

Beijing Shougang Company Limited

2024 Annual Report

16 April 2025

2024 Annual Report

SECTION I. IMPORTANT NOTICE, CONTENT, DEFINITIONS

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

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

Certain risks that may exist have been elaborated by the Company in this report. Please refer to Discussion and Analysis of Business Operations for details.

The profit distribution plan approved by the board of directors is as follows: based on 7,773,981,020, cash dividends of RMB 0.22 (including tax) will be distributed to all shareholders for every 10 shares, and 0 bonus shares (including tax) will be issued and there is no conversion of reserve into share capital.

CONTENTS

SECTION I. IMPORTANT NOTICE, CONTENT, DEFINITIONS.....	2
SECTION II. COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS.....	6
SECTION III. DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS.....	9
SECTION IV. CORPORATE GOVERNANCE.....	35
SECTION V. ENVIRONMENT AND SOCIAL RESPONSIBILITY.....	59
SECTION VI. SIGNIFICANT EVENTS.....	66
SECTION VII. MOVEMENTS IN SHARE CAPITAL AND SHAREHOLDERS.....	77
SECTION VIII. PREFERRED SHARES.....	84
SECTION IX. BONDS.....	85
SECTION X. FINANCIAL REPORT.....	89

File directory for reference

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

Interpretation

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

SECTION II. COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

I. Company information

Short name of stock	Shougang Stock	Stock code	000959
Stock exchange for listing of shares	The Shenzhen Stock Exchange		
Statutory Chinese name of the Company	北京首钢股份有限公司		
The Chinese abbreviation of the Company	首钢股份		
English name of the Company (if any)	Beijing Shougang Co., Ltd.		
Legal representative of the Company	Qiu Yinfu		
Registered address	Shijingshan Road, Shijingshan District, Beijing, PRC		
Postal code of the registered address	100041		
Historical changes in the registered address of the Company	N/A		
Office address	No. 99 Shijingshan Road, Shijingshan District, Beijing, PRC		
Postal code of the office address	100041		
The Company's website	www.sggf.com.cn		
Email address	sggf@sggg.com		

II. Contact information

	Secretary of the board
Name	Qiao Yufei
Correspondence address	No. 99 Shijingshan Road, Shijingshan District, Beijing, PRC
Telephone	010-88293727
Fax	010-88292055
Email address	qiaoyf1827@sggg.com

III. Information disclosure and place for inspection

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

IV. Changes of registration

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

V. Other relevant information

Accounting firm engaged by the Company

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

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

☐ Applicable ☒ Non-applicable

Financial consultant engaged by the Company to perform continuous supervision duties in the reporting period

☐ Applicable ☒ Non-applicable

VI. Major accounting data and financial indicators

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

☐ YES ☒ NO

	2024	2023	Changes over last year	2022
Operating revenue	108,310,796,466.52	113,761,443,633.43	-4.79%	118,142,183,549.47
Net profit attributable to shareholders of the listed company	471,093,049.04	663,754,519.41	-29.03%	1,124,540,659.14
Net profit attributable to shareholders of the listed company after deducting non-recurring profit and loss	219,517,106.60	527,672,139.72	-58.40%	1,052,510,876.43
Net cash flows from operating activities	6,328,728,996.69	6,154,306,071.82	2.83%	10,044,235,497.80
Basic earnings per share	0.0607	0.0856	-29.09%	0.1496
Diluted earnings per share	0.0607	0.0856	-29.09%	0.1496
Weighted average return on net assets	0.95%	1.35%	Reduce by 0.4%	2.42%
	31 December 2024	31 December 2023	Changes over the end of last year	31 December 2022
Total assets	131,855,846,492.95	137,519,661,128.33	-4.12%	143,191,520,398.78
Net assets attributable to shareholders of the listed company	49,617,240,899.57	49,473,789,412.65	0.29%	47,947,672,865.42

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

☐ YES ☒ NO

The net profit before and after deducting non-recurring profit and loss is negative.

☐ YES ☒ NO

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

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

☐ Applicable ☒ Non-applicable

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

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

☐ Applicable ☒ Non-applicable

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

VIII. Major financial indicators by quarter in 2024

Unit: RMB Yuan

	Q1	Q2	Q3	Q4
Operating revenue	29,539,538,645.30	27,144,811,128.40	25,285,246,576.86	26,341,200,115.96
Net profit attributable to shareholders of the listed company	-24,299,128.19	419,075,530.17	-191,107,105.63	267,423,752.69
Net profit attributable to shareholders of the listed company after deducting non-recurring profit and loss	-36,576,878.99	309,231,457.34	-270,345,483.43	217,208,011.68
Net cash flows from operating activities	-1,879,566,177.08	3,025,214,480.07	-487,739,596.04	5,670,820,289.74

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

☐ YES ☒ NO

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

☒ Applicable ☐ Non-applicable

Unit: RMB Yuan

Item	2024	2023	2022	Note
Gains and losses on disposal of non-current assets (including the write-off that accrued for impairment of assets)	-50,614,446.27	-22,066,115.49	-56,974,152.72	
Government grants included in the current profit or loss (except for the government grants which are closely related to the business of the Company and are in accordance with the national unified standard quota)	190,491,675.13	137,487,616.66	67,816,372.72	
Profit and loss from external entrusted loans		8,990,991.36	11,275,389.73	
Reversal of impairment provisions for accounts receivable subject to separate impairment testing	1,172,292.00	33,127,315.83		
Current net profit and loss of subsidiaries from the beginning of the period to the date of business combination under the common control			55,404,276.08	
Profit and loss from debt reorganization	2,537,679.85			
Other non-operating income and expenses except the above items	136,430,176.66	4,157,902.31	10,369,331.96	
Less: The impact of income tax	25,267,923.93	21,652,772.59	7,764,321.72	
The impact on non-controlling interests (post-tax)	3,173,511.00	3,962,558.39	8,097,113.34	
Total	251,575,942.44	136,082,379.69	72,029,782.71	--

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

☐ Applicable ☒ Non-applicable

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

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

☐ Applicable ☒ Non-applicable

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

SECTION III. DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS

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

In 2024, China's economy generally operated steadily and improved, and the annual GDP growth was 5%, accomplishing the economic growth work target at the beginning of the year. The domestic iron and steel industry has effectively met the higher demand for materials in China's economic transformation and upgrading, and the high-quality development has been promoted in an orderly manner, but the contradiction between supply and demand still exist, and the industry as a whole shows the characteristics of “supply remains high, demand structural adjustment, strong growth in exports, prices continue to decline, and the benefits continue to be squeezed”. According to the data issued by the China Steel Association, the key statistical enterprises of the China Steel Association realized a total profit of RMB 42.9 billion in 2024, a year-on-year decrease of 50.3%; the average sales profit rate of 0.71%, a year-on-year decrease of 0.63 percentage points.

In terms of product output, domestic crude steel output declined year-on-year, and the product structure continued to be adjusted. According to data from the National Bureau of Statistics, China's crude steel output in 2024 was 1.005 billion tons, a decrease of 1.7% year-on-year, while steel output was 1.400 billion tons, an increase of 1.1% year-on-year. The structural adjustment of steel products is still continuing, according to the statistics of the China Steel Association, the proportion of steel used in the construction industry decreased to 50%, and the proportion of steel used in the manufacturing industry increased from 42% in 2020 to 50% in 2024.

In terms of product prices, steel prices declined year-on-year throughout the year. According to data from the China Steel Association, the average value of China Steel Price Index (CSPI) in 2024 was 102.47 points, a year-on-year decrease of 8.39%. Among them, the average value of the long material index is 105.22 points, a year-on-year decrease of 8.83%; The average value of the board index was 100.58 points, a year-on-year decrease of 10.09%.

On the upstream side, raw fuel costs fluctuate downward, and the decline in raw fuel prices was less than the decline in steel prices. According to the statistics of the China Steel Association, China imported 1.237 billion tons of iron ore in 2024, an increase of 4.9% year-on-year, and the average price of imports was USD 106.93 per ton, a year-on-year decrease of 7.08%. The procurement costs of coking coal, metallurgical coke, and scrap steel of key statistical enterprises of the China Steel Association decreased by 8.14%, 11.28%, and 8.68% year-on-year, respectively.

Downstream, steel consumption structure further differentiation, showing “industrial strong, construction weakness” pattern, new energy vehicles, shipbuilding, advanced machinery, and other high-end manufacturing industries have become the main growth point of steel demand, real estate and other traditional fields continue to decline. Among them, the green low-carbon driven new energy industry steel demand showed rapid growth in 2024, the new energy vehicle production completed 12,888,000, an increase of 34.4% year-on-year; The shipbuilding industry maintains a good development momentum, with China's shipbuilding completion volume increasing by 13.8% year-on-year in 2024, and the volume of new orders increasing by 58.8% year-on-year; The home appliance industry maintained stable growth under the driving factors of policy incentives, consumption upgrading, and export growth, with the annual cumulative output of air conditioners, refrigerators, washing machines and color TVs increasing by 9.7%, 8.3%, 8.8% and 4.6% year-on-year respectively.

In terms of imports and exports, steel exports rose sharply in 2024, while imports are expected to maintain a downward trend, exports showed a “volume up and price down” trend. According to the statistics

of the China Steel Association, China imported 1.237 billion tons of iron ore in 2024, an increase of 22.7% year-on-year, and the average price of imports was USD 755 per ton, a year-on-year decrease of 19.3%. Cumulative steel imports were 6.815 million tons, a decrease of 10.9% year-on-year.

Overall, the supporting conditions and basic trends for the long-term improvement of China's economy have not changed, and the macroeconomy is moving towards a new stage of development driven by innovation and characterized by the growth of new-quality productive forces. 2024 is a critical year for the steel industry's deep adjustment, but structural development opportunities for high-quality companies still exist. First of all, the industry supply and demand pattern is expected to improve in the long term, the NDRC put forward "2025 continued implementation of crude steel production control, promote the steel industry to reduce the amount of reorganization," the iron and steel industry will enter the stock optimization, volume reduction, and development stage, the contradiction between supply and demand is expected to be eased; Secondly, low-carbon transformation will bring new opportunities for the development of the industry. In May 2024, the NDRC, MIIT, and other five departments jointly issued the "Special Action Plan for Energy Conservation and Carbon Reduction in the Iron and Steel Industry", and in March 2025, the Ministry of Ecology and Environment issued the "National Carbon Emission Trading Market Coverage of the Iron and Steel, Cement, and Aluminum Smelting Industries", and the iron and steel industry was included in the management of the carbon emission trading market, which has put forward higher requirements for the industry's green transformation and upgrading; Finally, to promote consumption upgrading and improve the implementation of consumer quality policies, will be new industries such as new energy vehicles, high-end manufacturing, humanoid robots will bring new high-end steel demand, science and technology innovation of the "key variables" is expected to become the industry to promote the high-quality development of the "largest increment".

II. Main business of the Company during the reporting period

The Company is firmly adhering to the strategic determination of "green manufacturing, intelligent manufacturing, boutique manufacturing, lean manufacturing, and precision services", adheres to innovation-driven, and promotes technological innovation to become the company's first competitive advantage. Adhere to create "manufacturing + service" competitive advantage, continuously optimizing product structure, production line structure, and customer structure, and continuously promoting high-end product research and development with a focus on electrical steel, automotive panels, and tin-plated (chromium-plated) plates. The Company has transformed from a high-quality bar and wire production enterprise with a production capacity of 4 million tons in the early stage of listing to a technology-leading, green, and low-carbon technology company with a high-end plate production capacity of 21.7 million tons.

The main business of the Company is the production and sales of steel products and metal soft magnetic materials (electrical steel).

1. Zhixin Co.

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

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

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

2. Jingtang Co.

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

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

3. Qianshun Base

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

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

III. Analysis of core competitiveness

1. Leading level of technology

The Company adheres to the innovation-driven approach and promotes technological innovation as its primary competitive advantage, and continuously applies its technological achievements to high-end product development, efficient production and manufacturing, green and low-carbon manufacturing, and other fields. The Company and its subsidiaries Jingtang Co., Zhixin Co., and Cold-R Co. are all high-tech enterprises. During the reporting period, Zhixin Co. was honored on the list of China's Unicorn Enterprises and was awarded by the State Council as an outstanding "Science and Technology Reform Enterprise" of the year. The Company integrates internal and external resources, relying on the "one institute, multiple centers" R&D system, the Company carries out in-depth technical research projects, optimizes expert workstations, and solidifies external cooperation platforms. The incubation and efficiency creation of new products, technologies, and processes are constantly accelerating. The significant progress made during the reporting period includes:

Patents: The Company has obtained 405 patent authorizations, including 125 invention patents. The patents are mainly concentrated in the fields of new product development and efficient production, among which "Rewinding Method and Device for Coiling Machine" won the Excellence Award of the 25th China Patent Award, and five patents, including "Development of Key Technology for High-Precision Flexible Rolling of Ultra-Wide Cold Continuous Rolling Mills and its Industrialized Application" and 9 other patents, were awarded the Gold Prize of the Exhibition of the 27th National Invention Exhibition. At the end of 2024, the Company had been authorized 3,924 patents, including 1,379 invention patents.

Standards: The Company has participated in the formulation and publication of 36 international, national, industry, and group standards, with 17 of them leading the development.

Science and technology awards: The Company has won a number of awards for low-carbon technology and advanced process manufacturing technology. The "Green Clean Steelmaking Technology and Application Based on Carbon Dioxide Resource Utilization" was awarded the Second Prize of National Scientific and Technological Progress, the "Integration and Innovation of MCCR Multi-Mode Full Continuous Casting and Rolling Integration Technology" was awarded the Special Prize of Metallurgical Science and Technology, and six achievements, including the "High-quality, Efficient, and Stable Rolling Technology and Application of High-Silicon Electrical Steel", were awarded the First Prize of Metallurgical Science and Technology.

2. High-end products

The Company adheres to the development strategy of continuously leading the way in electrical steel, refining and strengthening automotive panels, and breaking through the high-end tin-plated (chromium-plated) plate. It continuously increases the proportion of strategic and key products, promoting both product quality and efficiency improvement. During the reporting period, the production of the three major strategic products (electrical steel, automotive panels, and tinned (chrome) panels) increased by about 7% year-on-year, while the production of key products increased by about 2% year-on-year.

The production of electrical steel is 1.986 million tons, an increase of about 17% year-on-year, and the output of high-end products has achieved a historical high record. The output of high magnetic induction-oriented electrical steel is 332,000 tons, an increase of about 11% year-on-year, and the ultra-thin specification of high magnetic induction-oriented electrical steel of 0.20mm and below continues to maintain the leading sales volume in China. The structure of non-oriented electrical steel products continued to be optimized, with a production volume of 893,000 tons of high-grade non-oriented electrical steel products, an increase of about 11% year-on-year, of which the production volume of high-grade non-oriented electrical steel products for new energy vehicles increased by about 27% year-on-year, and the stable supply of new energy vehicles was realized by the world's top 10 sellers and the domestic top 10 sellers, and one out of every three domestic new energy vehicles carried the "Shougang Core".

The production of automotive panels reached 4.394 million tons, a year-on-year increase of about 9%, and new breakthroughs were made in the adjustment of product structure and user structure. The product structure was further optimized, with the production of galvanized, high-strength, and outer plate increasing by about 24%, 18%, and 15% year-on-year respectively, the production of zinc-aluminum-magnesium and aluminum-silicon products increasing by about 19%, and 27% year-on-year respectively, and the production of UF steel increasing by about 71% year-on-year. The user structure was further upgraded, with the supply volume of products for new energy vehicles increasing by about 35% year-on-year.

