by the equity method, and the remaining equity is still accounted for by the equity method, the other comprehensive income recognized by the original equity method shall be carried forward according to the same basis

as the direct disposal of related assets or liabilities by the investee. All other changes in the interests of the holders are carried forward to the current profit and loss on a pro rata basis.

When an investor can no longer exercise joint control of or significant influence over an investee due to disposal of equity investment or other reasons, any other comprehensive income previously recognized shall be accounted for on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities for the current period upon discontinuation of the equity method. Other owner's equity change shall be transferred into profit or loss of current period in full when the Company cease to adopt the equity method.

When an investor can no longer control the investee due to partial disposal, when the individual financial statements are prepared, the remaining equity can exercise joint control or significant influence on the investee, the equity method shall be used to account for the remaining equity. It is deemed that the equity method is adopted for adjustment since the acquisition, and the other comprehensive income recognized before the control of the investee is obtained is carried forward on the same basis as the direct disposal of related assets or liabilities by the investee, because the equity method is used for accounting. The confirmed changes in other owners' equity are carried forward to the current profit and loss on a pro rata basis. If the remaining equity cannot exercise joint control or exert significant influence on the investee, it shall be recognized as a financial asset, and the difference between its fair value and book value on the date when control is lost shall be included in the current profit and loss, and other comprehensive income and other owner's interests previously recognized shall be transferred to profit or loss in full.

If the equity investment of a subsidiary is disposed through multiple transactions until it loses control, which is a package transaction, each transaction shall be accounted as a transaction that disposes of the equity investment of the subsidiary and loses control. Each transaction before the loss of control, the difference between the disposal price and the book value of the corresponding disposed part of long-term equity investment is firstly recognized as other comprehensive income in individual financial statements, and then transferred to the current profit and loss when the control is lost. If it is not a package transaction, each transaction shall be accounted separately.

(14) Fixed assets

1. Recognition of Fixed assets

The term "fixed assets" refers to the tangible assets held for the sake of producing commodities, rendering labor service, renting or business management and of which useful life is in excess

of one fiscal year. No fixed asset may be recognized unless it simultaneously meets the conditions as follows:

- (1) The economic benefits pertinent to the fixed asset are likely to flow into the enterprise; and
- (2) The cost of the fixed asset can be measured reliably.

Fixed assets are initially measured at cost (and considering the impact of expected dismantling cost factors).

Subsequent expenditures related to fixed assets are included in the cost of fixed assets when the related economic benefits are likely to flow in and their costs can be reliably measured; the book value of the replaced part is derecognized; all other subsequent expenditures are incurred shall be included in the current profit and loss.

2. Fixed assets depreciation

Fixed assets are depreciated under the straight line method. The depreciation rate is determined according to the category of assets, the useful life and the expected residual rate. If the components of the fixed assets have different useful lives or provide the economic benefits in a different way, then different depreciation rate or method shall be applied and the depreciation of the components shall be calculated separately.

Details of classification, depreciation period, residual value rate and annual depreciation rate are as follows:

Category	Depreciation method	Depreciation Period	Residual Value Rate (%)	Depreciation Rate (%)
Plants and Buildings	straight line method	40 years	5.00	2.38
Machinery	straight line method	17-24 years	5.00	3.96-5.59
Transportation and other equipment	straight line method	5-12 years	5.00	7.92-19.00

4. Disposal of fixed assets

When a fixed asset is disposed, or it is expected that no economic benefits will be generated through use or disposal, the recognition of fixed asset shall be terminated. The amount of disposal income of fixed assets raising from sell, transfer, scrapping or damage shall be included in the current profit and loss after deducting its book value and related taxes.

(15) Construction in progress

Construction in progress is measured at the actual cost incurred. The actual cost includes construction costs, installation costs, borrowing costs that meet the capitalization conditions,

and other necessary expenditures incurred before the construction in progress reaches its intended use status. Construction in progress is transferred to fixed asset when it has reached its working condition for its intended use and depreciation will be accrued from the next month.

(16) Borrowing costs

1. Principle of the recognition of capitalized borrowing costs

Where the borrowing costs incurred to an enterprise can be directly attributable to the acquisition and construction or production of assets eligible for capitalization, it shall be capitalized and recorded into the costs of relevant assets. Other borrowing costs shall be recognized as expenses on the basis of the actual amount incurred, and shall be recorded into the current profits and losses.

Assets eligible for capitalization refer to the fixed assets, investment property, inventories and other assets, of which the acquisition and construction or production may take quite a long time to get ready for its intended use or for sale.

2. The capitalization period of borrowing costs

The capitalization period shall refer to the period from the commencement to the cessation of capitalization of the borrowing costs, excluding the period of suspension of capitalization of the borrowing costs.

The borrowing costs shall not be capitalized unless they simultaneously meet the following requirements:

- (1) The asset disbursements have already incurred, which shall include cash, transferred non-cash assets or interest bearing debts paid for the acquisition and construction or production activities for preparing assets eligible for capitalization;
- (2) The borrowing costs has already incurred; and
- (3) The acquisition and construction or production activities which are necessary to prepare the asset for its intended use or sale have already started.

When the qualified asset under acquisition and construction or production is ready for the intended use or sale, the capitalization of the borrowing costs shall be ceased.

3. The suspension of capitalization of borrowing costs

Where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended. If the interruption is a necessary step for making the qualified asset under acquisition and construction or production ready for the intended use or

sale, the capitalization of the borrowing costs shall continue. The borrowing costs incurred during such period shall be recognized as expenses, and shall be recorded into the profits and losses of the current period, till the acquisition and construction or production of the asset restarts.

4. Method of calculating the capitalization rate and capitalized amount of borrowing costs

For interest expense (minus the income of interests earned on the unused borrowing loans as a deposit in the bank or investment income earned on the loan as a temporary investment) and the ancillary expense incurred to a specifically borrowed loan, those incurred before a qualified asset under acquisition, construction or production is ready for the intended use or sale shall be capitalized at the incurred amount when they are incurred, and shall be recorded into the costs of the asset eligible for capitalization.

The Company shall calculate and determine the to-be-capitalized amount of interests on the general borrowing by multiplying the weighted average asset disbursement of the part of the accumulative asset disbursements minus the general borrowing by the capitalization rate of the general borrowing used. The capitalization rate shall be calculated and determined in light of the weighted average interest rate of the general borrowing.

During the capitalization period, the exchange difference between the principal and interest of the foreign currency special loan is capitalized and included in the cost of the assets that meet the capitalization conditions. Exchange differences arising from the principal and interest of foreign currency borrowings other than foreign currency special borrowings are included in the current profits and losses.

(17) Intangible Assets

1. Measurement of Intangible Assets

(1) Initial measurement is based on cost upon acquisition

The cost of an intangible asset on acquisition include the purchase price, relevant taxes and other necessary disbursements which may be directly attributable to bringing the intangible asset to the conditions for the expected purpose.

(2) Subsequent Measurement

The Company shall analyze and judge the beneficial period of intangible assets upon acquisition.

Intangible assets with finite beneficial period shall be amortized under the straight-line method during the period when the intangible asset can bring economic benefits to the enterprise. If it

is unable to estimate the beneficial period of the intangible asset, it shall be regarded as an intangible asset with uncertain service life and shall not be amortized.

2. Estimated useful lives of intangible assets with limited useful lives

Item	Estimated useful life	Criteria
Land use right	50 years	Land use right certificate
Software	10 years	Estimated useful life

3. Classification criteria for internal research phase and development phase

The expenditures for its internal research and development projects of an enterprise shall be classified into research expenditures and development expenditures.

Research phase refers to the phase of creative and planned investigation to acquire and study to acquire and understand new scientific or technological knowledge.

Development phase refers to the phase during which the result of research phase or other knowledge is applied into certain projects or designs for the manufacturing of new or substantially improved material, device and product before commercial manufacturing and use.

4. Criteria of capitalization of development phase expenditures

Expenditures incurred during the research phase are recognized in profit or loss for the period when incurred. Expenditures incurred during the research phase shall be capitalized if they meet the following conditions at the same time. If the expenditures incurred during the development phase do not meet the following conditions, they shall be included in the current period's profit and loss.

- (1) It is technically feasible to complete the intangible asset so that it can be used or sold.
- (2) The Company intent to complete the intangible asset and use or sell it.
- (3) The way intangible assets generate economic benefits, including being able to prove that there is a market for the products produced by using the intangible assets or the intangible assets themselves has market. If the intangible assets will be used internally, it should be able to prove that the intangible assets will be useful.
- (4) The company has sufficient technical, financial and other resources to complete the development of the intangible asset and is able to use or sell the intangible asset.
- (5) The expenditure attributable to the development phase of the intangible asset can be measured reliably.

If it is impossible to distinguish between expenditures in the research phase and expenditures in the development phase, all research and development expenditures incurred shall be included in the current period's profit and loss.

(18) Impairment of long-term assets

For long-term assets such as long-term equity investments, investment property under the cost model, fixed assets, construction in progress, right-of-use assets, intangible assets with limited useful lives and oil gas assets etc., the Company shall perform impairment tests at the period end if there is clear indication of impairment. If the recoverable amounts of long-term assets are less than their carrying amounts, the carrying amounts of the assets shall be written down to their recoverable amounts. The write-downs are recognized as impairment losses and charged to current profit and loss. The recoverable amounts of long-term assets are the higher of their fair values less costs to sell and the present values of the future cash flows expected to be derived from the assets. The Company shall estimate its recoverable amount on an individual basis. Where it is difficult to do so, it shall determine the recoverable amount of the assets on the basis of the asset group to which the asset belongs. The term "assets group" refers to a minimum combination of assets by which the cash flows could be generated independently

The goodwill, intangible assets with uncertain useful life and intangible assets not meeting the expected condition for use shall be subject to an impairment test at least at the end of each year.

When the Company makes an impairment test of assets, it shall, as of the purchasing day, apportion the carrying value of the business reputation formed by merger of enterprises to the relevant asset groups by a reasonable method. Where it is difficult to do so, it shall be apportioned to the relevant combinations of asset groups. A related group of assets or combination of asset groups is an asset group or combination of asset groups that can benefit from the synergy effect of a business combination.

When making an impairment test on the relevant asset groups or combination of asset groups containing business reputation, if any evidence shows that the impairment of asset groups or combinations of asset groups is possible, the Company shall first make an impairment test on the asset groups or combinations of asset groups not containing business reputation, calculate the recoverable amount, compare it with the relevant carrying value and recognize the corresponding impairment loss. Then the Company shall make an impairment test of the asset groups or combinations of asset groups containing business reputation, and compare the carrying value of these asset groups or combinations of asset groups (including the carrying value of the business reputation apportioned thereto) with the recoverable amount. Where the recoverable amount of the relevant assets or combinations of the asset groups is lower than the carrying value thereof, it shall recognize the impairment loss of the business reputation.

Impairment losses on long-term assets shall not be reversed in subsequent accounting periods

once recognized.

(19) Long-term deferred expense

The long-term deferred expense refers to the expenses incurred but shall be borne by current and subsequent accounting period, which is more than one year.

The long-term deferred expense shall be amortized over its beneficiary period evenly

(20) Contract liability

When either party to a contract has performed, the Company shall present the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the Company's performance and the customer's payment. If a customer pays consideration, or the Company has a right to an amount of consideration before the Company transfers a good or service to the customer, the Company shall present the contract as a contract liability. Contract assets and contract liabilities under the same contract are disclosed in net amount.

(21) Employee benefits

1. Accounting treatment for short employee benefit

The Company shall recognise, in the accounting period in which an employee provides service, actually occurred short-term employee benefits as a liability, with a corresponding charge to the profit or loss or cost of an asset for the current period.

Payments made by an enterprise of social security contributions for employees, payments of housing funds, and union running costs employee education costs provided in accordance with relevant requirements shall, in the accounting period in which employees provide services, be calculated according to prescribed bases and percentages in determining the amount of employee benefits.

The employee welfare expenses incurred by the company are included in the current profit and loss or related asset costs based on the actual amount when they actually occur. Among them, non-monetary benefits are measured at fair value.

2. Accounting treatment of post-employment benefits

(1) Defined contribution plan

The Company shall recognize, in the accounting period in which an employee provides service, pension fund and unemployment fund for employees as a liability according to the

local government regulations. The amount shall be calculated according to local prescribed bases and percentages in determining the amount of employee benefits, with a corresponding charge to the profit or loss or cost of an asset for the current period. In addition, the Company also participates in the enterprise annuity plan/supplementary pension insurance fund approved by relevant state departments. The Company pays a certain proportion of the total salary of employees to the annuity plan/local social insurance agency, and the corresponding expenses are included in the current profit and loss or related asset cost.

(2) Defined benefit plan

None

3. Accounting treatment of termination benefits

The Company shall recognize an employee benefits liability for termination benefits, with a corresponding charge to the profit or loss for the current period, at the earlier of the following dates: when the Company cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; or when the Company recognizes costs or expenses related to a restructuring that involves the payment of termination benefits.

(22) Estimated liabilities

The obligation pertinent to a contingency shall be recognized as an estimated liability when the following conditions are satisfied simultaneously:

- (1) That obligation is a current obligation of the enterprise;
- (2) It is likely to cause any economic benefit to flow out of the enterprise as a result of performance of the obligation; and
- (3) The amount of the obligation can be measured in a reliable way.

The estimated debts shall be initially measured in accordance with the best estimate of the necessary expenses for the performance of the current obligation.

To determine the best estimate, an enterprise shall take into full consideration of the risks, uncertainty, time value of money, and other factors pertinent to the Contingencies. If the time value of money is of great significance, the best estimate shall be determined after discounting the relevant future outflow of cash.

If there is a continuous range for the necessary expenses and if all the outcomes within this range are equally likely to occur, the best estimate shall be determined in accordance with the average estimate within the range.

If there is not a sequent range for the necessary expenses and if the outcomes within this range are not equally likely to occur, the best estimate shall be determined as follows:

- (1) If the Contingencies concern a single item, it shall be determined in the light of the most likely outcome.
- (2) If the Contingencies concern two or more items, the best estimate shall be calculated and determined in accordance with all possible outcomes and the relevant probabilities.

When all or some of the expenses necessary for the liquidation of an estimated debts of an enterprise is expected to be compensated by a third party, the compensation shall be separately recognized as an asset only when it is virtually certain that the reimbursement will be obtained. The amount recognized for the reimbursement shall not exceed the book value of the estimated debts.

The company reviews the book value of the estimated liabilities on the balance sheet date. If there is conclusive evidence that the book value does not reflect the current best estimate, the book value will be adjusted according to the current best estimate.

(23) Revenue

(1) The general principle of revenue recognition and measurement

The company shall recognise revenue when (or as) the company satisfies a performance obligation when (or as) the customer obtains control of a promised good or service. Control of a promised good or service refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from it.

If the contract contains two or more performance obligations, the company shall allocate the transaction price to each individual performance obligation based on the relative proportion of the stand-alone selling price of the goods or services promised by each individual performance obligation on the date of the contract. The company measures revenue based on the transaction price allocated to each individual performance obligation.

The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties or amounts expected to be returned to customers. The company shall consider the terms of the contract and its customary business practices to determine the transaction price. When determining the transaction price, the company shall consider the effects of all of the following: variable consideration, the existence of a significant financing component in the contract, non-cash consideration, and consideration payable to a customer. The company determines the transaction price that includes variable consideration

at an amount that does not exceed the amount of accumulated recognized revenue that is unlikely to be materially reversed when the relevant uncertainty is eliminated. If there is a significant financing component in the contract, the company shall recognise revenue at an amount that reflects the price that a customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they transfer to the customer, and use the effective interest method to amortize the difference between the transaction price and the contract consideration during the contract period.

The company transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met. Otherwise, the company satisfies the performance obligation at a point in time.

- (a) the customer simultaneously receives and consumes the benefits provided by the company's performance as the company performs;
- (b) the company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the company's performance does not create an asset with an alternative use to the company and the company has an enforceable right to payment for performance completed to date.

The company shall recognise revenue over time by measuring the progress towards complete satisfaction of that performance obligation, except where the performance progress cannot be reasonably determined. The company considers the nature of the goods or services and adopts the output method or the input method to determine the progress of performance. Where the performance progress cannot be reasonably determined, but the company expects to recover the costs incurred in satisfying the performance obligation, the company shall recognise revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

For performance obligations satisfied at a certain point in time, the company shall recognise revenue at the point when the customer obtains control of the relevant goods or services. To determine the point in time at which a customer obtains control of a promised goods or services, the company shall consider requirements as follows:

- (a) The company has a present right to payment for the promised goods or services and the customer is presently obliged to pay for that;
- (b) The company has transferred the legal title of the goods to the customer, that is, the customer has the legal title to the goods;
- (c) The company has transferred physical possession of the goods to the customer, that is, the customer has taken possession of the goods;
- (d) The company has transferred the significant risks and rewards of ownership of the goods to the customer, that is, the customer has the significant risks and rewards of ownership of the goods;

- (e) The customer has accepted the promised goods or services.

The Company determines whether it is the principal or agent when engaging in a transaction based on whether it has control over the goods or services before transferring them to the customer. If the Company is able to control the goods or services before transferring them to the customer, the Company is the principal and recognizes revenue based on the total consideration received or receivable; otherwise, the Company is the agent and recognizes revenue based on the amount of commissions or fees it expects to be entitled to receive.

(2) The specific criteria of revenue recognition and measurement

Commodity sales contracts between companies and customers usually only include performance obligations for the transfer of steel and other commodities. This type of performance obligation is a performance obligation performed at a certain point in time. The Company recognizes revenue when the customer obtains control of the relevant goods or services. When judging whether the customer has obtained control of goods or services, the company considers the following signs:

The company obtains the current right of collection of receivables, the legal ownership of the goods is transferred to the customer, the physical assets of the goods are transferred to the customer, the company transfers the main risks and rewards of the ownership of the goods to the customer, and the customer has accepted the goods.

(24) Contract costs

Contract costs include costs to fulfill a contract and incremental costs of obtaining a contract.

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard, for example, Inventories, Property, Plant and Equipment or Intangible Assets, the company shall recognise an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- (a) the costs relate directly to a contract or to an expected contract;
- (b) the costs generate or enhance resources of the Company that will be used in satisfying performance obligations in the future; and
- (c) the costs are expected to be recovered.

The company shall recognise as an asset the incremental costs of obtaining a contract with a customer if the company expects to recover those costs.

An asset recognised in accordance with contract costs shall be amortised in consistent with the transfer to the customer of the goods or services to which the asset relates. The company may

recognise the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset is one year or less.

The company shall recognise an impairment loss in profit or loss to the extent that the carrying amount of an asset related to contract assets exceeds:

- (a) the remaining amount of consideration that the company expects to receive in exchange for the goods or services to which the asset relates; less
- (b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

The company shall recognise in profit or loss a reversal of some or all of an impairment loss previously recognised when the impairment conditions no longer exist or have improved. The increased carrying amount of the asset shall not exceed the carrying amount that if no impairment loss had been recognised previously.

(25) Government Subsidies

1. Types

A government subsidy means the monetary or non-monetary assets obtained free of charge by the Company from the government. Government subsidies consist of the government subsidies pertinent to assets and government subsidies pertinent to income.

Government subsidies related to assets are government subsidies whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. The government subsidies related to incomes refers to government subsidies other than those related to assets.

The standard of the Company recognizing the government subsidies related to assets is: an entity qualifying for them should purchase, construct or otherwise acquire long-term assets.

The standard of the Company recognizing the government subsidies related to income is: In addition to government subsidies related to assets, government subsidies that have been clearly targeted for subsidies.

For government documents that do not specify the object of the grant, the Company classifies the government subsidy as asset-related or income-related based on the following judgment: if it can form a long-term asset, the portion of the government subsidy that corresponds to the value of the asset is treated as an asset related government subsidy and the rest as an income-related government subsidy; if it is difficult to distinguish, the government subsidy as a whole is treated as an income related government subsidy.

2. Recognition

Government subsidies are recognized when the Company is able to meet the conditions attached to them and is able to receive them.

3. Accounting treatment

Government subsidies related to assets shall be recognized by deducting the subsidies at the carrying amount of the assets or recognized as deferred income. Subsidies that recognized as deferred income shall be recognized in profit or loss on a systematic basis over the periods during the useful lives of the relevant assets (Subsidies related to daily activities should be recorded in Other Income. Subsidies that unrelated to daily activities should be recorded in Non-operating Income).

The government subsidies related to incomes to compensate future expenses, shall be recognized as deferred income and transferred to current profit or loss (Subsidies related to daily activities should be recorded in Other Income. Subsidies that unrelated to daily activities should be recorded in Non-operating Income) in the period during which the expenses compensation is recognized or deduct relevant cost or loss. Government subsidies to compensate expenses or losses already incurred shall be recognized in current profit and loss (Subsidies related to daily activities should be recorded in Other Income. Subsidies unrelated to daily activities should be recorded in Non-operating Income) or deduct relevant cost or loss.

The policy discount loans obtained by the company are divided into the following two situations and are separately accounted for:

(a) The government allocates discounted funds to the loan bank, and the loan bank provides loans to the company at a policy preferential interest rate. The preferential interest rate is used to calculate the relevant borrowing costs.

(b) If the government directly allocates the discounted funds to the company, the company will offset the relevant borrowing costs with the corresponding discounts, directly accounted for the current profit or loss or recognized as deferred income.

(26) Deferred tax assets and deferred tax liabilities

Income tax includes current income tax and deferred income tax. Except for income tax arising from business combinations and transactions or events directly recorded in owners' equity (including other comprehensive income), the Company records current income tax and deferred income tax in current profit or loss.

Deferred tax assets and deferred tax liabilities are calculated based on the difference between the tax bases of assets and liabilities and their carrying amounts (temporary differences).

Income tax includes current income tax and deferred income tax. Except for income tax arising from business mergers and transactions or events that are directly included in owner's equity (including other comprehensive income), the company will include current income tax and deferred income tax in current profit and loss.

Deferred income tax assets and deferred income tax liabilities are calculated and confirmed based on the difference (temporary difference) between the tax base of assets and liabilities and their book value.

An enterprise shall recognize the deferred income tax assets arising from a deductible temporary difference to the extent of the amount of the taxable income which it is most likely to be obtained and which can be deducted from the deductible temporary difference. As for any deductible loss or tax deduction that can be carried forward to the next year, the corresponding deferred income tax assets shall be determined to the extent that the amount of future taxable income to be offset by the deductible loss or tax deduction to be likely obtained.

All taxable temporary differences shall be recognized as deferred tax liabilities with certain limited exceptions.

Exceptions when deferred tax assets and deferred tax liabilities are not recognized include:

- Initial recognition of goodwill;
- A transaction or event that is neither a business combination nor affects accounting profit and taxable income (or deductible loss) when it occurs, and the assets and liabilities initially recognized do not result in equal taxable temporary differences and deductible temporary differences.

For taxable temporary differences related to investments in subsidiaries, associates and joint ventures, deferred income tax liabilities are recognized, unless the company can control the timing of the reversal of the temporary differences and the temporary differences are likely not to be transferred back in the foreseeable future. For deductible temporary differences related to investments in subsidiaries, associates and joint ventures, when the temporary differences are likely to be reversed in the foreseeable future and are likely to be used to deduct the taxable income of deductible temporary differences in the future, income tax assets are recognized.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities are measured at the applicable tax rate during the period when the relevant assets are expected to be recovered or the relevant liabilities are expected to be recovered in accordance with the provisions of the tax law.

On the balance sheet date, the company reviews the book value of deferred income tax assets. If it is probable that sufficient taxable income cannot be obtained in the future to offset the benefits of deferred income tax assets, the book value of the deferred income tax assets shall be written down. When it is possible to obtain sufficient taxable income, the reduced amount shall be reversed.

When the Company has the statutory right to offset and intend to offset or obtain assets and pay off liabilities at the same time, the current income tax assets and current income tax liabilities are presented at the net amount after offsetting.

An entity shall offset deferred tax assets and deferred tax liabilities if, and only if: (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and (b) deferred income tax assets and deferred income tax liabilities are related to income taxes levied by the same tax collection and administration department on the same taxpayer or to different taxpayers, but in each future period of significant deferred income tax assets and liabilities reversal, the taxpayers involved intend to settle the current income tax assets and liabilities on a net basis or to acquire assets and settle liabilities at the same time.

(27) Leases

Lease refers to a contract in which the lessor transfers the right to use the asset to the lessee within a certain period of time to obtain consideration.

On the starting date of the contract, the company assesses whether the contract is a lease or contains a lease. If the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, the contract is, or contains, a lease.

For a contract that contains a lease component and one or more additional lease or non-lease components, a lease shall allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-

alone price of the non-lease components.

1. The company as the lessee

(1) Right-of-use assets

On the start date of the lease term, the company recognizes the right-of-use asset for leases other than short-term leases and low-value asset leases. Right-of-use assets are initially measured at cost.

This cost includes:

- ☐ The initial measurement amount of the lease liability;
- ☐ If there is a lease incentive for the lease payment paid on or before the start of the lease term, the relevant amount of the lease incentive already enjoyed shall be deducted;
- ☐ The initial direct expenses incurred by the company;
- ☐ The company expects to incur costs for dismantling and removing leased assets, restoring the site where leased assets are located, or restoring leased assets to the state agreed upon in the lease terms, but does not include the costs incurred for the production of inventory.

The company uses the straight-line method to depreciate the right-of-use assets. If it can be reasonably determined that the ownership of the leased asset will be obtained at the end of the lease term, the company shall depreciate the leased asset during the remaining useful life; otherwise, the leased asset will be depreciated during the shorter period of the lease term and the remaining useful life of the leased asset .

The company determines whether the right-of-use asset has been impaired in accordance with the principles described in "3. (18) Long-term asset impairment" in this note, and conducts accounting treatment for the identified impairment loss.

(2) Lease liabilities

At the beginning of the lease term, the company recognizes lease liabilities for leases other than short-term leases and leases of low-value assets. Lease liabilities are initially measured based on the present value of the payments that are not paid at that date. Lease payments include:

- 1) Fixed payment (including in-substance fixed payment), less any lease incentives receivable;
- 2) Variable lease payments that depend on an index or a ratio;
- 3) Amounts expected to be payable by the lease under residual value guarantees;
- 4) The exercise price of the purchase option if the lease is reasonably certain to exercise that option;

5) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease;

The company uses the interest rate implicit in the lease as the discount rate, but if the interest rate implicit in the lease cannot be reasonably determined, the company's incremental borrowing interest rate is used as the discount rate.

The company calculates the interest expense of the lease liability during each period of the lease term according to a fixed periodic interest rate, and includes it in the current profit and loss or the cost of related assets.

Variable lease payments that are not included in the measurement of lease liabilities are included in the current profit and loss or the cost of related assets when they occur.

After the start of the lease term, if the following circumstances occur, the company re-measures the lease liability and adjusts the corresponding right-of-use asset. If the book value of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, the difference shall be included in the current profit and loss:

- When the evaluation result or actual exercise situation of the purchase option, renewal option or termination option changes, the company remeasures the lease liability based on the present value calculated by the lease payment after the change and the revised discount rate;
- When the actual fixed payment changes, the expected payable amount of the guarantee residual value changes, or the index or ratio used to determine the lease payment changes, the company calculates the present value based on the changed lease payment and the original discount rate to remeasure the lease liability. However, if changes in lease payments originate from changes in floating interest rates, the revised discount rate is used to calculate the present value.

(3) Short-term leases and low-value asset leases

The company chooses not to recognize right-of-use assets and lease liabilities for short-term leases and low-value asset leases, and calculates the relevant lease payments in the current profit and loss or related asset costs on a straight-line basis during each period of the lease term. Short-term lease refers to a lease that does not include purchase options for a lease period not exceeding 12 months at the beginning of the lease period. Low-value asset leasing refers to a lease with a lower value when a single leased asset is a new asset. If the company subleases or expects to sublease the leased assets, the original lease is not a low-value asset lease.

(4) Lease modifications

The lease shall account for a lease modification as a separate lease if both:

- ☐ The modification increases the scope of the lease by adding the right to use one or more

underlying assets; and

□ the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustment to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification a lessee shall allocate the consideration in the modified contract, determine the lease term of the modified lease and remeasure the lease liabilities by discounting the revised lease payments using a revised discount rate.

For a lease modification that is not accounted for as a separate lease, the lessee shall account for the remeasurement of the lease liabilities by decreasing the carrying amount of the right-of-use assets to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The lessee shall recognize in profit or loss any gain or loss relating to the partial or full termination of the lease; or by making a corresponding adjustment to the right-of-asset for all other lease modifications.

2. The company as the lessor

On the commencement date of the lease, the company divides the lease into finance lease and operating lease. Finance lease refers to a lease in which almost all the risks and rewards related to the ownership of the leased asset are transferred regardless of whether the ownership is ultimately transferred. Operating leases refer to leases other than financial leases. When the company acts as a sublease lessor, it classifies subleases based on the right-of-use assets generated from the original lease.

(1) Accounting treatment of operating leases

The lease receipts of operating leases are recognized as rental income in each period of the lease term according to the straight-line method. The company capitalizes the initial direct costs incurred related to operating leases, and allocates them to the current profit and loss on the same basis as the recognition of rental income during the lease term. Variable lease payments that are not included in the lease receipts are included in the current profit and loss when they actually occur.

(2) Accounting treatment of finance leasing

On the start date of the lease, the company recognizes the finance lease receivables for the finance lease and terminates the recognition of the finance lease assets. When the company initially measures the finance lease receivables, the net lease investment is taken as the entry

value of the financial lease receivables. The net lease investment is the sum of the unguaranteed residual value and the present value of the lease payment not yet received at the beginning of the lease term, discounted at the interest rate implicit in the lease.

The company calculates and recognizes the interest income for each period of the lease term based on a fixed periodic interest rate. The derecognition and impairment of finance lease receivables shall be accounted for in accordance with "3. (10) Financial Instruments" in this Note.

Variable lease payments that are not included in the measurement of the net lease investment are included in the current profit or loss when they actually occur.

A lessor shall account for a modification to a finance lease as a separate lease if both:

- The modification increases the scope of the lease by adding the right to use one or more underlying assets;
- The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a modification to a finance lease that is not accounted for as a separate lease, a lessor shall account for the modification as follows:

- If the lease would have been classified as an operating lease had the modification been in effect at the inception date, the lessor shall account for the lease modification as a new lease from the effective date of the modification; and measure the carrying amount of the underlying assets as the net investment in the lease immediately before the effective date of the lease modification.
- If the change takes effect on the lease start date, the lease will be classified as a financial lease, and the company will perform accounting treatment in accordance with the policy of "3. (10) Financial Instruments" in this Note on the modification or re-negotiation of the contract.

3. Sale and leaseback transaction

The company evaluates and determines whether the asset transfer in the sale and leaseback transaction is a sale in accordance with the principles described in "3. (23) Revenue" of this Note.

(1) As the lessee

If the transfer of an asset in the sale and leaseback transaction is a sale, the company as the lessee measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right-of-use retained by the lessee and

recognize only the amount of any gain or loss that relates to the rights transferred to the lessor. For details on the subsequent measurement of right-of-use assets and lease liabilities and lease changes after the commencement date of the lease term, please refer to Note III. (27) Leases 1. The Company as Lessee. When subsequently measuring the lease liabilities arising from a sale and leaseback, the Company determines the lease payments or the modified lease payments in a manner that does not result in the recognition of gains or losses related to the right of use acquired through the leaseback.

If the asset transfer in the sale and leaseback transaction does not belong to the sale, the company as the lessee continues to recognize the transferred assets and at the same time recognize a financial liability equal to the transfer proceeds. For the accounting treatment of financial liabilities, please refer to "3. (10) Financial Instruments" in this note.

(2) As a lessor

If the asset transfer in the sale and leaseback transaction is a sale, the company acts as the lessor to account for the purchase of the asset, and the asset lease is accounted for in accordance with the aforementioned "2. The company as the lessor" policy; in the sale and leaseback transaction

If the transfer of assets is not a sale, the company as the lessor does not recognize the transferred assets, but recognizes a financial asset equal to the transfer proceeds. For the accounting treatment of financial assets, please refer to "3. (10) Financial Instruments" in this note.

(28) Debt restructuring

1. The company as the creditor

The Company terminates the recognition of claims when the contractual right to collect cash flows from the claims terminates. If debt is restructured by using assets to pay off debts or by converting debts into equity instruments, the company will recognize the relevant assets when they meet their definition and recognition conditions.

If debt restructuring is carried out by repaying debts with assets, the transferred non-financial assets shall be measured at cost at initial recognition. The cost of inventories includes the fair value of waived claims and other costs directly attributable to the asset incurred in bringing the asset to its present location and condition, such as taxes, transportation, handling charges, insurance, etc. The cost of an investment in an associate or joint venture includes the fair value of waived claims and other costs such as taxes directly attributable to the asset. The cost of investment property includes the fair value of claims relinquished and other costs such as taxes directly attributable to the asset. The cost of fixed assets includes the fair value of waived claims and other costs directly attributable to the asset incurred before the asset is ready for its intended use, such as taxes, transportation costs, handling charges, installation costs,

professional service fees, etc. The cost of biological assets includes the fair value of waived claims and other costs directly attributable to the asset, such as taxes, transportation costs, insurance premiums, etc. The cost of an intangible asset includes the fair value of claims waived and other costs, such as taxes, that are directly attributable to bringing the asset to its intended use. If a debt restructuring by converting debt into equity instruments results in the creditor converting its claims into equity investments in associates or joint ventures, the Company measures its initial investment cost at the fair value of the claims waived and other costs such as taxes directly attributable to the asset. The difference between the fair value and the book value of the waived claims is included in the current profit and loss. If the debt restructuring is carried out by modifying other terms, the Company shall recognize and measure the restructured claims in accordance with "III. (10) Financial Instruments" of this Note.

When multiple assets are used to settle debts or for debt restructuring, the Company shall first recognize and measure the financial assets acquired and the restructured claims in accordance with Note III. (10) Financial Instruments. It shall then allocate the net amount of the fair value of the waived claims after deducting the recognized amounts of the acquired financial assets and the restructured claims in accordance with the fair value ratio of the various assets other than the acquired financial assets, and on this basis, determine the cost of each asset separately in accordance with the above method. The difference between the fair value and the carrying amount of the waived claim should be included in the current profit and loss.

2. The company as the debtor

The Company derecognizes a debt when the present obligation for the debt is discharged.

If debt restructuring is carried out by settling debts with assets, the Company shall terminate the recognition when the relevant assets and the debts settled meet the conditions for termination of recognition, and the difference between the book value of the debts settled and the book value of the transferred assets shall be included in the current profit and loss.

In case of debt restructuring by converting debt into equity instruments, the Company shall derecognize the debts paid when they meet the derecognition conditions. Equity instrument shall be measured at fair value at initial recognition. If the fair value of an equity instrument cannot be measured reliably, it is measured at the fair value of the debt settled. The difference between the carrying amount of the debt settled and the amount recognized as an equity instrument should be recognized in the current period's profit or loss.

If debt restructuring is carried out by modifying other terms, the Company shall recognize and

measure the restructured debt in accordance with “III. (10) Financial Instruments” of this Note. If multiple assets are used to repay debts or a combination is used to restructure debt, the company shall confirm and measure equity instruments and restructured debts in accordance with the aforementioned methods. The difference between the carrying amount of the debt settled and the sum of the carrying amount of the transferred assets and the recognized amount of the equity instruments and restructured debts is included in the current period's profit and loss.

(29) Major accounting estimates and judgments

When preparing financial statements, the Company's management needs to use estimates and assumptions, which will affect the application of accounting policies and the amount of assets, liabilities, income and expenses. Actual conditions may differ from these estimates. The management of the company continuously evaluates the judgment of key assumptions and uncertainties involved in the estimation, and the impact of changes in accounting estimates will be recognized in the current and future periods.

The main uncertainties in the estimated amount are as follows:

1. Measurement of expected credit losses

The company calculates the expected credit loss through the default risk exposure and the expected credit loss rate, and determines the expected credit loss rate based on the default probability and the default loss rate. When determining the expected credit loss rate, the company uses internal historical credit loss experience and other data, and adjusts the historical data in combination with current conditions and forward-looking information. When considering forward-looking information, the indicators used by the Company include the risk of economic downturn, the expected increase in unemployment rate, changes in the external market environment, technological environment and customer conditions. The Company regularly monitors and reviews assumptions related to the calculation of expected credit losses.

2. Inventory Impairment

As mentioned in note 3 (11) Inventory under “3 Significant accounting policies and accounting estimates”, the Company regularly estimates the net realizable value of the inventory, and recognizes the difference in inventory cost higher than the net realizable value. When estimating the net realizable value of inventory, the Company considers the purpose of holding the inventory and uses the available information as the basis for estimation,

including the market price of the inventory and the Company's past operating costs. The actual selling price, completion cost, sales expenses and taxes of the inventory may change according to changes in market sales conditions, production technology, or the actual use of the inventory. Therefore, the amount of inventory depreciation reserve may change according to the above reasons. Adjustments to the inventory impairment will affect the current profit and loss.

3. Impairment of other assets except inventory and financial assets

As mentioned in note 3 (18) Long-term Asset Impairment, the company performs an impairment assessment on assets other than inventory and financial assets on the balance sheet date to determine whether the recoverable amount of the asset has fallen to a lower level than its book value. If the situation shows that the book value of the long-term assets may not be fully recovered, the relevant assets will be deemed to be impaired and the impairment loss will be recognized accordingly.

The recoverable amount is the higher of the net value of the fair value of the asset (or asset group) minus the disposal expenses and the present value of the asset (or asset group) 's expected future cash flow. Because the Company cannot reliably obtain the public market price of assets (or asset groups), and cannot reliably and accurately estimate the fair value of assets. Therefore, the Company regards the present value of the expected future cash flow as the recoverable amount. When estimating the present value of future cash flows, it is necessary to make a significant judgment on the output, selling price, related operating costs of the products produced by the asset (or asset group), and the discount rate used in calculating the present value. The Company will use all available relevant information when estimating the recoverable amount, including the prediction of output, selling price and related operating costs based on reasonable and supportable assumptions.

4. Depreciation and amortization of assets such as fixed assets and intangible assets

As described in note 3 (14) Fixed Assets and note 3 (17) Intangible Assets, the company shall accrue depreciation for the fixed assets and amortization for intangible assets within the useful life after considering their residual value. The company regularly reviews the useful life of related assets to determine the amount of depreciation and amortization expenses to be included in each reporting period. The useful life of assets is determined by the company based on past experience with similar assets and in combination with anticipated technological changes. If the previous estimates change significantly, the depreciation and amortization expenses will be adjusted in the future.

5. Deferred tax assets

When it is estimated that sufficient taxable income can be obtained in the future to use the unrecovered tax losses and deductible temporary differences, the relevant deferred tax assets are calculated and confirmed on the basis of the applicable income tax rate during the period when the asset is expected to be recovered and the amount of taxable income is limited to deductible tax losses and deductible temporary differences likely to be obtained by the Company. The Company needs to use judgment to estimate the time and amount of future taxable income, and make reasonable estimates and judgments on the future applicable income tax rate according to the current tax policy and other related policies to determine the deferred tax assets that should be recognized. If the time and amount of profits actually generated in the future period or the actual applicable income tax rate are different from the management's estimate, the difference will have an impact on the amount of deferred tax assets.

(30) Criteria of Materiality

Items		Materiality Criteria
Significant Receivables		The company considers accounts receivables exceeding RMB 5 million as significant accounts receivables.
Significant Payables	Accounts	The company considers accounts payables exceeding RMB 5 million as significant accounts payables.
Significant Payables	Other	The company considers other payables exceeding RMB 5 million as significant other payables.
Significant Construction Progress	in	The company regards the projects with the highest amount transferred to fixed assets or the top 10 projects with the final balance of the current period and the amount exceeding RMB 50 million as significant construction in progress.
Significant Ventures or Associated Companies	Joint	The company considers joint ventures or associated companies with an ending balance of more than RMB 100 million as important joint ventures or associated companies.
Significant Subsidiaries		Subsidiaries whose total assets/total revenue/total profit exceed 15% of the group's total assets/total revenue/total profit are considered as significant subsidiaries.

(31) Change of significant accounting policy and accounting estimate

1. Change of major accounting policy during this reporting period

(4) Implementation of Interpretation of Enterprise Accounting Standards No. 17

The Ministry of Finance issued the "Interpretation of the Enterprise Accounting Standards No. 17 " (Accounting [2023] No. 21, hereinafter referred to as "Interpretation No. 17") on October 25, 2023.

D. Classification of current liabilities and non-current liabilities

Interpretation No. 17 clarifies:

- If an enterprise does not have a substantive right to postpone the repayment of a liability for more than one year after the balance sheet date on the balance sheet date, the liability should be classified as a current liability.
- For liabilities arising from an enterprise's loan arrangement, the enterprise's right to postpone the repayment of the liability for more than one year after the balance sheet date may depend on whether the enterprise has complied with the conditions stipulated in the loan arrangement (hereinafter referred to as the contractual conditions). When judging whether it has a substantive right to postpone the repayment of the debt, the enterprise should only consider the contractual conditions that should be followed on or before the balance sheet date, and should not consider the contractual conditions that should be followed by the enterprise after the balance sheet date.
- Liability repayment for the purpose of classifying the liquidity of liabilities means that the enterprise discharges the liability by transferring cash, other economic resources (such as goods or services) or the enterprise's own equity instruments to the counterparty. If the terms of a liability result in the enterprise settling the liability by delivering its own equity instruments at the option of the counterparty, if the enterprise classifies the above option as an equity instrument and recognizes it separately as the equity component of a compound financial instrument in accordance with the provisions of Accounting Standard for Enterprises No. 37 - Presentation of Financial Instruments, the term does not affect the liquidity classification of the liability.

This interpretation will be effective from January 1, 2024. The aforementioned regulations have no significant impact on the Company's financial reports.

E. Disclosures about supplier financing arrangements

Interpretation No. 17 requires that when an enterprise makes a note disclosure, it should disclose information related to supplier financing arrangements in a summary manner to help users of financial statements assess the impact of these arrangements on the liabilities, cash flows and liquidity risk exposure of the enterprise. The impact of supplier financing arrangements should also be considered when identifying and disclosing liquidity risk information. This disclosure provision only applies to supplier financing arrangements. A supplier financing arrangement refers to a transaction with the following characteristics: one

or more financing providers provide funds to pay the amount owed by the enterprise to its suppliers, and it is agreed that the enterprise will repay the financing providers on the day or after its suppliers receive the payment in accordance with the terms and conditions of the arrangement. Compared with the original payment due date, the supplier financing arrangement extends the payment period of the enterprise or advances the collection period of the enterprise's suppliers.

This interpretation will be effective from January 1, 2024. The aforementioned regulations have no significant impact on the Company's financial reports.

F. Accounting treatment of sale and leaseback transactions

Interpretation No. 17 provides that when a lessee subsequently measures the lease liability arising from a sale and leaseback, the method of determining the lease payments or the modified lease payments shall not result in the recognition of gains or losses related to the right of use obtained from the leaseback. When an enterprise first implements this provision, it shall make retrospective adjustments to sale and leaseback transactions conducted after the first implementation date of Enterprise Accounting Standard No. 21 - Leases.

This interpretation will be effective from January 1, 2024. The aforementioned regulations have no significant impact on the Company's financial reports.

(5) Implement the "Interim Provisions on Accounting Treatment of Enterprise Data Resources"

On August 1, 2023, the Ministry of Finance issued the "Interim Provisions on Accounting Treatment of Enterprise Data Resources" (Accounting [2023] No. 11), which applies to data resources that are recognized as intangible assets or inventory and other assets in accordance with the relevant provisions of the Enterprise Accounting Standards, as well as data resources that are legally owned or controlled by the enterprise and are expected to bring economic benefits to the enterprise, but do not meet the conditions for asset recognition and are not recognized. The relevant accounting treatment, and put forward specific requirements for the disclosure of data resources.

This provision will take effect on January 1, 2024. Enterprises should adopt the prospective application method. Data resource-related expenses that have been expensed and included in profit and loss before the implementation of this provision will no longer be adjusted. The implementation of this provision has no significant impact on the company's financial position and operating results.

- (6) Implement the provisions of "Interpretation No. 18 of the Enterprise Accounting Standards on the accounting treatment of quality assurance that is not a single performance obligation"

On December 6, 2024, the Ministry of Finance issued the "Interpretation No. 18 of the Enterprise Accounting Standards" (Accounting [2024] No. 24, hereinafter referred to as "Interpretation No. 18"), which will be implemented from the date of issuance, and enterprises are allowed to implement it in advance from the year of issuance.

Interpretation No. 18 stipulates that when accounting for the estimated liabilities arising from the quality assurance of the guarantee type that does not belong to the single performance obligation, it shall be debited to the "principal business cost" and "other business cost" and other accounts, and credited to the "estimated liabilities" account according to the relevant provisions of the "Enterprise Accounting Standard No. 13-Contingencies" according to the determined estimated liabilities, and shall be listed in the "operating costs" in the income statement and the "other current liabilities", "non-current liabilities due within one year", "estimated liabilities" and other items in the balance sheet.

When the enterprise implements the content of this interpretation for the first time, if the original provision of the quality assurance of the guarantee type is included in the "sales expenses", it shall be retroactively adjusted in accordance with the change in accounting policies. The above provisions have no significant impact on the financial statements of the Company.

2. Change of accounting estimate during the reporting period

There is no significant changes in accounting estimates during the reporting period.

6. Taxes

(1) Major type of taxes and corresponding tax rates

Tax	Taxation Method	Tax Rate
Value-added Tax (VAT)	The balance of output VAT calculated based on product sales and taxable services revenue in accordance with the tax laws after subtracting the deductible input VAT of the period	6%, 9%, 13%
City maintenance and construction tax	Based on VAT and business tax actually paid	5%, 7%
Enterprise income tax	Based on taxable income	See the table below for details

Notes to taxpayers with different corporate income tax rates:

Name of the taxpayers	Income tax rate (%)
Bengang Steel Plates Co., Ltd	15
Shanghai Bengang Metallurgy Science and Technology Co., Ltd.	25

Name of the taxpayers	Income tax rate (%)
Benxi Bengang Steel Sales Co., Ltd.	25
Bengang Posco Cold-rolled Sheet Co., Ltd.	15
Tianjin Bengang Steel & Iron Trading Co., Ltd.	25
Changchun Bengang Steel & Iron Sales Co., Ltd.	25
Yantai Bengang Steel & Iron Sales Co., Ltd.	25
Guangzhou Bengang Steel & Iron Trading Co., Ltd.	25
Dalian Benruitong Automobile Material Technology Co., Ltd.	25
Shenyang Bengang Metallurgical Science and Technology Co., Ltd.	25
North Hengda Logistics Co., Ltd	25

(2) Tax Preference

1. The company has obtained the high-tech enterprise certificate, certificate number: GR202421001555; valid from November 27, 2024 to November 27, 2027. The company pays corporate income tax at a reduced rate of 15%.
2. Benxi Posco Cold-Rolled Sheet Co., Ltd., the subsidiary of the Company has obtained the High-tech Enterprise Certificate, certificate number: GR202321001624; valid from December 20, 2023 to December 20, 2026. Benxi Steel Posco Cold-Rolled Sheet Co., Ltd. pays corporate income tax at a reduced tax rate of 15%.
3. On December 30, 2021, the Ministry of Finance and the State Administration of Taxation issued the "Announcement on Improving the Value-Added Tax Policy for Comprehensive Utilization of Resources" (Announcement No. 40 of the Ministry of Finance and the State Administration of Taxation in 2021). The announcement will take effect on March 1, 2022. The original "Notice of the Ministry of Finance and the State Administration of Taxation on Issuing the "Catalogue of Value-Added Tax Preferential Policies for Comprehensive Utilization of Resources Products and Services" (Finance and Taxation [2015] No. 78) will be abolished at the same time except for "technical standards and related conditions". The electricity and heat produced and sold by the Energy Development Branch of Benxi Iron and Steel Co., Ltd., a branch of the Company, are items listed in the "Catalogue of Value-Added Tax Preferential Terms for Comprehensive Resource Utilization Products and Services" and enjoy the value-added tax refund policy.
4. On September 3, 2023, the Ministry of Finance and the State Administration of Taxation issued the "Announcement on the VAT Surcharge Deduction Policy for Advanced Manufacturing Enterprises" (Announcement No. 43 of the Ministry of Finance and the State Administration of Taxation in 2023). From January 1, 2023 to December 31, 2027, the announcement allows advanced manufacturing enterprises to deduct the payable VAT by

adding 5% to the current deductible input tax. Benxi Posco Cold Rolled Sheet Co., Ltd., a subsidiary of our company, belongs to the advanced manufacturing industry and enjoys the VAT surplus deduction policy.

7. Notes to the consolidated financial statements

(1) Cash at bank and on hand

Items	2024/12/31	2023/12/31
Cash on hand		
Digital Currency		
Cash at bank	363,006,448.43	793,397,404.65
Other monetary funds	863,683,251.57	1,010,372,066.67
Funds placed in a finance company account	1,227,198,770.48	406,288,003.73
Total	2,453,888,470.48	2,210,057,475.05
Including: Total amount deposited abroad		
Funds deposited overseas with restrictions on repatriation		

Notes: As at 31 December 2024, bank acceptance deposit of RMB 863,683,251.57 was not recognized as cash and cash equivalents in the cash flow statement.