The production of tin (chromium) plates amounted to 690,000 tons, an increase of about 5% year-on-year, and the manufacturing capacity was further improved. The production of key products such as functional drinks, easy-open lids, and aerosol valves for use accounted for 65% of the total, an increase of about 24% year-on-year. The tin and chromium plates of DR material have achieved full coverage of strength level, the supply of DI material has reached 16,000 tons, a record high, and the cultural and creative products such as "5G Steel" have appeared on CCTV Finance and Economy and become popular in the NPC and CPPCC.

New progress has been made in promoting the specialization and differentiation of key products, serving national key projects and emerging industries. The thin specification 9Ni steel rolling and heat treatment manufacturing capacity was further improved, realizing the first batch supply of 5mm thin specification land tank products. 100mm super-thick high-strength wind power steel is applied to the offshore wind power project in Zhanghua, Taiwan, 136mm extra-thick 800MPa hydropower steel is supplied to the national large-scale hydropower projects, bridge steel is applied to the world's largest span cable-stayed bridge - Changtai Yangtze River Bridge and acid-resistant pipeline steel is used in the construction of overseas energy projects. The Company has established a joint laboratory with Zhongshan Qinglian to develop medium to high carbon special steel for gardening tools and other special steels, which have been supplied in large quantities; completed the development of X60 grade hydrogen pipeline steel, and presided over the formulation of the national standard of "Steel Plates and Strips for Hydrogen Transportation and Storage Pipelines," which has led the direction of the development of hydrogen pipeline steels.

3. Green and low-carbon

As the world's first steel enterprise to achieve full process ultra-low emissions, the Company has deeply promoted ultra-low emission governance and maintained an A-level environmental performance evaluation in Hebei Province. The Company adheres to the high-quality development path of green and low-carbon, and

actively promotes the practice of extreme energy efficiency and carbon reduction technology around the national low-carbon strategy and customer carbon reduction needs.

During the reporting period, the Company fulfilled the low-carbon action plan, launched a high-quality steel project with nearly “zero” carbon emission, and signed a memorandum of cooperation on green and low-carbon steel and iron supply chain with core customers such as BMW Brilliance and Volvo, and set up a closed-loop steel recycling system to build a green ecological supply chain and help realize the dual-carbon goal.

The Company was honored as “Green and Low-carbon Excellence Enterprise” and “Iron and Steel Green Development Benchmarking Enterprise”, Jingtang Co. was honored as “Water Efficiency Leader” again, and Jingtang Co. and Qiangang Co. completed the on-site inspection and acceptance of the energy-efficiency benchmarking demonstration enterprise, and Jingtang Co. was awarded the first batch of “Double-carbon Best Practice Energy Efficiency Benchmarking Demonstration Plants” in the industry. The Company successfully published EPDs for three products: pickled hot-rolled steel plates and strips, thick steel plates (heat-treated), and thick steel plates.

4. Intelligent manufacturing

The Company has established a cross-region, multi-base, consistent integrated production and sales collaborative management platform, empowers high-quality development with digital transformation, makes full use of the strategic opportunities brought by new-generation information technologies such as big data, cloud computing, artificial intelligence, 5G, etc., and carries out in-depth construction of intelligent manufacturing projects, which has made great progress in terms of efficiency and benefits, products and services, management and control system, and prevention and control capabilities, and has constructed a solid foundation for high-quality development. The digitization rate of the production equipment of the Company exceeds 91%, the number of “one-button control” processes reaches 51, 240 sets of industrial robots are applied, 15 unmanned intelligent warehouses are constructed, the digital workforce platform is established by applying the RPA (Robotic process automation) technology, and 26 use cases of process robots are constructed, which significantly improves the efficiency of the business process.

During the reporting period, Cold-R Co. was selected as a national intelligent manufacturing benchmark enterprise and listed as one of the first batches of excellence-level intelligent factory projects of MIIT by virtue of the construction results of an intelligent factory based on super-convergence computing platform; Jingtang Co. realized the first case of 5G private network sinking in the industry and was selected as one of the “5G factory directories” of MIIT for the year of 2024, and was awarded the title of “5G+Industrial Internet” annual benchmark demonstration case, and was honored as the “Outstanding Contribution Enterprise of Intelligent Manufacturing” in the iron and steel industry, “Digital Pilot” enterprise of Hebei Province.

5. Supply chain security

The Company is the only platform for the development and integration of the steel and upstream iron ore resources industry of Shougang Group, the controlling shareholder, in China. The supply of iron ore, coke, and coal resources for production is guaranteed to be safe. In terms of iron ore, Shougang Group owns Shuichang Iron Mine and Xingshan Iron Mine with an annual production capacity of 4 million tons of iron concentrate powder. At the same time, it controls the Peru Iron Mine with an annual production capacity of 20 million tons of iron concentrate powder, and the Macheng Iron Mine with an annual production capacity of 7 million tons. Mashong Iron Mine, which is characterized by high reserves, low cost, and efficient transportation in terms of environmental protection, has entered into the trial production stage, and the Company's ability to guarantee iron mine resources will be further improved after it is put into production. In terms of coke, Qiangang Co.'s coke is mainly supplied by Qian'an Zhonghua Coal Chemical Co., Ltd., a joint venture between Shougang Group and Kailuan Group, while Jingtang Co.'s coke is supplied by Tangshan Shougang Jingtang Xishan Coking Co., Ltd., a joint venture between Jingtang Co. and Shanxi Coking Coal. The supply of coke resources is strongly guaranteed. In terms of coal, the Company has signed a long-term agreement with state-owned large coal groups, and Shougang Fushan Resources Group Co., Ltd., in which Shougang Group holds shares, also provides the Company with some high-quality coking coal resources, providing a strong coal supply guarantee.

6. “Technology + Service” marketing

The Company takes the customer as the center to deepen the marketing strategy of “technology + service”, and creates Shougang service to enhance the brand value. The Company continues to improve the service system, improve service efficiency, strengthen the construction of the new energy vehicle service team, and meet customers' requirements for quality, delivery, research and development, service, and technical marketing continues to strengthen. EVI service capacity was improved year by year. During the reporting period, EVI supply

increased by 15% year-on-year. The product advantage analysis model established by the company promotes key products to maintain competitive advantages and strategic products to expand leading advantages by strengthening product research and development and improving manufacturing capacity.

A centralized, unified, rapid response and efficient marketing management network has been formed, with a marketing center as the core and a combination of 5 regional steel trading subsidiaries and 11 processing centers, effectively ensuring stable supply to downstream customers. 15 large customer service teams have been established to consolidate and improve the channel structure that combines leading enterprises in the industry chain with high-quality small and medium-sized customers. Cultivate comparative advantages in industrial chain cooperation, carry out comprehensive, multi-level, and high-quality cooperation with key customers in the industry, further enhance cooperation depth, enhance cooperation viscosity, and stabilize market share.

During the reporting period, the Company signed cooperation memorandums with core customers such as BMW Brilliance, Volvo, and Geely, carried out "Shougang Day" activities with Dongfeng Nissan and Chery Automobile, carried out technical exchanges with five enterprise such as Toyota Intelligent Electric Vehicle Research and Development Center, and set up the Shougang-Zhongshan Qinglian "Joint Laboratory for R&D of Steel for Garden Tools", awarded "Excellent Supplier" by GAC Honda and Nantong CIMC, "Outstanding Supplier" by Geely, and "Best Service Award" by Dongfeng Honda, and the "Outstanding Partner Award" of Haier Group and 38 other awards, the recognition of Shougang's "Manufacturing+Service" continues to increase.

7. Talent thriving enterprise

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

During the reporting period, one person from the Company won the First Prize of Metallurgical Science and Technology Award for Scientific and Technological Achievements of First-Line Workers, one person won the 2024 National May Day Labor Medal, one person was selected as one of the first batch of cultivation objects of Great Power Craftsmen, and one innovation studio was awarded as the Beijing-level innovation studio.

IV. Analysis of principal business

1. Overview

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

During the reporting period, the Company's operating revenue was RMB 108.311 billion, a year-on-year decrease of 4.79%; The total profit was RMB 746 million, a year-on-year decrease of 17.18%; The net profit attributable to shareholders of the listed company was RMB 471 million, a year-on-year decrease of 29.03%; Earnings per share was RMB 0.0607, a year-on-year decrease of 29.09%; The total assets was RMB 131.856 billion, and the equity attributable to the shareholders of the listed company was RMB 49.617 billion.

(2) Highlights of the Company

In 2024, the Company's operation and production were stable, with significant achievements in product mix, technological innovation, green and low-carbon, intelligent manufacturing, internal cost reduction, and ESG management.

① Continuous optimization of product structure

The Company closely monitors the changes in downstream demand, focuses on efficiency, continuously promotes product structure optimization and upgrading, and increases the proportion of strategic and key products. During the reporting period, the output and share of key and strategic products were the best in history.

During the reporting period, the total production of 3 strategic products (electrical steel, automotive plate, and tin (chromium) plate) and 9 key products (cold-rolled special steel, hot-rolled pickling plate,

weather-resistant steel, energy steel, automotive structural steel, high-strength engineering machinery steel, pipeline steel, bridge steel, and ship plate marine steel) was 17.27 million tons, accounting for 74% of the Company's total steel production, an increase of 5 percentage points year-on-year.

② Comprehensive promotion of technological innovation

The company is led by technological innovation, focusing on forging key core technology strengths. It continues to make new breakthroughs in new product research and development and key process technologies and promotes the transformation of enterprise development quality towards higher efficiency, resilience, and sustainability. During the reporting period, six first products and two first processes were completed. Focusing on solving the "bottleneck" problem, we will continue to promote 19 localization projects of "substitute imports", resulting in a supply of 15000 tons.

In terms of new product development, realized the first launch of six new products, including low-noise oriented electrical steel, non-oriented electrical steel with self-bonding coating, and 1500MPa grade steel for hot forming. Among them, low-noise oriented electrical steel products for wind power, photovoltaic and other new energy generation DC convergence of new technologies to provide key core materials to meet the new national standard for transformers to reduce no-load loss, the power grid company to reduce the requirements of the noise, the noise is 10% lower than traditional products; Self-bonding coating non-oriented electrical steel products, through independent innovation of baking process, significantly shorten the bonding time, in the realization of the core stiffness and thermal conductivity significantly improved at the same time, the core iron loss is reduced by 30%, for the new energy vehicle energy efficiency upgrading to provide a new material support; 1500MPa grade steel for hot forming, through the optimization of pure zinc plating composition and process innovation, the material has better corrosion resistance and welding performance, reduces the crack sensitivity under the direct hot forming process, and meets the industry's development needs of high strength and high corrosion resistance for vehicle body safety structural parts.

In terms of key process technology, it is the first to create a new low-carbon and green sintering process based on carbon and oxygen reconfiguration, realizing stable, economic, high-efficiency, and continuous production of large-scale sintering machine with very low process energy consumption and an extremely small amount of exhaust gas, which reduces sulfur dioxide emission by 39%, nitrogen oxide emission by 31%, and the amount of exhaust fumes emitted from tonnes of sintered ore by 37% compared with that of the traditional process; It is the first automotive plate energy deployment resistance spot welding technology, solving the problems of the narrow window, false welding and spattering in resistance spot welding process of ultra-high-strength steel and zinc-based plating products, greatly improving welding efficiency and significantly reducing energy consumption.

③ Green and low-carbon benchmark leading

The Company actively promotes the implementation of the "Shougang Group Low Carbon Action Plan", promotes the construction of a low-carbon management system, builds a green and low-carbon eco-supply chain, carries out the production and sale of low-carbon products, and steadily forms the competitive advantage of product differentiation. Jingtang Co. pushed forward the efficient recycling and utilization of solid wastes and was selected as a typical case of "Waste-free Enterprise" by the Ministry of Industry and Information Technology.

Promote the construction of a low-carbon management system. Establish a low-carbon management promotion organization, form a dynamic tracking and regular summary and evaluation management mechanism; Establish an intelligent carbon management platform, with the function of visualizing and displaying the carbon emission data of each production base, to ensure that the carbon data can be traced back to meet the data requirements of the iron and steel industry after it enters the national carbon trading market;

Create a green, low-carbon, and ecological supply chain. The Company promotes key suppliers to formulate dual-carbon plans and specific carbon reduction measures, promotes 13 upstream suppliers to carry out carbon footprint certification of key materials, and gradually establishes a real-world data factor library of upstream materials; Exhibition of automobile plate, electrical steel and other products to reduce carbon benchmark value certification and low-carbon technology certification, the formation of "Shougang green low-carbon product price system" and Shougang green low-carbon product series of corporate standards, apply for six green low-carbon product trademarks; During the reporting period, the Company signed the "Memorandum of Cooperation on Establishing a Green and Low-Carbon Steel and Iron Supply Chain" with BMW Brilliance, the "Memorandum of Cooperation on the Circular Economy and Closed-loop Recycling Value System for Automotive Steel" with Geely Automobile, and the "Closed-loop Recycling Value System for Steel" with Volvo and Zhejiang

Yiyun, so as to realize the synergistic carbon reduction in cross-sectoral areas and to make contribution to the green and sustainable development.

Upgrading production capacity for low-carbon products. In order to implement the dual-carbon plan and meet the demand for low-carbon products from our core customers, the Company is promoting a demonstration project for smelting high-quality steel with near-zero carbon emissions, in order to establish a foundation for the production of more substantially carbon-reduced products; Continuously promote the application of large proportion of pellet smelting technology in blast furnace, Jingtang Co. maintains the stable operation of 55% pellet mine ratio, realizes the converter process of 50% large scrap ratio of multi-furnace continuous pouring, and reduces the carbon dioxide emission of tons of steel by more than 40%, which provides an important support for the long process of significantly reducing carbon emissions; Carrying out research on hydrogen-rich smelting in blast furnace, completing the design of experimental device and realizing the blowing of coke oven gas; carrying out the 100-ton industrial test of blowing biomass hydrogen-rich micro-powder in blast furnace, which is a breakthrough in the use of biomass energy in iron and steel metallurgy in China.

④ Digital intelligence empowerment continues to deepen

The Company promotes the deep integration of digitalization and industrialization and drives management improvement, manufacturing upgrading, and cost compression and reduction through digitalization and informationization. Established the Digital and Intelligent Transformation Center and formulated the Shougang Corporation Digital Transformation Action Plan for 2024-2026, focusing on the construction of “Cold Rolling Lighthouse Factory” and “Iron Front Integration”, “Jingtang Intelligent Logistics Management and Control Platform” to promote digital transformation and intelligent manufacturing level.

Cold-R Co. has been successfully selected as the 13th batch of the global “Lighthouse Factory” list by the wide application of Industry 4.0 advanced technologies, such as 5G, big data, AI, machine vision, and robots, becoming the third “Lighthouse Factory” in the national iron and steel industry, and the seventh in the global iron and steel industry. Around the quality management intelligence, automatic control of the production process, equipment maintenance digitalization, warehousing and logistics intelligence, energy, and environmental protection intelligence, hazardous positions less manned-unmanned in six directions, the deployment of 67 digital application cases, significantly improve the efficiency of the production line, effectively reduce the quality of the loss.

Qiangang Co. has completed the construction of the “Pre-iron Integration” information system, breaking the information barrier, completing the integration of data resources, and information fusion, and realizing the close connection of supply, production, and quality businesses. The Company has set up an intelligent control center in front of the ironworks, and implemented the operation mode of “Big position, big work type”, which makes the operation management more efficient and accurate, and realizes the efficiency improvement of the control of ironmaking operation.