(2) Notes receivable

1. Notes receivable disclosed by category

Items	2024/12/31	2023/12/31
Bank acceptance bill	241,529,481.42	368,249,725.20
Commercial acceptance bill	365,750,000.00	86,157,718.82
Total	607,279,481.42	454,407,444.02

2. Notes receivable disclosed by bad debt accrual method

Items	2024/12/31					2023/12/31				
	Carrying amount		Provision for bad debts		Book value	Carrying amount		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Bad debts ratio (%)		Amount	Percentage (%)	Amount	Bad debts ratio (%)	
Provision for bad debts individually										
Provision for bad debts based on portfolio of credit risk characteristics	607,279,481.42	100.00			607,279,481.42	454,407,444.02	100.00			454,407,444.02
Total	607,279,481.42	100.00			607,279,481.42	454,407,444.02	100.00			454,407,444.02

Provision for bad debts based on portfolio of credit risk characteristics

Portfolio items:

Items	2024/12/31		
	Notes receivable	Provision for bad debts	Bad debts ratio (%)
Commercial acceptance bill	365,750,000.00		
Bank acceptance bill	241,529,481.42		
Total	607,279,481.42		

3. The pledged acceptance bill at the year-end

Items	Notes receivable pledged at the end of period
Bank acceptance bill	165,968,800.17
Commercial acceptance bill	
Total	165,968,800.17

4. The amount of notes receivable endorsed over or discounted but not yet matured at the year-end

Items	Amount terminated at the end of the period	Amount was not terminated at the end of the period
Bank acceptance bill	3,181,702,865.55	75,575,335.70
Commercial acceptance bill		240,750,000.00
Total	3,181,702,865.55	316,325,335.70

(3) Accounts receivable

1. Accounts receivable disclosed by aging

Items	2024/12/31	2023/12/31
Within 1 year (inclusive)	478,210,867.53	1,048,656,782.03
1-2 years (inclusive)	5,786,445.58	322,945,580.33
2-3 years (inclusive)	28,559,402.34	647,190.77
3-4 years (inclusive)	557,413.41	5,690,114.98
4-5 years (inclusive)	5,592,931.88	300,882,005.30
over 5 years	379,435,859.17	98,724,184.94

Items	2024/12/31	2023/12/31
Subtotal	898,142,919.91	1,777,545,858.35
Less: Provision for bad debts	396,658,838.18	448,198,723.86
Total	501,484,081.73	1,329,347,134.49

2. Accounts receivable disclosed by the bad debt accrual method

Items	2024/12/31					2023/12/31				
	Gross carrying amount		Provision for bad debts		Book value	Gross carrying amount		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Bad debts ratio (%)		Amount	Percentage (%)	Amount	Percentage (%)	
Tested for impairment individually	334,963,124.35	37.30	334,963,124.35	100.00		353,419,325.80	19.88	353,419,325.80	100.00	
Tested for impairment by portfolio	563,179,795.56	62.70	61,695,713.83	10.95	501,484,081.73	1,424,126,532.55	80.12	94,779,398.06	6.66	1,329,347,134.49
Include:										
Portfolio 1:										
Aging portfolio	563,179,795.56	62.70	61,695,713.83	10.95	501,484,081.73	1,423,311,996.53	80.07	94,779,398.06	6.66	1,328,532,598.47

Items	2024/12/31					2023/12/31				
	Gross carrying amount		Provision for bad debts		Book value	Gross carrying amount		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Bad debts ratio (%)		Amount	Percentage (%)	Amount	Percentage (%)	
Portfolio 2: Risk-free portfolio						814,536.02	0.05			814,536.02
Total	898,142,919.91	100.00	396,658,838.18		501,484,081.73	1,777,545,858.35	100.00	448,198,723.86		1,329,347,134.49

Significant accounts receivables tested for impairment individually:

Company	2024/12/31				2023/12/31	
	Carrying amount	Provision for bad debts	Bad debts ratio (%)	Reason	Carrying amount	Provision for bad debts
Benxi Nanfen Xinhe Metallurgical Furnace Material Co., Ltd	48,196,244.68	48,196,244.68	100.00	Discontinued	48,196,244.68	48,196,244.68
Brilliance Automotive Group Holdings Co., Ltd.	286,766,879.67	286,766,879.67	100.00	Bankruptcy	305,223,081.12	305,223,081.12
Total	334,963,124.35	334,963,124.35			353,419,325.80	353,419,325.80

Provision for bad debts based on portfolio of credit risk characteristics

Provision for bad debts by portfolio: Aging analysis

Items	2024/12/31		
	Account Receivable	Provision for bad debts	Bad debt ratio (%)
Within 1 year (inclusive)	478,210,867.53	4,782,108.69	1.00
1-2 years (inclusive)	5,786,445.58	578,644.56	10.00
2-3 years (inclusive)	28,559,402.34	5,711,880.47	20.00
3-4 years (inclusive)	557,413.41	557,413.41	100.00
4-5 years (inclusive)	748,799.87	748,799.87	100.00
over 5 years	49,316,866.83	49,316,866.83	100.00
Total	563,179,795.56	61,695,713.83	

3. The provision for bad debts accrued, reversed or recovered in the current period

Items	2023/12/31	Changes during the current period				2024/12/31
		Accrued	Reversed or recovered	Write-off or Write-back	Other changes	
Provision for bad debts	448,198,723.86	-32,700,419.15	18,456,201.45	383,265.08		396,658,838.18
Total	448,198,723.86	-32,700,419.15	18,456,201.45	383,265.08		396,658,838.18

Significant amount of bad debt provision recovered or reversed during the period:

Company	Reversed or recovered	Reason	Recovered method	Basis for determining the original bad debt provision and its reasonableness
Brilliance Automotive Group Holdings Co., Ltd.	18,456,201.45	Repayment	Bank deposit	Debt restructuring agreements
Total	18,456,201.45			

4. Accounts receivable has been written off this year.

Item	Write-off amount
Actual write-off of accounts receivable	383,265.08

5. Top five debtors and contract assets at the end of the period

Company	Accounts receivable as at 2024/12/31	Contract assets at 2024/12/31	Total	Percentage(%)	Provision for bad debts
Brilliance Auto Group Holding Co., Ltd.	286,766,879.67		286,766,879.67	31.93	286,766,879.67
Bengang Group International	253,981,286.94		253,981,286.94	28.28	2,539,812.87

Company	Accounts receivable as at 2024/12/31	Contract assets at 2024/12/31	Total	Percentage(%)	Provision for bad debts
Economy and Trade Co., Ltd.					
Coal Chemical Industry (Group) Co., Ltd.	56,946,219.86		56,946,219.86	6.34	569,462.20
Benxi Nanfen Xinhe Metallurgical Furnace Material Co., Ltd	48,196,244.68		48,196,244.68	5.37	48,196,244.68
Benxi Steel Refractory Material Co., Ltd.	44,159,945.78		44,159,945.78	4.92	5,668,766.08
Total	690,050,576.93		690,050,576.93	76.83	343,741,165.50

(4) Accounts receivable financing

1. Accounts receivable financing by category

Items	2024/12/31	2023/12/31
Notes Receivable	64,399,942.70	806,822,622.43
Accounts Receivable		
Total	64,399,942.70	806,822,622.43

2. Changes in Accounts Receivable Financing and Fair Value During the Period

Item	2023/12/31	Increase	Termination during the current period	Other changes	2024/12/31	Accumulated loss allowances recognized in other comprehensive income
Notes Receivable	806,822,622.43	13,266,508,314.98	14,008,930,994.71		64,399,942.70	
Total	806,822,622.43	13,266,508,314.98	14,008,930,994.71		64,399,942.70	

(5) Prepayments**1. Prepayments disclosed by aging**

Aging	2024/12/31		2023/12/31	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year (inclusive)	370,426,337.83	94.54	649,310,499.39	95.89
1-2 years (inclusive)	8,643,434.04	2.21	22,062,469.17	3.26
2-3 years (inclusive)	10,372,837.63	2.65	3,389,343.94	0.50
Over 3 years	2,380,526.37	0.61	2,377,875.91	0.35
Total	391,823,135.87	100.00	677,140,188.41	100.00

Notes: There were no outstanding prepayments over 1 year.

2. Top five prepaid companies at the end of the period

Name of the company	2024/12/31	Percentage (%)
Shanxi Coking Coal Group Coal Coke Sales Co., Ltd.	81,108,017.56	20.70
China Railway Shenyang Bureau Group Co., Ltd. Shenyang Railway Logistics Center	73,390,555.89	18.73
Shanxi Coking Coal Energy Group Co., Ltd.	58,906,630.23	15.03
Shanxi Coking Coal Group Co., Ltd.	28,876,665.39	7.37
China Railway Harbin Bureau Group Co., Ltd. Harbin Railway Logistics Center	28,442,605.10	7.26
Total	270,724,474.17	69.09

(6) Other receivables

Items	2024/12/31	2023/12/31
Interest receivables		
Dividend receivables		
Other receivables	149,015,138.26	318,832,784.47
Total	149,015,138.26	318,832,784.47

1. Other receivables**(1) Other receivables disclosed by aging**

Items	2024/12/31	2023/12/31
Within 1 year (inclusive)	58,452,918.98	288,092,502.22
1-2 years (inclusive)	91,693,078.45	35,300,832.41
2-3 years (inclusive)	13,520,953.62	6,078,775.88
3-4 years (inclusive)	3,962,574.01	3,125,628.24
4-5 years (inclusive)	842,882.51	229,028.24
over 5 years	52,141,851.60	61,270,101.82
Subtotal	220,614,259.17	394,096,868.81
Less: Provision for bad debts	71,599,120.91	75,264,084.34
Total	149,015,138.26	318,832,784.47

(2) Disclosed by bad debt accrual method

Items	2024/12/31					2023/12/31				
	Carrying amount		Provision for bad debts		Book value	Carrying amount		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Bad debts ratio (%)		Amount	Percentage (%)	Amount	Bad debts ratio (%)	
Provision for bad debts individually	18,192,317.00	8.25	18,192,317.00	100.00		18,245,545.94	4.63	18,245,545.94	100.00	
Provision for bad debts based on portfolio	202,421,942.17	91.75	53,406,803.91	26.38	149,015,138.26	375,851,322.87	95.37	57,018,538.40	15.17	318,832,784.47
Include:										
Aging portfolio	202,194,971.97	91.65	53,406,803.91	26.41	148,788,168.06	375,693,565.04	95.33	57,018,538.40	15.18	318,675,026.64
Low risk portfolio	226,970.20	0.10			226,970.20	157,757.83	0.04			157,757.83
Total	220,614,259.17	100.00	71,599,120.91		149,015,138.26	394,096,868.81	100.00	75,264,084.34		318,832,784.47

Significant other receivables tested for impairment individually:

Company	2024/12/31				2023/12/31	
	Carrying amount	Provision for bad debts	Bad debts ratio (%)	Reason	Carrying amount	Provision for bad debts
Benxi Iron and Steel (Group) No. 3 Architectural Engineering Co., Ltd.	12,504,978.59	12,504,978.59	100.00	Discontinued	12,504,978.59	12,504,978.59
Total	12,504,978.59	12,504,978.59			12,504,978.59	12,504,978.59

Provision for bad debt by portfolio of credit risk characteristics:

Portfolio accrual item: Aging portfolio

Items	2024/12/31		
	Amount	Provision for bad debts	Percentage (%)
Within 1 year (inclusive)	58,225,948.78	582,286.02	1.00
1-2 year (inclusive)	89,253,047.11	8,925,304.71	10.00
2-3 year (inclusive)	13,520,953.62	2,704,190.72	20.00
3-4 year (inclusive)	3,317,576.01	3,317,576.01	100.00
4-5 year (inclusive)	842,882.51	842,882.51	100.00
Aver 5 years	37,034,563.94	37,034,563.94	100.00
Total	202,194,971.97	53,406,803.91	

(3) Information of provision for bad debts

Provision for bad debts	Stage one	Stage two	Stage three	Total
	12-month expected credit losses	lifetime expected credit losses (credit impairment has not occurred)	lifetime expected credit losses (credit impairment has already occurred)	
Beginning balance	2,870,228.94	4,630,838.82	67,763,016.58	75,264,084.34
Beginning balance during current period				
--Transfer to the second stage	-892,530.47	892,530.47		
--Transfer to the third stage		-663,515.20	663,515.20	
--Write-back to the second stage				
--Write-back to the first stage				
Accrual for the current period	-1,395,412.45	6,769,641.34	-4,360,613.49	1,013,615.40
Reversal during the current period				
Write-back of the current period				
Write-off during the current period			-4,678,578.83	-4,678,578.83
Other changes				
Ending balance	582,286.02	11,629,495.43	59,387,339.46	71,599,120.91

(4) Information of provision, reversal or recovery of bad debts of current period

Items	2023/12/31	Changes during the current period				2024/12/31
		Accrual	Reversal or recovered	Write-back or write-off	Others	
Bad debt provision for other receivables	75,264,084.34	1,013,615.40		4,678,578.83		71,599,120.91
Total	75,264,084.34	1,013,615.40		4,678,578.83		71,599,120.91

(5) Other accounts receivable has been written off this year.

Item	Write-off amount
Actual write-off of other accounts receivable	4,678,578.83

(6) Other receivables disclosed by nature

Nature	2024/12/31	2023/12/31
Compensation for the “Living Show Belt” project	87,177,700.00	212,242,400.00
Current Account	130,478,649.66	176,119,468.97
Others	2,957,909.51	5,734,999.84
Total	220,614,259.17	394,096,868.81

(7) Top five other receivables at the end of the period

Company	Nature or content	Amount	Aging	Percentage of total other receivables (%)	Provision for bad debts at 2024/12/31
Benxi Xihu District Government	Compensation for the “Living Show Belt” project	87,177,700.00	1-2years	39.52	8,717,770.00
Benxi Iron and Steel (Group) No. 3 Architectural Engineering Co., Ltd.	Current Account	12,504,978.59	3-4 years, over 5 years	5.67	12,504,978.59
Benxi Iron and Steel (Group) No. 1 Architectural Engineering Co., Ltd.	Current Account	3,247,307.07	over 5 years	1.47	3,247,307.07
Benxi Iron & Steel (Group) Co., Ltd..	Current Account	2,674,500.00	Within 1 year, 1-2 years	1.21	157,740.00
Liaoning Huawei Coal Preparation Co., Ltd.	Current Account	2,261,360.00	over 5 years	1.03	2,261,360.00
Total		107,865,845.66		48.90	26,889,155.66

(7) Inventories**1. Inventories disclosed by category**

Items	2024/12/31			2023/12/31		
	Gross carrying amount	Inventory impairment/ Impairment of contract fulfillment costs	Book value	Gross carrying amount	Inventory impairment/ Impairment of contract fulfillment costs	Book value
Raw material	4,300,063,154.21	247,221,306.73	4,052,841,847.48	4,597,335,903.32	56,931,870.40	4,540,404,032.92
Work in progress	2,001,147,780.74	26,685,410.19	1,974,462,370.55	1,627,187,498.35	12,076,074.97	1,615,111,423.38
Finished goods	1,337,346,627.43	31,566,151.19	1,305,780,476.24	1,619,204,312.92	5,167,994.78	1,614,036,318.14
Total	7,638,557,562.38	305,472,868.11	7,333,084,694.27	7,843,727,714.59	74,175,940.15	7,769,551,774.44

2. Impairment of inventory and contract fulfillment cost

Category	2023/12/31	Increase		Decrease		2024/12/31
		Provision	Others	Write-back or write-off	Others	
Raw material	56,931,870.40	222,266,454.27		31,977,017.94		247,221,306.73

Category	2023/12/31	Increase		Decrease		2024/12/31
		Provision	Others	Write-back or write-off	Others	
Work in progress	12,076,074.97	24,653,728.96		10,044,393.74		26,685,410.19
Finished goods	5,167,994.78	31,566,151.19		5,167,994.78		31,566,151.19
Total	74,175,940.15	278,486,334.42		47,189,406.46		305,472,868.11

(8) Other current assets

Items	2024/12/31	2023/12/31
VAT input tax	401,503,924.78	88,281,138.57
Prepaid tax		17,220,232.46
Others	35,577,335.88	52,288,605.87
Total	437,081,260.66	157,789,976.90

(9) Long-term equity investment

1. long-term equity investment

Investees	2023/12/31	Impairment provision as of 2023/12/31	Increase/decrease								2024/12/31	Impairment provision as of 2024/12/31
			Addition of Investment	Reduction of Investment	Income or loss on investment recognized under the equity method	Other Comprehensive Income Adjustment	Other Equity Changes	Declaration of Cash Dividends or Profit	Provision	Others		
1. Joint Venture												
Subtotal												
2. Associated Enterprise												
Shenyang Xiangyu New Material	46,910,346.41				-1,497,124.69						45,413,221.72	

Investees	2023/12/31	Impairment provision as of 2023/12/31	Increase/decrease								2024/12/31	Impairment provision as of 2024/12/31
			Addition of Investment	Reduction of Investment	Income or loss on investment recognized under the equity method	Other Comprehensive Income Adjustment	Other Equity Changes	Declaration of Cash Dividends or Profit	Provision	Others		
Technology Co., Ltd.												
Subtotal	46,910,346.41				-1,497,124.69						45,413,221.72	
Total	46,910,346.41				-1,497,124.69						45,413,221.72	

(10) Other equity instrument investment**1. The information of other equity instrument investment**

Items	2024/12/31	2023/12/31	Gains recognized in other comprehensive income	Losses recognized in other comprehensive income	Accumulated gains in other comprehensive income	Accumulated losses in other comprehensive income	Dividend income	Reasons for designation as at fair value through other comprehensive income
Suzhou Longben Metal Materials Co. Ltd.	3,940,544.25	3,930,341.27	10,202.98		51,564.25			
Northeast Special Steel Group Co., Ltd.	929,485,710.38	970,532,698.56		41,046,988.18		108,250,138.62		
Sinosteel Shanghai Steel Processing Co., Ltd.						14,414,693.00		
Total	933,426,254.63	974,463,039.83	10,202.98	41,046,988.18	51,564.25	122,664,831.62		

(11) Fixed assets**1. Fixed assets and Disposal of fixed assets**

Items	2024/12/31	2023/12/31
Fixed assets	26,426,320,453.57	25,174,210,887.76
Disposal of fixed assets		
Total	26,426,320,453.57	25,174,210,887.76

2. Details of fixed assets

Items	Buildings	Machinery	Transportation equipment and others	Furniture and office equipment	Total
1. Gross carrying amount					
(1) 31 December 2023	13,114,845,627.16	51,589,466,896.27	400,420,060.37	198,681,621.21	65,303,414,205.01
(2) Increase in current period	1,180,423,739.35	1,887,443,237.03	17,145,875.04	44,792,995.18	3,129,805,846.60
—Including: Purchase	22,337,097.00	1,497,811.65	286,053.10		24,120,961.75
—Transferred from construction in progress	1,156,406,102.35	1,894,470,747.52	9,904,368.00	44,903,666.98	3,105,684,884.85
—Others	1,680,540.00	-8,525,322.14	6,955,453.94	-110,671.80	
(3) Decrease in current period	33,246,189.89	771,012,849.69	16,580,203.06	558,524.79	821,397,767.43
—Including: Disposal or scrapped	32,704,189.89	290,485,326.95	16,580,203.06	558,524.79	340,328,244.69
—Others	542,000.00	480,527,522.74			481,069,522.74
(4) 31 December 2024	14,262,023,176.62	52,705,897,283.61	400,985,732.35	242,916,091.60	67,611,822,284.18
2. Total accumulated depreciation					
(1) 31 December 2023	6,643,381,244.52	32,937,556,821.40	324,031,006.12	112,924,985.39	40,017,894,057.43
(2) Increase in current period	223,976,867.87	1,375,164,992.17	11,465,609.46	25,069,873.24	1,635,677,342.74

Items	Buildings	Machinery	Transportation equipment and others	Furniture and office equipment	Total
—Including: Provision	218,757,991.40	1,380,871,732.54	10,828,573.77	25,219,045.03	1,635,677,342.74
—Others	5,218,876.47	-5,706,740.37	637,035.69	-149,171.79	
(3) Decrease in current period	23,530,467.99	539,869,117.89	15,413,972.37	557,362.97	579,370,921.22
—Including: Disposal or scrapped	23,074,947.59	248,828,673.13	15,413,972.37	557,362.97	287,874,956.06
—Others	455,520.40	291,040,444.76			291,495,965.16
(4) 31 December 2024	6,843,827,644.40	33,772,852,695.68	320,082,643.21	137,437,495.66	41,074,200,478.95
3. Total impairment					
(1) 31 December 2023	83,249,262.08	28,059,997.74			111,309,259.82
(2) Increase in current period	429.84	-429.84			
—Including: Provision					
—Other	429.84	-429.84			
(3) Decrease in current period		7,908.16			7,908.16
—Including: Disposal or scrapped		7,908.16			7,908.16
(4) 31 December 2024	83,249,691.92	28,051,659.74			111,301,351.66
4. Total net book value of fixed assets					

Items	Buildings	Machinery	Transportation equipment and others	Furniture and office equipment	Total
(1) 31 December 2024	7,334,945,840.30	18,904,992,928.19	80,903,089.14	105,478,595.94	26,426,320,453.57
(2) 31 December 2023	6,388,215,120.56	18,623,850,077.13	76,389,054.25	85,756,635.82	25,174,210,887.76

3. Fixed assets idled temporarily

Items	Gross carrying amount	Accumulated depreciation	Impairment	Book value	Note
Buildings	112,751,517.87	68,252,420.48	41,943,853.74	2,555,243.65	
Machinery	3,034,473.01	2,400,446.13	75,666.43	558,360.45	
Total	115,785,990.88	70,652,866.61	42,019,520.17	3,113,604.10	

4. Fixed assets leased out by operating lease

Items	Amount as at 2024/12/31
Buildings	21,953,644.55
Machinery	516,890.90

5. Fixed assets without property rights certificates at the end of the period

Items	Book value	Reason
Buildings	2,368,256,204.48	In process

(12) Construction in progress**1. Construction in progress and Construction materials**

Items	2024/12/31			2023/12/31		
	Gross carrying amount	Total impairment	Book value	Gross carrying amount	Total impairment	Book value
Construction in progress	3,934,442,501.50		3,934,442,501.50	4,307,646,942.37		4,307,646,942.37
Project materials				757,204.94		757,204.94
Total	3,934,442,501.50		3,934,442,501.50	4,308,404,147.31		4,308,404,147.31

2. Details of construction in progress

Items	2024/12/31			2023/12/31		
	Gross carrying amount	Total impairment	Book value	Gross carrying amount	Total impairment	Book value
Special Steel Electric Furnace Capacity Replacement Project	483,671,390.32		483,671,390.32	1,195,585,747.24		1,195,585,747.24
Cold Rolling Transformation Project	492,919,655.40		492,919,655.40	578,301,217.76		578,301,217.76
Environmental Protection Renovation of Plate Raw Material Plant	160,208,719.65		160,208,719.65	452,296,692.77		452,296,692.77
Renovation of the Hot Blast Furnace and Heat Exchanger of the No.7 Blast Furnace in Plate Ironmaking Plant	120,538,633.05		120,538,633.05			
Environmental Protection Renovation in No. 2 Coal Storage Field of Plates Raw Material Plant	119,656,230.22		119,656,230.22	256,434,251.91		256,434,251.91
Centralized Control Project before Ironmaking of Plates Iron Making Plant	107,816,471.12		107,816,471.12	61,969,240.03		61,969,240.03
Blocking of ABC and DEF Stockyard in Plates Iron Making Plant	25,201,133.59		25,201,133.59	99,129,674.71		99,129,674.71
Desulphurization Waste Liquor Acid Making Project in Plates Iron Making Plant	79,335,324.68		79,335,324.68	78,562,923.84		78,562,923.84
1780 Production Line Upgrading	78,531,654.02		78,531,654.02	58,044,160.54		58,044,160.54
Ultra-low emission transformation of the dust removal system in the original No.3 operation areas of the Iron and Steel Plant	68,740,566.29		68,740,566.29			
Renovation of cooling equipment of No.7 blast	65,430,926.20		65,430,926.20			

Items	2024/12/31			2023/12/31		
	Gross carrying amount	Total impairment	Book value	Gross carrying amount	Total impairment	Book value
furnace in Plate Ironmaking Plant						
Renovation of the dust removal system in the No. 6 blast furnace area of the Iron and Steel Plant	64,377,725.64		64,377,725.64			
Supporting Projects for Outward Transportation of Nanfen Pipeline Transported Mineral Concentrate in Bengang Plates and Iron Making General Plant	20,268,938.79		20,268,938.79	37,857,546.59		37,857,546.59
Special Steel Rolling Mill Renovation Project	59,562,329.18		59,562,329.18	367,831,655.88		367,831,655.88
Capacity Replacement Project of No. 5 Blast Furnace of Bensteel Ironmaking Plant (Energy-saving and Environmental Protection Renovation of No. 5 Blast Furnace of Ironmaking Plant)	55,645,429.58		55,645,429.58	31,033,533.06		31,033,533.06
Bengang Plate intelligent factory Project	53,198,819.53		53,198,819.53	17,440,916.39		17,440,916.39
Project of Converting Steam Drums to Electric Drums at the Plate Energy Management and Control Center	48,987,269.15		48,987,269.15			
Environmental Protection Retrofit of the Second Sintering Stockyard at the Plate Ironmaking General Works	46,697,183.08		46,697,183.08			
Retrofit of the Dust Removal System in the New No.1 Blast Furnace Area at the Ironmaking General Works	46,333,893.64		46,333,893.64			
Flue Gas Desulfurization and Denitrification Project of 4B and 5 Furnace Group in	44,724,618.50		44,724,618.50	54,553,821.01		54,553,821.01

Items	2024/12/31			2023/12/31		
	Gross carrying amount	Total impairment	Book value	Gross carrying amount	Total impairment	Book value
Bengang Plates and Iron Making General Plant						
Plate No.1 Dry Quenching System Boosting Modification and Unit No.34 New Construction	41,832,708.63		41,832,708.63	76,994,180.14		76,994,180.14
CCPP Power Generation Project	40,983,279.77		40,983,279.77			
Zero Solid Waste Project for Plate Special Steel Division	39,492,805.04		39,492,805.04	16,806,961.88		16,806,961.88
Environmental Treatment of the First and Second Mixing Systems for Sinter Machine at Plate Ironmaking General Works	37,822,726.20		37,822,726.20			
Fully Enclosed Belt Conveyor Gallery Project at Benxi Steel Plate Ironmaking General Works	34,238,770.60		34,238,770.60			
Hazard Rectification of Taizi River Railway Bridge at Railway Transportation Company	33,150,135.48		33,150,135.48	2,945,660.39		2,945,660.39
Environmental Treatment of Blast Furnace Ore Bins at Plate Ironmaking General Works	32,949,949.75		32,949,949.75			
New Construction of 40, 000 m ³ /h Nitrogen Compressors in Energy General Plant	32,705,542.87		32,705,542.87	25,842,342.61		25,842,342.61
Cold rolling plant (three colding area) automotive plate quality improvement	32,349,796.66		32,349,796.66	7,010,000.00		7,010,000.00
Retrofit of Dust Removal System in No.7 Blast Furnace Area at Ironmaking General Works	31,296,143.60		31,296,143.60			
Refractory Materials Retrofit for No.7 Blast Furnace at Plate Ironmaking General Works	30,936,881.22		30,936,881.22			

Items	2024/12/31			2023/12/31		
	Gross carrying amount	Total impairment	Book value	Gross carrying amount	Total impairment	Book value
Heat Treatment Retrofit for Plate Hot Rolling Production Line (PM and NOX Control)	30,641,320.00		30,641,320.00			
Coking Wastewater Reconstruction Project at Plate Ironmaking General Works	30,297,204.41		30,297,204.41			
Integration Construction of Informatization System for Ansteel and Bengang Recombination				112,748,748.06		112,748,748.06
Others	1,243,898,325.64		1,243,898,325.64	776,257,667.56		776,257,667.56
Total	3,934,442,501.50		3,934,442,501.50	4,307,646,942.37		4,307,646,942.37

3. Changes in important construction projects in the current period

Items	Budget	2023/12/31	Increase during current period	Transferred to fixed asset during current period	Other decrease during current period	2024/12/31	Project cumulative investment accounted for the proportion of the budget (%)	Project progress (%)	Accumulated amount of interest capitalization	Including: Interest capitalization amount in current period	Interest capitalization rate in current period (%)	Sources of funds
Special Steel Electric Furnace Capacity Replacement Project	1,732,481,000.00	1,195,585,747.24	87,226,902.40	799,141,259.32		483,671,390.32	92.17	92.17	52,044,899.29	29,014,349.00	4.08	Fund raising
Cold Rolling Transformation Project	843,640,000.00	578,301,217.76	138,207,305.42	223,588,867.77		492,919,655.41	91.71	91.71	40,109,076.46	21,549,048.81	4.08	Loan from financial institute
Environmental Protection Renovation of Sheet Raw Material Plant	1,286,370,000.00	452,296,692.77	18,129,927.97	310,217,901.09		160,208,719.65	36.57	36.57	36,764,770.52	17,782,974.96	4.08	Loan from financial institute
Environmental Protection and Intelligent Upgrading and Retrofit for Plate Material Yard – Environmental Protection Retrofit Project	310,000,000.00	256,434,251.91	33,479,849.25	170,257,870.94		119,656,230.22	93.52	93.52	9,092,899.25	9,092,899.25	4.08	Loan from financial institute

Items	Budget	2023/12/31	Increase during current period	Transferred to fixed asset during current period	Other decrease during current period	2024/12/31	Project cumulative investment accounted for the proportion of the budget (%)	Project progress (%)	Accumulated amount of interest capitalization	Including: Interest capitalization amount in current period	Interest capitalization rate in current period (%)	Sources of funds
for No.2 Coal Storage Yard												
Centralized Control Project before Ironmaking of Plates Iron Making General Plant	162,000,000.00	61,969,240.03	45,847,231.09			107,816,471.12	66.55	66.55				Others
Special Steel Rolling Mill Renovation Project	734,730,000.00	367,831,655.88	36,893,421.17	345,162,747.87		59,562,329.18	89.94	89.94	36,315,395.15	14,232,254.54	4.08	Loan from financial institute
Desulphurization Waste Liquor Acid Making Project in Plates Iron Making Plant	99,760,000.00	78,562,923.84	10,855,250.00	10,082,849.16		79,335,324.68	89.63	89.63				Others
1780 Production Line Upgrading	193,000,000.00	58,044,160.54	20,487,493.48			78,531,654.02	83.31	83.31				Others
Retrofit of Original No.3 Operation Area Dust Removal System for	99,660,000.00		68,740,566.29			68,740,566.29	68.98	68.98				Others