Jingtang Co. coordinated to promote the construction of an intelligent manufacturing system. During the reporting period, the converter intelligent steelmaking, 2230 galvanized intelligent production line, medium-thickness plate intelligent scheduling, intelligent logistics control platform, and unmanned warehousing projects were completed and put into use. Among them, through the intelligent logistics management and control platform, remodeling business management model, plant logistics to break the traditional monthly contract, contract project fixed car mode, the implementation of the “open” capacity competition, logistics efficiency as a whole was greatly improved, the cost of using the car significantly reduced.

⑤ Continuous improvement in internal cost reduction

The Company strengthened the benchmarking with the benchmark enterprises on the basis of stable production, deeply explored the potential of cost reduction in the whole process and elements, built a sustainable cost reduction system, rolled forward the key cost reduction tasks, and effectively hedged the profit reduction factors in the external market so that the work of cost reduction in consumption, technology, and synergy reached a new level.

In terms of consumption and cost reduction, the Company strengthens the operation of the integrated platform for iron and steel production. Qiangang Co. and Jingtang Co. adhere to the principles of economic material utilization, resource coordination and mutual preparation, focusing on the cost of coal and mineral distribution, iron and steel consumption and other key indicators of benchmarking, and vigorously promote the efficient use of solid secondary resources, and continue to reduce the costs of the iron and steel processes; Breaking the process interface, iron and steel system collaboration and economic control of sulfur, iron and steel synergy to reduce the temperature drop of iron and steel, during the reporting period, relocating the Company's

iron and steel lower than the last year 13 °C, the best level in history.

In terms of technical cost reduction, the Company continued to carry out alloy substitution and optimization of product material design, promoted the optimal application of manganese alloy, and steadily reduced the consumption of alloy; it vigorously promoted the reduction of metal loss in the whole process, reduced the converter blowing loss in the steelmaking process through technical research, improved the product yield rate in the rolling process, and achieved a new leap in the overall control of metal loss.

In terms of collaborative cost reduction, the Company has formed a production-supply coordination mechanism to carry out all-round and all-factor material cost reduction; strengthened the control of equipment costs, and reduced operating costs through negotiation of cost reduction, domestic conversion, independent repair, and other measures; and resolutely pursued the ultimate energy efficiency to realize “full recovery and efficient utilization” of gas, and enhance the ability of balance and optimization of the whole energy system.

⑥ Significant improvement of the ESG management system

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

During the reporting period, the Company updated its assessment methodology in accordance with the “Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 17 - Sustainability Report (for Trial Implementation)”, and identified 30 highly relevant and important issues based on the coverage of all the issues on which the Exchange requires the disclosure of information, and implemented regularized management of material issues; Based on this, the financial perspective was integrated, and the first dual materiality assessment was conducted, such as responding to climate change, environmental compliance management, and energy utilization, for high-quality disclosure to the capital market according to four dimensions, namely, governance, strategy, risk and opportunity management, and indicators and targets.

During the reporting period, the Company organized the first ESG forum in the iron and steel industry - ESG China Innovation Conference (2024) “ESG Innovation and Exploration in the Iron and Steel Industry” sub-forum.

The Company's ESG ratings improved significantly, with the S&P ESG score of 39 jumping to fourth place in the industry during the reporting period, and the FTSE Russell ESG score increasing from 1.1 to 2.4, jumping to third place in the industry; The Company was awarded the “Second State New Cup ESG Golden Bull Award Top 100” enterprises, the 2024 Enterprise ESG “Golden Responsibility Award” Best Social Responsibility Award, and was included in the list of 2024 China Enterprise ESG100 Index. The “Green Productivity Development by Creating Technology Pioneers for Green and Low-Carbon Development” was honored as one of the Top 10 ESG Cases of Beijing's State-Holding Listed Companies, and the “Improvement of Low-Carbon Management Informatization System to Make Green and Low-Carbon ‘Visible’” was included in the “Top 100 Low-Carbon Brands” case and other honors.

2. Revenue and cost

(1) Composition of operating revenue

Unit: RMB Yuan

	2024		2023		Year-on-year changes
	Amount	Proportion of operating	Amount	Proportion of operating	
Total operating revenue	108,310,796,466.52	100%	113,761,443,633.43	100%	-4.79%
According to industries					
Metallurgy	108,310,796,466.52	100.00%	113,761,443,633.43	100.00%	-4.79%
According to products					
Billet	329,725,948.36	0.30%	420,010,787.22	0.37%	-21.50%
Hot-rolled steel	43,490,893,729.26	40.15%	47,572,138,080.78	41.82%	-8.58%
Cold-rolled steel	45,553,423,891.15	42.06%	46,496,393,503.18	40.87%	-2.03%
Metallic soft magnetic material	13,875,808,427.82	12.81%	13,791,974,212.14	12.12%	0.61%
Other steels	1,774,661,698.81	1.64%	2,079,869,284.47	1.83%	-14.67%
Other businesses	3,286,282,771.12	3.03%	3,401,057,765.64	2.99%	-3.37%
According to regions					

North China	41,557,030,423.07	38.37%	46,411,595,797.83	40.80%	-10.46%
Northeast China	3,022,457,828.24	2.79%	3,134,806,205.43	2.76%	-3.58%
East China	39,120,394,681.29	36.12%	38,582,031,420.60	33.91%	1.40%
Mid-South China	2,901,653,323.71	2.68%	3,280,219,730.18	2.88%	-11.54%
South China	10,776,239,121.29	9.95%	11,147,846,153.45	9.80%	-3.33%
Southwest China	1,889,173,902.07	1.74%	1,954,223,073.95	1.72%	-3.33%
Northwest China	1,020,305,120.92	0.94%	978,909,209.78	0.86%	4.23%
Export	8,023,542,065.93	7.41%	8,271,812,042.21	7.27%	-3.00%
Distribution model					
Direct selling	101,762,842,529.85	93.95%	105,489,631,591.22	92.73%	-3.53%
Sale by proxy	6,547,953,936.67	6.05%	8,271,812,042.21	7.27%	-20.84%

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

☒ Applicable ☐ Non-applicable

Unit: RMB Yuan

	Operating revenue	Operating costs	Gross margin	Year-on-year change in operating revenue	Year-on-year change in operating costs	Year-on-year change in gross margin
According to industries						
Metallurgy	105,024,513,695.40	100,879,037,047.09	3.95%	-4.83%	-4.23%	-0.60%
According to products						
Billet	329,725,948.36	321,610,684.42	2.46%	-21.50%	-23.28%	2.27%
Hot-rolled steel	43,490,893,729.26	42,525,424,736.87	2.22%	-8.58%	-7.45%	-1.19%
Cold-rolled steel	45,553,423,891.15	43,398,515,743.62	4.73%	-2.03%	-1.27%	-0.73%
Metallic soft magnetic material	13,875,808,427.82	13,296,616,883.56	4.17%	0.61%	1.40%	-0.75%
Other steels	1,774,661,698.81	1,336,868,998.62	24.67%	-14.67%	-29.66%	16.05%
According to regions						
North China	38,270,747,651.95	37,324,471,298.11	2.47%	-11.02%	-9.61%	-1.53%
Northeast China	3,022,457,828.24	2,509,104,766.16	16.98%	-3.58%	-7.75%	3.75%
East China	39,120,394,681.29	37,814,832,030.40	3.34%	1.40%	1.38%	0.01%
Mid-South China	2,901,653,323.71	2,511,822,671.25	13.43%	-11.54%	-12.07%	0.52%
South China	10,776,239,121.29	10,464,319,517.34	2.89%	-3.33%	-3.55%	0.21%
Southwest China	1,889,173,902.07	1,646,036,373.08	12.87%	-3.33%	-1.68%	-1.46%
Northwest China	1,020,305,120.92	900,292,547.64	11.76%	4.23%	1.44%	2.43%
Export	8,023,542,065.93	7,708,157,843.11	3.93%	-3.00%	-0.66%	-2.26%
Distribution model						
Direct selling	98,476,559,758.73	94,507,971,071.20	4.03%	-3.54%	-3.15%	-0.39%
Sale by proxy	6,547,953,936.67	6,371,065,975.89	2.70%	-20.84%	-17.89%	-3.49%

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

☐ Applicable ☒ Non-applicable

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

☒ YES ☐ NO

Industry	Item	Unit	2024	2023	Year-on-year changes
Metallurgy	Sales	Ton	23,538,522	23,291,347	1.06%
	Output	Ton	23,297,612	23,175,391	0.53%
	Storage	Ton	1,065,385	1,004,500	6.06%

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

☐ Applicable ☒ Non-applicable

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

☐ Applicable ☒ Non-applicable

(5) Composition of costs of sales

Industry

Unit: RMB Yuan

Industry	Item	2024		2023		Year-on-year changes
		Amount	Proportion of operating costs	Amount	Proportion of operating costs	
Metallurgy	Raw materials	52,979,125,487.43	52.52%	56,884,575,720.35	54.00%	-6.87%
Metallurgy	Fuels	22,226,802,554.51	22.03%	25,130,337,808.09	23.86%	-11.55%
Metallurgy	Power cost	3,061,580,337.98	3.03%	2,999,386,938.56	2.85%	2.07%
Metallurgy	Employee benefits	3,086,012,767.45	3.06%	3,340,122,566.08	3.17%	-7.61%
Metallurgy	Depreciation	7,608,190,471.05	7.54%	7,517,928,617.89	7.14%	1.20%
Metallurgy	Manufacturing cost	11,917,325,428.67	11.81%	9,464,328,228.47	8.98%	25.92%
Total		100,879,037,047.09	100.00%	105,336,679,879.43	100.00%	

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

☐ YES ☒ NO

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

☐ Applicable ☒ Non-applicable

(8) Major clients and suppliers

Major clients of the Company

Total top five clients in sales (RMB Yuan)	72,276,684,237.70
Proportion of total sales for the top 5 clients in total annual sales	67.07%
Proportion of the sales from related parties in total annual sales among the top five clients	48.86%

Information for top five clients of the Company

No.	Name	Sales (RMB Yuan)	Proportion of total annual sales
1	Client A	46,404,124,769.66	43.06%
2	Client B	15,732,208,680.48	14.60%
3	Client C	6,246,680,757.41	5.80%
4	Client D	3,130,531,155.86	2.90%
5	Client E	763,138,874.29	0.71%
Total	--	72,276,684,237.70	67.07%

Other information for The main customers of the Company

☐ Applicable ☒ Non-applicable

☐ Applicable ☒ Non-applicable Major suppliers

Total purchase amount from top five suppliers (RMB)	72,405,949,290.46
Proportion of total annual purchase amount for top five suppliers	67.19%
Proportion of the purchase from related parties in total annual purchase among the top five suppliers	48.98%

Information for the top five suppliers of the Company

No.	Name	Procurement (RMB Yuan)	Proportion of total annual procurement
-----	------	------------------------	--

1	Supplier A	46,533,389,822.42	43.18%
2	Supplier B	15,732,208,680.48	14.60%
3	Supplier C	6,246,680,757.41	5.80%
4	Supplier D	3,130,531,155.86	2.90%
5	Supplier E	763,138,874.29	0.71%
Total	--	72,405,949,290.46	67.19%

Other information for The main suppliers of the Company

☐ Applicable ☒ Non-applicable

3. Expenses

Unit: RMB Yuan

	2024	2023	Year-on-year changes	Notes of material changes
Selling expenses	230,356,966.33	247,978,613.12	-7.11%	
General and administrative expenses	1,260,436,312.80	1,289,613,009.53	-2.26%	
Financial expenses	1,101,623,774.45	1,353,210,253.87	-18.59%	
R&D expenses	532,698,755.48	491,078,795.33	8.48%	

4. Research and development investment

☒ Applicable ☐ Non-applicable

Name of main R&D project	Project objective	Progress of the project	Goals to be achieved	The expected impact on the company's future development
Optimization research of metallurgical properties of comprehensive charge under large ball ratio metallurgical conditions	The project is aimed at optimizing the charge structure for a large-ball-ratio metallurgical furnace, exploring the changes in gas distribution after the ball ratio is increased, and providing a reference for large-ball-ratio smelting in blast furnaces.	R&D stage	Developing new technologies	The project will help to clarify the change rule of the furnace charge performance of large-ball-ratio metallurgy under the condition of raw fuel of Qiangang, and the influencing factors and rules of gas flow distribution, which will provide data guidance for Qiangang to carry out large-ball-ratio smelting in the future.
Optimization research of liquid level detection and control of crystallizer during the continuous casting and pouring process	Through the optimization research of liquid level detection and control of the crystallizer during continuous casting and pouring process, the amount of rolled slag spot caused by slag roll defects on the edge of automotive plates such as IF steel has been realized to account for the reduction of the total amount of rolled slag spot.	Development stage	Developing new processes and technologies	The project will help to improve the surface quality of IF steel, reduce the amount of spot losses and quality objections caused by surface defects, and also have a huge indirect effect on improving the overall user experience and brand effect; Through the project research to improve the cognitive level and control level of surface quality defects of Shougang's automobile plate, to provide assurance and support for Shougang's brand upgrading and internationalization process of automobile plate.
Development of control technology for improving the thickness uniformity of second hot-rolled strips	The project aims to reduce the thickness fluctuation of the strip steel body, based on the integration of multi-source process information such as production data, process mechanism and	R&D stage	Developing new technologies	Improving thickness control accuracy, reducing thickness fluctuation, and realizing high-precision control of the same-board difference.