Items	Budget	2023/12/31	Increase during current period	Transferred to fixed asset during current period	Other decrease during current period	2024/12/31	Project cumulative investment accounted for the proportion of the budget (%)	Project progress (%)	Accumulated amount of interest capitalization	Including: Interest capitalization amount in current period	Interest capitalization rate in current period (%)	Sources of funds
Ultra-Low Emissions at Ironmaking General Works												
Integration Construction of Informatization System for Ansteel and Bengang Recombination	232,100,000.00	112,748,748.06	51,863,186.24	164,611,934.30			100.00	100.00	7,233,001.66	853,186.24	4.08	Loan from financial institute
Total		3,161,774,638.03	511,731,133.31	2,023,063,430.45		1,650,442,340.89			181,560,042.33	92,524,712.80		

(13) Right of use assets**1. Right of use assets**

Items	Land	Buildings	Machinery	Total
1. Gross carrying amount				
(1) 31 December 2023	1,132,274,415.17	368,465,367.56		1,500,739,782.73
(2) Increase in current period			444,230,189.48	444,230,189.48
—Addition				
—Others			444,230,189.48	444,230,189.48
(3) Decrease in current period				
—Disposal or scrapping				
—Others				
(4) 31 December 2024	1,132,274,415.17	368,465,367.56	444,230,189.48	1,944,969,972.21
2. Total accumulated depreciation				
(1) 31 December 2023	119,712,708.68	61,410,894.68		181,123,603.36
(2) Increase in current period	39,904,236.24	20,470,298.28	17,546,124.19	77,920,658.71
—Provision	39,904,236.24	20,470,298.28	17,546,124.19	77,920,658.71
(3) Decrease in current period				
—Disposal or scrapping				
—Others				
(4) 31 December 2024	159,616,944.92	81,881,192.96	17,546,124.19	259,044,262.07
3. Total impairment				
(1) 31 December 2023				
(2) Increase in current period				
—provision				

Items	Land	Buildings	Machinery	Total
(3) Decrease in current period				
—Disposal or scrapping				
—Others				
(4) 31 December 2024				
4. Total net book value				
(1) 31 December 2024	972,657,470.25	286,584,174.60	426,684,065.29	1,685,925,710.14
(2) 31 December 2023	1,012,561,706.49	307,054,472.88		1,319,616,179.37

(14) Intangible assets

1. Details of intangible assets

Items	Software	Land use right	Total
1. Total of original value			
(1) 31 December 2023	267,948.72	453,005,114.76	453,273,063.48
(2) Increase	4,171,704.31	36,424,807.76	40,596,512.07
—Purchase	4,171,704.31	36,424,807.76	40,596,512.07
—Internal R&D			
—Increase in Mergers			
—Others			
(3) Decrease			
—Disposal			
—Others			
(4) 31 December 2024	4,439,653.03	489,429,922.52	493,869,575.55
2. Total Accumulated Amortization			
(1) 31 December 2023	186,634.58	89,268,111.77	89,454,746.35
(2) Increase	500,188.88	9,134,571.64	9,634,760.52
—Provision	500,188.88	9,134,571.64	9,634,760.52
(3) Decrease			

Items	Software	Land use right	Total
—Disposal			
—Others			
(4) 31 December 2024	686,823.46	98,402,683.41	99,089,506.87
3. Total of Impairment			
(1) 31 December 2023			
(2) Increase			
—Provision			
(3) Decrease			
—Disposal			
—Others			
(4) 31 December 2024			
4. Total of Net book value			
(1) 31 December 2024	3,752,829.57	391,027,239.11	394,780,068.68
(2) 31 December 2023	81,314.14	363,737,002.99	363,818,317.13

2. Land use right without property rights certificates at the end of the period

Items	Book value	Reason
Land use right	36,424,807.76	In process
Total	36,424,807.76	

(15) Deferred tax asset and deferred tax liability

1. Deferred tax assets before taking into consideration of the balance offsetting

Items	2024/12/31		2023/12/31	
	Deductible temporary differences	Deferred tax asset	Deductible temporary differences	Deferred tax asset
Impairment	598,249,997.63	90,011,580.45	403,698,019.09	100,549,055.02
Changes in fair value of other financial assets recognized in	122,664,831.62	18,399,724.74	81,617,843.44	20,404,460.86

Items	2024/12/31		2023/12/31	
	Deductible temporary differences	Deferred tax asset	Deductible temporary differences	Deferred tax asset
other comprehensive income				
Lease liabilities	1,752,154,297.33	262,823,144.60	1,384,348,462.17	346,087,115.54
Total	2,473,069,126.58	371,234,449.79	1,869,664,324.70	467,040,631.42

2. Deferred tax liabilities before taking into consideration of the balance offsetting

Items	2024/12/31		2023/12/31	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Changes in fair value of other financial assets recognized in other comprehensive income	31,158.29	4,673.74	41,361.27	10,340.32
Right-of-use assets	1,685,925,710.14	252,888,856.52	1,319,616,179.47	329,904,044.87
Total	1,685,956,868.43	252,893,530.26	1,319,657,540.74	329,914,385.19

3. Unrecognized deferred tax assets

Items	2024/12/31	2023/12/31
Deductible temporary differences	286,782,181.23	305,249,989.08
Deductible losses	9,483,185,444.74	4,213,758,736.79
Total	9,769,967,625.97	4,519,008,725.87

4. The deductible loss of unrecognized deferred tax assets due in the following period

Year	31 December 2024	31 December 2023	Notes
Year 2024		12,164,389.35	
Year 2025	8,257,832.98	8,257,832.98	
Year 2026	6,799,314.77	6,799,314.77	
Year 2027	8,117,351.82	1,919,832,999.81	
Year 2028		2,266,704,199.88	
Year 2029			
Year 2030			
Year 2031			
Year 2032	1,911,715,647.99		
Year 2033	2,367,541,315.76		
Year 2034	5,180,753,981.42		
Permanent			
Total	9,483,185,444.74	4,213,758,736.79	

(16) Other non-current assets

Items	2024/12/31			2023/12/31		
	Gross carrying amount	Impairment	Book value	Gross carrying amount	Impairment	Book value
Prepayment for long-term assets	86,297,275.16		86,297,275.16	139,318,979.61		139,318,979.61
Total	86,297,275.16		86,297,275.16	139,318,979.61		139,318,979.61

(17) Assets with restricted ownership or use rights

Items	2024/12/31				2023/12/31			
	Carrying amount	Book value	Type of restriction	Status	Carrying amount	Book value	Type of restriction	Status
Cash at bank and on hand	863,683,251.57	863,683,251.57	Margin for Notes receivable, Margin for letter of credit	Margin for Notes receivable, Margin for letter of credit	1,009,879,189.82	1,009,879,189.82	Margin for Notes receivable, Margin for letter of credit	Margin for Notes receivable, Margin for letter of credit
Notes receivable	165,968,800.17	165,968,800.17	Pledged	Pledged	218,427,117.76	218,427,117.76	pledged	Pledged
Total	1,029,652,051.74	1,029,652,051.74			1,228,306,307.58	1,228,306,307.58		

(18) Short-term loans**1. Classification of short-term loans**

Items	2024/12/31	2023/12/31
Credit loans	370,000,000.00	300,000,000.00
Discounted unexpired bills	1,055,490.50	28,000,000.00
Total	371,055,490.50	328,000,000.00

(19) Notes payable

Items	2024/12/31	2023/12/31
Bank acceptance bill	10,412,029,417.45	8,607,537,398.13
Commercial acceptance bill	1,559,477,470.97	463,403,421.74
Letter of credit	1,011,196,781.44	1,300,000,000.00
Total	12,982,703,669.86	10,370,940,819.87

Note: The total amount of overdue but unpaid bills payable at the end of this period was RMB 48,559.99, and the reason for the overdue non-payment was that the holder did not submit a payment application.

(20) Accounts payable**1. Accounts payable**

Items	2024/12/31	2023/12/31
Within 1 year (inclusive)	2,680,864,210.15	2,782,483,183.30
1-2 year (inclusive)	61,748,259.48	9,101,689.70
2-3 year (inclusive)	8,554,593.94	7,414,901.65
Over 3 years	10,592,375.79	10,289,787.90
Total	2,761,759,439.36	2,809,289,562.55

2. Significant accounts payable aging over one year or overdue

Items	2024/12/31	Reasons
Benxi Xihu Metallurgical Furnace Materials Co., Ltd.	8,634,100.91	Not yet eligible for settlement

Items	2024/12/31	Reasons
Total	8,634,100.91	

(21) Prepayments

Items	2024/12/31	2023/12/31
Within 1 year (inclusive)	611.60	143,119.29
1-2 year (inclusive)	58,715.61	
2-3 year (inclusive)		
Over 3 years		
Total	59,327.21	143,119.29

(22) Contract liabilities**1. Details of contract liabilities**

Items	2024/12/31	2023/12/31
Payment received in advance and labor costs	2,894,761,202.08	3,317,561,273.87
Others	13,837,223.65	890,227.48
Total	2,908,598,425.73	3,318,451,501.35

(23) Employee benefits payable**1. Employee benefits payable**

Items	2023/12/31	Increase	Decrease	2024/12/31
Short-term employee benefits	1,326,522.66	1,781,081,109.33	1,780,634,563.64	1,773,068.35
Post-employment benefits - defined contribution plans		264,658,442.66	264,658,442.66	
Termination benefits		91,178,161.79	91,178,161.79	
Other benefits due within one year				
Others				

Items	2023/12/31	Increase	Decrease	2024/12/31
Total	1,326,522.66	2,136,917,713.78	2,136,471,168.09	1,773,068.35

2. Short-term employee benefits

Items	2023/12/31	Increase	Decrease	2024/12/31
(1) Salary, bonus, allowance and subsidy		1,241,729,118.00	1,241,729,118.00	
(2) Employee welfare		183,278,262.06	183,278,262.06	
(3) Social Insurance		146,659,134.63	146,659,134.63	
Including: Medical insurance and maternity insurance		110,084,418.51	110,084,418.51	
Work injury insurance		33,960,492.12	33,960,492.12	
Others		2,614,224.00	2,614,224.00	
(4) Housing fund		158,404,372.00	158,404,372.00	
(5) Union funds and staff education fee	1,326,522.66	30,289,722.04	29,843,176.35	1,773,068.35
(6) Short-term compensated absences				
(7) Short-term profit - sharing scheme				
(8) Other short-term benefits		20,720,500.60	20,720,500.60	
Total	1,326,522.66	1,781,081,109.33	1,780,634,563.64	1,773,068.35

3. Defined contribution plans

Items	2023/12/31	Increase	Decrease	2024/12/31
Basic pension fund		209,080,938.63	209,080,938.63	
Unemployment insurance		6,533,652.46	6,533,652.46	
Annuity		49,043,851.57	49,043,851.57	

Items	2023/12/31	Increase	Decrease	2024/12/31
Total		264,658,442.66	264,658,442.66	

(24) Current tax liabilities

Items	2024/12/31	2023/12/31
Value-added tax	10,272,516.44	9,391,089.23
Resource Tax	750,000.00	
Corporate income tax	16,029,179.78	16,645,618.08
City maintenance and construction tax	540,889.49	526,991.99
House property tax	7,370,656.33	4,751,185.44
Land use right tax	1,088,809.99	1,088,809.99
Individual income tax	2,157,426.95	2,480,368.12
Educational surcharges (including local Educational surcharges)	386,769.92	376,422.86
Others	15,473,848.93	22,378,599.59
Total	54,070,097.83	57,639,085.30

(25) Other payables

Items	2024/12/31	2023/12/31
Interest payables		
Dividends payables	99,687,100.35	
Other payables	2,255,007,099.66	1,727,079,607.48
Total	2,354,694,200.01	1,727,079,607.48

1. Dividends payables

Items	2024/12/31	2023/12/31
Bengang Group Co., Ltd.	45,054,305.70	
Pohang Iron and Steel Co. Ltd (POSCO)	54,632,794.65	
Total	99,687,100.35	

2. Other payables**(1) Other payables disclosed by nature**

Items	2024/12/31	2023/12/31
Deposit	586,292.00	710,292.00
Margin	377,422,555.34	339,259,547.69
Accounts	1,871,598,040.35	1,374,846,301.16
Others	5,400,211.97	12,263,466.63
Total	2,255,007,099.66	1,727,079,607.48

(2) Significant other payables aged over one year or overdue

Items	2024/12/31	Reasons
Hunan MCC Changtian Energy Saving and Environmental Protection Technology Co., Ltd.	21,182,950.50	The project is still in progress
Shanghai Baosight Software Co., Ltd.	6,989,390.00	The project is still in progress
MCC Jingcheng Engineering Technology Co., Ltd	9,677,280.00	The project is still in progress

(26) Non-current liabilities due within one year

Items	2024/12/31	2023/12/31
Long-term loans due within one year	805,270,731.20	562,310,473.60
Including: pledge loan		
Mortgage loan		
Guaranteed loan		
Credit loan	805,270,731.20	562,310,473.60
Bond payables due within one year	106,989,474.64	81,650,008.44
Other long-term payables due within one year	118,242,710.82	41,921,209.72
Total	1,030,502,916.66	685,881,691.76

(27) Other current liabilities

Items	2024/12/31	2023/12/31
Output tax to be transferred	328,981,058.74	399,791,720.50
Total	328,981,058.74	399,791,720.50

(28) Long-term loans

Items	2024/12/31	2023/12/31
Pledged loans		
Mortgage loan		
Guaranteed loans		
Credit loans	3,697,212,193.60	2,286,037,174.40
Subtotal	3,697,212,193.60	2,286,037,174.40
Less: Non-current liabilities due within one year	805,270,731.20	562,310,473.60
Total	2,891,941,462.40	1,723,726,700.80

Notes: The interest rate of long-term loans is 2.45%-3.28%.

(29) Bonds payable**1. Bonds payable disclosed by category**

Items	2024/12/31	2023/12/31
Convertible Bond	5,569,899,459.53	5,451,381,676.38
Total	5,569,899,459.53	5,451,381,676.38

2. Changes in Bonds payables (Excluding other financial instruments such as preferred stocks and perpetual bonds classified as financial liabilities)

Items	Face value	Issue date	Bond duration	Issuance amount	Balance at the end of the previous year	Current issue	Interest accrued at face value	Premium and discount amortization	Repayment in this period	Share conversion and repurchase this year	Balance at the end of the current period	Default or not
Bengang Convertible Bond (Bond code:127018)	6,800,000,000.00	29th June 2020	6 years	6,800,000,000.00	5,451,381,676.38	-	188,647,127.08	118,556,783.14	81,657,652.43	39,000.00	5,676,888,934.17	No
Less: amount due within one year							106,989,474.64				106,989,474.64	No
Total					5,451,381,676.38		81,657,652.44	118,556,783.14	81,657,652.43	39,000.00	5,569,899,459.53	

3. Description of corporate convertible bond:

Approved by Shenzhen Stock Exchange "Shen Zheng Shang [2020] No. 656", the Company's RMB 6.80 billion convertible corporate bonds were listed on the Shenzhen Stock Exchange on August 4, 2020, and the abbreviation is "Bengang Convertible Bonds". The bond code is "127018". The conversion period of the convertible corporate bonds issued this time is from the first trading day after six months of the issuance of the convertible corporate bonds (July 3, 2020) to the maturity date of the convertible corporate bonds, that is, from January 4, 2021 to June 28, 2026. The initial conversion price of the convertible bonds is RMB 5.03 per share. From January 1, 2024 to December 31, 2024, an aggregate of RMB35,000.00 of the convertible bonds were converted into 8,855.00 common stock. The total amount of convertible bonds redeemed is RMB 4,000.00. Among them:

In the first quarter of 2024, the Bengang convertible bonds were reduced by RMB7,000.00 (70 bonds) due to the conversion, and the number of shares converted was 1,771.00 shares, and the conversion price was RMB3.95 per share;

In the third quarter of 2024, the Bengang convertible bonds were reduced by RMB13,000.00 (130 bonds) due to the conversion, and the number of shares converted was 3,289.00 shares, and the conversion price was RMB3.95 per share; reduced by RMB 4,000.00 (40 bonds) due to redemption;

In the fourth quarter of 2024, the Bengang convertible bonds were reduced by RMB15,000.00 (150 bonds) due to the conversion, and the number of shares converted was 3,795.00 shares, and the conversion price was RMB3.95 per share;

As of December 31, 2024, the remaining amount of the face value of the convertible bonds was RMB 5,630,985,100.00 Yuan (56,309,851.00 bonds).

(30) Lease liabilities

Items	2024/12/31	2023/12/31
Lease payments	2,539,395,930.63	2,098,254,018.65
Less: Unrealized financing expenses	787,241,633.30	713,905,556.48
Reclassified to non-current liabilities within one year	118,242,710.82	41,921,209.72
Total	1,633,911,586.51	1,342,427,252.45

(31) Deferred income

Items	2023/12/31	Increase	Decrease	2024/12/31	Reason
Government subsidy	174,142,383.18	61,766,472.38	61,989,768.09	173,919,087.47	
Total	174,142,383.18	61,766,472.38	61,989,768.09	173,919,087.47	

Items	2023/12/31	Increase	Transfer to non-operating income	Transfer to other income	Offsetting cost or expenses	Other changes	2024/12/31	Related to assets or income
Research and Development of High-strength Steel for the Third Generation of Automobiles	580,000.00			580,000.00				Assets
Desulfurization and Denitrification Project of Coal-fired Boiler in High-pressure Workshop of Bengang Power Plant	1,800,000.00			600,000.00			1,200,000.00	Assets
Advanced Treatment Project of Carbon Fiber Wastewater in Dongfeng Plant Area of Plate Coking Plant	3,800,000.00			1,900,000.00			1,900,000.00	Assets
Second Sintering Finishing Dust Removal Ultra-low Emission Reconstruction Project	820,000.00			410,000.00			410,000.00	Assets
Converter Gas Recovery Efficiency Improvement Project for Plate Material Area	9,680,000.00			2,420,000.00			7,260,000.00	Assets
Central environmental protection award fund	84,352,000.00			21,088,000.00			63,264,000.00	Assets
2021 Intellectual Manufacturing Strong Province Special Fund	3,840,000.00			960,000.00			2,880,000.00	Assets
2020 Ecological Civilization Construction Special Project (Special Steel Electric Furnace Upgrading Project)	20,000,000.00			4,000,000.00			16,000,000.00	Assets
2021 Manufacturing Strong Province Special Fund Project	8,100,000.00			1,620,000.00			6,480,000.00	Assets

Bengang Automotive Sheet Engineering Laboratory Construction Project		770,472.38		25,338.58			745,133.80	Assets
Xingliao Talent Program Government Grant	236,500.00			46,500.00			190,000.00	Income
2021 Benxi City Expert-Enterprise Collaboration Program	5,000.00						5,000.00	Income
2022 Liaoning Provincial Natural Science Foundation Program Funds (Provincial Department of Science and	28,400.00						28,400.00	Income
Design of Rare Earth Steel Metallurgical Slag System and Research on Its Physicochemical Properties	317,349.00			15,175.50			302,173.50	Income
2021 Municipal Skilled Master Workstation Fee	77,219.45			56,454.88			20,764.57	Income
Study on the Mechanism and Control of the Effect of Rare Earth Oxysulfides on the Plasticizability of Automotive Steel	122,220.20			70,200.00			52,020.20	Income
2019 Municipal Master Skill Workstation Fee	69,500.19						69,500.19	Income
2018 Municipal Master Skill Workstation Fee	58,766.34						58,766.34	Income
Liaoning Province "Hundred, Thousand, Thousand, Thousand Talents Project" funding project in 2018	220,000.00						220,000.00	Income

Provincial Science and Technology Department National Natural Science Foundation Committee	334,000.00						334,000.00	Income
2019 Provincial Skilled Master Workstation Fee	200,000.00			100,000.00			100,000.00	Income
2020 Provincial-level Skill Master Workstation Expenditure	100,000.00			63,799.16			36,200.84	Income
Fundamental Research on New Technology of Composite Iron Coke Low Carbon Ironmaking Furnace Charge	168,000.00						168,000.00	Income
The Second Batch of 2021 Liaoning Funds on Central Government Guiding the Development of Local Science and Technology	300,000.00						300,000.00	Income
2022 Digital Liaoning Intellectual Manufacturing Strong Province	300,000.00						300,000.00	Income
Municipal Enterprise Operation Class Patent Navigation Project Funding Grant	200,000.00						200,000.00	Income
Genetic Engineering and Artificial Intelligence Design of Aviation Critical Materials (Research Institute)	376,000.00						376,000.00	Income

2022 Annual Provincial Skill Master Workshop Program		100,000.00		67,743.97			32,256.03	Income
Government Grants Received by Steel Products R&D Institute		525,000.00					525,000.00	Income
Steel Plant Blast Furnace #5 Group & 4B Coke Oven Flue Gas Desulfurization/Denitrification Project		20,460,000.00		4,092,000.00			16,368,000.00	Assets
Converter Roof Hood Tertiary Dust Removal Upgrade (BF #4/5/6 Steelmaking Plant)		14,610,000.00		2,922,000.00			11,688,000.00	Assets
Hot Metal Pretreatment Station Dust Control Retrofit (Converter Plant)		9,663,000.00		1,932,600.00			7,730,400.00	Assets
Hot Blast Stove Desulfurization-Denitrification System Installation (Ironmaking Complex)		15,267,000.00					15,267,000.00	Assets
Liaoning Provincial Standardization Subsidy Fund		10,000.00		10,000.00			-	Income
2024 Manufacturing Talent Development Support Initiative		250,000.00					250,000.00	Income
R&D on RE-Alloyed High-Strength Fatigue-Resistant Wheel Steel		111,000.00					111,000.00	Income

Hengda Logistics Park Land Use Subsidy	38,057,428.00			19,009,956.00			19,047,472.00	Assets
Total	174,142,383.18	61,766,472.38		61,989,768.09			173,919,087.47	

(32) Share capital

Items	2023/12/31	Increase/decrease (+, -)					2024/12/31
		Issuance of new shares	Bonus shares	Transferred from reserves	Others	Subtotal	
Total shares	4,108,219,302.00				8,855.00	8,855.00	4,108,228,157.00

Note: The increase was due to the convertible bonds issued by the Company were converted into 8,855.00 shares of common stock during the period, and the remaining balance of the face value of the Company's convertible bonds as of December 31, 2024 was RMB5,630,985,100.00 Yuan (56,309,851.00 bonds). For details, please refer to Note 5. (29) Bonds payable.

(33) Other equity instruments

Changes in financial instruments such as preferred stocks and perpetual bonds issued at the end of the period

Items	2023/12/31		Increase		Decrease		2024/12/31	
	Number	Book value	Number	Book value	Number	Book value	Number	Book value
Convertible corporate bonds	56,310,241.00	947,858,134.16			390.00	7,939.13	56,309,851.00	947,850,195.03
Total	56,310,241.00	947,858,134.16			390.00	7,939.13	56,309,851.00	947,850,195.03

Notes: The decrease during the current period was due to convertible bonds issued by the Company have been partially converted into common stock for an aggregate of RMB39,000.00 (390 bonds), and the remaining balance of the face value of the convertible bonds as of December 31, 2024 was RMB55,630,985,100.00 Yuan (56,309,851.00 bonds). For details, please refer to Note 5. (29) Bonds payable.

(34) Capital reserves

Items	2023/12/31	Increase	Decrease	2024/12/31
Capital (share) premium	13,306,308,402.10	25,840.89	196,619,544.86	13,109,714,698.13
Other capital reserves	115,917,468.82			115,917,468.82
Total	13,422,225,870.92	25,840.89	196,619,544.86	13,225,632,166.95

Notes:

1. The increase was due to the conversion of A-share convertible bonds issued by the Company into A-share common stock during the period, as described in Note 5 (29) Bonds payable.
2. The decrease was due to the company's acquisition of North Hengda Logistics Co., Ltd., which was a merger of companies under common control.

(35) Other comprehensive income

Items	2023/12/31	Current period						2024/12/31
		Amounts before corporate income tax	Less: amount recognized in OCI in the previous period transfer to PL in current period	Less: income tax	Income after tax attributable to owners of the Company	Income after tax attributable to non- controlling interests	Less: transfer to retain earnings	
1. Items cannot be reclassified into profit or loss.	-50,371,341.88	-41,036,785.20		1,999,069.54	-43,035,854.74			-93,407,196.62
including: Changes in fair value of investments in other equity instruments								
Other comprehensive income under the equity method cannot be reclassified into profit or loss								

Items	2023/12/31	Current period						2024/12/31
		Amounts before corporate income tax	Less: amount recognized in OCI in the previous period transfer to PL in current period	Less: income tax	Income after tax attributable to owners of the Company	Income after tax attributable to non- controlling interests	Less: transfer to retain earnings	
Changes in fair value of investments in other equity instruments	-50,371,341.88	-41,036,785.20		1,999,069.54	-43,035,854.74			-93,407,196.62
Changes in fair value of company's credit risk								
Other								
2. Items can be reclassified into profit or loss								
Total	-50,371,341.88	-41,036,785.20		1,999,069.54	-43,035,854.74			-93,407,196.62

(36) Special Reserves

Items	2023/12/31	Increase	Decrease	2024/12/31
Safety production cost	163,055.04	72,180,947.90	71,534,353.29	809,649.65
Total	163,055.04	72,180,947.90	71,534,353.29	809,649.65

(37) Surplus Reserves

Items	2023/12/31	Increase	Decrease	2024/12/31
Statutory surplus reserves	1,195,116,522.37			1,195,116,522.37
Total	1,195,116,522.37			1,195,116,522.37

(38) Undistributed Profits

Items	Current period	Previous period
Before adjustments: undistributed profits at last year-end	-2,414,685,928.92	-720,559,670.73
Adjustments of the beginning distributed profits (increase + / decrease -)		26,745,438.81
After adjustments: undistributed profit at this year-beginning	-2,414,685,928.92	-693,814,231.92
Add: undistributed profit belonging to parent company	-5,037,271,398.28	-1,720,871,697.00
Less: Statutory surplus reserves		
Discretionary reserves		
General risk reserves		
Common shares dividend payable	45,054,305.70	
Common shares dividend transferred to paid-in capital		
Ending balance of undistributed profits	-7,497,011,632.90	-2,414,685,928.92

The details of Adjustments of the beginning distributed profits:

The change in the scope of consolidation due to the merger of companies under common control affected the retained earnings at the beginning of the year by RMB 26,745,438.81.