	empirical knowledge, and to improve the thickness control capability for complex working conditions and boundary condition variations; Adopting the sample tracking method based on the speed and the strip thickness between the racks, the thickness calculation model of the racks is established to control the longitudinal thickness deviation of the strip; The eccentricity compensation model based on the Fourier transform is developed to eliminate the interference of the eccentricity of the rolls and to improve the accuracy of the strip thickness control.			
Research on low-temperature waste heat for sludge drying technology	Through the use of low-temperature waste heat in the case of sludge drying process simulation and experimental research, clear different waste heat resources under the sludge drying rate and moisture content change rule, design the use of low-temperature waste heat as a heat source of sludge drying equipment and sludge drying process. The development of this technology can realize the collaborative implementation of the effective utilization of low-temperature waste heat and sludge drying, and achieve the purpose of energy saving and emission reduction.	Development stage	Developing new processes and technologies	The project will help improve the effective utilization of the Company's low-temperature waste heat resources, increase the energy utilization rate, and reduce the Company's energy consumption. At the same time, the implementation of the project will also develop new sludge drying technology and equipment, which will lay the foundation for future upgrading of the low-consumption sludge drying process and drying equipment.
Blast furnace hydrogen-based gas injection process development and technology research.	Propose suitable process specifications and operating systems for blast furnace hydrogen-based gas injection, and determine the replacement ratio of hydrogen-based gas to solid fuel; Establish an equal-size mathematical model of Shougang's #2 blast furnace, systematically and scientifically evaluating the technical reliability, economy, and carbon emission reduction effect of blowing hydrogen-based gas in the blast furnace, and providing a basis for determining the direction of long-process carbon-reducing technology, identifying long-process carbon-reducing technological solutions and optimizing the design of the project.	R&D stage	Developing new processes and technologies	The project will help reduce the carbon emission level of ironmaking in long-process blast furnaces, clarify the matching relationship between hydrogen-rich smelting and large-ball-ratio operation of the blast furnace, enhance the technicians' understanding of the smelting law in the furnace, and promote the green and low-carbon development of the iron pre-system of the Joint Stock Company.
Mechanism research on the adhesion of tin-plate	Research on the adhesion technology of tin-plate, horizontal comparison of 71 passivation and 311 passivation mechanism, passivation film difference on adhesion, benchmarking to verify	Completion	Developing new technologies and processes	The success of this project will significantly improve the quality of Jingtang Co.'s tin plate, and the adhesion control technology and 71 passivation production

	the feasibility of 71 passivation process improvement, it is important to improve the performance of the product and the user's experience, continue to occupy a share of the market, and to maintain the leading position in the industry.			technology formed can be applied to other varieties of tin-plating, so as to overall improve the manufacturing level of Jingtang Co.'s tin-plate, improve the quality of tin-plated plate, significantly improve the competitiveness of the tin-plate industry, and to achieve the strategic goal of creating a brand, and establishing the image of high-quality products.
Control of transverse thickness uniformity of galvanized automotive panels	Growing customer demand for hot-dip galvanized automotive sheets with high transverse thickness difference uniformity has made this metric a key measure of strip quality. In-depth research on this is of significant importance in improving the thickness control accuracy of the whole process of products and stabilizing the quality of products while reducing costs and increasing efficiency, improving the added value of products, and increasing the market share of high-end automotive outer plates.	Completion	Developing new technologies	Improving the transverse thickness of strip steel can increase the rate of material formation and reduce production costs, thus reducing the waste in the manufacturing process of steel materials. The technical research results of the project are expected to further promote the development and expansion of cold-rolled hot-dip galvanized household appliance outer sheets, high-strength steels, and welding special plates, which will provide the market with higher-quality products while further reducing energy and material consumption during reprocessing, which will be conducive to the overall reduction of consumption in the upstream and downstream of the industrial chain.
Research and development of DI material products and popularization of applications	DI (Drawn & Ironed) material, also known as DWI (Drawn and Wall Ironed) material, is the most difficult product for tin-plate production and is regarded as one of the three best products of carbon steel sheet (oriented silicon steel, DI material, and high-grade automobile plate), which is used in steel two-piece cans. Due to the can-making characteristics of deep drawing and punching, the key quality characteristics of steel, such as purity, mechanical properties, and surface roughness are demanding. The development and application of DI material can promote carbon reduction and environmental protection management in the steel industry.	Completion	Developing new technologies and products	The process route and key parameter points of the DI material development and application project are reasonably designed, and the chemical composition, mechanical properties and other technical indexes meet the design requirements, which are the first products of Shougang Group, and the physical quality of the products is at an international advanced level.
Research and development of green high-grade pipeline steel	Driven by the national carbon peak and carbon-neutral goals, the development of hydrogen energy is in a boom. Considering the	Completion	Developing new technologies	Green high-level pipeline steel research and development projects in the process route and process key parameters

	technology first, it is necessary for Shougang to participate in the trial production and carry out the research and development of green high-level pipeline steel.			point design is reasonable, chemical composition, mechanical properties and other technical indicators to meet the design requirements, to meet the user requirements, to complete the green high-level pipeline steel certification and supply, to improve competitiveness and market share in the market!
Development of 9Ni steel for land tanks in the mid-plate production line	With China's "dual-carbon" strategy, the energy structure has undergone a major change, and the demand for LNG is increasing day by day. As the main product of steel for ultra-low temperatures, 9Ni steel for land tanks plays an irreplaceable role in the whole LNG industry chain and has a broad market prospect. At the same time, in order to reduce production costs and make 9Ni steel products more competitive in the market, various steel mills have also optimized the composition and production process to achieve excellent performance under the premise of ensuring lower production costs.	Completion	Developing new technologies and products	Land tank 9Ni steel in the middle plate production line research and development, its project process route and process process key parameters point design reasonable, chemical composition, mechanical properties and other technical indicators have reached the design requirements, for the first time for the Shougang shareholding products, product quality in kind in the international advanced level, improve the reputation and competitiveness of the product.
Research on key process technology for the preparation of precipitation-reinforced high-strength low-iron loss non-oriented electrical steel	Develop high-strength low iron loss non-oriented electrical steel products to further reduce the loss of existing high-strength non-oriented electrical steel.	Research stage	Developing new products	If the product is put on the market in batches, it can establish obvious performance advantages and help Shougang's high-strength products to occupy new advantages in the market competition.
Research on the application of high-performance silicon steel based on sudden-loaded rotary joint frameless torque motors	The application process of the sudden-loaded rotary frameless torque motor provides a technical path for the large-scale application of the product in this field.	Research stage	Product applications	Research on the application of high-quality silicon steel in the field of humanoid robots is of far-reaching significance in solving the problems of an aging population and labor shortage in China and helps to promote Shougang to improve the brand benefits of its application in the field of humanoid robots.
Research on the hot adhesion and adhesion and stamping of environmentally friendly coating of non-oriented silicon steel	In order to solve the contradiction between the coating hot adhesion and adhesion and stamping properties, carry out the optimization research on the formulation and drying process of hot adhesion coating of special environmental protection coating.	Research stage	Developing new processes	To realize the improvement of Shougang's product image and increase the market share of Shougang's electrical steel in different fields to provide stable support, and be more capable of realizing the breakthrough of Shougang's electrical steel in different application fields.
Research on precision stamping performance and process optimization of non-	Compare and contrast the use of different grades and sizes of Shougang's electrical steel, and on the basis of the research of material	Research stage	Product applications	Provide support for the large-scale application of the product in this field, with good economic benefits and

oriented silicon steel products	mechanical properties model, explore the appearance quality of the products and the evolution of electromagnetic properties of the stator and rotor stamping, and establish a multi-field coupling simulation model.			huge development potential.
R&D and application of high-strength non-oriented silicon steel for variable-speed pumped storage motors	Develop high-strength non-oriented silicon steel products for variable-speed pumped storage motors.	Research stage	Developing new products	Occupy the market share of high-end manufacturing in the green energy storage industry, fill the blank of domestic variable-speed pumped storage motors, and expand the social influence of the company's non-oriented silicon steel.
Research on high-strength non-oriented electrical steel prepared by the high-silicon method	Develop high-silicon and high-strength electrical steel whose performance is close to the level of Nippon Steel's high-strength electrical steel products.	Research stage	Developing new products	Improve the overall performance level of high-strength non-oriented electrical steel products, and provide assistance for the smooth realization of the goal of "carbon peak, carbon neutral".
Research on the influence and control of decarburization and nitriding behavior of low-temperature oriented silicon steel on the formation of oxide film.	To obtain the influence of nitriding conditions on the oxide film, to guide the optimization of the DCL process, and to improve the proportion of bottom layer defects.	Trial stage	Developing new processes	Improve the surface quality of finished oriented silicon steel products and improve the market competitiveness and profitability of oriented silicon steel products.
Research and application of the pickling method for galvanized alloying automobile boards	Adjust the parameters of the drawing machine in the pickling section to improve the board shape and improve the effect of breaking phosphorus, meanwhile increase the re-brushing process, adjust the process parameters of cleaning in stages to improve the surface quality of the strip after pickling, and lay the foundation for the quality of galvanized alloying products.	Trial production	Developing new processes, improvement of product quality	Effectively reduce the raw material coil slag warping skin type defects, and at the same time reduce the strip surface color difference defects, improve the overall quality of galvanized automotive board products.
Research on surface quality improvement of hot-dip galvanized phosphorus-containing high-strength steel outer plate.	Through the research of selective oxidation mechanism of phosphorus-containing high-strength steel, analyzing the causes of annealing furnace rolls tumor, formulating galvanizing annealing process optimization measures (including structural optimization), improving the galvanizing annealing furnace production of phosphorus-containing high-strength steel scratches before plating, and improving product quality, at the same time, to achieve the purpose of stable production of phosphorus-containing high-strength steel in batch.	Mid-trial stage	Improve surface quality and productivity.	Through the research on the mechanism of the knurling of the furnace rolls of phosphorus-containing high-strength steel, the incidence rate of pre-plating scratch defects is reduced to below 0.15%, the surface quality problems such as pre-plating scratches in the production of phosphorus-containing high-strength steel by galvanized annealing furnace are improved, and the purpose of the batch and stable production of phosphorus-containing high-strength steel is achieved with the continuous production of

				≥200 tons in each batch.
Research on intelligent plate shape control technology of Shougang's Shunyi cold-rolled steel finishing unit	Establishment of a special rolling force prediction model based on the fusion of data and data mechanism for the light finishing unit. Establish the mathematical model of plate shape inheritance and evolution law before and after annealing of the light finishing unit. Based on the rolling mechanism and actual production data, build a virtual plate shape instrument, use the virtual plate shape instrument for plate shape presetting control, improve the precision of plate-shape presetting, effectively reduce the labor of field operators, and improve the quality of plate shape.	Mid-trial stage	Intelligent plate shape control	By improving the accuracy of the rolling force prediction model and the improvement of the plate shape presetting control model, the plate shape defects in the rolling process can be effectively reduced to improve the product quality and production efficiency, which can increase the added value of the product.
Research on the method to improve the cleaning quality of strip steel	Develop PLC control system to realize dynamic adjustment of key process parameters in the cleaning process in a fully automatic way by adding a reflectivity measuring device; study the influence of different concentrations of degreasing agent and defoamer on the cleaning effect, and determine the optimal concentration range of degreasing agent through experiments and tests in order to meet the cleaning quality requirements.	Trial production	Developing new processes, improvement of product quality	Stable cleaning quality guarantees the smooth operation of the production process, reduces production interruptions and delays caused by cleaning problems, improves production efficiency, and reduces production costs. At the same time, it provides technical support for the enterprise to optimize the product structure and develop new products, which helps the enterprise to further expand its business field and achieve sustainable development.
Digital model and intelligent optimization research on rolling stability of pickling five-strand rolling and control application	The research focuses on coarse and fine adjustment thickness control, thickness compensation control, inter-stand tension control, thickness-tension coordination and optimization control, etc. The research applies advanced intelligent theories and technologies in the field of data and algorithms to open up and explore the intelligent solution for thickness quality control, and realize the intelligence of quality control.	Mid-trial stage	Automatic thickness quality control	Develop the core technology of rolling stability control of cold rolling mill with independent intellectual property rights to improve the thickness control precision and stability of the production process, in order to achieve the purpose of improving product quality, reducing the scrap rate, and improving the operation rate, so as to improve the market competitiveness of enterprises and expand the market share of products.

Research and development investment

	2024	2023	Proportion of changes
Number of R&D staff	2,396	2,481	-3.43%
Proportion of R&D staff	13.49%	13.61%	-0.12%
Educational background of R&D personnel			
Bachelor's degree	1,263	1,303	-3.07%
Master's degree	701	700	0.14%
Age structure of R&D personnel			
Below 30	134	117	14.53%
30--40	976	1,231	-20.71%

Details about R&D investments:

	2024	2023	Proportion of changes
R&D investments (RMB Yuan)	4,892,267,703.14	5,022,121,736.17	-2.59%
R&D investments as % of operating revenue	4.52%	4.41%	0.11%
Capitalized R&D investments (RMB Yuan)	0.00	0.00	0.00%
Capitalized R&D investments as % of total R&D investments	0.00%	0.00%	0.00%

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

☐ Applicable ☒ Non-applicable

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

☐ Applicable ☒ Non-applicable

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

☐ Applicable ☒ Non-applicable

5. Analysis of cash flow

Unit: RMB Yuan

Item	2024	2023	Year-on-year changes
Cash inflow from operating activities	50,336,207,671.70	65,498,998,275.77	-23.15%
Cash outflow from operating activities	44,007,478,675.01	59,344,692,203.95	-25.84%
Net cash flows from operating activities	6,328,728,996.69	6,154,306,071.82	2.83%
Cash inflow from investing activities	42,178,265.53	1,486,782,790.69	-97.16%
Cash outflow from investing activities	258,153,565.89	2,428,854,960.16	-89.37%
Net cash flows from investing activities	-215,975,300.36	-942,072,169.47	77.07%
Cash inflow from financing activities	29,070,240,000.00	36,413,359,368.93	-20.17%
Cash outflow from financing activities	35,391,827,630.87	41,050,137,224.35	-13.78%
Net cash flows from financing activities	-6,321,587,630.87	-4,636,777,855.42	-36.34%
Net increase in cash and cash equivalents	-207,285,827.04	575,445,674.40	-136.02%

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

☒ Applicable ☐ Non-applicable

1. The decrease in cash inflow from investing activities was mainly due to the impact of the recovery of investment in 2023 and the decrease in dividend payments received in 2024.

2. The decrease in cash outflows from investing activities was mainly due to the impact of the payment for the ball-burning acquisition in 2023 and the decrease in cash expenditures for the purchase and construction of fixed assets and intangible assets in 2024.

3. The increase in net cash flows from investing activities is mainly due to the impact of lower cash outflows from investing activities in 2024.

4. The decrease in net cash flows from financing activities was mainly due to the impact of the capital contribution received by Zhixin Co. from its shareholders in 2023 and the decrease in cash received from the acquisition of borrowings in 2024.

5. The decrease in the net increase in cash and cash equivalents was mainly due to the impact of the decrease in net cash flows from financing activities.

☒ Applicable ☐ Non-applicable

During the reporting period, the cash flow generated from operating activities was RMB 6.329 billion, and the net profit was RMB 595 million, the difference was RMB 5.734 billion. The main reasons are: assets impairment provision and credit impairment losses of RMB 594 million, depreciation and amortization of RMB 8.036 billion, financial expenses of RMB 1.188 billion, RMB -1.119 billion in an increase in receivables from operating activities, and RMB -4.197 billion in a decrease in payables from operating activities, RMB 795 million in a decrease in inventory, an investment loss of RMB 307 million, and RMB 130 million for others.

V. Non-principal business analysis

☐ Applicable ☒ Non-applicable

VI. Assets and liabilities

1. Significant changes in the composition of assets

Unit: RMB Yuan

	31 December 2024		1 January 2024		Proportion changes	Notes of material changes
	Amount	Proportion of total assets	Amount	Proportion of total assets		
Cash at bank and on hand	8,777,273,626.01	6.66%	9,153,205,626.37	6.66%	0.00%	
Accounts receivable	1,627,874,027.95	1.23%	1,365,633,725.20	0.99%	0.24%	
Inventories	11,370,913,814.02	8.62%	12,177,610,585.90	8.86%	-0.24%	
Long-term equity investments	2,070,713,423.51	1.57%	2,420,775,096.36	1.76%	-0.19%	
Fixed assets	87,108,977,736.60	66.06%	89,895,037,102.17	65.37%	0.69%	
Construction in progress	3,265,734,893.25	2.48%	5,320,613,251.88	3.87%	-1.39%	
Right-of-use assets	468,243,465.30	0.36%	489,044,162.56	0.36%	0.00%	
Short-term borrowings	22,251,284,791.74	16.88%	26,661,355,641.29	19.39%	-2.51%	
Contract liabilities	5,083,362,454.55	3.86%	4,699,449,813.28	3.42%	0.44%	
Long-term borrowings	11,864,070,000.00	9.00%	12,789,060,000.00	9.30%	-0.30%	
Lease liabilities	465,190,839.65	0.35%	471,745,760.35	0.34%	0.01%	

Foreign assets account for a relatively high proportion:

☐ Applicable ☒ Non-applicable

2. Assets and liabilities measured at fair value

☒ Applicable ☐ Non-applicable

Unit: RMB Yuan

Item	Opening balance	Fair value changes in the period	Accumulated fair value changes in equity	Impairment accrual in the period	Amount of purchase in the period	Amount of sales in the period	Other changes	Closing balance
Financial assets								
Other equity instruments investments	340,204,092.21		71,799,453.63					268,404,638.58
Financing receivables	2,223,431,426.46						1,372,862,067.13	3,596,293,493.59
Other non-current financial assets	75,009,218.61	4,790,547.26						70,218,671.35
Total	2,638,644,	-	-				1,372,862,	3,934,916,

	737.28	4,790,547.26	71,799,453.63				067.13	803.52
--	--------	--------------	---------------	--	--	--	--------	--------

Other changes

All of the Company's financing receivables are bank acceptance notes, and increases or decreases are changes in receipts and payments.

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

☐ YES ☒ NO

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

Item	Year-end			
	Book balance	Book value	Type of restriction	Restriction reason
Cash at bank and on hand	79,898,774.97	79,898,774.97	Freeze	All kinds of deposits
Total	79,898,774.97	79,898,774.97		

VII. Investment analysis

1. Overall situation

☒ Applicable ☐ Non-applicable

Invested amount during the reporting period (RMB Yuan)	Investment amount during the previous reporting period (RMB Yuan)	Change
3,847,317,002.84	3,977,367,822.54	-3.27%

2. Significant equity investment during the reporting period

☐ Applicable ☒ Non-applicable

3. Significant non-equity investment during the reporting period

☐ Applicable ☒ Non-applicable

4. Financial assets investment

(1) Securities investment

☐ Applicable ☒ Non-applicable

The Company has no securities investment during the reporting period.

(2) Derivatives investment

☐ Applicable ☒ Non-applicable

The Company has no derivatives investment during the reporting period.

5. Use of raised funds

☐ Applicable ☒ Non-applicable

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

VIII. Material disposal of assets and equity

1. Material disposal of assets

☐ Applicable ☒ Non-applicable

2. Material disposal of equity

☐ Applicable ☒ Non-applicable

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

☒ Applicable ☐ Non-applicable

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

Unit: RMB Yuan

Company name	Type	Main business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Shougang Jingtang United Iron	Subsidiary	Production and sales of steel	35,821,676,294.00	72,110,644,027.60	36,340,395,516.97	64,661,997,787.36	433,682,988.61	345,469,415.27

& Steel Co., Ltd.		products and by-products						
Shougang Zhixin Electromagnetic Materials (Qian'an) Co., Ltd.	Subsidiary	Production and sales of steel products and by-products	3,000,000,000.00	21,717,191,052.81	14,633,333,194.25	14,342,270,942.98	394,987,628.38	333,031,890.51

Acquisition and disposal of subsidiaries during the reporting period

☐ Applicable ☒ Non-applicable

X. Structured entity controlled by the Company

☐ Applicable ☒ Non-applicable

XI. Future development prospects

1. Industry pattern and development trend

In 2025, China's economy is expected to remain relatively resilient as the country's incremental policy package takes effect. The iron and steel industry has entered the stage of reducing development and stock optimization with more obvious characteristics.

Steel demand is expected to have a structural increment, in automotive, home appliances, shipbuilding, infrastructure, new energy, and other industries, stable growth will provide strong support for steel demand, at the same time, new energy equipment, aerospace, robotics, high-end equipment manufacturing, and other emerging industries, high-end areas of steel demand growth is obvious. Supply-side, it is expected that the state will continue to “total control, structural optimization” tone, through the “dual-carbon”, environmental protection and other policies to increase production capacity control, promote the exit of inferior enterprises, is expected to decline in crude steel production throughout the year, industrial concentration will be improved. Technological innovation, green transition, and intelligent manufacturing will become the core competitiveness of steel enterprises, hydrogen metallurgy, digital transformation, and other help to reduce costs and increase efficiency. Raw material cost fluctuations intensified, iron ore prices may remain high, and the scrap steel recycling system can alleviate some of the pressure. The policy level, “dual-carbon ” target pushed the iron and steel enterprises to energy saving and emission reduction, the LCA low-carbon management has become the key. Industry earnings or bottom out, but the enterprise differentiation is significant, leading technology, low-carbon green, and cost control ability of high-quality enterprises will gain a long-term competitive advantage.

2. Development strategy of the Company

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

clusters with international competitiveness, and strives to build Shougang Co. into a steel listed company with global competitiveness and influence.

3. Operating plans of 2025

The year 2025 is the critical year to further promote the deepening reform of the enterprise, continue to improve the “manufacturing + service” capabilities and realize high-quality development. The Company firmly grasps the development requirements of the new quality productivity and strives to complete the annual target tasks with a breakout posture, reform initiatives and innovative approaches to continuously improve operational efficiency, business quality and asset quality.

(1) Output of products

Steel production reached 22.59 million tons, a year-on-year decrease of 2.6%. Among them:

- ① Qiangang Co.: 8.88 million tons of steel, a year-on-year decrease of 0.9%.
- ② Jingtang Co.: 13.96 million tons of steel, a year-on-year decrease of 1.9%.
- ③ Zhixin Co.: 2.1 million tons of electrical steel, a year-on-year increase of 5.7%.
- ④ Cold-R Co.: cold-rolled sheet metal reached 1.88 million tons, a year-on-year increase of 0.8%.

(2) Budget arrangement for financial indicators

RMB 108.08 billion for operating revenue, year-on-year decrease of 0.21%. Among them: RMB 35.47 billion for operating revenue of parent company, year-on-year decrease of 3.62%; RMB 65 billion for operating revenue of Jingtang Co., year-on-year increase of 0.52%; RMB 14.5 billion for operating revenue of Zhixin Co., year-on-year increase of 1.10%; RMB 9.5 billion for operating revenue of Cold-R Co., year-on-year decrease of 2.75%; RMB 0.78 billion for operating revenue of Steel Trading, year-on-year decrease of 31.91%.

(3) Budget arrangement for cash flow

RMB 152.914 billion for cash inflows, including RMB 120.881 billion for cash inflow from operating activities, RMB 41 million for cash inflow from investing activities, and RMB 31.992 billion for cash inflow from financing activities.

RMB 151.289 billion for cash outflows, including RMB 110.271 billion for cash outflow from operating activities, RMB 4.544 billion for cash outflow from investing activities, and RMB 36.473 billion for cash outflow from financing activities.

At the end of the year, the balance of cash at bank and on hand was RMB 14.407 billion, and the balance of interest-bearing liabilities is RMB 34.947 billion.

(4) Budget arrangement for fixed assets project capital expenditure

Arrangement of fixed assets investment is RMB 4.126 billion, including: RMB 1.899 billion for Qiangang Co., RMB 1.847 billion for Jingtang Co., RMB 302 million for Zhixin Co., RMB 65 million for Cold-R Co., and RMB 11 million for Steel Trading.

4. Potential risk

(1) Policy and industry risk

Steel enterprises will face the double pressure of policy tightening and industrial transition. On the one hand, the situation of overcapacity in the iron and steel industry will not change in the short term, and the competitive environment of the industry is still severe; on the other hand, the carbon peak carbon neutral policy, environmental protection, production restrictions and other policy factors will bring more pressure on the operation of enterprises.

To cope with the above risks, firstly, it is necessary to closely monitor the changes in macro policies and industry development, conduct in-depth research on upstream and downstream industry chains, strengthen market prediction and analysis, improve rapid response capability, and enhance the ability to resist market risks. Secondly, it is necessary to strengthen the consciousness of market subject and business awareness,

strengthen the synergy of all kinds of business elements, synchronize with market changes, strengthen the synergistic development of domestic and foreign markets, promote the export of advantageous products, and expand the international influence of advantageous products. Third, relying on technological innovation to continue to promote the upgrading of product structure, and channel structure, and actively promote the project of high-quality steel with nearly “zero” carbon emission, optimize the production process, reduce energy consumption, strengthen the synergy of the production line, dig deep into the potential of the user side of the new process, new uses of the demand for new materials, and actively promote the accurate docking with the downstream high-end demand. Fourth, seize the opportunity for green and low-carbon development, comprehensively promote the whole variety of low-carbon advantageous products and channel construction work, promote green and low-carbon technologies and products, and create an enterprise green and low-carbon brand.

(2) Low-carbon environmental risks

In 2025, the iron and steel industry will be included in the national carbon market to carry out carbon trading compliance, and the Ministry of Ecology and Environment has issued carbon emission accounting guidelines and verification guidelines for the iron and steel industry, which put forward higher requirements for annual carbon emission reporting and verification; Under the background of “carbon peak, carbon neutral”, downstream customers have put forward higher requirements for the company's carbon reduction work; The EU Carbon Border Adjustment Mechanism (CBAM) carbon tax is about to be formally paid, which will accordingly require domestic steel product exporters to provide more accurate and detailed carbon emission-related data.

To cope with the above risks and demands, firstly, the Company will accelerate the construction of a low-carbon management system, promote the implementation of low-carbon action plans, apply comprehensive carbon reduction technologies, and focus on creating low-carbon product dedicated lines to meet customer carbon reduction needs. The second is to deepen the construction of the LCA system, standardize carbon data management, improve data quality, and meet verification and certification requirements. The third is to continuously build a low-carbon supply chain system, select low-carbon raw materials, and promote the low-carbon process of procurement, production, transportation, and other processes.

(3) Horizontal competition risk

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

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

(5) Related transactions risk

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

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

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

√ Applicable □ Non-applicable

Time	Location	Method	Type	Counterparty	Main contents and provided material	Reference for basic information
22 April 2024	Panoramic network studio (https://rs.p5w.net/html/141703.shtml)	Others	Others	Total investors	Provide an explanation of the Company's FY2023 and first quarter 2024 performance situation and answer investors' questions of interest.	The details are disclosed on the interactive platform on 23 April 2024
25 April 2024	Company conference room	Telephone communication	Institution	Zhao Chao of Changjiang Securities, He Jinyang, Tu Chengliang and Hu Zhiyuan of E Fund, Li Sha of Guangfa Securities and Sun Zeyuan of Dacheng Fund.	Provide an explanation on investors' concerns about the Company's product development plan, demand for automotive panels, cost reduction measures, export situation, and capital expenditures.	The details are disclosed on the interactive platform on 26 April 2024
6 May 2024	Company conference room	Field research	Institution	Dai Mo and Liu Weili of Everbright Securities, Li Mingsheng of Xinhua Asset, Huang Zongxian, Shi Yunkai and Peng Ruizhe of Huaxia Fund	Provide an explanation on investors' concerns about electrical steel prices, demand for automotive panels, future plans for strategic products and key products, exports, and carbon reduction programs.	The details are disclosed on the interactive platform on 7 May 2024
23 May 2024	Company conference room	Telephone communication	Institution	Li Sha, Chen Qiwei, Yan Xieyun of Guangfa Securities, Liu Peng of Bank of Communications Schroder Fund Management, He Sixuan and Xu Yangjie of First State Cinda Fund	Provide an explanation on investors' concerns about electrical steel prices, industry policies, and capital expenditures.	The details are disclosed on the interactive platform on 24 May 2024
4 June 2024	Company conference room	Telephone communication	Institution	Chen Qiwei of Guangfa Securities, Zheng Si'en of Lombarda China Fund	Provide an explanation on investors' concerns about cost reduction measures, demand for electrical steel and the future proportion of	The details are disclosed on the interactive platform on 5 June 2024.

					high-end electrical steel.	
3 July 2024	Company conference room	Telephone communication	Institution	Chen Qiwei of Guangfa Securities, Liu Yang, Zhang Rui, Li Yue, Wu Zhaohua, Qiao Qian of AEGON-INDUSTRIAL Fund	Provide an explanation on investors' concerns about the advantages and demand for electrical steel and the situation of automotive panels.	The details are disclosed on the interactive platform on 4 July 2024.
23 August 2024	Panoramic network studio (https://rs.p5w.net/html/143757.shtml)	Others	Others	Total investors	Provide an explanation of the Company's production, operations and results for the first half of 2024, and answer questions of interest to investors.	The details are disclosed on the interactive platform on 26 August 2024.
23 August 2024	Company conference room	Telephone communication	Institution	Zhang Shuwei of CICC, Dai Mo of Everbright Securities, Li Pengfei, Wei Yudi and Wang Hongyu of Guotai Junan Securities, Wang Xinyan of Huatai Securities, Ma Ye of Huachuang Securities, Jia Hongkun of China Merchants Securities, Chen Qiwei, Shen Tao and Gong Shuai of Guangfa Securities, Shen Haojun of Zheshang Securities, and Renheng of Minsheng Securities.	Provide an explanation on investors' concerns about production regulation, electrical steel production, automotive panel demand, and capital expenditures.	The details are disclosed on the interactive platform on 26 August 2024.
30 October 2024	Panoramic network studio (https://rs.p5w.net/html/144979.shtml)	Others	Others	Total investors	Provide an explanation on investors' concerns surrounding the Company's production, operation and performance in the first three quarters of 2024	The details are disclosed on the interactive platform on 30 October 2024

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

Whether the Company has formulated a market value management system.

☐ YES ☒ NO

Whether the Company has disclosed a valuation improvement plan.

☒ YES ☐ NO

The “Valuation Improvement Plan of Beijing Shougang Co., Ltd.” has been considered and approved by the Eighty-fourth Board of Directors Meeting of the Company, the main contents of which are as follows: (1) Continuously improve profitability and promote high-quality corporate development; (2) Emphasize investor

returns and share the results of development; (3) Improve investor communication and convey the Company's value; (4) Improving the quality of information disclosure and responding to market concerns; (5) Implementing ESG management concepts and improving the level of governance; (6) Exploring diversified forms of incentives and promoting long-term incentive mechanisms; and (7) Encouraging major shareholders to increase their holdings and boosting market confidence. The specific content is detailed in the 1 March 2025 public announcement of the Company's Board of Directors.

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

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

☒ YES ☐ NO

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

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

SECTION IV. CORPORATE GOVERNANCE

I. Information on corporate governance

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

During the reporting period, the Company focused on the following aspects of corporate governance: Firstly, according to the “Opinions of the General Office of the State Council on the Reform of the System of Independent Directors of Listed Companies”, “Administrative Measures for Independent Directors of Listed Companies”, “Listing Rules of Shenzhen Stock Exchange”, and “Self-regulatory Guide for Listed Companies of Shenzhen Stock Exchange No. 1 - Standardized Operation of Main Board Listed Companies” and other laws, regulations, rules and normative documents, and combined with the actual operation, formulated 24 rules and regulations, including “Regulations on the Work of Specialized Meetings of Independent Directors” and “Data Security Management System”, revised 109 rules and regulations, including “Articles of Association”, “Rules of Procedure of the Board of Directors”, and “Rules of the Independent Directors”, to improve the level of corporate governance; Secondly, in view of the actual situation, such as updating the rules and operational adjustments, the internal control self-evaluation is organized in accordance with the “Risk Control Manual” and the “Internal Control Evaluation Manual”. The third is centered on the requirements of compliance management, contract management and legal management, revising the “three libraries of compliance”, focusing on system specifications, key areas and operation mechanisms, forming a compliance management system with clear authority and responsibility, effective operation and close integration with business and risk control, and passing the standard certification of GB/T35770-2022/ISO37301:2021 of the Compliance Management System. The fourth is in accordance with the relevant provisions of the Articles of Association and the Rules of Procedure of the Shareholders' Meeting, the shareholders' meeting shall be convened through “on-site+online voting” to ensure that the matters submitted for review and approval by the shareholders' meeting are in compliance with the law.