(39) Operating income and operating cost

1. Operating income and operating cost

Items	Current period		Previous period	
	Revenue	Cost	Revenue	Cost
Principal business	50,512,152,677.69	53,926,439,230.70	56,816,581,034.64	57,338,067,687.30
Other business	754,208,823.53	767,317,574.73	1,140,720,682.38	1,112,281,082.13
Total	51,266,361,501.22	54,693,756,805.43	57,957,301,717.02	58,450,348,769.43

2. Details about operating income and operating cost

Item	Principal business Revenue	Principal business Cost	Other business Revenue	Other business Cost
Classification by the time of commodity transfer				
Including: recognize at a certain point in time	50,512,152,677.69	53,926,439,230.70	747,028,972.63	764,941,783.53
-Recognize over a certain period of time			7,179,850.90	2,375,791.20
Total	50,512,152,677.69	53,926,439,230.70	754,208,823.53	767,317,574.73
Classification by business area	27,942,407,986.74	28,743,063,625.90	422,131,300.06	434,178,194.37
Including: Domestic	41,406,346,909.19	44,528,902,766.42	754,208,823.53	767,317,574.73
Abroad	9,105,805,768.50	9,397,536,464.28		
Total	50,512,152,677.69	53,926,439,230.70	754,208,823.53	767,317,574.73

(40) Tax and surcharges

Items	Current period	Previous period
Environmental tax	25,266,354.57	38,630,331.48
City maintenance and construction tax	10,385,897.62	11,150,706.61
Educational surcharge	7,465,694.70	8,101,593.37
Resource Tax	750,000.00	
Housing property tax	85,712,608.51	83,490,037.56
Land use right tax	14,382,618.16	13,582,798.86
Vehicle and vessel tax	224,158.74	221,617.12
Stamp duty	58,834,787.91	60,062,008.36
Others	21,247.15	482,887.50
Total	203,043,367.36	215,721,980.86

(41) Selling and distribution expenses

Items	Current period	Previous period
Import and export agency fee	52,584,810.12	41,191,981.29
Salary and benefits	67,395,074.92	79,109,440.68
Storage and warehousing fee	1,977,289.68	6,434,329.15
Others	20,681,443.05	22,923,349.16
Total	142,638,617.77	149,659,100.28

(42) General and administrative expenses

Items	Current period	Previous period
Salary and benefits	351,493,964.20	348,794,437.95
Insurance fee	12,995,462.13	12,429,399.87
Depreciation	55,331,155.82	41,188,990.43
Repair expense	4,037,864.04	2,070,654.97
Professional service expenses	13,588,178.36	11,050,833.74
Office Expenses	1,330,341.46	1,260,483.68
Business Travel Expenses	2,905,590.74	2,908,581.66
Greening Fee	2,563,843.56	9,035,946.93

Items	Current period	Previous period
Others	258,542,011.52	190,938,087.82
Total	702,788,411.83	619,677,417.05

(43) Research and development expenses

Items	Current period	Previous period
Depreciation, materials and compensation, etc.	86,415,509.29	81,247,560.73
Total	86,415,509.29	81,247,560.73

(44) Financial expenses

Items	Current period	Previous period
Interest expenses	384,713,981.73	415,219,929.72
including: Interest expenses for lease liabilities	62,948,951.58	55,152,158.88
Less: Interest income	43,019,766.05	56,283,070.97
Exchange losses	-112,286,393.26	-59,468,641.72
Others	10,923,494.40	8,564,825.20
Total	240,331,316.82	308,033,042.23

(45) Other income

Items	Current period	Previous period
Withholding fee income	401,253.23	919,436.96
VAT tax relief	48,812,224.61	394,898.00
Tax refund	86,963,574.36	27,685,686.22
Industrial Economy Stabilization and Growth Incentive Fund	50,000.00	
Special Incentive Funds for Business Stable development Measures	2,184,600.00	
Hengda Logistics Park Land Subsidy	19,009,956.00	21,309,956.00
Science & Technology Funds	300,000.00	

Items	Current period	Previous period
Fiscal Support Funds	110,000.00	
High-tech Enterprise Grant	100,000.00	
Employee Retention and Training Subsidy for Labor		2,358.49
Development of Gen-3 AHSS for Vehicles	580,000.00	580,000.00
Desulfurization and Denitrification Project of Coal-fired Boiler in High-pressure Workshop of Bengang Power Plant	600,000.00	600,000.00
Advanced Treatment Project of Carbon Fiber Wastewater in Dongfeng Plant Area of Plate Coking Plant	1,900,000.00	1,900,000.00
Special Tank Passivation Project under Bai-Qian-Wan Talent Program		50,000.00
Second Sintering Finishing Dust Removal Ultra-low Emission Reconstruction Project	410,000.00	410,000.00
Plate factory area converter Gas Recovery and Efficiency Improvement Project	2,420,000.00	2,420,000.00
Central Government Environmental Protection Award Fund	21,088,000.00	21,088,000.00
2021 Intellectual Manufacturing Strong Province Special Fund (Digital and Networked Upgrade)	960,000.00	960,000.00
2023 Automatic-Approval Special Fund (National Green Design Product-- Hot-Rolled High-Strength Steel Sheets/Strips for Automotive Applications in 2022)		500,000.00
2022 Intellectual Manufacturing Strong Province Special Fund		20,000,000.00
Xingliao Talent Program Government Grant	46,500.00	113,500.00
Mechanism and Control of Rare Earth Oxysulfides on Plasticization Behavior in Automotive Steels	70,200.00	212,228.30
2022 Liaoning Provincial Natural Science Foundation Program Funds		1,600.00
Design and Physicochemical Properties of Metallurgical Slag Systems for Rare Earth Steelmaking	15,175.50	22,651.00
2023 Intellectual Manufacturing Province Initiative (Benxi Steel Technology Center Innovation Capability Enhancement)		1,700,000.00
2021 Municipal-Level Skills Master Workstation Fee	56,454.88	81.03

Items	Current period	Previous period
2020 Ecological Civilization Construction Special Project (Special Steel EAF Upgrading Project)	4,000,000.00	
2021 Intellectual Manufacturing Strong Province Special Fund	1,620,000.00	
Benxi Steel Automotive Sheet Engineering Laboratory Construction Project	-745,133.80	
2020 Provincial-Level Skills Master Workstation Fee	63,799.16	
2022 Provincial-Level Skills Master Workstation Fee	67,743.97	
Flue Gas Desulfurization and Denitrification Project for No.5 Furnace Group & 4B Coke Oven at Plate Ironmaking Plant	4,092,000.00	
Triple Dust Removal Retrofit for Roof Hoods of No.4/5/6 Converters at Plate Steelmaking Plant	2,922,000.00	
Dust Removal Retrofit for Hot Metal Pretreatment Station of Steelmaking Converters	1,932,600.00	
Liaoning Provincial Standardization Subsidy	10,000.00	
2019 Provincial-Level Skills Master Workstation Fee	100,000.00	
Total	200,140,947.91	100,870,396.00

(46) Investment income

Items	Current period	Previous period
Income on long-term equity investment by equity method	-1,497,124.69	-1,085,968.20
Income on long-term equity investment by cost method		
Income on disposal of long-term equity investment		-294,462.57
Gain from debt restructuring	6,496,818.35	5,179,346.89
Others	-47,967,315.58	-6,604,705.25
Total	-42,967,621.92	-2,805,789.13

(47) Credit impairment loss

Items	Current period	Previous period
Loss from bad debts of account receivable	-51,156,620.60	-21,955,575.63
Loss from bad debts of other receivables	1,013,615.40	11,934,237.01
Total	-50,143,005.20	-10,021,338.62

(48) Asset impairment loss

Items	Current period	Previous period
Inventory and contract fulfillment cost impairment loss	278,486,334.42	15,745,868.44
Fixed assets impairment loss		19,593,534.81
Total	278,486,334.42	35,339,403.25

(49) Assets disposal gains

Items	Current period	Previous period	The amount recognized in non-recurring profit
Fixed assets	13,020,778.49	298,940,955.41	13,020,778.49
Total	13,020,778.49	298,940,955.41	13,020,778.49

(50) Non-operating income

Items	Current period	Previous period	The amount recognized in non-recurring profit
Non-current assets scrapped gains	3,307,408.92	22,695,633.31	3,307,408.92
Donation		116,390.00	
Government grants unrelated to operational activities			
Compensation for breach of contract	8,649,121.97	2,808,857.09	8,649,121.97
Unpayable accounts payable (Debt settlement income)	208,933.55	10,136,697.80	208,933.55

Items	Current period	Previous period	The amount recognized in non- recurring profit
Inventory Surplus Gains			
Others	33,623,658.14	7,651,073.78	33,623,658.14
Total	45,789,122.58	43,408,651.98	45,789,122.58

(51) Non-operating expense

Items	Current period	Previous period	The amount recognized in non- recurring profit
Non-current assets scrapped loss	52,327,212.31	88,675,217.02	52,327,212.31
Donation			
Compensation, liquidated damages and fines	1,544,793.57	5,907,021.85	1,544,793.57
Others	835,992.86	516,843.20	835,992.86
Total	54,707,998.74	95,099,082.07	54,707,998.74

(52) Income tax expenses**1. Income tax expense**

Items	Current period	Previous period
Income tax payable for the current year	73,650,531.92	90,256,101.15
Deferred income tax	16,786,257.16	10,723,190.66
Total	90,436,789.08	100,979,291.81

2. Accounting profit and income tax expense adjustment process

Items	Current period
Total profit	-4,869,680,628.18
Income tax expense calculated according to the official or applicable tax rate	-730,452,094.23

Items	Current period
Effect of different tax rates applied by subsidiaries	12,067,535.66
Effect of adjustment of the income tax expense of prior period	-25,199.16
Effect of non-taxable income	-10,032,409.88
Effect of undeductible costs, expenses or losses	-52,093,340.99
Effect of use of deductible losses of unrecognized deferred tax asset of prior period	-1,372,496.13
Effect of deductible temporary differences or deductible losses of unrecognized deferred tax assets of current period	857,881,224.03
Effect of tax rate changes on the opening balance of deferred tax assets/liabilities	48,619,985.52
Others	-34,156,415.74
Income tax expenses	90,436,789.08

(53) Notes of statement of cash flows

1. Cash related to operating activities

(1) Cash received related to other operating activities

Items	Current period	Previous period
Collection of current accounts and advance payment on behalf	20,707,880.77	32,840,546.95
Interest income	43,019,928.42	56,265,090.97
Special subsidy income	61,603,389.34	149,050,517.00
Non-operating income	45,108,931.60	8,484,226.41
Others	72,901,959.17	56,815,488.47
Total	243,342,089.30	303,455,869.80

(2) Cash paid related to other operating activities

Items	Current period	Previous period
Current accounts	31,632,625.15	33,794,608.51
Administrative expenses	160,290,483.72	88,066,781.99
Selling expenses	43,283,792.38	9,993,368.25

Items	Current period	Previous period
Charges	3,227,037.36	4,815,379.76
Others	167,670,609.80	296,499,108.11
Total	406,104,548.41	433,169,246.62

2. Cash related to financing activities

(1) Other cash received in relation to financing activities

Item	Current period	Previous period
Notes, letter of guarantee, and letter of credit margins	3,808,123,889.76	1,128,377,111.10
Recovery of short-term borrowing funds for designated payments		80,017,980.00
Total	3,808,123,889.76	1,208,395,091.10

(2) Other cash paid in relation to financing activities

Item	Current period	Previous period
Notes, letter of guarantee, and letter of credit margins	4,871,226,556.86	1,982,167,947.91
Short-term borrowing funds for designated payments		97,811,412.73
Lease payments	68,842,727.36	40,645,381.40
Total	4,940,069,284.22	2,120,624,742.04

(54) Supplementary details of statement of cash flows

1. Supplementary details for statement of cash flows

Items	Current period	Previous period
1. A reconciliation of net profit to cash flows from operating activities:		
Net profit	-4,960,117,417.26	-1,648,368,377.81
Add: Credit impairment loss	-50,143,005.20	-10,021,338.62
Asset impairment loss	278,486,334.42	35,339,403.25
Depreciation of fixed assets	1,635,677,342.74	1,633,702,512.74
Depletion of oil and gas assets		
Depreciation of right of use assets	77,920,658.71	60,374,534.52

Items	Current period	Previous period
Amortization of intangible assets	9,634,760.52	9,086,897.28
Long-term deferred expenses		
Losses proceeds from disposal of PPE, intangible assets and other long-term assets (Earnings marked“—”)	-13,020,778.49	-298,940,955.41
Scrapped losses from fixed assets (Earnings marked“—”)	49,019,803.39	65,979,583.71
Losses in fair value change (Earnings marked“—”)		
Financial expenses (Earnings marked“—”)	272,427,588.47	355,751,288.00
Investment losses (Earnings marked“—”)	42,967,621.92	2,805,789.13
Deferred tax assets reduction (Addition marked“—”)	93,801,445.51	25,816,824.26
Deferred tax liabilities increased (Reduction marked“—”)	-77,015,188.35	-15,093,633.60
Reduction of inventory (Addition marked“—”)	157,980,745.75	765,997,477.35
Operating receivable items reduction (Addition marked“—”)	1,927,753,242.95	-61,764,765.72
Operating payable items increase (Less marked“—”)	1,654,268,244.56	3,427,623,500.88
Others	646,594.61	-2,054,858.73
Net cash flows generated from operating activities	1,100,287,994.25	4,346,233,881.23
2. Payments of investing and financing activities not involving cash:		
Liabilities transferred to capital		
Convertible bonds due within one year		
Fixed assets financed by leasing		
3. The net increase in cash and cash equivalents:		
Ending balance of cash	1,590,205,218.91	1,199,685,408.38
Less: Beginning balance of cash	1,199,685,408.38	1,296,663,626.79
Add: Ending balance of cash equivalents		
Less: Opening balance of cash equivalents		
The net increase in cash and cash equivalents	390,519,810.53	-96,978,218.41

2. The structure of cash and cash equivalents

Items	Current period	Previous period
1. Cash	1,590,205,218.91	1,199,685,408.38
Including: Cash on hand		
Bank deposits available on demand	1,590,205,218.91	1,199,685,408.38
2. Cash equivalents	1,590,205,218.91	1,199,685,408.38
Including: Cash and cash equivalents limited to use by the parent company of other subsidiary in the group		

(55) Foreign currency monetary items

1. Foreign currency monetary items

Item	Ending balance in foreign currency	Exchange rate	Ending balance translated to RMB
Cash and cash equivalents			326,240,125.79
Including: USD	45,384,220.89	7.1884	326,239,933.43
EUR			
HKD	207.73	0.9260	192.36
Non-current liabilities due within one year			1,070,731.20
Including: USD			
JPY	23,176,000.00	0.0462	1,070,731.20
Long-term loans			2,141,462.40
Including: USD			
JPY	46,352,000.00	0.0462	2,141,462.40

8. Changes in the scope of consolidation

(1) Business combination under common control

1. Business combination under common control that occurred during the current period

Acquiree	Proportion of equity acquired under business combination	Basis for business combination under common control	Date of acquisition	Basis for determining the acquisition date	Income of the acquiree from the beginning of the current period to acquisition date	Net profit of the acquiree from the beginning of the current period to acquisition date	Income of the acquiree during the comparative period	Net profit of the acquiree during the comparative period
North Hengda Logistics Co., Ltd.	100.00%	Belongs to Bengang Group Co., Ltd.	31 Dec 2024	Obtain control of acquiree	3,489,660,655.62	16,120,746.07	4,195,490,104.86	21,702,466.92

2. Cost of acquisition

	North Hengda Logistics Co., Ltd.
Cash	196,619,544.86
Book value of non-cash assets	
Book value of debt issued or assumed	
Face value of equity securities issued	
Contingent consideration	
Total cost of acquisition	196,619,544.86

3. Book value of the acquiree's assets and liabilities on the date of acquisition

Items	North Hengda Logistics Co., Ltd.	
	Date of acquisition	End of previous period
Assets:	454,806,458.37	439,545,944.50
Cash and cash equivalents	3,418,003.07	15,403,313.71
Notes receivable		847,348.53
Accounts receivable	16,199,375.32	11,426,487.15
Prepayments	113,335,267.42	95,335,134.63
Other receivables	156,055.40	153,596.76
Inventory	67,607,758.74	61,178,879.63
Other current assets	711,035.19	
Fixed assets	147,903,478.23	146,017,923.09
Intangible assets	105,475,485.00	107,797,881.00
Other non-current assets		1,385,380.00
Liabilities:	285,144,589.18	240,989,826.88
Accounts payable	5,631,398.91	4,958,444.25
Notes payable		5,946,820.98
Prepayments	64,831.80	143,119.29
Contract liabilities	103,961,914.19	70,738,069.86
Employee benefits payable	259,340.04	150,551.83
Taxes payable	1,051,704.41	2,236,126.19
Other accounts payable	143,566,519.88	111,089,639.57
Other current liabilities	11,561,407.95	7,669,626.91

Items	North Hengda Logistics Co., Ltd.	
	Date of acquisition	End of previous period
Deferred income	19,047,472.00	38,057,428.00
Net assets	169,661,869.19	198,556,117.62
Less: Non-controlling shareholders' equity		
Net assets acquired	169,661,869.19	198,556,117.62

9. Interests in other entities

(1) Equity in subsidiaries

1. Constitution of enterprise group

Name of subsidiary	Registered Capital	Principal place of business	Registration place	Nature of Business	Shareholding ratio(%)		Acquisition method
					Direct	Indirect	
Guangzhou Bengang Steel & Iron Trading Co., Ltd	200 million	Guangzhou	Guangzhou	Sales	100		Establishment
Shanghai Bengang Metallurgy Science and Technology Co., Ltd	230 million	Shanghai	Shanghai	Sales	100		Establishment
Dalian Benruitong Automobile Material Technology Co., Ltd	100 million	Dalian	Dalian	Manufacturing	65		Establishment
Bengang POSCO Cold-rolled Sheet Co., Ltd.	1.92 billion	Benxi	Benxi	Manufacturing	75		Business combination under common control
Changchun Bengang Steel & Iron Trading Co., Ltd.	30 million	Changchun	Changchun	Sales	100		Business combination under common control
Yantai Bengang Steel Sales Co., Ltd.	200 million	Yantai	Yantai	Sales	100		Business combination under common control
Tianjin Bengang Steel	200 million	Tianjin	Tianjin	Sales	100		Business combination under

Name of subsidiary	Registered Capital	Principal place of business	Registration place	Nature of Business	Shareholding ratio(%)		Acquisition method
					Direct	Indirect	
Trading Co., Ltd.							common control
Benxi Bengang Steel & Iron Sales Co., Ltd.	30 million	Benxi	Benxi	Sales	100		Establishment
Shenyang Bengang Metallurgy Science and Technology Co., Ltd.	200 million	Shenyang	Shenyang	Sales	100		Establishment
North Hengda Logistics Co., Ltd.	150 million	Benxi	Benxi	Manufacturing	100		Business combination under common control

2. Important non-wholly owned subsidiaries

Name of the subsidiaries	Proportion of non-controlling interests	Profits and losses attributing to non-controlling shareholders	Dividend declared to distribute to non-controlling shareholders	Ending balance of non-controlling interests
Bengang POSCO Cold-rolled Sheet Co., Ltd.	25.00%	75,232,486.43	54,632,794.65	596,689,027.87

3. Key financial information of significant but not wholly-owned subsidiaries

Name of the subsidiaries	2024/12/31						2023/12/31					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Bengang POSCO Cold-rolled Sheet Co., Ltd.	6,390,756,526.72	986,052,997.62	7,376,809,524.34	4,990,053,412.86		4,990,053,412.86	3,314,945,506.13	958,741,994.50	4,273,687,500.63	1,969,330,156.26		1,969,330,156.26

Name of the subsidiaries	Current period				Previous period			
	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities
Bengang POSCO Cold-rolled Sheet Co., Ltd.	8,387,472,486.78	300,929,945.71	300,929,945.71	400,460,284.37	8,939,304,737.19	273,163,973.25	273,163,973.25	- 492,826,903.06

(2) Interests in joint ventures or associated enterprises**1. Summarized financial information of insignificant joint ventures and associates**

	2024/12/31 or current period	2023/12/31 or previous period
Associated enterprises:		
Total book value of investments	45,413,221.72	46,910,346.41
Total of the following items calculated based on shareholding ratio		
-Net profit	-1,497,124.69	-1,085,968.20
-Other comprehensive income		
-Total comprehensive income	-1,497,124.69	-1,085,968.20

10. Government Subsidies**(1) Types, amounts and reporting items of government subsidies****1. Government grants included in current profit or loss**

Accounting subjects	Current period	Previous period
Other income	150,827,470.07	99,556,061.04

2. Liabilities involving government subsidies

Liabilities	2023/12/31	Addition	Amounts recognized in non-operating income during the current period	Amounts recognized in other income during the current period	Offset costs or expenses during the current period	Other changes	2024/12/31	Asset-related/income-related
Deferred income	174,142,383.18	61,766,472.38		61,989,768.09			173,919,087.47	Asset-related/income-related

11. Risks associated with financial instruments

(1) Various risks arising from financial instruments

The Company's principal financial instruments include other equity instruments investments, borrowings, receivables, payables, etc. A detailed description of each financial instrument is set out in note VI. The risks associated with these financial instruments and the risk management policies adopted by the Company to mitigate these risks are described below. The Company's management manages and monitors these exposures to ensure that these risks are contained within defined limits.

The objective of the Company's risk management is to strike an appropriate balance between risk and return, minimize the negative impact of risk on the Company's operating results, and maximize the benefits of shareholders and other equity investors. Based on this risk management objective, the Company's basic risk management strategy is to determine and analyze the various risks faced by the company, establish an appropriate risk tolerance bottom line and risk management, and timely and reliable supervision of various risks, to control the risks within the limited scope.

1. Credit Risk

As of December 31, 2024, the largest credit risk exposure that may cause financial losses to the Company mainly comes from the losses of the Company's financial assets caused by the failure of the other party to the contract to perform its obligations, including:

The carrying amount of financial assets recognized in the consolidated balance sheet; for financial instruments measured at fair value, the carrying value reflects its risk exposure, but not the maximum risk exposure, and its maximum risk exposure will change with future changes in fair value.

In order to reduce credit risk, the Company has established a special department to determine credit limits, conduct credit approval, and implement other monitoring procedures to ensure that necessary measures are taken to recover overdue debts. In addition, the Company reviews the recovery of each single receivable on each balance sheet date to ensure that sufficient bad debt reserves are set aside for unrecoverable amounts. Therefore, the management of the Company believes that the credit risk borne by the Company has been greatly reduced.

The Company's working capital is deposited in financial institutions with higher credit ratings and therefore the credit risk of working capital is lower.

2. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations on the maturity date. The Company manages liquidity risk by ensuring that it has sufficient liquidity to meet its obligations as they mature without causing unacceptable losses or damaging the reputation of the business. The Company regularly analyzes the structure and maturity of its liabilities to ensure that it has sufficient funds. The Company's management monitors the use of bank borrowings and ensures compliance with loan agreements. It also negotiates financing with financial institutions to maintain a certain credit line and reduce liquidity risk.

The Company's various financial liabilities are listed as follows by maturity date with undiscounted contractual cash flows:

Items	2024/12/31						Book value
	Immediate repayment	Within 1 year	1-2 years	2-5 years	Over 5 years	Total undiscounted contract amount	
Short-term loans		371,055,490.50				371,055,490.50	371,055,490.50
Notes payable		12,982,703,669.86				12,982,703,669.86	12,982,703,669.86
Accounts payable		2,680,864,210.15	61,748,259.48	19,146,969.73		2,761,759,439.36	2,761,759,439.36
Other payables		1,703,827,958.01	394,969,845.27	255,896,396.73		2,354,694,200.01	2,354,694,200.01
Long-term loans (including long-term loans due within one year)		805,270,731.20	922,270,731.20	1,969,670,731.20		3,697,212,193.60	3,697,212,193.60
Lease liabilities (including lease liabilities due within one year)		118,242,710.82	109,583,860.29	782,383,488.53	741,944,237.69	1,752,154,297.33	1,752,154,297.33
Bonds payable		106,989,474.64	5,569,899,459.53			5,676,888,934.17	5,676,888,934.17

Items	2024/12/31						Book value
	Immediate repayment	Within 1 year	1-2 years	2-5 years	Over 5 years	Total undiscounted contract amount	
(including bonds payable due within one year)							
Total		18,768,954,245.18	7,058,472,155.77	3,027,097,586.19	741,944,237.69	29,596,468,224.83	29,596,468,224.83

Items	2023/12/31						Book value
	Immediate repayment	Within 1 year	1-2 years	2-5 years	Over 5 years	Total undiscounted contract amount	
Short-term loans		328,000,000.00				328,000,000.00	328,000,000.00
Notes payable		10,370,940,819.87				10,370,940,819.87	10,370,940,819.87
Accounts payable		2,782,483,183.30	9,101,689.70	17,704,689.55		2,809,289,562.55	2,809,289,562.55
Other payables		1,359,684,122.47	359,046,485.01	8,349,000.00		1,727,079,607.48	1,727,079,607.48
Long-term loans (including		562,310,473.60	802,070,731.20	921,655,969.60		2,286,037,174.40	2,286,037,174.40

Items	2023/12/31						Book value
	Immediate repayment	Within 1 year	1-2 years	2-5 years	Over 5 years	Total undiscounted contract amount	
long-term loans due within one year)							
Lease liabilities (including lease liabilities due within one year)		41,921,209.72	44,789,055.69	625,123,027.34	672,515,169.42	1,384,348,462.17	1,384,348,462.17
Bonds payable (including bonds payable due within one year)		81,650,008.44	106,989,474.64	5,344,392,201.74		5,533,031,684.82	5,533,031,684.82
Total		15,526,989,817.40	1,321,997,436.24	6,917,224,888.23	672,515,169.42	24,438,727,311.29	24,438,727,311.29

3. Market Risk

Market risk of financial instruments refers to the risk that the fair value or future cash flows of financial instruments fluctuate due to changes in market prices, including exchange rate risk, interest rate risk and other price risks.

(1) Interest rate risk

Interest rate risk refers to the risk that the fair value of a financial instrument or future cash flows will fluctuate due to changes in market interest rates.