At the end of the reporting period, the Company has a total of 505 regulations, among which 501 regulations are formulated and implemented by the company and 4 regulations are forwarded to the government and regulatory authorities.

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

☐ YES ☒ NO

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

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

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

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

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

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

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

4. Institutions: The Company has a general meeting of shareholders, the board of directors, the board of supervisors, managers, and other corporate governance structures, a complete organizational system, independent operation, and independent exercise of power. And there is no subordinate relationship with the controlling shareholder and its related parties.

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

III. Horizontal competition

√ Applicable □ Non-applicable

Type	Type of association with the Company	Name of controlling shareholder	Nature of controlling shareholder	Causes	Solutions	Work progress and follow-up plan
Competition in the same industry	The controlling shareholder	Shougang Group Co., Ltd.	Local SASA C	Since the listing of the Company, there has been inter-sector competition and connected transactions resulting from the partial	<p>1. Shougang Group undertakes in respect of measures to resolve inter-sector competition and avoid inter-sector competition after the First Reorganisation</p> <p>(1) Except for the situation of inter-sector competition existing prior to the date of this Letter of Undertaking, if the Company obtains opportunities for acquisition, development and investment in the same or similar business as Shougang Co, the Company will immediately notify Shougang Co and offer them to Shougang Co for selection on a priority basis and make its best efforts to make such business opportunities available for transfer to Shougang Co.</p> <p>(2) In integrating and operating existing steel assets not yet transferred to Shougang Co., the Company will select the appropriate platform and means to achieve resource integration in a manner that is conducive to the future transfer to Shougang Co. and will not include provisions in the relevant agreements or arrangements with partners or third parties that restrict or prohibit the injection of such assets or businesses into Shougang Co.</p> <p>(3) The Company will, as far as possible,</p>	The process of performance. In December 2024, Shougang Co., Ltd. and Shougang Group signed the "Management Service Agreement between Shougang Group Co., Ltd. and Beijing Shougang Co., Ltd. on the Affiliated Enterprises of Shougang Group Co., Ltd.". Shougang Co., Ltd. provides management

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

IV. General shareholders' meetings and extraordinary shareholders' general meetings during the reporting period

1. Information on the general shareholders meeting

Sessions	Type	Investor participation ratio	Convening date	Disclosure date	Resolutions of meeting
2024 First Extraordinary General Meeting	Extraordinary General Shareholders Meeting	83.36%	22 February 2024	23 February 2024	Detailed information can be found in the company's announcement on the date of disclosure of the meeting resolution
2024 Second Extraordinary General Meeting	Extraordinary General Shareholders Meeting	83.27%	8 April 2024	9 April 2024	Detailed information can be found in the company's announcement on the date of

					disclosure of the meeting resolution
2022 Annual General Meeting	Annual General Shareholders Meeting	83.22%	28 June 2024	29 June 2024	Detailed information can be found in the company's announcement on the date of disclosure of the meeting resolution
2024 Third Extraordinary General Meeting	Extraordinary General Shareholders Meeting	83.48%	27 December 2024	28 December 2024	Detailed information can be found in the company's announcement on the date of disclosure of the meeting resolution

2. Request for extraordinary general meeting by preferred stockholders whose voting rights restore

☐ Applicable ☒ Non-applicable

V. Directors, Supervisors, Senior Management

I. General information

Name	Gender	Age	Position	Status	Start date of term	End date of term	Number of shares held at the beginning of the period	Number of shares increased in the current period	Number of shares reduced in the current period	Other changes	Number of shares held at the end of the period	Reasons for changes in the increase or decrease of shares
Qiu Yinfu	Male	57	Chairman	Incumbent	28 December 2023	22 December 2025	0	0	0	0	0	
Sun Maolin	Male	48	Director	Incumbent	8 April 2024	22 December 2025	0	0	0	0	0	
Li Ming	Male	50	Director	Incumbent	8 April 2024	22 December 2025	174,870	0	86,130	0	88,740	Repurchased and canceled because the Company's performance did not meet the conditions for the release of restrictions on sale.
Li Jiantao	Male	46	Director	Incumbent	23 December 2022	22 December 2025	0	0	0	0	0	
Yu Xingxi	Male	66	Independent Director	Incumbent	23 December 2022	22 December 2025	0	0	0	0	0	
Liu Shen	Male	49	Independent Director	Incumbent	23 June 2020	22 December 2025	0	0	0	0	0	
Peng Feng	Male	45	Independent Director	Incumbent	23 June 2020	22 December 2025	0	0	0	0	0	
Wang Cuimin	Female	58	Independent Director	Incumbent	22 February 2024	22 December 2025	0	0	0	0	0	
Sun Yi	Male	59	Chairman of Supervisory Board	Incumbent	29 November 2021	22 December 2025	0	0	0	0	0	
Dai Jun	Male	56	Supervisor	Incumbent	22 February 2024	22 December 2025	0	0	0	0	0	
Chang	Female	40	Supervisor	Incumbent	23	22	0	0	0	0	0	

Hiyu					December 2022	December 2025							
Wang Xingtao	Male	46	Employee Representative Supervisor	Incumbent	23 December 2022	22 December 2025	0	0	0	0	0	0	
Qu Erlong	Male	43	Employee Representative Supervisor	Incumbent	7 July 2021	22 December 2025	0	0	0	0	0	0	
Sun Maolin	Male	48	General Manager	Incumbent	22 March 2024	22 December 2025	174,870	0	86,130	0	88,740	0	Repurchased and canceled because the Company's performance did not meet the conditions for the release of restrictions on sale.
Zhao Peng	Male	50	Deputy General Manager	Incumbent	18 April 2024	22 December 2025	0	0	0	0	0	0	
Liu Tonghe	Male	44	Chief Accountant	Incumbent	18 August 2023	22 December 2025	0	0	0	0	0	0	
Xie Tianwei	Male	43	Deputy General Manager	Incumbent	27 October 2022	22 December 2025	136,310	0	66,990	0	69,320	0	Repurchased and canceled because the Company's performance did not meet the conditions for the release of restrictions on sale.
Wang Kai	Male	42	Deputy General Manager	Incumbent	27 October 2022	22 December 2025	136,010	0	66,990	0	69,020	0	Repurchased and canceled because the Company's performance did not meet the conditions for the release of restrictions on sale.
Qiao yufei	Female	36	Secretary of the board	Incumbent	26 October 2023	22 December 2025	0	0	0	0	0	0	
Qiao yufei	Female	36	Secretary of the Board, Chief Legal Consultant	Incumbent	29 October 2024	22 December 2025	0	0	0	0	0	0	
Zhu Guosen	Male	47	Director	Resignation	28 September 2023	21 March 2024	0	0	0	0	0	0	
Zeng Li	Male	53	Director	Resignation	23 December 2022	21 March 2024	194,300	0	95,700	0	98,600	0	Repurchased and canceled because the Company's performance did not meet the conditions for the release of restrictions on sale.
Gu Wenxian	Male	63	Independent Director	Resignation	20 December 2021	26 August 2024	0	0	0	0	0	0	
Guo Liyan	Female	49	Supervisor	Resignation	7 January 2016	9 January 2024	0	0	0	0	0	0	
Zhu Guosen	Male	47	General Manager	Resignation	18 August 2023	21 March 2024	0	0	0	0	0	0	
Sun Maolin	Male	48	Deputy General Manager	Resignation	23 December 2022	22 March 2024	0	0	0	0	0	0	

Total	--	-	--	--	--	--	816,360	0	401,940	0	414,420	--
-------	----	---	----	----	----	----	---------	---	---------	---	---------	----

During the reporting period, did any directors and supervisors resign and was any members of the senior management resigned during their term of office

☒ YES ☐ NO

For details, please refer to "Changes in directors, supervisors and senior manager".

Changes in directors, supervisors and senior manager

☒ Applicable ☐ Non-applicable

Name	Position	Type	Date	Reason
Zhu Guosen	Director	Resignation	21 March 2024	Resignation upon transfer of work
Zeng Li	Director	Resignation	21 March 2024	Resignation upon transfer of work
Gu Wenxian	Independent Director	Resignation	26 August 2024	Resignation for personal reasons
Guo Liyan	Supervisor	Resignation	9 January 2024	Resignation upon transfer of work
Zhu Guosen	General Manager	Resignation	21 March 2024	Resignation upon transfer of work
Sun Maolin	Deputy General Manager	Resignation	21 March 2024	Adjustment of position

II. Current position

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

A. Board members

1. Qiu Yinfu: The chairman of the Company, University degree, Master of Business Administration in Senior Management, Senior Engineer. Formerly served as the head of the Motorized Section of Shougang Second Steelmaking Plant; the head of Shougang Oxygen Plant; and the head of the Cold Rolling Operation Department of Shougang Qiangang Company; Deputy General Manager, Director of Cold Rolling Operations Department and Secretary of Party Committee of Shougang Qiangang Company; Chairman, Deputy Secretary of Party Committee and General Manager of Beijing Shougang Cold Rolling Co., Ltd.; Deputy Secretary of the Party Committee, Chairman of the Labor Union and Deputy General Manager of Beijing Shougang Company Limited, and Secretary of the Party Committee of Qian'an Iron & Steel Company of Shougang Company Limited; Secretary of the Party Committee and Chairman of the Board of Directors of Shougang Jingtang Iron & Steel United Co., Ltd. and Director of Beijing Shougang Company Limited; Deputy Secretary of the Party Committee and Director of Shougang Group Company Limited and Director of Beijing Shougang Company Limited; Deputy Secretary of the Party Committee, Director and Chairman of the Labor Union of Shougang Group Company Limited, Director of Beijing Shougang Company Limited; Deputy Secretary of the Party Committee, Director and Chairman of the Labor Union of Shougang Group Co., Ltd., Deputy Secretary of the Party Committee, Director and General Manager of Shougang Group Co., Ltd. The current Deputy Secretary of the Party Committee, Director, and General Manager of Shougang Group Co., Ltd., and Chairman of Beijing Shougang Co., Ltd.

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

3. Li Ming: Director, Doctoral degree, Doctor of Engineering, Professorate Senior Engineer. Formerly served as, deputy director of technology and science research department of Shougang Third Steelmaking Plant (Chief); Deputy Director of Technical Quality Division of Shougang Qiangang Company; Deputy General Manager of Shougang Qian'an Iron & Steel Co., Ltd.; Deputy Secretary of the Party Committee and Director of the Marketing Management Department of Beijing Shougang Company Limited; Deputy General Manager, Deputy Secretary of the Party Committee and Director of the Marketing Management Department of Beijing

Shougang Company Limited; Director and Deputy General Manager, Deputy Secretary of the Party Committee and General Manager of the Marketing Center of Beijing Shougang Company Limited; Deputy General Manager, Deputy Secretary of the Party Committee and General Manager of the Marketing Center of Beijing Shougang Company Limited; Deputy General Manager of Beijing Shougang Company Limited, Deputy Secretary of the Party Committee and General Manager of the Marketing Center, Executive Director and General Manager of Beijing Shougang Steel Trading Investment Management Co., Ltd.; Deputy Secretary of the Party Committee, Director and General Manager of Shougang Jingtang United Iron & Steel Co., Ltd.; Secretary of the Party Committee and Chairman of the Board of Directors of Shougang Jingtang United Iron & Steel Co., Ltd. The Current Director of Beijing Shougang Company Limited, Secretary of the Party Committee and Chairman of the Board of Directors of Shougang Jingtang United Iron & Steel Co., Ltd.

4. Li Jiantao: The director of the Company, the intermediate economist with a Bachelor's Degree. The main employment history of Mr. Li is as follows: Mr. Li used to be a member of Finance Department of Baosteel Group Shanghai No. 1 Iron and Steel Co., Ltd., a member of Finance Department of Shanghai No. 1 Iron and Steel Co., Ltd., a member of asset Management Section, Deputy Director of Finance Department and Deputy Director of Finance Department of Baosteel Group Shanghai No. 1 Iron and Steel Co., Ltd., a deputy director of Finance Department and Deputy Director of Transportation Reform Department of Baosteel Group Shanghai No. 1 Iron and Steel Co., Ltd., Senior Manager of expense Management of Operating Finance Department of Baosteel Group (Head Office), Senior Manager of expense Management of Operating Finance Department of China Baowu Iron and Steel Group Co., L Ltd., Senior Manager of Fund Management of Finance Department of China Baowu Iron and Steel Group Co., L Ltd., and Fund Director of Finance Department of China Baowu Iron and Steel Group Co., Ltd. Currently, Mr. Li is director of capital Operation Department and Capital Operation Center of China Baowu Iron and Steel Group Co., Ltd., and director of Beijing Shougang Co., Ltd.

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

6. Liu Shen: The independent director of the Company with a doctoral degree. The main employment history of Mr. Liu is as follows: Once served as an employee of the real estate credit department of Shanghai Branch of China Construction Bank, Shanghai Stock Exchange, and Shanghai Xinfugang Real Estate Development Co., Ltd. The current senior consultant of Beijing Zhuowei (Shanghai) Law Firm, and independent

director of Guizhou Guotai Liquor Co., Ltd. (unlisted company) and China National Medicines Corporation Ltd. was appointed as an independent director of Beijing Shougang Company Limited on 23 June 2020.

7. Peng Feng: The independent director of the Company, a senior engineer with a master's degree. The main employment history of Mr. Peng is as follows: Mr. Peng once served as assistant engineer, engineer and deputy director of the Smelting Raw Materials Department of Metallurgical Industry Planning and Research Institute, chief designer and vice director of Smelting Raw Materials Department of Metallurgical Industry Planning and Research Institute, chief designer and director of Smelting Raw Materials Department of Metallurgical Industry Planning and Research Institute. At present, Mr. Peng is vice chief engineer of the Metallurgical Industry Planning and Research Institute, director of the Smelting Raw Materials Department, permanent council member of the China Nonferrous Metals Industry Association, and vice chairman of the ferroalloy branch of China Society for Metals. Appointed as an independent director of Beijing Shougang Company Limited on 23 June 2020.

8. Wang Cuimin: Independent Director, Postgraduate degree, Senior Engineer, Asset Appraiser, Land Appraiser, Enterprise Risk Internal Controller. Formerly served as the project manager in Zhongji Audit Firm, the vice president of Beijing Chinese Enterprise China Assets Evaluation Co., Ltd., the director and vice president of Beijing Huaxia Taohoe International Investment Management Company Limited, the partner of Zhitong Consulting (Beijing) Co., Ltd., the independent director of Nanjing Iron & Steel Co., Ltd., the external purchasing expert of China Development Bank, the auditing expert of the asset appraisal report of China National Aviation Fuel Group Corporation, the appraisal expert of the Nanfang United Property Right Exchange Center. The current external purchasing expert of China Development Bank, the auditing expert of the asset appraisal report of China National Aviation Fuel Group Corporation, the appraisal expert of the Nanfang United Property Right Exchange Center, the auditing expert of the asset evaluation report of China POLY Group Corporation Limited, and the vice president of Beijing Chinese Enterprise China Assets Evaluation Co., Ltd. Appointed as an independent director of Beijing Shougang Company Limited on 22 February 2024.

(2) Supervisors

1. Sun Yi: The chairman of the supervisory Board of the Company, a senior economist with a doctoral degree in Economics. The main employment history of Mr. Sun is as follows: A cadre of machinery workshop of Changchun Bus Factory in Jilin Province, a deputy director staff of Jilin Provincial Labor Department labor Management Office, deputy secretary of the Secretariat of Jilin Provincial Government General Office, director and deputy general manager of Tonghua Iron & Steel Co., Ltd., Member of the Standing Committee of the Party Committee and Deputy General Manager of Tonghua Iron & Steel Co., Ltd., Secretary of the Party Committee, Director and Deputy General Manager of Tonghua Iron & Steel Co., Ltd., Secretary of the Party Committee, Director, Secretary of the Discipline Inspection Committee, Chairman of the Labor Union and Deputy General Manager of Tonghua Iron & Steel Co., Ltd..

Mr. Sun is currently the Director of the Work Office of the Supervisory Board of Shougang Group Co., Ltd., and the Chairman of the Supervisory Board of Beijing Shougang Co., Ltd.

2. Dai Jun: Supervisor, University Degree, Master of Engineering, Senior Accountant, Certified Public Accountant. Formerly served as a designer in the Mining Machinery Design Laboratory of Beijing Shougang Design Institute, an accountant, assistant to the director, deputy director and director of the Finance Department of Beijing Shougang Design Institute, director of the Finance Department of Beijing Shougang International Engineering Technology Co., Ltd., chief financial officer and head of the finance department of Beijing Shougang International Engineering Technology Co., Ltd., and director of the Audit Department in Shougang Group Co., Ltd. Mr. Dai is currently the director of the Audit Department of Shougang Group Co., Ltd., and the supervisor of Beijing Shougang Co., Ltd.

3. Chang Haiyu: The supervisor of the Company, an intermediate economist with a master's degree. The main employment history of Mr. Chang is as follows: He was senior manager of the Financing Management Department of Beijing State-owned Capital Operation Management Co., Ltd., senior manager of the key Account Department of the head office of Zheshang Bank Co., Ltd., and assistant to the general manager of Capital Operation Department of Beijing Financial Holding Group Co., Ltd. Currently, he is the investment director of Beijing Jingguorui Equity Investment Fund Management Co., Ltd., and the supervisor of Beijing Shougang Co., Ltd.

4. Wang Xingtao: The employee representative supervisor of the Company, a senior marketer with a bachelor's degree. The main employment history of Mr. Wang is as follows: He used to be a member of the supply and Marketing Department of Shougang First-line Material Factory, a salesman of the Sales Department of the high-quality Profile Sales Department of Shougang Sales Company, a researcher of the price Management Department of the Marketing Management Department of Shougang Sales Company, deputy chief of Price Management Department of Marketing Management Department of Shougang Sales Company (probation period of one year), deputy chief of Price Management Department of Marketing Management Department of Shougang Sales Company, and a professional manager of marketing Management Office of Marketing Management Department. Currently, he is the professional manager of the marketing Office of the Marketing Management Department of the Marketing Center and the employee representative supervisor of Beijing Shougang Co., Ltd.

5. Qu Erlong: The employee representative supervisor of the Company, a senior marketer with a bachelor's degree. The main employment history of Mr. Qu is as follows: Mr. Qu worked as a worker in Shougang High-speed Wire Mill, Shougang Equipment Maintenance Center, Qiangang Co. Equipment Maintenance Center, Qiangang Company Equipment Maintenance Center, Beijing Shougang Co., Ltd. Equipment Department, hot-rolling Operation Department. Currently, he is a clampman in the equipment room of the Hot-rolling Operation Department of Beijing Shougang Co., Ltd. and an employee representative supervisor of Beijing Shougang Co., Ltd.

(3) Senior managers

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

Secretary of the Party Committee and General Manager of Beijing Shougang Company Limited, Director of Shougang Jingtang United Iron & Steel Co., Ltd. The Current Deputy Secretary of the Party Committee, Director and General Manager of Beijing Shougang Company Limited.

2. Zhao Peng, Deputy General Manager, University degree, Master of Engineering, Economist. Formerly served as head of the Planning Department in the Planning and Finance Division of the Shougang Economy and Trade Department; Deputy Director of the Planning Department in the Planning and Finance Division of Shougang New Steel Sales Company; Head of Marketing Planning Department in the Marketing Management Division of Shougang Corporation Sales Company; Chief of Automobile Plate Sales Department and Chief of Management Department in the Cold Rolled Plate Sales Division of Shougang Corporation Sales Company; Deputy Manager of the Shanghai Sales Branch of Shougang Corporation Sales Company (Director assistant level); Deputy Director and Party Secretary of the Marketing Management Division of Shougang Corporation Sales Company (Nominal Deputy Division Level); Deputy Director of the Marketing Management Division of Shougang New Steel Sales Company (Nominal Deputy Director of the Market Research Department of China Iron and Steel Association); Deputy Director of the Automobile Plate Sales Division of Shougang Corporation Sales Company (presiding over the work); General manager of Tianjin Shougang Steel Trading Co., Ltd. (Shougang Tianjin Sales Branch) (director level); Deputy Director of Marketing Management Department of Beijing Shougang Company Limited; Deputy General Manager of Marketing Center of Beijing Shougang Company Limited; Member of the Party Committee and Deputy General Manager of Marketing Center of Beijing Shougang Company Limited; Member of the Party Committee and Deputy General Manager of Marketing Center of Beijing Shougang Company Limited and Director of Automobile Plate Sales Department; Deputy Secretary of the Party Committee, Director and General Manager of China Shougang International Trade & Engineering Corporation; Deputy Secretary of the Party Committee and General Manager of Marketing Center of Beijing Shougang Company Limited; Deputy Secretary of the Party Committee and General Manager of the Marketing Center of Beijing Shougang Company Limited. The current Deputy General Manager of Beijing Shougang Company Limited, the Deputy Secretary of the Party Committee and General Manager of the Marketing Center, the Executive Director and General Manager of Beijing Beijing Shougang Steel Trading Investment Management Company Limited, and the Director of Shougang Jingtang United Iron & Steel Co., Ltd.

3. Liu Tonghe: The Chief Accountant of the Company, University Degree, Senior Accountant. Formerly served as the Financing Administrator of the Finance Department of Shougang Corporation, the Chief Manager and Deputy Director of the Finance Department in the Planning and Finance Division of Shougang Corporation (New Steel Company), the Director of Fund Management (Deputy Director) of the Operating Finance Department of Shougang Corporation, the Director of Fund Management of the Operating Finance Department of Shougang Group Co., Ltd., the Deputy General Manager of Shougang Group Finance Co., Ltd., and the Secretary and Deputy General Manager of the Party Branch of Shougang Group Finance Co., Ltd. and Chief Accountant of Beijing Shougang Company Limited. The Current Chief Accountant of Beijing Shougang Company Limited, Director of Shougang Jingtang United Iron & Steel Co., Ltd., and Director of Beijing Shougang Cold Rolling Co., Ltd.

4. Xie Tianwei: Deputy General Manager, University degree, MBA, Senior Engineer. The main employment history of Mr. Xie is as follows: He was an intern at Shougang Medium Thick Plate Factory, director of production technology Office Hot Rolling Branch Operating Area A of Shougang Qiangang Co., assistant to the director of the Hot Rolling Operation Department of Shougang Qiangang Co., deputy director of Hot Rolling Operation Department, Vice Minister of Production Department, Vice Minister of Manufacturing Department and Vice Minister of System Innovation Department, Vice Minister of Manufacturing Department

and Director of Contract Planning Room of Marketing Center of Beijing Shougang Co., Ltd., Assistant to general manager of Marketing Center of Beijing Shougang Co., Ltd., director (director) of Contract Planning Office of Marketing Management Department, Deputy Director of Manufacturing Department of Beijing Shougang Co., Ltd. Deputy General manager of Beijing Shougang Co., Ltd. The Current Deputy General Manager of Beijing Shougang Co., Ltd. and the Chairman of Shougang Zhixin Electromagnetic Materials (Qian'an) Co., Ltd.

5. Wang Kai: The deputy general manager of the Company, a senior engineer with a master's degree in Management. The main employment history of Mr. Wang is as follows: He used to be deputy foreman of 1# blast furnace, deputy foreman of 2# blast furnace, chief foreman of 2# blast furnace, technician of 2# blast furnace, deputy foreman of 2# blast furnace operation area, chief operator of 1# blast furnace operation area (one-year probation), chief operator of 1# blast furnace operation area, assistant minister (temporary vice minister) and deputy minister (in charge of work) of Iron Making Division of Shouqin Company. Deputy Minister, Deputy minister (in charge of work), and minister of the Iron making Operation Department of Shougang Jingtang Co., assistant to the general manager and head of the Iron making Operation Department of Jingtang Co. The Current Deputy General Manager of Beijing Shougang Company Limited.

6. Qiao Yufei: Secretary of the Board of Directors, Chief Legal Consultant, Master's degree. Formerly served as Senior Manager and Vice President of the Investment Banking Committee and Equity Investment Department of CITIC Securities Co., Ltd; Senior Vice President of China Minsheng Financial Investment Department; General Manager of Post Investment Management and Service Department of Shougang Fund Co., Ltd., Director and General Manager of Beijing Shouxi Investment Management Co., Ltd., concurrently serving as a supervisor of Beijing Automotive Co., Ltd., director of Shouhui Industrial Financial Services Group Co., Ltd., director of Beijing Chuangye Industrial Operation Management Co., Ltd., supervisor of Beijing Shougang Green Festival Entrepreneurship Investment Co., Ltd., and senior manager of the Board Secretary Office of Beijing Shougang Co., Ltd., Secretary of the Board of Directors of Beijing Shougang Company Limited; Secretary of the Board of Directors and Chief Compliance Officer of Beijing Shougang Company Limited, Director of Shougang Jingtang United Iron & Steel Co., Ltd.; Secretary of the Board of Directors and Chief Compliance Officer of Beijing Shougang Company Limited, Director of Shougang Jingtang United Iron & Steel Co., Ltd. and Director of Beijing Shougang Cold Rolling Co., Ltd. The Current Secretary of the Board of Directors and Chief Compliance Officer and Legal Consultant of Beijing Shougang Company Limited, Director of Shougang Jingtang United Iron & Steel Co., Ltd. and Director of Beijing Shougang Cold Rolling Co., Ltd.

☒Applicable ☐Non-applicable

Name	Entity	Position in shareholder company	Start date of term	End date of term	Received remuneration from other entity (Y/N)
Qiu Yinfu	Shougang Group Co., Ltd.	Deputy Secretary of the Party Committee, Director and General Manager	September 2023		Y
Sun Yi	Shougang Group Co., Ltd.	Director of the Work Office of the Supervisory Board	January 2021		Y
Dai Jun	Shougang Group Co., Ltd.	Director of audit department	February 2024		Y
Li Jiantao	China Baowu Steel Group Corporation Ltd.	Capital Operation Department, Director of capital Operation of Industry and Finance Center	March 2021		Y
Chang Hiyu	Beijing Jingguorui Equity Investment Fund Management Co., Ltd.	Investment director	November 2011		Y
Notes to employment at	None				

the shareholder
of the Company

Position in other entity

☐ Applicable ☒ Non-applicable

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

☐ Applicable ☒ Non-applicable

III. Remuneration of directors, supervisors and senior management

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

Remuneration for directors: the independent directors of the Company collect the allowance of independent directors, and the allowance standard of independent directors is determined by the general meeting of shareholders; the director who concurrently serves as the general manager does not collect the remuneration of directors; director Zen Li (resigned) and director Li Ming collect remuneration in Jingtang Co., which is not the director remuneration; other directors do not collect remuneration from the Company.

Remuneration for supervisors: employee representative supervisors collect remuneration from the Company, while other supervisors do not collect remuneration from the Company. The employee representative supervisor shall be remunerated according to the position of non-supervisor in the Company.

Remuneration of senior management personnel: The remuneration of senior management personnel such as the general manager shall be formulated by the Remuneration and Assessment Committee of the Board of Directors of the Company in accordance with regulations, and the *Annual General Manager Remuneration Assessment and Allocation Method* shall be formulated. Assessment and allocation opinions shall be proposed based on the completion of annual tasks and division of responsibilities, and shall be submitted to the annual board of directors for review and approval before settling and realizing performance-based annual salaries. The specific remuneration situation for the year 2024 is shown in the table below.

Remuneration of directors, supervisors, and senior management during the reporting period

Unit: RMB 0,000

Name	Gender	Age	Position	Status	Total pretax remuneration received from the Company	Whether to get remuneration from related parties of the Company
Qiu Yinfu	Male	57	Chairman	Incumbent	0	Y
Sun Maolin	Male	48	Director	Incumbent	0	No
Li Ming	Male	50	Director	Incumbent	44.29	No
Li Jiantao	Male	46	Director	Incumbent	0	Y
Yu Xingxi	Male	66	Independent Director	Incumbent	12.00	No
Liu Shen	Male	49	Independent Director	Incumbent	12.00	No
Peng Feng	Male	45	Independent Director	Incumbent	0	No
Wang Cuimin	Female	58	Independent Director	Incumbent	10.00	No
Sun Yi	Male	59	Chairman of Supervisory Board	Incumbent	0	Y
Dai Jun	Male	56	Supervisor	Incumbent	0	Y
Chang Hiyu	Female	40	Supervisor	Incumbent	0	Y
Wang Xingtao	Male	46	Employee Representative Supervisor	Incumbent	32.79	No
Qu Erlong	Male	43	Employee Representative Supervisor	Incumbent	24.74	No
Sun Maolin	Male	48	General Manager	Incumbent	60.01	No
Zhao Peng	Male	50	Deputy General Manager	Incumbent	45.56	No
Liu Tonghe	Male	44	Chief Accountant	Incumbent	106.21	No

Xie Tianwei	Male	43	Deputy General Manager	Incumbent	116.31	No
Wang Kai	Male	42	Deputy General Manager	Incumbent	118.63	No
Qiao yufei	Female	36	Secretary of the Board, Chief Legal Consultant	Incumbent	65.50	No
Zhu Guosen	Male	47	Director, General Manager	Resignation	77.48	Y
Zeng Li	Male	53	Director	Resignation	87.11	Y
Gu Wenxian	Male	63	Independent Director	Resignation	8.00	No
Guo Liyan	Male	49	Supervisor	Resignation	0	No
Sun Maolin	Male	48	Deputy General Manager	Resignation	84.13	No
Total	--	--	--	--	904.76	--

Other information

☒Applicable ☐Non-applicable

The higher year-on-year increase in senior management compensation was mainly due to the incentive income for the previous term being realized in the 2024 assessment.