The interest rate risk faced by the Company mainly arises from floating-rate bank deposits and floating-rate loans, which expose the Company to cash flow interest rate risk. The Company has not yet formulated a policy to manage its interest rate risk, but the management will carefully select financing methods, combining fixed and floating rates, and combining short-term debt with long-term debt. Use effective interest rate risk management methods to closely monitor interest rate risks, control the scale of floating rate loans, and use interest rate swaps when necessary to achieve the expected interest rate structure.

(2) Exchange rate risk

Exchange rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates.

The exchange rate risk borne by the Company is mainly related to the US dollar, Hong Kong dollar, Japanese yen and euro. Except for the Company's small amount of raw material purchases and finished product sales settled in US dollars, Hong Kong dollars, Japanese yen and euros, the Company's other major business activities are settled in RMB. As of December 31, 2024, the assets or liabilities described in the following table are the balances of US dollars, Hong Kong dollars, Japanese yen and euros shown in the items:

Items	2024/12/31	2023/12/31
Cash and cash equivalents - USD	45,384,220.89	81,951,964.90
Cash and cash equivalents - HKD	207.73	5,992,191.45
Cash and cash equivalents - EUR		408,004.95
Non-current liabilities due within one year - JPY	23,176,000.00	23,176,000.00
Long-term loans - JPY	46,352,000.00	69,528,000.00

(2) Transfer of financial assets

1. Transfer of financial assets

Financial asset transfer method	Transferred financial assets		Information of derecognition	Basis of derecognition
	Nature	Amount		
Bill endorsement/bill discount	Notes Receivable	316,325,335.70	Not derecognized	Retains substantially all of its risks and rewards, including the default risk associated with it
Bill endorsement/bill discount	Receivables Financing	3,181,702,865.55	Derecognized	Almost all of its risks and rewards have been transferred
Total		3,498,028,201.25		

Notes to the basis of derecognition: As of December 31, 2024, the maturity date of accounts receivable financing is 1 to 12 months. According to the relevant provisions of the Bills of Exchange Law, if the accepting bank refuses to pay, the holder has the right to claim against the Company. The Company believes that the Company has transferred almost all its risks and rewards, and therefore, fully terminate the recognition of its and related settled accounts payable and confirm the discount fees.

2. Financial assets derecognized due to transfer

Items	Methods of transferring financial assets	Amount of derecognition	Gains or losses related to derecognition
Accounts receivable financing	Bill endorsement/bill discounting	3,181,702,865.55	10,279,144.39
Total		3,181,702,865.55	10,279,144.39

12. Disclosure of fair value

The input value used in fair value measurement is divided into three levels:

The input value of the first level is the unadjusted quotation of the same asset or liability that can be obtained on the measurement date in an active market.

The input value of the second level is the input value of the related assets or liabilities that is directly or indirectly observable except the input value of the first level.

The third level of input value is the unobservable input value of related assets or liabilities.

The level to which the fair value measurement result belongs is determined by the lowest level to which the input value that is important to the fair value measurement as a whole belongs.

(1) Fair value of assets and liabilities measured at fair value at the end of the period

Items	Fair value at the end of the period			
	First level fair value measurement	Second level fair value measurement	Third level fair value measurement	Total
1. Continuous fair value measurement				
Accounts receivable financing			64,399,942.70	64,399,942.70
Other equity instrument investments			933,426,254.63	933,426,254.63

13. Related parties and related transactions

(1) Details of parent company

Name of parent company	Place of Registry	Business nature	Registered capital	Share proportion (%)	Voting rights (%)
Benxi Steel & Iron (Group) Co., Ltd.	Benxi, Liaoning	Manufacturing	RMB 8 billion	58.65	58.65

The ultimate controlling party of the Company: Ansteel Group Co., Ltd.

(2) Details of the Company's subsidiaries

For details of the Company's subsidiaries, please refer to Note 7 "Equity in Other Entities".

(3) The company's joint ventures and associates

For details of the Company's important joint ventures or associates, please refer to Note 7 "Equity in Other Entities".

Other joint ventures or associates that had related-party transactions with the Company during the current period, or had balances resulting from related-party transactions with the Company in prior periods, are described below:

Name of joint venture or associated enterprise	Relationship
Shenyang Xiangyu New Materials Technology Co., Ltd.	Associate

(4) Other related parties

Name of other related parties	Relationship between other related parties and the Company
Bengang Group Co., Ltd.	Parent company's controlling shareholder
Bengang Stainless Steel Cold Rolling Dandong Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Real Estate Development Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Engineering Construction Supervision Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Construction Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Mining Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	Same parent company
Benxi Steel & Iron (Group) Steel & Iron Process and Logistics Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Industrial Development Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Information Automation Co., Ltd.	Same parent company
Benxi Iron & Steel (Group) Metallurgical Slag Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Mining Yanjia Valley Limestone Mine Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Mining Liaoyang Ma'erling Pellet Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Mining Liaoyang Jiajiaobao Iron Mine Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Mining Mineral Resources Development Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	Same parent company
Benxi New Industrial Development Co., Ltd.	Same parent company
Dalian Brollo Steel Pipe Co., Ltd.	Same parent company

Name of other related parties	Relationship between other related parties and the Company
Liaoning Hengtai Heavy Machinery Co., Ltd.	Same parent company
Liaoning Metallurgical Technician College	Same parent company
Liaoning Metallurgical Vocational Technical College	Same parent company
Bengang Electrical Co., Ltd.	Associated enterprises of the parent company
Bengang Group International Economic and Trade Co., Ltd.	Belongs to Bengang Group Co., Ltd.
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Belongs to Bengang Group Co., Ltd.
Liaoning Hengyi Steel Trade Co., Ltd.	Belongs to Bengang Group Co., Ltd.
Angang Electrical Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Scrap Resources (Anshan) Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Steel Processing & Distribution (Dalian) Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Steel Processing & Distribution (Changchun) Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Steel Distribution (Hefei) Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Steel Distribution (Wuhan) Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Steel Rope Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Steel Company Limited	Belongs to Angang Group Co., Ltd.
Angang Chemical Technology Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Group International Economic & Trade Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Group Mining Gongchangling Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Group Automation Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Construction Group Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Metal Structure Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Mining Machinery Manufacturing Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Green Resources Technology Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Energy Technology Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Industrial Group (Anshan) Equipment Operation & Maintenance Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Industrial Group Metallurgical Machinery Co., Ltd.	Belongs to Angang Group Co., Ltd.

Name of other related parties	Relationship between other related parties and the Company
Angang Heavy Machinery Design & Research Institute Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Heavy Machinery Co., Ltd.	Belongs to Angang Group Co., Ltd.
DeLin Industrial Products Co., Ltd.	Belongs to Angang Group Co., Ltd.
DeLin Land Port Supply Chain Services Co., Ltd.	Belongs to Angang Group Co., Ltd.
Guangzhou Angang Steel Processing Co., Ltd.	Belongs to Angang Group Co., Ltd.
Tianjin Angang Steel Processing & Distribution Co., Ltd.	Belongs to Angang Group Co., Ltd.
Changchun FAW Angang Steel Processing & Distribution Co., Ltd.	Belongs to Angang Group Co., Ltd.
Angang Group Engineering Technology Co., Ltd.	Associate of Angang Group

(5) Related-party transactions

1. Related party transactions of purchasing and selling goods and services

Purchasing goods and services

Related parties	Content of related transactions	Current period	Previous period
Angang Electrical Co., Ltd.	Repair costs	1,088,249.99	988,649.97
Angang Scrap Resources (Anshan) Co., Ltd.	Raw materials and auxiliary materials	1,124,802,017.73	655,692,228.69
Angang Steel Processing & Distribution (Changchun) Co., Ltd.	Storage costs	2,485.80	37,433.12
Angang Steel Processing & Distribution (Changchun) Co., Ltd.	Processing costs	1,041,620.63	1,430,380.27
Angang Steel Processing & Distribution (Zhengzhou) Co., Ltd.	Processing fee	131,942.35	
Ansteel Engineering Technology Research & Design Institute (Anshan) Co., Ltd.	Engineering fee	53,000.00	

Related parties	Content of related transactions	Current period	Previous period
Angang Steel Company Limited	Auxiliary materials	3,161,789.58	937,641.12
Angang Steel Company Limited	Steel		1,526,698.42
Angang Group Beijing Research Institute Co., Ltd.	Technical service fee	820,000.00	
Angang Group Engineering Technology Co., Ltd.	Engineering fee	135,490,139.57	495,812,040.18
Angang Group Engineering Technology Co., Ltd.	Repair fee	440,000.00	663,800.00
Angang Group International Economic & Trade Co., Ltd.	Spare parts	350,000.00	
Angang Group International Economic & Trade Co., Ltd.	raw fuel	185,893,033.73	369,490,000.25
Angang Group Mining Gongchangling Co., Ltd.	raw material	308,667,259.88	375,015,701.56
Angang Group Co., Ltd.	service charge	6,028.30	
Anshan Iron & Steel Group Finance Company Limited	financial services		843,849.85
Ansteel Group Co., Ltd. Daily News Agency	Newspaper and magazine fees	202,442.20	
Angang Group Automation Co., Ltd.	Engineering costs	51,010,000.00	108,215,000.00
Angang Mining Automotive Transportation Co., Ltd.	shipping fee	297,872.02	
Angang Industrial Group (Anshan) Equipment Operation & Maintenance Co., Ltd.	Labor fee	9,339,387.20	
Angang Industrial Group Metallurgical Machinery Co., Ltd.	Spare parts	9,439,932.17	9,254,415.92
Angang Industrial Group Metallurgical Machinery Co., Ltd.	Repair costs	1,005,720.00	1,093,480.00

Related parties	Content of related transactions	Current period	Previous period
Angang Industrial Group Co., Ltd.	Service fees	131,145.12	
Angang Heavy Machinery Design & Research Institute Co., Ltd.	Project costs	15,865,600.00	1,478,000.00
Angang Heavy Machinery Co., Ltd.	Spare parts	5,579,332.42	4,130,873.60
Angang Heavy Machinery Co., Ltd.	Project materials	1,725,616.00	3,627,700.00
Anshan Angang International Travel Agency Co., Ltd.	Conference and business travel service fees	3,312,463.08	3,771,073.93
Anshan Iron & Steel Labor Research Institute Technology Co., Ltd.	Safety production fees	15,622.64	
Anshan Iron & Steel Metallurgical Furnace Material Technology Co., Ltd.	Auxiliary materials	26,520,619.29	20,592,124.94
Anshan Jianbo Engineering Testing Co., Ltd.	Engineering costs	238,000.00	
Angang Steel Rope Co., Ltd.	Raw and auxiliary materials		402,320.80
Angang Construction Group Co., Ltd.	Engineering costs		101,060,733.94
Angang Energy Technology Co., Ltd.	Raw and auxiliary materials		116,947.24
Beijing Tianhongshan Hotel Co., Ltd.	Business entertainment expenses	2,064.00	
Bengang Electrical Co., Ltd.	Spare parts	238,000.00	181,875.00
Bengang Electrical Co., Ltd.	Auxiliary materials	182,031,804.01	134,365,349.92
Bengang Electrical Co., Ltd.	Repair costs	14,005,845.47	10,918,383.89

Related parties	Content of related transactions	Current period	Previous period
Bengang Electrical Co., Ltd.	Engineering costs		4,899,146.41
Bengang Gaoyuan Industrial Development Co., Ltd.	Auxiliary materials	1,099,758.00	929,311.04
Bengang Gaoyuan Industrial Development Co., Ltd.	Engineering costs	7,775,792.86	4,631,760.00
Bengang Gaoyuan Industrial Development Co., Ltd.	Software	186,509.43	
Bengang Gaoyuan Industrial Development Co., Ltd.	Repair costs	5,034,146.00	2,328,495.00
Benxi Steel Group Dalian Refractories Co., Ltd.	Packaging	281,412.93	
Benxi Steel Group Dalian Refractories Co., Ltd.	Auxiliary materials	143,103.40	
Bengang Group International Economic and Trade Co., Ltd.	Agency service fees	78,435,468.93	61,290,890.44
Bengang Group Co., Ltd.	Service fees	1,683,819.02	
Benxi Aiko Hydraulic Sealing Co., Ltd.	Spare parts	7,083,761.45	6,297,816.12
Benxi Aiko Hydraulic Sealing Co., Ltd.	Engineering costs	43,000.00	117,514.00
Benxi Northern Iron Industry Co., Ltd.	Raw materials and fuel	201,837,093.10	303,625,003.05
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Labor costs	73,598,631.48	73,782,240.24
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Heating costs	11,363,267.27	13,310,207.04
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Repair costs	14,147,260.22	8,807,530.29
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Transportation costs	38,944,033.48	8,032,969.35

Related parties	Content of related transactions	Current period	Previous period
Benxi Beiyang Iron and Steel (Group) Co., Ltd.	Raw materials, auxiliary materials and fuel	11,249,866,993.13	10,862,670,931.26
Benxi Beiyang Iron and Steel (Group) Co., Ltd.	Energy and power	646,206,682.53	619,907,820.37
Benxi Beiyang Iron and Steel (Group) Co., Ltd.	Storage costs		9,016.26
Benxi Iron and Steel (Group) Electromechanical Installation Engineering Co., Ltd.	Construction costs		43,034,800.02
Benxi Iron and Steel (Group) Electromechanical Installation Engineering Co., Ltd.	Raw materials and spare parts		1,153,388.60
Benxi Dongfeng Lake Steel Resource Utilization Co., Ltd.	Raw materials, auxiliary materials and fuel	30,237,287.95	44,370,758.10
Benxi Iron and Steel (Group) Real Estate Development Co., Ltd.	Scrap steel	318,201.40	
Benxi Iron and Steel (Group) Engineering Construction Supervision Co., Ltd.	Engineering costs	1,973,663.48	2,893,311.49
Benxi Iron and Steel (Group) International Trade Tengda Co., Ltd.	Logistics and port fees	628,386,401.75	636,896,070.98
Bengang Stainless Steel Cold Rolling Dandong Co., Ltd.	Raw materials and auxiliary materials		348,937.34
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Raw materials, auxiliary	181,132,648.35	73,747,200.55

Related parties	Content of related transactions	Current period	Previous period
	materials and spare parts		
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Construction costs	16,210,213.36	48,057,147.53
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Labor costs	36,841,060.54	11,036,444.38
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Repair costs	32,903,771.81	9,039,082.00
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Leasing costs	299,057.14	717,737.14
Benxi Iron and Steel (Group) Inspection and Testing Co., Ltd.	Construction costs		114,000.00
Benxi Iron and Steel (Group) Construction Advanced Decoration Co., Ltd.	Engineering costs		554,873.39
Benxi Iron and Steel (Group) Construction Co., Ltd.	Safety production costs	7,021,845.00	
Benxi Iron and Steel (Group) Construction Co., Ltd.	Raw materials and spare parts	2,823,320.95	4,049,388.78
Benxi Iron and Steel (Group) Construction Co., Ltd.	Engineering costs	227,018,510.96	364,430,836.36
Benxi Iron and Steel (Group) Construction Co., Ltd.	Labor costs	37,928,559.17	11,255,747.63
Benxi Iron and Steel (Group) Construction Co., Ltd.	Repair costs	56,847,478.43	34,709,635.27
Benxi Iron and Steel (Group) Construction Co., Ltd.	Freight		88,934.45
Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	Safety production fee	958,300.00	

Related parties	Content of related transactions	Current period	Previous period
Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	Raw and auxiliary materials	259,707.76	140,320.00
Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	Engineering cost	15,527,451.16	43,916,148.59
Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	Landscaping fee	330,023.10	
Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	Repair fee	16,370,420.00	12,066,104.00
Benxi Iron and Steel (Group) Mining Liaoyang Ma'erling Pellet Co., Ltd.	Raw materials	2,504,269,802.79	2,234,070,710.11
Benxi Iron and Steel (Group) Mining Co., Ltd.	Raw materials and auxiliary materials	4,591,090,218.87	3,853,939,286.46
Benxi Iron and Steel (Group) Mining Co., Ltd.	Spare parts		2,248,751.72
Benxi Iron and Steel (Group) Mining Co., Ltd.	Labor costs		150,042.14
Benxi Iron and Steel (Group) Mining Co., Ltd.	Energy and power		7,476,859.63
Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	Office expenses	742,575.27	
Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	Scrap steel	104,836.20	373,267.40
Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	Heating costs	88,239.27	797,049.85
Benxi Steel & Iron (Group) Steel & Iron Process and Logistics Co., Ltd.	Engineering costs	656,078,499.29	449,295,500.86
Benxi Steel & Iron (Group) Steel & Iron Process and Logistics Co., Ltd.	Labor costs	4,034,598.16	

Related parties	Content of related transactions	Current period	Previous period
Benxi Steel & Iron (Group) Steel & Iron Process and Logistics Co., Ltd.	Repair costs	458,468,973.46	142,853,909.52
Benxi Steel & Iron (Group) Steel & Iron Process and Logistics Co., Ltd.	Transportation costs	57,065.00	2,174,824.48
Benxi Steel & Iron (Group) Steel & Iron Process and Logistics Co., Ltd.	Raw materials and spare parts	18,163,158.05	12,860,462.92
Benxi Iron and Steel (Group) Industrial Development Co., Ltd.	Processing costs	18,871,781.53	
Benxi Iron and Steel (Group) Industrial Development Co., Ltd.	Labor costs	5,016,377.00	362,000.00
Benxi Iron and Steel (Group) Industrial Development Co., Ltd.	Repair costs	5,402,831.00	1,155,049.00
Benxi Iron and Steel (Group) Industrial Development Co., Ltd.	Transportation costs	5,580,324.46	5,862,435.57
Benxi Iron and Steel (Group) Industrial Development Co., Ltd.	Raw materials and auxiliary materials	281,948,794.02	37,503,759.27
Benxi Iron and Steel (Group) Industrial Development Co., Ltd.	Engineering costs		316,333.57
Benxi Iron and Steel (Group) Information Automation Co., Ltd.	Spare parts	7,016,883.54	3,068,409.30
Benxi Iron and Steel (Group) Information Automation Co., Ltd.	Engineering costs	164,712,992.61	
Benxi Iron and Steel (Group) Information Automation Co., Ltd.	Information system operation and maintenance costs	32,650,000.00	
Benxi Iron and Steel (Group) Information Automation Co., Ltd.	Repair costs	4,391,141.90	

Related parties	Content of related transactions	Current period	Previous period
Benxi Iron and Steel (Group) Information Automation Co., Ltd.	Transportation costs		14,500,000.00
Benxi Iron & Steel (Group) Metallurgical Slag Co., Ltd.	Raw materials and auxiliary materials		239,884,805.78
Benxi Iron and Steel (Group) Road and Bridge Construction Engineering Co., Ltd.	Construction costs		1,596,283.35
Benxi Iron and Steel (Group) Road and Bridge Construction Engineering Co., Ltd.	Raw materials		790,211.60
Benxi Steel (Group)	Construction costs	1,454,256.13	46,971.56
Benxi Steel (Group)	Security and fire fighting costs	35,406,267.46	
Benxi Steel (Group)	Labor costs	11,495,717.31	
Benxi Steel (Group)	Repair costs	3,005,000.00	320,657,100.00
Benxi Steel (Group)	Transportation costs	216,297.35	278,654.36
Benxi Steel (Group)	Energy and power	283,478.17	73,134.75
Benxi Steel (Group)	Raw materials and auxiliary materials	422,431.09	181,824.33
Benxi Steel (Group)	Equipment verification	9,377,880.96	3,321,904.00
Benxi Steel (Group)	Financial services		1,397,473.55
Benxi Steel (Group)	Heating costs		328,521.69

Related parties	Content of related transactions	Current period	Previous period
Benxi Xihu Metallurgical Furnace Material Co., Ltd.	Raw and auxiliary materials	192,903,880.17	207,529,292.47
Benxi New Industrial Development Co., Ltd.	Service fee	1,929,906.33	574,417.10
Benxi New Industrial Development Co., Ltd.	Construction fee	181,766.74	24,369.91
Benxi New Industrial Development Co., Ltd.	Business entertainment fee	610,742.00	
Benxi New Industrial Development Co., Ltd.	Welfare fee	1,393,665.39	
Benxi New Industrial Development Co., Ltd.	Rent fee		2,920,353.98
Chengdu Pangang Rongcheng Mansion Co., Ltd.	Conference fee	949,039.62	
Dalian Brollo Steel Pipe Co., Ltd.	Auxiliary materials	2,043,620.46	
DeLin Industrial Products Co., Ltd.	Office expenses	26,228.80	
DeLin Industrial Products Co., Ltd.	Auxiliary materials and spare parts	31,621,116.30	74,741,575.57
DeLin Industrial Products Co., Ltd.	Project costs		834,704.34
DeLin Land Port Supply Chain Services Co., Ltd.	Warehousing costs	732,650.90	246,824.45
DeLin Land Port Supply Chain Services Co., Ltd.	Logistics costs	728,272.47	
DeLin Land Port Supply Chain Services Co., Ltd.	Sales service fees	3,103,633.08	
DeLin Land Port Supply Chain Services Co., Ltd.	Transportation costs	4,636,643.71	568,487.64

Related parties	Content of related transactions	Current period	Previous period
Liaoning Hengtai Heavy Machinery Co., Ltd.	Project costs	3,856,300.00	37,188,300.00
Liaoning Hengtai Heavy Machinery Co., Ltd.	Labor costs	530,585.00	350,800.00
Liaoning Hengtai Heavy Machinery Co., Ltd.	Repair costs	24,024,198.00	18,645,700.00
Liaoning Hengtai Heavy Machinery Co., Ltd.	Transportation costs	191,560.00	78,037.61
Liaoning Hengtai Heavy Machinery Co., Ltd.	Raw materials and spare parts	10,051,560.76	10,665,788.41
Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	Raw materials and spare parts	152,452,904.58	133,050,407.42
Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	Repair costs	10,198,700.00	4,914,275.00
Liaoning Lide Internet of Things Co., Ltd.	Labor costs	192,707,239.82	35,512,505.43
Liaoning Lide Internet of Things Co., Ltd.	Transportation costs	24,602,117.69	
Liaoning Metallurgical Vocational Technical College	Safety production costs	566,077.66	
Liaoning Yitong Machinery Manufacturing Co., Ltd.	Raw materials and spare parts	12,956,330.57	8,183,307.29
Liaoning Yitong Machinery Manufacturing Co., Ltd.	Repair costs	24,364.61	15,272.60
Liaoning Yitong Machinery Manufacturing Co., Ltd.	Engineering costs	21,840.00	18,050.00
Pangang Group Chengdu Vanadium & Titanium Resources Development Co., Ltd.	Auxiliary materials	2,361,588.46	3,573,383.68

Related parties	Content of related transactions	Current period	Previous period
Pangang Group Engineering Technology Consulting Co., Ltd.	Engineering costs	736,600.00	3,535,680.02
Shanxi Materials International Energy Co., Ltd.	Fuel	21,171,289.92	43,561,493.05
Tianjin Bengang Sheet Metal Processing & Distribution Co., Ltd.	Storage fees	3,549.41	
Tianjin Bengang Sheet Metal Processing & Distribution Co., Ltd.	Processing fees	1,300,732.50	
Angang (Liaoning) Materials Technology Co., Ltd.	Technical service fees	907,452.84	

Selling goods and services

Related parties	Content of related transactions	Current period	Previous period
Angang (Hangzhou) Automotive Materials Technology Co., Ltd.	Steel and steel products	2,467,535.99	2,034,371.33
Angang Steel Processing & Distribution (Dalian) Co., Ltd.	Steel and steel products, warehousing income, processing income	48,381,404.67	72,575,160.26
Angang Steel Processing & Distribution (Changchun) Co., Ltd.	Steel and steel products	3,171,633.00	24,513,902.53
Angang Steel Processing & Distribution (Zhengzhou) Co., Ltd.	Steel and steel products		10,469,864.30
Angang Steel Distribution (Hefei) Co., Ltd.	Steel and steel products		9,172,909.61
Angang Steel Distribution (Wuhan) Co., Ltd.	Steel and steel products	1,058,038.90	55,103,512.47
Angang Steel Company Limited	Steel and steel products	923,408.47	1,317,394.48
Ansteel Guangzhou Automobile Steel Co., Ltd.	Steel and steel products	371,488.99	
Angang Chemical Technology Co., Ltd.	Steel and steel products	255,050,438.20	156,801,931.63
Angang Group Engineering Technology Co., Ltd.	Chemicals and by-products	47,707.68	39,419.63
Angang Group International Economic & Trade Co., Ltd.	Energy and power	228,316,260.00	
Angang Group Co., Ltd.	Steel and steel products, chemicals and by-products, energy and power	1,613.64	
Angang Group Mining Co., Ltd.	Energy and power		6,415.09
Angang Construction Group Co., Ltd.	Energy and power		197,984.99
Angang Mining Machinery Manufacturing Co., Ltd.	Steel and steel products	30,239,734.42	

Angang Heavy Machinery Design & Research Institute Co., Ltd.	Energy and power		4,853.78
Angang Green Resources Technology Co., Ltd.	Raw and auxiliary materials	42,248,746.78	133,922,761.19
Angang Energy Technology Co., Ltd.	Chemicals and by-products	25,955,120.37	23,183,781.78
Angang Group Energy-Saving Technology Services Co., Ltd.	Energy and power, testing and inspection		10,778,642.31
Ansteel Shenyang Steel Processing & Distribution Co., Ltd.	Steel and steel products, processing income	474,927.84	
Bengang Electrical Co., Ltd.	Energy and power	107.35	621,817.77
Benxi Steel Group Dalian Refractories Co., Ltd.	Steel and steel products	5,729,788.15	
Bengang Group Co., Ltd.	Spare parts, engineering materials, energy and power	2,823,645.00	208,112.60
Benxi Northern Iron Industry Co., Ltd.	Scrap steel, raw and auxiliary materials, raw materials	84,620,440.80	192,687,665.61
Benxi Northern Rolling Co., Ltd.	Raw materials and auxiliary materials	1,305,509.83	
Benxi Beiyang Iron and Steel (Group) Co., Ltd.	Spare parts	272,771,274.28	282,002,512.53
Benxi Dongfeng Lake Steel Resource Utilization Co., Ltd.	Energy and power, raw materials and auxiliary materials	13,323,767.03	27,512,145.34
Benxi Iron and Steel (Group) Real Estate Development Co., Ltd.	Energy and power	23,160.82	74,559.84
Benxi Iron and Steel (Group) Engineering Construction Supervision Co., Ltd.	Energy and power	1,909.73	2,245.04
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Scrap steel, steel and steel products, chemicals and by-products, processing income, energy and power	18,758,862.27	12,911,322.91
Benxi Iron and Steel (Group) Construction Co., Ltd.	Energy and power	2,009,079.40	4,299,873.92
Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	Steel and steel products, energy and power	272,478.72	595,139.57
Benxi Iron and Steel (Group) Mining Liaoyang Jiajiaobao Iron Mine Co., Ltd.	Energy and power	26,844.93	55,244,352.50
Benxi Iron and Steel (Group) Mining Liaoyang Ma'erling Pellet Co., Ltd.	Energy and power, fuel	57,220,544.58	83,205,175.45
Benxi Iron and Steel (Group) Mining Co., Ltd.	Storage income, steel and steel products	7,358,539.02	559,201,878.94
Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	Chemicals and by-products, energy and power, fuel	46,021,096.45	66,722,210.85
Benxi Steel & Iron (Group) Steel & Iron Process and Logistics Co., Ltd.	Storage income, steel and steel products, energy and power	15,603,447.07	10,477,308.55
Benxi Iron and Steel (Group) Industrial Development Co., Ltd.	Energy and power, testing and inspection, raw materials and spare parts	132,580,926.30	11,699,668.02
Benxi Iron and Steel (Group) Information Automation Co., Ltd.	Energy and power	488,917.53	943,413.65
Benxi Iron and Steel (Group) Electromechanical Installation Engineering Co., Ltd.	Energy and power		272,525.36
Benxi Iron and Steel (Group) Construction Advanced Decoration Co., Ltd.	Energy and power		527.01
Benxi Steel (Group)	Auxiliary materials, energy and power	11,159,087.54	6,966,540.85

Benxi Iron and Steel (Group) Mining Yanjia Valley Limestone Mine Co., Ltd.	Energy and power, testing and inspection		2,052,313.28
Benxi Iron and Steel (Group) Road and Bridge Construction Engineering Co., Ltd.	Testing and inspection		4,695.28
Benxi Iron & Steel (Group) Metallurgical Slag Co., Ltd.	Energy and power, raw materials and spare parts, raw materials and spare parts		94,191,190.98
Bengang Gaoyuan Industrial Development Co., Ltd.	Energy and power, testing and inspection		11,039.01
Benxi Xihu Metallurgical Furnace Material Co., Ltd.	Energy and power	236,195.71	51,845.77
Benxi Weir Surfacing Manufacturing Co., Ltd.	Energy and power	50,861.74	39,029.56
Benxi New Industrial Development Co., Ltd.	Energy and power	224,031.67	51,788.65
Dalian Brollo Steel Pipe Co., Ltd.	Steel and steel products	10,870,375.21	16,114,335.27
DeLin Land Port Supply Chain Services Co., Ltd.	Warehousing income, steel and steel products	3,147,395,031.01	816,321,523.81
Guangzhou Angang Steel Processing Co., Ltd.	Steel and steel products	15,100,206.27	12,510,453.69
Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	Scrap steel, waste materials, raw materials	29,992,686.48	174,388,966.12
Pangang Group Jiangyou Great Wall Special Steel Co., Ltd.	Steel and steel products	18,133,959.69	14,852,323.92
Tianjin Angang Steel Processing & Distribution Co., Ltd.	Warehousing income, steel and steel products	37,200,677.54	1,415,942.58
Changchun Ansteel Jiefang Steel Processing & Distribution Co., Ltd.	Steel and steel products	4,693,047.99	
China Ordnance Industry Materials Group Co., Ltd.	Steel and steel products	139,809.64	
Liaoning Hengtai Heavy Machinery Co., Ltd.	Energy and power, testing and inspection		12,194.90
Liaoning Slag Micropowder Co., Ltd.	Testing and inspection		12,120.75
Liaoning Yitong Machinery Manufacturing Co., Ltd.	Energy and power, testing and inspection		9,874.53
Tianjin Angang International Northern Trade Co., Ltd.	Steel and steel products		249,512,844.48
Yantai Ansteel International Trade Co., Ltd.	Steel and steel products		509,560.40
Changchun FAW Angang Steel Processing & Distribution Co., Ltd.	Steel and steel products		1,969,914.22

2. Lease information of related parties

Company as lessor:

Lessee	Type of leasing assets	Lease income of current period	Lease income of previous period
Benxi Steel & Iron (Group) Steel & Iron Process and Logistics Co., Ltd.	Factory buildings and ancillary equipment	108,980.00	217,960.00

Lessee	Type of leasing assets	Lease income of current period	Lease income of previous period
Benxi Steel (Group) Machinery Manufacturing Co., Ltd.	Factory buildings and ancillary equipment	670,802.00	-
Bengang Group International Economic and Trade Co., Ltd.	Factory buildings and ancillary equipment	1,957,007.77	-

Company as the lessee:

Lessor Name	Leased Asset Type	Current period					Previous period amount				
		Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets	Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets
Benxi Steel & Iron (Group) Steel & Iron Process and Logistics Co., Ltd.	Land use right 7,669,068.17 square meter Land use right 42,920.00 square meter			55,277,544.12	37,677,819.06				55,277,544.12	39,000,108.00	
Benxi Steel & Iron (Group) Steel	2300 Hot rolling product			16,098,161.04	6,968,900.84				16,098,161.05	7,740,688.68	

Lessor Name	Leased Asset Type	Current period					Previous period amount				
		Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets	Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets
& Iron Process and Logistics Co., Ltd.	line, related real estate										
Benxi Beiying Steel & Iron (Group) Co., Ltd.	1780 Hot rolling product line, related real estate			14,351,637.72	5,367,055.84				14,351,637.72	5,961,443.40	
Bengang Group Co., Ltd.	Land use right 728,282.30 square meter			9,945,423.12	1,757,731.16				9,945,423.12	2,449,918.80	

Lessor Name	Leased Asset Type	Current period					Previous period amount				
		Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets	Rental costs for short-term leases and leases of low-value assets with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities	Increase in right-of-use assets
Angang Group Energy-Saving Technology Services Co., Ltd.	machinery and equipment			7,418,960.00	6,474,538.06	255,128,489.65					

3. Remuneration of key management personnel

Units: in 10 thousand

Items	Current period	Previous period
Remuneration of key management personnel	402.56	427.09

(6) Receivables and payables of the related parties**1. Receivables of the company**

Items	Name	2024/12/31		2023/12/31	
		Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
Accounts receivable	Angang Steel Processing & Distribution (Dalian) Co., Ltd.	17,280,685.82	172,806.86	27,279,295.84	272,792.96
Accounts receivable	Angang Steel Distribution (Wuhan) Co., Ltd.	343,341.92	3,433.42		
Accounts receivable	Bengang Group International Economic and Trade Co., Ltd.	253,981,286.94	2,539,812.87	854,482,902.28	29,419,309.19
Accounts receivable	Benxi Northern Iron Industry Co., Ltd.	8,268,156.18	82,681.56	52,161,339.98	539,226.50
Accounts receivable	Benxi Northern	1,475,226.11	14,752.26		

Items	Name	2024/12/31		2023/12/31	
		Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
	Rolling Co., Ltd.				
Accounts receivable	Benxi Beiyang Iron and Steel (Group) Co., Ltd.	143,872.00	1,438.72	814,535.99	
Accounts receivable	Benxi Dongfeng Lake Steel Resource Utilization Co., Ltd.	454,258.02	4,542.58	1,129,130.33	11,291.30
Accounts receivable	Benxi Iron and Steel (Group) Construction Co., Ltd.	1,389,266.64	39,345.19	5,954,675.29	10,700.06
Accounts receivable	Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	607,729.23	63,193.36	662,998.24	11,004.96
Accounts receivable	Benxi Iron and Steel (Group) Mining Mineral Resources Development Co., Ltd.	88,983.85	8,898.39	88,983.85	889.84
Accounts receivable	Benxi Iron and Steel (Group)	16,557.90	165.58	303,609.00	3,036.09

Items	Name	2024/12/31		2023/12/31	
		Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
	Mining Liaoyang Jiajiaobao Iron Mine Co., Ltd.				
Accounts receivable	Benxi Iron and Steel (Group) Mining Liaoyang Ma'ering Pellet Co., Ltd.	921,521.39	67,911.03	1,602,237.39	16,022.37
Accounts receivable	Benxi Iron and Steel (Group) Mining Yanjia Valley Limestone Mine Co., Ltd.	13,714.00	137.14		
Accounts receivable	Benxi Iron and Steel (Group) Mining Co., Ltd.	2,184,958.74	21,849.59	43,742,238.95	437,422.39
Accounts receivable	Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	6,744,686.82	246,075.39	16,191,269.77	142,065.08
Accounts receivable	Benxi Steel & Iron (Group) Steel & Iron Process and	1,903,696.41	39,634.20	11,642,752.56	256,914.89

Items	Name	2024/12/31		2023/12/31	
		Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
	Logistics Co., Ltd.				
Accounts receivable	Benxi Iron and Steel (Group) Industrial Development Co., Ltd.	6,964,699.57	69,647.00	20,496,130.86	2,727.99
Accounts receivable	Benxi Steel (Group)	1,700,740.58	17,007.41	19,025,699.80	681,571.55
Accounts receivable	Benxi Xihu Metallurgical Furnace Material Co., Ltd.	49,833.00	498.33	13,216.40	132.16
Accounts receivable	Benxi Weir Surfacing Manufacturing Co., Ltd.	190,148.59	8,558.50	191,720.22	16,994.63
Accounts receivable	Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	54,010.30	540.10	162,404,481.01	1,637,032.46
Accounts receivable	Liaoning Slag Micropowder Co., Ltd.	12,848.00	128.48	12,848.00	128.48
Accounts receivable	Angang Steel Company Limited	519,491.94	5,194.92		

Items	Name	2024/12/31		2023/12/31	
		Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
Accounts receivable	Angang Group Engineering Technology Co., Ltd.	23,232.88	232.33	30,509.40	305.09
Accounts receivable	Angang Construction Group Co., Ltd.			4,154.16	41.54
Accounts receivable	Angang Energy Technology Co., Ltd.			283.53	2.84
Accounts receivable	Bengang Group Co., Ltd.			1,246.09	12.46
Accounts receivable	Benxi Iron and Steel (Group) Real Estate Development Co., Ltd.			269,832.53	244,698.20
Accounts receivable	Benxi Iron and Steel (Group) Information Automation Co., Ltd.	561.58	5.62	14,700.00	147.00
Accounts receivable	Benxi New Industrial Development Co., Ltd.			49,497.48	55.28
Accounts receivable	Pangang Group	5,864,196.39	58,641.96		

Items	Name	2024/12/31		2023/12/31	
		Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
	Jiangyou Great Wall Special Steel Co., Ltd.				
Other receivables	Bengang Stainless Steel Cold Rolling Dandong Co., Ltd.	1,030,000.00	10,300.00		
Other receivables	Bengang Group International Economic and Trade Co., Ltd.			6,617.52	6,617.52
Other receivables	Benxi Iron and Steel (Group) Construction Co., Ltd.	250,679.61	250,679.61	250,679.61	250,679.61
Other receivables	Benxi Steel (Group)	2,674,500.00	157,740.00	7,413,860.80	4,561,714.36
Other receivables	Liaoning Lide Internet of Things Co., Ltd.	1,881,016.00	18,810.16		
Other receivables	Angang Steel Company Limited	95,781.27	50,581.83	95,781.27	46,061.89
Other receivables	Angang Group Co., Ltd.	13,906.00	139.06	6,706.00	67.06
Other receivables	Anzi (Tianjin) Financial			8,064,427.98	80,644.28

Items	Name	2024/12/31		2023/12/31	
		Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
	Leasing Co., Ltd.				
Other receivables	Bengang Group Co., Ltd.			7,305.59	73.06
Other receivables	Benxi Dongfeng Lake Steel Resource Utilization Co., Ltd.			3,478,250.07	23,340.75
Other receivables	Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.			1,061,981.67	106,198.17
Other receivables	Benxi Iron and Steel (Group) Industrial Development Co., Ltd.			431,639.87	43,163.99
Other receivables	Benxi New Industrial Development Co., Ltd.			2,280,942.73	2,280,942.73
Other receivables	Liaoning Hengtai Heavy Machinery Co., Ltd.			3,545,583.40	35,455.83
Prepayment	Angang Steel Processing &	663.59			

Items	Name	2024/12/31		2023/12/31	
		Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
	Distribution (Changchun) Co., Ltd.				
Prepayment	Benxi Beiying Iron and Steel (Group) Co., Ltd.	7,880,500.42		3,118,976.34	
Prepayment	Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	318,579.31			
Prepayment	Benxi Steel & Iron (Group) Steel & Iron Process and Logistics Co., Ltd.	3,162,173.15		3,162,173.15	
Prepayment	Benxi New Industrial Development Co., Ltd.	7,196,737.50		8,122,937.94	
Prepayment	Angang Steel Company Limited	484,808.79		882,482.46	
Prepayment	Angang Group Engineering Technology Co., Ltd.			6,774,166.05	
Prepayment	Angang Group International	0.01		0.01	

Items	Name	2024/12/31		2023/12/31	
		Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
	Economic & Trade Co., Ltd.				
Prepayment	Bengang Group International Economic and Trade Co., Ltd.			10,176,164.50	
Prepayment	Benxi Beiying Iron and Steel Group Import and Export Co., Ltd.			1,119,904.00	
Prepayment	Benxi Iron and Steel (Group) Information Automation Co., Ltd.	575,313.17		1,075,365.83	
Other non-current assets	Bengang Gaoyuan Industrial Development Co., Ltd.	542,400.00		542,400.00	
Other non-current assets	Benxi Iron and Steel (Group) Construction Co., Ltd.	19,936,615.33		22,094,076.34	
Other non-current assets	Benxi Iron and Steel (Group) Mining	3,102,019.08		3,155,429.08	

Items	Name	2024/12/31		2023/12/31	
		Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
	Construction Engineering Co., Ltd.				
Other non-current assets	Benxi Steel & Iron (Group) Steel & Iron Process and Logistics Co., Ltd.	12,686,042.92		22,915,336.04	
Other non-current assets	Benxi Iron and Steel (Group) Industrial Development Co., Ltd.	562,392.14		833,139.38	
Other non-current assets	Liaoning Hengtai Heavy Machinery Co., Ltd.	5,895,416.00		263,473.40	
Other non-current assets	Angang Steel Company Limited			7,305.45	
Other non-current assets	Angang Group Engineering Technology Co., Ltd.	1,968,632.21		14,517,451.17	
Other non-current assets	Angang Heavy Machinery Design & Research Institute Co., Ltd.			3,506,580.00	

Items	Name	2024/12/31		2023/12/31	
		Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
Other non-current assets	Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.			4,176.00	
Other non-current assets	Benxi Iron and Steel (Group) Information Automation Co., Ltd.	7,692,252.35		16,042,420.95	

2. Payables of the company

Items	Related party	2024/12/31	2023/12/31
Contract liabilities	Angang (Hangzhou) Automotive Materials Technology Co., Ltd.	644,589.93	299,035.59
Contract liabilities	Angang Steel Processing & Distribution (Dalian) Co., Ltd.	1,018.12	
Contract liabilities	Angang Steel Processing & Distribution (Changchun) Co., Ltd.	2,826,567.07	5,370,495.95
Contract liabilities	Angang Steel Distribution (Hefei) Co., Ltd.	3,099,204.80	3,050,349.68
Contract liabilities	Angang Steel Distribution (Wuhan) Co., Ltd.	731,023.72	
Contract liabilities	Angang Group International Economic & Trade Co., Ltd.	649,732.04	
Contract liabilities	Ansteel Shenyang Steel Processing & Distribution Co., Ltd.	87,869.94	
Contract liabilities	Benxi Steel Group Dalian Refractories Co., Ltd.	4,203,125.16	

Items	Related party	2024/12/31	2023/12/31
Contract liabilities	Benxi Beiyang Iron and Steel (Group) Co., Ltd.	6,329,389.09	1,718,334.16
Contract liabilities	Benxi Dongfeng Lake Steel Resource Utilization Co., Ltd.	4,881,014.65	2,479,009.03
Contract liabilities	Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	5,552.80	177,026.55
Contract liabilities	Benxi Iron and Steel (Group) Construction Co., Ltd.	39,135.82	39,135.82
Contract liabilities	Benxi Iron and Steel (Group) Mining Co., Ltd.	510,246.41	4,931,815.33
Contract liabilities	Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	8,620,006.55	4,487,918.73
Contract liabilities	Benxi Iron and Steel (Group) Industrial Development Co., Ltd.	10,393,122.80	1,587,538.32
Contract liabilities	Benxi Xihu Metallurgical Furnace Material Co., Ltd.	20,000.00	20,000.00
Contract liabilities	Delin Land Port Supply Chain Services Co., Ltd.	305,864,435.81	196,434,644.84
Contract liabilities	Guangzhou Angang Steel Processing Co., Ltd.	500,000.00	1,067.17
Contract liabilities	Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	3,278,592.93	3,588,934.12
Contract liabilities	Liaoning Metallurgical Vocational Technical College	0.01	0.01
Contract liabilities	Tianjin Angang Steel Processing & Distribution Co., Ltd.	4,824,582.32	3,064,031.23
Contract liabilities	Changchun Ansteel Jiefang Steel Processing & Distribution Co., Ltd.	8,200,175.36	
Contract liabilities	Angang Mining Machinery Manufacturing Co., Ltd.	354,001.32	
Contract liabilities	Angang Steel Company Limited	675,535.16	130,744.73

Items	Related party	2024/12/31	2023/12/31
Contract liabilities	Angang Chemical Technology Co., Ltd.	10,758,548.27	6,485,543.83
Contract liabilities	Angang Green Resources Technology Co., Ltd.	477,418.26	1,484,311.95
Contract liabilities	Angang Energy Technology Co., Ltd.	0.02	283.55
Contract liabilities	Angang Heavy Machinery Design & Research Institute Co., Ltd.		23,079.79
Contract liabilities	Benxi Iron & Steel (Group) Metallurgical Slag Co., Ltd.		0.02
Contract liabilities	Dalian Brollo Steel Tubes Co., Ltd.	3,191,247.16	3,319,972.56
Contract liabilities	Pangang Group Jiangyou Great Wall Special Steel Co., Ltd.		1,779,438.17
Contract liabilities	Changchun FAW Angang Steel Processing & Distribution Co., Ltd.		589,358.32
Accounts payable	Angang Mining Automotive Transportation Co., Ltd.	324,680.50	
Accounts payable	Angang Steel Processing & Distribution (Changchun) Co., Ltd.	108,462.46	208,377.96
Accounts payable	Bengang Gaoyuan Industrial Development Co., Ltd.	3,969,044.08	1,125,249.71
Accounts payable	Benxi Steel Group Dalian Refractories Co., Ltd.	1,487,446.42	
Accounts payable	Bengang Group International Economic and Trade Co., Ltd.	50,692,605.67	47,218,526.77
Accounts payable	Bengang Group Co., Ltd.	4,688,239.05	4,688,315.28
Accounts payable	Benxi Aiko Hydraulic Sealing Co., Ltd.	2,778,115.83	1,646,773.75
Accounts payable	Benxi Northern Iron Industry Co., Ltd.	73,671.74	4,486,925.32

Items	Related party	2024/12/31	2023/12/31
Accounts payable	Benxi Beiyang Iron and Steel (Group) Co., Ltd.	79,183,767.61	152,926,015.01
Accounts payable	Benxi Dongfeng Lake Steel Resource Utilization Co., Ltd.	2,794,117.30	11,255,094.10
Accounts payable	Benxi Iron and Steel (Group) Real Estate Development Co., Ltd.	89,735.06	130,815.00
Accounts payable	Benxi Iron and Steel (Group) International Trade Tengda Co., Ltd.	46,335,396.72	42,667,716.38
Accounts payable	Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	10,659,752.69	2,438,119.19
Accounts payable	Benxi Iron and Steel (Group) Construction Advanced Decoration Co., Ltd.	264,705.62	264,705.62
Accounts payable	Benxi Iron and Steel (Group) Construction Co., Ltd.	29,543,424.37	35,954,925.98
Accounts payable	Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	12,083,876.39	7,069,202.17
Accounts payable	Benxi Iron and Steel (Group) Mining Liaoyang Ma'erling Pellet Co., Ltd.	10,282,360.99	55,297,876.79
Accounts payable	Benxi Iron and Steel (Group) Mining Co., Ltd.	59,008,517.39	71,864,074.04
Accounts payable	Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	12,362.40	281,092.78
Accounts payable	Benxi Steel & Iron (Group) Steel & Iron Process and Logistics Co., Ltd.	92,630,122.46	47,480,851.11
Accounts payable	Benxi Iron and Steel (Group) Industrial Development Co., Ltd.	53,022,441.36	99,026,848.37
Accounts payable	Benxi Iron and Steel (Group) Information Automation Co., Ltd.	23,459,353.69	18,762,233.66
Accounts payable	Benxi Steel (Group)	28,808,379.76	32,174,626.26
Accounts payable	Benxi Xihu Metallurgical Furnace Material Co., Ltd.	17,171,380.52	25,620,902.35

Items	Related party	2024/12/31	2023/12/31
Accounts payable	Benxi Weir Surfacing Manufacturing Co., Ltd.	234,112.13	234,112.13
Accounts payable	Benxi New Industrial Development Co., Ltd.	38,700.00	3,357,637.09
Accounts payable	DeLin Land Port Supply Chain Services Co., Ltd.	7,713.30	58,351.28
Accounts payable	Liaoning Hengtai Heavy Machinery Co., Ltd.	13,479,975.49	18,098,769.50
Accounts payable	Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	7,166,704.73	1,409,071.37
Accounts payable	Liaoning Lide Internet of Things Co., Ltd.	7,230,457.06	4,170,770.16
Accounts payable	Liaoning Metallurgical Vocational Technical College	517,768.00	48,048.00
Accounts payable	Liaoning Yitong Machinery Manufacturing Co., Ltd.	4,599,719.45	2,127,118.28
Accounts payable	Tianjin Bengang Sheet Metal Processing & Distribution Co., Ltd.	487.99	7.25
Accounts payable	Angang Electrical Co., Ltd.	63,861.90	170,418.08
Accounts payable	Angang Scrap Resources (Anshan) Co., Ltd.	90,856,997.04	66,774,511.99
Accounts payable	Angang Steel Rope Co., Ltd.		263,044.11
Accounts payable	Angang Steel Company Limited	417,943.09	145,476.64
Accounts payable	Angang Group Engineering Technology Co., Ltd.	85,440.00	170,708.00
Accounts payable	Angang Group International Economic & Trade Co., Ltd.	193,806.42	38,512,770.27
Accounts payable	Angang Group Mining Gongchangling Co., Ltd.	774,734.40	6,637,769.40

Items	Related party	2024/12/31	2023/12/31
Accounts payable	Angang Energy Technology Co., Ltd.		132,150.38
Accounts payable	Angang Industrial Group (Anshan) Equipment Operation & Maintenance Co., Ltd.		3,063,464.44
Accounts payable	Angang Industrial Group Metallurgical Machinery Co., Ltd.	3,048,409.40	2,198,235.32
Accounts payable	Angang Heavy Machinery Co., Ltd.	2,480,080.39	864,614.53
Accounts payable	Anshan Iron & Steel Metallurgical Furnace Material Technology Co., Ltd.	2,641,730.70	5,954,131.61
Accounts payable	Bengang Stainless Steel Cold Rolling Dandong Co., Ltd.		42,982.27
Accounts payable	Bengang Electrical Co., Ltd.	2,692,262.89	2,903,896.45
Accounts payable	Benxi Beiyang Iron and Steel Group Import and Export Co., Ltd.		225,141.59
Accounts payable	Benxi Iron & Steel (Group) Metallurgical Slag Co., Ltd.		250,593.53
Accounts payable	DeLin Industrial Products Co., Ltd.	11,409,283.88	9,685,683.68
Accounts payable	Shanxi Materials International Energy Co., Ltd.		91,859.97
Accounts payable	Dalian Brollo Steel Pipe Co., Ltd.	1,007,742.98	
Accounts payable	Bengang Group Co., Ltd.	45,054,305.70	
Other accounts payable	Bengang Gaoyuan Industrial Development Co., Ltd.	5,005,617.56	3,058,404.54
Other accounts payable	Benxi Steel Group Dalian Refractories Co., Ltd.	20,000.00	

Items	Related party	2024/12/31	2023/12/31
Other accounts payable	Bengang Group International Economic and Trade Co., Ltd.	66,120,363.96	65,932,990.42
Other accounts payable	Bengang Group Co., Ltd.	219,843,255.77	23,223,375.93
Other accounts payable	Benxi Aiko Hydraulic Sealing Co., Ltd.	58,590.00	142,790.82
Other accounts payable	Benxi Beiyong Iron and Steel (Group) Co., Ltd.	7,766,352.17	40,103,767.22
Other accounts payable	Benxi Dongfeng Lake Steel Resource Utilization Co., Ltd.	210,000.00	210,000.00
Other accounts payable	Benxi Iron and Steel (Group) Engineering Construction Supervision Co., Ltd.	1,488,917.43	1,999,087.29
Other accounts payable	Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	3,792,085.01	
Other accounts payable	Benxi Iron and Steel (Group) Inspection and Testing Co., Ltd.	735,280.00	75,000.00
Other accounts payable	Benxi Iron and Steel (Group) Construction Advanced Decoration Co., Ltd.	123,738.55	265,274.55
Other accounts payable	Benxi Iron and Steel (Group) Construction Co., Ltd.	217,077,997.48	188,471,867.14
Other accounts payable	Benxi Iron and Steel (Group) Mining Construction Engineering Co., Ltd.	7,550,015.30	37,398,204.19

Items	Related party	2024/12/31	2023/12/31
Other accounts payable	Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	697,337.92	2,070,400.72
Other accounts payable	Benxi Steel & Iron (Group) Steel & Iron Process and Logistics Co., Ltd.	724,514,695.24	293,195,637.86
Other accounts payable	Benxi Iron and Steel (Group) Industrial Development Co., Ltd.	1,412,218.05	4,078,753.90
Other accounts payable	Benxi Iron and Steel (Group) Information Automation Co., Ltd.	108,472,109.63	56,689,600.00
Other accounts payable	Benxi Steel (Group)	52,720,523.82	13,372,608.70
Other accounts payable	Benxi Xihu Metallurgical Furnace Material Co., Ltd.	100,000.00	200,000.00
Other accounts payable	Benxi New Industrial Development Co., Ltd.	13,997,378.10	15,131,176.03
Other accounts payable	Liaoning Hengtai Heavy Machinery Co., Ltd.	5,024,204.94	6,941,075.21
Other accounts payable	Liaoning Hengyi Steel Trade Co., Ltd.	11,758,998.02	11,758,998.02
Other accounts payable	Liaoning Metallurgical Vocational Technical College	353,630.00	707,260.00
Other accounts payable	Liaoning Yitong Machinery Manufacturing Co., Ltd.	330,463.37	30,396.50

Items	Related party	2024/12/31	2023/12/31
Other accounts payable	Angang (Liaoning) Materials Technology Co., Ltd.	300,000.00	390,000.00
Other accounts payable	Angang Scrap Resources (Anshan) Co., Ltd.	500,000.00	500,000.00
Other accounts payable	Angang Group Engineering Technology Co., Ltd.	114,249,580.71	183,423,813.04
Other accounts payable	Angang Group Co., Ltd.		1,635.00
Other accounts payable	Angang Group Automation Co., Ltd.	7,332,129.00	1,283,900.00
Other accounts payable	Angang Construction Group Co., Ltd.	3,319,522.94	6,676,229.55
Other accounts payable	Angang Metal Structure Co., Ltd.	10,000.00	10,000.00
Other accounts payable	Angang Heavy Machinery Design & Research Institute Co., Ltd.	826,121.54	50,000.00
Other accounts payable	Angang Heavy Machinery Co., Ltd.	1,040,012.56	409,930.10
Other accounts payable	Anshan Angang International Travel Agency Co., Ltd.		245,460.00
Other accounts payable	Anshan Iron & Steel Metallurgical Furnace Material Technology Co., Ltd.	50,000.00	50,000.00

Items	Related party	2024/12/31	2023/12/31
Other accounts payable	Bengang Electrical Co., Ltd.	776,394.34	5,768,826.24
Other accounts payable	Benxi Iron and Steel (Group) Road and Bridge Construction Engineering Co., Ltd.		318.66
Other accounts payable	Dalian Brollo Steel Pipe Co., Ltd.	20,000.00	20,000.00
Other accounts payable	DeLin Industrial Products Co., Ltd.		943,215.92
Other accounts payable	Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.		20,000.00
Other accounts payable	Liaoning Metallurgical Technician College		2,229,204.00
Other accounts payable	Pangang Group Engineering Technology Consulting Co., Ltd.		1,001,991.58

(7) Centralized Fund Management

1. The key elements of the centralized capital management arrangements in which the Company participates and operates are as follows:

In December 2021, after negotiation with Anshan Iron & Steel Group Finance Company Limited (hereinafter referred to as Anshan Iron & Steel Finance Company), the “Financial Services Agreement (Years 2022-2024)” was entered into in order to agree on the terms of the relevant financial business and the upper limit of the amount of the relevant transactions between the Company and its subsidiaries and Anshan Iron & Steel Finance Company for the years 2022, 2023 and 2024. The agreement stipulates that in the next twelve months, the maximum daily deposit balance of the Company and its holding subsidiaries with Anshan Iron & Steel Finance Company will be RMB4.5 billion, the maximum credit limit of loans, bills

and other forms of credit will be RMB5.0 billion, and the maximum entrusted loan to be provided by Anshan Iron & Steel Finance Company to the Company will be RMB2.0 billion.

In December 2024, after negotiation with Anshan Iron & Steel Group Finance Company Limited (hereinafter referred to as Anshan Iron & Steel Finance Company), the “Financial Services Agreement (Years 2025-2027)” was entered into in order to agree on the terms of the relevant financial business and the upper limit of the amount of the relevant transactions between the Company and its subsidiaries and Anshan Iron & Steel Finance Company for the years 2025, 2026 and 2027. The agreement stipulates that the maximum daily balance of funds deposited by Bengang Plates in Angang Financial Company for settlement shall not exceed RMB 4.5 billion each year, and the interest generated by the deposits shall not exceed RMB 100 million per year; the amount of loans, bills and other forms of credit provided by Angang Financial Company to Bengang Plates shall not exceed RMB 5 billion each year, and the loan interest shall not exceed RMB 250 million per year; the amount of entrusted loans provided by Angang Financial Company to Bengang Plate Group shall not exceed RMB 2 billion each year, and the entrusted loan interest shall not exceed RMB 100 million per year.

2. Funds pooled by the Company to the Group

Funds deposited directly into finance companies by the Company without being pooled into the accounts of the Group's parent company

Items	2024/12/31		2023/12/31	
	Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
Cash at bank and on hand	1,227,198,770.48		406,288,003.73	
Total	1,227,198,770.48		406,288,003.73	
include: funds restricted due to centralized management of funds				

14. Commitments and Contingencies

(1) Significant Commitments

1. Lease contracts in progress or to be performed and their financial impacts

(1) According to the Land Use Rights Lease Agreement signed between the Company and Benxi Steel (Group) Co., Ltd. on April 7, 1997, December 30, 2005, and subsequent supplementary agreements, the Company leases land from Bengang Group at a rate of 0.594 yuan per square meter per month. The total leased land area is 7,669,068.17 square meters, with an annual rent of 54.66 million yuan.

(2) On August 14, 2019, the Company signed the Building Lease Agreements with Benxi Steel (Group) Co., Ltd. and Benxi Beiyong Steel (Group) Co., Ltd., leasing the buildings and auxiliary facilities occupied by the 2300 hot rolling mill production line and the 1780 hot rolling mill production line, respectively. The lease term extends until December 31, 2038. The lease fee is determined based on the depreciation of the original building value and national surtaxes, plus a reasonable profit margin through negotiation. The estimated maximum annual rent shall not exceed 20 million yuan for the 2300 hot rolling mill and 18 million yuan for the 1780 hot rolling mill. The rent is settled and paid on a monthly basis. This related-party transaction has been reviewed and approved by the Company's 8th Board of Directors at its 4th meeting.

(3) On July 15, 2019, the Company signed Land Lease Agreements with Benxi Steel (Group) Co., Ltd. and Bengang Group, leasing a total of eight plots of land from both companies. The leased land areas are 42,920.00 square meters and 728,282.30 square meters, respectively. The lease term is 20 years, with a rental price of 1.138 yuan per square meter per month. After the agreement takes effect, every five years, an evaluation will be conducted based on national laws and policies and the pricing principles stipulated in Article 2 of the agreement to determine whether the rent needs to be adjusted. This related-party transaction has been reviewed and approved by the Company's 8th Board of Directors at its 3rd meeting.

(4) As of December 31, 2024, the amount of irrevocable letters of credit yet to be fulfilled is 1.01 billion yuan.

(2) Contingencies

As of December 31, 2024, the Company has no significant contingent matters that require disclosure.

15. Subsequent events

On March 20, 2025, Bengang Steel Plates Co., Ltd. issued the "Progress Announcement on Major Asset Exchange and Related-Party Transaction." The Company plans to conduct an asset exchange with its controlling shareholder, Benxi Steel (Group) Co., Ltd. The proposed acquired asset is 100% equity interest in Benxi Steel & Iron (Group) Mining Co., Ltd. The proposed disposed assets include all assets and liabilities of the listed company, except for the retained assets and liabilities. Any difference in value between the acquired and disposed assets will be

settled in cash by one party to the other. At present, the specific scope of the transaction assets, transaction price, and other key elements have not been finalized. No agreement has been signed between the parties, and the transaction plan requires further evaluation, discussion, and negotiation. Additionally, the transaction must undergo necessary decision-making and approval procedures in accordance with relevant laws, regulations, and the Company's Articles of Association. Therefore, there remains significant uncertainty regarding this transaction.

16. Other significant events

(1) Correction of previous accounting errors

1. Retrospective Restatement Method

No prior period accounting errors were corrected using the retrospective restatement method during this reporting period.

2. Prospective Application Method

No prior period accounting errors were corrected using the prospective application method during this reporting period.

(2) Significant Debt Restructuring

Items	Debt Restructuring Method	Original Carrying Amount of Restructured Debt	Recognized Gain/Loss on Debt Restructuring	Increase in Share Capital Due to Debt-to-Equity Conversion	Increase in Investment Due to Debt-to-Equity Conversion	Percentage of Debtor's Total Equity (%)	Contingent Payable/Receivable	Fair Value Determination Method and Basis in Debt Restructuring
Accounts Payable	Settlement of debt with cash lower than the carrying amount of the debt	18,965,884.21	6,496,818.35					
Total		18,965,884.21	6,496,818.35					

(3) Segment information

Due to the fact that the Company's main product is steel, with other products accounting for a smaller proportion of sales, and the primary production base being located in the Liaoning region, it is not applicable to disclose segment reporting.

17. Notes to the financial statements of parent company**1. Accounts receivable****(1) Accounts receivable disclosed by aging**

Items	2014/12/31	2013/12/31
Within 1 year (inclusive)	775,949,268.73	719,865,861.39
1-2 years (inclusive)	5,786,445.58	561,695,759.42
2-3 years (inclusive)	126,254,788.19	647,190.77
3-4 years (inclusive)	557,413.41	845,982.97
4-5 years (inclusive)	748,799.87	503,056.19
Over 5 years	97,491,074.53	98,702,147.96
subtotal	1,006,787,790.31	1,382,259,998.70
less: bad debt	107,374,488.69	138,933,196.14
Total:	899,413,301.62	1,243,326,802.56

(2) Accounts receivable disclosed by method of bad debt provision

Items	2024/12/31					2023/12/31				
	Carrying amount		Provision for bad debts		Book value	Carrying amount		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision Percentage (%)		Amount	Percentage (%)	Amount	Provision Percentage (%)	
Provision assessed individually	48,196,244.68	4.79	48,196,244.68	100.00		48,196,244.68	3.49	48,196,244.68	100.00	
Provision assessed by grouping credit risk characteristics	958,591,545.63	95.21	59,178,244.01	6.17	899,413,301.62	1,334,063,754.02	96.51	90,736,951.46	6.80	1,243,326,802.56
Including:										
By Aging portfolio	313,614,474.73	31.15	59,178,244.01	18.87	254,436,230.72	1,021,248,997.51	73.88	90,736,951.46	8.88	930,512,046.05
By Risk portfolio	644,977,070.90	64.06			644,977,070.90	312,814,756.51	22.63			312,814,756.51
Total	1,006,787,790.31	100.00	107,374,488.69		899,413,301.62	1,382,259,998.70	100.00	138,933,196.14		1,243,326,802.56

Significant Provision for bad debts assessed individually:

Item	20241231				20231231	
	Accounts receivable	Provision for bad debts	Bad debts ratio (%)	Basis for provision	Accounts receivable	Provision for bad debts
Benxi Nanfen Xinghe Metallurgical Co., Ltd.	48,196,244.68	48,196,244.68	100.00	Ceased production	48,196,244.68	48,196,244.68
Total	48,196,244.68	48,196,244.68			48,196,244.68	48,196,244.68

Accounts receivable tested for impairment by portfolio:

Portfolio tested by aging

Items	20241231		
	Carrying amount	Provision for bad debts	Bad debts ratio (%)
Within 1 year	228,667,583.68	2,286,675.85	1.00
1-2 years	5,786,445.58	578,644.56	10.00
2-3 years	28,559,402.34	5,711,880.47	20.00
3-4 years	557,413.41	557,413.41	100.00
4-5 years	748,799.87	748,799.87	100.00
Over 5 years	49,294,829.85	49,294,829.85	100.00
Total	313,614,474.73	59,178,244.01	

(3) Provision, reversal or recovery of bad debts of current period.

Items	2023/12/31	Change in the Current Period				2024/12/31
		Provision	Reversal or Recovery	Write-off or Cancellation	Other Changes	
Provision for accounts receivable bad debts	138,933,196.14	-31,175,442.37		383,265.08		107,374,488.69
Total	138,933,196.14	-31,175,442.37		383,265.08		107,374,488.69

(4) Accounts Receivable Written Off in the Current Period

Item	Write-off Amount
Accounts Receivable Written Off	383,265.08

(5) Top five debtors based on accounts receivable and contract assets at the year-end

Company	Accounts Receivable Ending Balance	Contract Asset Ending Balance	Accounts Receivable and Contract Asset Ending Balance	Percentage of total Accounts Receivable and Contract Asset (%)	Provision for doubtful debts for Accounts Receivable and Contract Asset Ending Balance
Bengang Puxiang Cool Rolling Steel Sheet Co., Ltd.	396,765,334.76		396,765,334.76	39.41	
Benxi Bengang Steel Sales Co., Ltd.	138,259,745.78		138,259,745.78	13.73	
Liaoning North Coal Chemical Industry (Group) Co., Ltd.	56,946,219.86		56,946,219.86	5.66	569,462.20
North Hengda Logistics Co., Ltd.	54,202,395.22		54,202,395.22	5.38	
Benxi Nanfen Xinhe Metallurgical Co., Ltd.	48,196,244.68		48,196,244.68	4.79	48,196,244.68
Total	694,369,940.30		694,369,940.30	68.97	48,765,706.88

2. Other receivables

Items	2024/12/31	2023/12/31
Interest receivable		
Dividends receivable	224,898,383.95	260,000,000.00
Other receivables	174,911,279.65	344,535,173.18
Total	399,809,663.60	604,535,173.18

1. Dividends receivable

(1) Breakdown of Dividends receivable

Items (or company)	2024/12/31	2023/12/31
Bengang Puxiang Cool Rolling Steel Sheet Co., Ltd.	163,898,383.95	
Changchun Bengang Steel Sales Co., Ltd.	3,000,000.00	43,000,000.00
Shenyang Bengang Metallurgical Science and Technology Co., Ltd.		30,000,000.00
Tianjin Bengang Steel & Iron Trading Co., Ltd.		47,000,000.00
Shanghai Bengang Metallurgy Science and Technology Co., Ltd.		15,000,000.00
Yantai Bengang Steel & Iron Sales Co., Ltd.		25,000,000.00
Guangzhou Bengang Steel & Iron Trading Co., Ltd.	58,000,000.00	100,000,000.00
Total	224,898,383.95	260,000,000.00
Less: Provision for bad debts		
Total	224,898,383.95	260,000,000.00

(2) Significant dividend receivable overdue for more than one year

Company	Ending Balance	Age	Reasons for uncollected dividends	Whether impairment has occurred and the basis for judgment
Guangzhou Bengang Steel & Iron Trading Co., Ltd.	58,000,000.00	1-2 years	Retained for operations, to be recovered in the following year	Not Applicable
Total	58,000,000.00			

2. Other Receivables

(1) Other receivables disclosed by aging

Items	20141231	20131231
Within 1 year (inclusive)	57,266,931.07	284,052,848.38
1-2 years (inclusive)	89,144,027.11	35,230,832.41
2-3 years (inclusive)	13,450,953.62	33,345,904.56
3-4 years (inclusive)	31,188,795.54	3,125,628.24
4-5 years (inclusive)	842,882.51	229,028.24
Over 5 years	52,141,851.60	60,748,068.66
Subtotal	244,035,441.45	416,732,310.49
Less: bad debts	69,124,161.80	72,197,137.31
Total:	174,911,279.65	344,535,173.18

(2) Other receivables disclosed by method of bad debt provision

Items	2024/12/31					2023/12/31				
	Carrying amount		Provision for bad debts		Book Value	Carrying amount		Provision for bad debts		Book Value
	Amount	Percentage (%)	Amount	Provision Percentage (%)		Amount	Percentage (%)	Provision Percentage (%)	Provision Percentage (%)	
Provision assessed individually	15,752,285.66	6.45	15,752,285.66	100.00		15,752,285.66	3.78	15,752,285.66	100.00	
Provision assessed by grouping credit risk characteristics	228,283,155.79	93.55	53,371,876.14	23.38	174,911,279.65	400,980,024.83	96.22	56,444,851.65	14.08	344,535,173.18
Including:										
By Aging	201,016,027.11	82.37	53,371,876.14	26.55	147,644,150.97	373,617,582.97	89.65	56,444,851.65	15.11	317,172,731.32
By Risk	27,267,128.68	11.17			27,267,128.68	27,362,441.86	6.57			27,362,441.86
Total	244,035,441.45	100.00	69,124,161.80		174,911,279.65	416,732,310.49	100.00	72,197,137.31		344,535,173.18

Significant Provision for bad debts assessed individually:

Item	2024/12/31				2023/12/31	
	Other receivables	Provision for bad debts	Bad debts ratio (%)	Basis for provision	Other receivables	Provision for bad debts
Benxi Steel (Group) Third Construction Engineering Co., Ltd.	12,504,978.59	12,504,978.59	100.00	Ceased production	12,504,978.59	12,504,978.59
Total	12,504,978.59	12,504,978.59			12,504,978.59	12,504,978.59

Other receivables tested for impairment by portfolio:

Portfolio tested by aging

Items	2024/12/31		
	Carrying amount	Provision for bad debts	Bad debts ratio (%)
Within 1 year	57,226,023.92	572,260.25	1.00
1-2 years	89,144,027.11	8,914,402.71	10.00
2-3 years	13,450,953.62	2,690,190.72	20.00
3-4 years	3,317,576.01	3,317,576.01	100.00
4-5 years	842,882.51	842,882.51	100.00
Over 5 years	37,034,563.94	37,034,563.94	100.00
Total	201,016,027.11	53,371,876.14	

(3) Provision for Bad Debts

Provision for bad debts	Stage one	Stage two	Stage three	Total
	12-month expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	
Beginning balance	2,839,575.35	4,609,838.82	64,747,723.14	72,197,137.31

	Stage one	Stage two	Stage three	
Provision for bad debts	12-month expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	Total
Beginning balance in current period				
--Transfer to Stage two	-891,440.27	891,440.27		
--Transfer to Stage three		-663,515.20	663,515.20	
--Reversal to Stage two				
--Reversal to Stage one				
Current period provision	-1,375,874.83	6,766,829.54	-4,480,774.08	910,180.63
Current period reversal				
Current period write- back				
Current period write- off			-3,983,156.14	-3,983,156.14
Other change				
Ending balance	572,260.25	11,604,593.43	56,947,308.12	69,124,161.80

(4) Provision, reversal or recovery of bad debts of current period

Items	2023/12/31	Change in the Current Period				2024/12/31
		Provision	Reversal or Recovery	Write-off or Cancellation	Other Changes	
Provision for other receivables bad debts	72,197,137.31	910,180.63		3,983,156.14		69,124,161.80
Total	72,197,137.31	910,180.63		3,983,156.14		69,124,161.80

(5) Written Off in the Current Period

Item	Write-off Amount
Other receivables written off	3,983,156.14

(6) Classification by Nature

Nature	2024/12/31	2023/12/31
Subsidy for the "Living show belt" Project	87,177,700.00	212,242,400.00
Intercompany Balances	153,899,831.94	198,934,209.00
Others	2,957,909.51	5,555,701.49
Total	244,035,441.45	416,732,310.49

(7) Top five debtors based on other receivables at the year-end

Company	Accounts Receivable Ending Balance	Contract Asset Ending Balance	Accounts Receivable and Contract Asset Ending Balance	Percentage of total Accounts Receivable and Contract Asset (%)	Provision for doubtful debts for Accounts Receivable and Contract Asset Ending Balance
Xihu District People's Court of Benxi City	Subsidy for the "Living show belt" Project	87,177,700.00	1-2years	35.72	8,717,770.00
Yantai Bengang Steel & Iron Sales Co., Ltd.	Intercompany Balances	27,267,128.68	over 5 years	11.17	
Benxi Steel (Group) Third Construction Engineering Co., Ltd.	Intercompany Balances	12,504,978.59	3-4years, over 5 years	5.12	12,504,978.59
Benxi Steel (Group) First Construction Engineering Co., Ltd.	Intercompany Balances	over 5 years	over 5 years	1.33	3,247,307.07
Benxi Steel (Group) Co., Ltd.	Intercompany Balances	2,674,500.00	Within 1 year, 1-2 years	1.10	157,740.00
Total		132,871,614.34		54.44	24,627,795.66

3. Long-term Equity Investments

Item	2024/12/31			2023/12/31		
	Book Value	Provision for impairment	Carrying amount	Book Value	Provision for impairment	Carrying amount
Investment in Subsidiaries	2,391,943,459.43		2,391,943,459.43	2,222,281,590.24		2,222,281,590.24
Investment in Associates and Joint Ventures	45,413,221.72		45,413,221.72	46,910,346.41		46,910,346.41
Total	2,437,356,681.15		2,437,356,681.15	2,269,191,936.65		2,269,191,936.65

1. Investment in Subsidiaries

Name of entity	Beginning balance of investment	Beginning balance of Provision for impairment	Change in the Current Period				Ending balance of investment	Ending balance of Provision for impairment
			Additional Investment	Reduction in Investment	Provision for Impairment in the Current Period	Other		
Shanghai Bengang Metallurgical Technology Co., Ltd.	229,936,718.57						229,936,718.57	
Benxi Bengang Steel Sales Co., Ltd.	30,000,000.00						30,000,000.00	

Name of entity	Beginning balance of investment	Beginning balance of Provision for impairment	Change in the Current Period				Ending balance of investment	Ending balance of Provision for impairment
			Additional Investment	Reduction in Investment	Provision for Impairment in the Current Period	Other		
Bengang POSCO Cold Rolling Sheet Co., Ltd.	1,019,781,571.10						1,019,781,571.10	
Tianjin Bengang Steel Trading Co., Ltd.	230,318,095.80						230,318,095.80	
Changchun Bengang Steel Sales Co., Ltd.	28,144,875.36						28,144,875.36	
Yantai Bengang Steel Sales Co., Ltd.	219,100,329.41						219,100,329.41	
Guangzhou Bengang Steel Trading Co., Ltd.	200,000,000.00						200,000,000.00	
Dalian Benruitong Automotive Materials Technology Co., Ltd.	65,000,000.00						65,000,000.00	
Shenyang Bengang Metallurgical Technology Co., Ltd.	200,000,000.00						200,000,000.00	

Name of entity	Beginning balance of investment	Beginning balance of Provision for impairment	Change in the Current Period				Ending balance of investment	Ending balance of Provision for impairment
			Additional Investment	Reduction in Investment	Provision for Impairment in the Current Period	Other		
North Hengda Logistics Co., Ltd.			169,661,869.19				169,661,869.19	
合计	2,222,281,590.24		169,661,869.19				2,391,943,459.43	

2. Investment in Associates and Joint Ventures

For investment in associates and joint ventures, please refer to Note 5 (9) Long-term Equity Investments.

4. Operating Revenue and Operating Costs

1. Operating Revenue and Operating Costs

Item	2024		2023	
	Revenue	Cost	Revenue	Cost
Principal business	50,700,530,631.97	54,540,344,179.60	56,614,035,827.20	57,748,112,204.90
Other business	1,295,762,825.87	1,309,833,559.74	1,572,946,304.56	1,545,382,455.23
Total	51,996,293,457.84	55,850,177,739.34	58,186,982,131.76	59,293,494,660.13

2. Breakdown of Operating Revenue and Operating Costs

Item	2024	
	Operating Revenue	Operating Costs
Classified by Time of Transfer of Goods:		
Recognized at a Point in Time	50,700,530,631.97	54,540,344,179.60
Recognized over a Period of Time		
Total	50,700,530,631.97	54,540,344,179.60
Classified by Operating Region:		
Domestic	42,310,190,368.12	45,840,388,808.50
Overseas	8,390,340,263.85	8,699,955,371.10
Total	50,700,530,631.97	54,540,344,179.60

5. Income on investment

Item	2024	2023
Income from long-term equity investment (cost method)	163,898,383.95	464,123,512.41
Income from long-term equity investment (equity method)	-1,497,124.69	-1,085,968.20
Gains from Debt Restructuring	6,459,490.86	5,179,346.89
Other	-47,966,970.21	-6,626,340.44
Total	120,893,779.91	461,590,550.66

18. Supplementary information

(1) Details of non-recurring profit and loss

Items	Amount	Notes
Gains or Losses from the Disposal of Non-Current Assets, including the reversal of previously recognized impairment provisions.	-35,999,024.90	
Government Grants Recognized in Profit or Loss for the Period, except for those that are closely related to the company's normal business operations, comply with national policies, are granted based on predetermined standards, and have a continuous impact on the company's profit or loss.	180,819,165.49	
Fair Value Gains or Losses from Financial Assets and Liabilities Held by Non-Financial Enterprises, as well as disposal gains or losses from financial assets and liabilities, excluding effective hedging activities related to the company's normal operations.		
Funds Occupation Fees Charged to Non-Financial Enterprises, recognized in profit or loss for the period.		
Gains or Losses from Entrusted Investments or Asset Management by third parties.		
Gains or Losses from Loans Entrusted to External Parties.		
Losses from Asset Impairment Due to Force Majeure, such as natural disasters.		
Reversal of Impairment Provisions for Individually Tested Receivables.	18,456,201.45	
Gains from Acquiring Subsidiaries, Associates, or Joint Ventures, where the acquisition cost is lower than the acquirer's share of the investee's identifiable net assets at fair value.		
Net Profit or Loss of a Subsidiary from the Beginning of the Period to the Merger Date, in a business combination under common control.	16,120,746.07	
Gains or Losses from Non-Monetary Asset Exchanges.		
Gains or Losses from Debt Restructuring.	6,459,490.86	
One-Time Expenses Due to Discontinuation of Business Activities, such as severance payments for employees.		
One-Time Impact on Profit or Loss Due to Changes in Tax, Accounting, or Other Legal and Regulatory Adjustments.		
One-Time Share-Based Payment Expenses Recognized Due to the Cancellation or Modification of an Equity Incentive Plan.		
Gains or Losses from Changes in Fair Value of Payable Employee Compensation for cash-settled share-based payments after the vesting date.		
Gains or Losses from Fair Value Changes of Investment Properties, measured using the fair value model.		
Gains from Transactions Conducted at Unfair Market Prices.		

Items	Amount	Notes
Gains or Losses from Contingent Events Unrelated to the Company's Normal Business Operations.		
Management Fee Income from Entrusted Operations.		
Other Non-Operating Income and Expenses Not Included in the Above Categories.	40,152,707.29	
Other Gains or Losses that Meet the Definition of Non-Recurring Gains and Losses.		
Subtotal	226,009,286.26	
Income Tax Effect	33,544,011.54	
Effect of Non-controlling Interests (After Tax)	8,134,849.37	
Total	184,330,425.35	

(2) Net asset yield and earnings per share

Profit in the Reporting Period	Weighted average net assets yield	Earnings per share (Yuan)	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders	-34.29%	-1.226	-1.226
Net profit attributable to ordinary shareholders after deducting non-recurring profit and loss	-35.77%	-1.271	-1.271

(3) Differences between Domestic and Foreign Accounting Standards

1. The differences in net profit and net assets in financial reports disclosed under International Financial Reporting Standards and Chinese accounting standards

☐ applicable ☒ not applicable

2. The difference between net profit and net assets in financial reports disclosed under overseas accounting standards and Chinese accounting standards

☐ applicable ☒ not applicable

3. Explanation of the reasons for differences in accounting data under domestic and foreign accounting standards. If the data that has been audited by an overseas audit institution is adjusted for differences, the name of the overseas institution should be indicated.

(4) Others