VI. Performance of Directors during the reporting period

1. Board meetings during the reporting period

Meeting	Convening date	Disclosure date	Resolutions of meeting
The Fifth Board Meeting of the Eighth Board of Directors	2 February 2024	3 February 2024	Detailed information can be found in the Company's announcement on the date of disclosure of the meeting resolution
The Sixth Board Meeting of the Eighth Board of Directors	22 March 2024	23 March 2024	Detailed information can be found in the Company's announcement on the date of disclosure of the meeting resolution
The Seventh Board Meeting of the Eighth Board of Directors	18 April 2024	22 April 2024	Detailed information can be found in the Company's announcement on the date of disclosure of the meeting resolution
The Eighth Board Meeting of the Eighth Board of Directors	7 June 2024	8 June 2024	Detailed information can be found in the Company's announcement on the date of disclosure of the meeting resolution
The Ninth Board Meeting of the Eighth Board of Directors	25 July 2024	26 July 2024	Detailed information can be found in the Company's announcement on the date of disclosure of the meeting resolution
The Tenth Board Meeting of the Eighth Board of Directors	21 August 2024	22 August 2024	Detailed information can be found in the Company's announcement on the date of disclosure of the meeting resolution
The Eleventh Board Meeting of the Eighth Board of Directors	29 October 2024	30 October 2024	Detailed information can be found in the Company's announcement on the date of disclosure of the meeting resolution
The Twelfth Board Meeting of the Eighth Board of Directors	10 December 2024	11 December 2024	Detailed information can be found in the Company's announcement on the date of disclosure of the meeting resolution

2. Attendance of Directors at Board meetings and general meetings

Attendance of Directors at Board meetings and general meetings							
Name of Directors	Number of attendance required for Board meetings during the reporting period	Attendance at Board meetings in person	Attendance at Board meetings by communication	Attendance at Board meetings by proxy	Absence from Board meetings	Absent from Board meetings twice in a row (in person)	Attendance at general meetings
Qiu Yinfu	8	3	5	0	0	No	3
Sun Maolin	6	3	3	0	0	No	3
Li Ming	6	2	4	0	0	No	2
Li Jiantao	8	3	5	0	0	No	4
Yu Xingxi	8	3	5	0	0	No	3
Liu Shen	8	2	6	0	0	No	2

Peng Feng	8	1	7	0	0	No	0
Wang Cuimin	7	2	5	0	0	No	3
Zhu Guosen	1	0	1	0	0	No	1
Zeng Li	1	0	1	0	0	No	0
Gu Wenxian	6	1	5	0	0	No	0

Note on failure to attend two consecutive Board meetings in person

N/A

3. Objections from Directors on related issues of the Company

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

☐ YES ☒ NO

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

4. Other details about the performance of duties by Directors

Whether the directors' suggestions on the Company have been adopted

☒ YES ☐ NO

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

N/A

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

Name of the committee	Member	Number of meetings convened	Convening date	Details of the meeting	Important opinions and advice	Other performance of duty	Details of objection (if any)
Management Committee for Strategy, Risk, ESG & Compliance	Composed of 5 directors, including 2 independent directors	1	28 March 2024	<i>Beijing Shougang Company Limited 2023 Annual Sustainability Report</i>	Agreements on matters to be submitted for review at the meeting	N/A	
Audit Committee	Composed of 3 independent directors	1	28 February 2024	<i>Minutes of Communication between the Certified Public Accountants and the Audit Committee (Independent Directors) Prior to the Audit Entry and the Report on the Evaluation of Internal Controls of Beijing Shougang Company Limited for the Year 2023 and Arrangement of Audit Plan for the Year 2024</i>	Agreements on matters to be submitted for review at the meeting	N/A	
Audit Committee	Composed of 3 independent directors	1	29 March 2024	<i>Communication Letter ---- with Governance (Communication Letter with Independent Directors and the Audit Committee of the Board of Directors after the Annual Audit Certified Public Accountants' Preliminary Audit Opinion on the Company's 2023 Annual Financial Accounts Report) and Draft 2023 Annual Financial Accounts Report of Beijing Shougang Company</i>	Agreements on matters to be submitted for review at the meeting	N/A	

				Limited			
Audit Committee	Composed of 3 independent directors	1	8 April 2024	Report of the Audit Committee of the Board of Directors of Beijing Shougang Company Limited on the Supervision Duties Performed by the Accounting Firm and Report on the Evaluation of the Performance of Duties by Beijing Shougang Company Limited on the Accounting Firm	Agreements on matters to be submitted for review at the meeting	N/A	
Audit Committee	Composed of 3 independent directors	1	12 August 2024	Report of Beijing Shougang Company Limited on the Financial Accounts Report for the Semiannual Period of 2024 and Financial Information in the Semiannual Report	Agreements on matters to be submitted for review at the meeting	N/A	
Audit Committee	Composed of 3 independent directors	1	21 October 2024	Report on Financial Information in the Third Quarterly Report of Beijing Shougang Company Limited for the Year 2024 and Proposal on Selection and Appointment of Accounting Firm by Beijing Shougang Company Limited	Agreements on matters to be submitted for review at the meeting	N/A	
Remuneration and Appraisal Committee	Composed of 3 independent directors	1	29 March 2024	Proposal of Beijing Shougang Company Limited on the Remuneration Realization of General Manager and Other Senior Management Personnel for the Year 2023 and the Remuneration and Assessment Allocation Measures for the Year 2024	Agreements on matters to be submitted for review at the meeting	N/A	
提名委员会	Composed of 3 directors, including 2 independent directors	1	17 January 2024	Proposal of Beijing Shougang Company Limited on the Nomination of Independent Director Candidates	Agreements on matters to be submitted for review at the meeting	N/A	
提名委员会	Composed of 3 directors, including 2 independent directors	1	15 March 2024	Proposal on Adjustment of General Manager by Beijing Shougang Company Limited and Proposal on Adjustment of Directors by Beijing Shougang Company Limited	Agreements on matters to be submitted for review at the meeting	N/A	
Nomination Committee	Composed of 3	1	3 April 2024	Proposal of Beijing Shougang Company	Agreements on matters to	N/A	

	directors, including 2 independent directors			Limited on the Nomination of Deputy General Manager Candidates	be submitted for review at the meeting		
Nomination Committee	Composed of 3 directors, including 2 independent directors	1	21 October 2024	Proposal of Beijing Shougang Company Limited on the Nomination of Chief Legal Consultant Candidates	Agreements on matters to be submitted for review at the meeting	N/A	

VIII. Performance of duties by the supervisory committee

Whether the board of supervisors found any risks in the Company during the supervision activities during the reporting period

☐ YES ☒ NO

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

IX. Personnel of the Company

1. Number of employees, professional composition and education background

Number of employees in the parent company	5,859
Number of employees in the main subsidiary	11,903
Total number of employees	17,762
Total number of employees receiving salary in the current period	17,762
Number of retired employees to be borne by parent company and main subsidiary	1,509
Professional composition	
Professional composition category	Number of professional composition
Production	11,996
Salesman	902
Technician	2,333
Finance	283
Administrative	1,876
Services and other	372
Total	17,762
Education background	
Type	Quantity
Master's degree or above	1,628
Bachelor's degree	7,911
College	5,397
Vocational secondary and below	2,826
Total	17,762

2. Remuneration policies

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

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

3. Training program

Qianshun Base and Zhixin Co. focus on the quality improvement of the three talent teams of business

management, professional and technical, and skill operation, build the “voyage” full life cycle career development system, and form an accurate training network covering the whole staff. Through qualification certification, special ability advancement and career development channel design, the Company customizes the implementation of hierarchical training programs such as “Deep Blue Special Training Camp”, “High-end Composite Talent Workshop” and “Craftsmen Lecture Hall”, integrating sand table projection, case studies, cutting-edge technology forums and other diversified forms, and systematically improving the decision-making power of leaders, the innovation power of technicians, and the practical power of skilled personnel. Simultaneously promote the construction of an internal trainer echelon, pilot a knowledge management platform, and build a learning organization culture of “teaching and learning”.

Jingtang Co. improves the “four horizontal and three vertical” training system, focusing on management personnel to hold leadership lecture halls and leadership qualification training to enhance the ability of leaders to perform their duties and political literacy; focusing on professional management personnel to carry out the qualification training of four classes (regional) operation chiefs, production organization and management training to enhance professional strategic thinking, management ability and innovation consciousness; focusing on technical management personnel to carry out green and low-carbon iron-smelting technology training, product quality data analysis and modeling training, etc., to deepen the cultivation of professional knowledge and technical ability; focusing on skilled operators to carry out vocational skills recognition training, team leader training, etc., to strengthen skills enhancement. Deepen school-enterprise cooperation to organize high-end complex technical personnel training, continue to release the skills competition platform to educate people, strengthen the construction of the internal trainer team, and promote the transformation of training effectiveness.

4. Outsourcing of labor source

☐ Applicable ☒ Non-applicable

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

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

☒ Applicable ☐ Non-applicable

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

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

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

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

☐ Applicable ☒ Non-applicable

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

☒ Applicable ☐ Non-applicable

Number of bonus shares per 10 shares	0
Dividend payout per 10 shares (RMB yuan) (including tax)	0.22
Number of shares converted for every 10 shares	
Distribution plan's share capital base (shares)	7,773,981,020
Cash dividends (RMB yuan) (including tax)	171,027,582.44
Cash dividend amount in other ways (such as repurchase of shares) (RMB yuan)	0.00
Total cash dividends (including other methods) (RMB yuan)	171,027,582.44
Distributable profit (RMB yuan)	153,330,490.36
The proportion of total cash dividends (including other methods) to total profit distribution	100%
Current cash dividend situation	
Others	
Detailed explanation of profit distribution or capital reserve conversion plan	
<p>The Company proposed to distribute a cash dividend of RMB 0.22 (including tax) per 10 shares to all shareholders on the basis of the total number of 7,773,981,020 shares of the share capital, total cash distribution of RMB 171,027,582.44, accounting for 111.54% of the parent company's realizable profit available for distribution in 2024, accounting for 37.67% of the profit available for distribution in the consolidated statement of income for the year of 2024, and accounting for 36.30% of the net profit attributable to the parent company in the consolidated statement of income for the year of 2024. There will be no capital reserves converted to share capital this time.</p> <p>The proposal is subject to the approval of the General Meeting of Shareholders.</p>	

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

☒ Applicable ☐ Non-applicable

1. Equity incentive

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

Pursuant to the *Incentive Plan*, the Company repurchased and canceled 25,257,565 and 20,630,585 of the aforesaid restricted shares in 2023 and 2024, respectively, upon the approval of the general meeting of shareholders of the Company due to the performance assessment conditions at the corporate level of the Company for indicators failing to meet the conditions for the release of restrictions during the release period as stipulated in the *Incentive Plan* as well as changes in personnel, and for other reasons.

As of the date of this annual report, the remaining 19,013,650 restricted shares under the *Incentive Plan* have not been released from restricted sale.

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

☒Applicable ☐Non-applicable

Unit: share

Name	Position	Number of Restricted shares held at the beginning of the period	Number of newly granted restricted shares during the reporting period	Number of shares exercisable during the reporting period	Number of shares exercised during the reporting period	Exercise price of the shares exercised during the reporting period (RMB/share)	Number of restricted shares held at the end of the period	Market price at the end of the reporting period (RMB/share)	Number of restricted shares held at the beginning of the period	Number of unlocked shares during the current period	Number of newly granted restricted shares during the reporting period	Grant price of restricted shares (RMB/share)	Number of restricted shares held at the end of the period
Sun Maolin	Director General Manager	0	0	0	0		0	3.05	174,870	0	0	3.25	88,740
Li Ming	Director	0	0	0	0		0	3.05	174,870	0	0	3.25	88,740
Xie Tianwei	Deputy General Manager	0	0	0	0		0	3.05	136,010	0	0	3.25	69,020
Wang Kai	Deputy General Manager	0	0	0	0		0	3.05	136,010	0	0	3.25	69,020
Zeng Li	Director (Resignation)	0	0	0	0		0	3.05	194,300	0		3.25	98,600
Total	--	0	0	0	0	--	0	--	816,060	0	0	--	414,120

Evaluation mechanism and incentive of senior management

Evaluation of senior management personnel such as the general manager: The general manager and other senior management personnel implement an annual salary system consisting of three parts: base salary, performance-based annual salary, and term incentives. Among them: the base salary ratio is 30%, paid monthly; The performance-based annual salary ratio is 70%, with a monthly advance payment of 50%. The annual assessment and allocation opinions shall be proposed by the Compensation and Assessment Committee of the Board of Directors of the Company in accordance with regulations, based on the completion of annual tasks and division of responsibilities in the "Salary Assessment and Allocation Method for General Managers and Senior Management Personnel". After being reviewed and approved by the annual board meeting, all performance-based annual salaries shall be settled and fulfilled; The term incentive is determined based on an annual salary standard of 30%, and will be assessed and fulfilled at the end of the term according to the "Term Target Responsibility Agreement".

2. Implementation of employee stock ownership plan

☐ Applicable ☒ Non-applicable

3. Other employee incentive measures

☐ Applicable ☒ Non-applicable

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

1. Construction and implementation of internal control system

The Company has established and improved its internal control system and has revised and improved it in conjunction with actual operations, fully leveraging its institutional guarantee role. During the reporting period,

the Company formulated 24 regulations, including the Regulations on the Work of Specialized Meetings of Independent Directors and the Data Security Management System, and amended 109 regulations, including the Articles of Association, the Rules of Procedure of the Board of Directors and the System for Independent Directors; as at the end of 2024, the Company had a total of 505 regulations, of which the Company had formulated and implemented 501, and forwarded 4 from governmental and regulatory authorities.

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

☐ YES ☒ NO

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

N/A

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

1. Appraisal Report of Internal Control

Disclosure date of full internal control evaluation report	18 April 2025	
Disclosure index of full internal control evaluation report	Beijing Shougang Co., Ltd. 2024 Internal Control Self-Assessment Report, disclosed on CNINFO Website (http://www.cninfo.com.cn/).	
Proportion of total assets included in internal control evaluation report accounting for the total assets in the consolidated financial statements		100.00%
Proportion of operating revenue included in internal control evaluation report accounting for operating revenue in the consolidated financial statements		100.00%
Defect identification criteria		
Category	Financial Reports	Non-financial Reports
Qualitative criteria	<p>Material deficiency: (1) it may or has made the Company unable to achieve all operating objectives, resulting in business suspension. It is not an objective reason and has exceeded the budget by more than 20% in terms of time, manpower, or cost without proper approval, and has exceeded the level of importance. (2) The Company has financial-related fraud, which affects the accuracy of financial statements.</p> <p>Significant deficiency: it may or has slowed down the business operation, or unable to achieve some business objectives, or exceeded the budget by 6% - 20% in terms of time, manpower or cost for non-objective reasons and without proper approval.</p> <p>General deficiency: it may or has caused a slight impact on business activities, which is not an objective reason and has exceeded the budget by 1% - 5% in terms of time, manpower or cost without proper approval.</p>	<p>Material deficiency: This is causing multiple casualties among employees and citizens, causing serious damage to the environment, and the situation spiraling out of control. It may or has made the Company unable to achieve all operating objectives, resulting in business suspension. It is not an objective reason and has exceeded the budget by more than 20% in terms of time, manpower, or cost without proper approval, and has exceeded the level of importance. May have or has already caused a significant impact on the Company, negative news is widely circulated, causing significant damage to the reputation of the enterprise, government or regulatory agencies conduct investigations, attracting public attention, and causing irreparable damage to the reputation of the enterprise. Violating national laws and regulations, facing business suspension, legal litigation or economic compensation, which may or have already caused serious social impact, being notified or publicly condemned by regulatory agencies, or even ordered to suspend business for rectification.</p> <p>Significant deficiency: failure to establish a "three major and one major" decision-making process, or inadequate or inadequate implementation of the decision-making process, which may or has already had negative impacts. May have or has seriously affected the health of multiple employees or citizens, or caused general environmental damage, which requires external support to be controlled. It may or has slowed down the business operation, or unable to achieve some business objectives, or exceeded the budget by 6% - 20% in terms of time, manpower, or cost for non-objective reasons and without proper approval. Negative news may have or has already had a significant impact on the Company, spreading in a certain region and attracting the attention of relevant stakeholders, such as partners suspending cooperation, low employee efficiency, and reduced customer loyalty. Violation of national or regional regulations or industry norms, facing legal proceedings, and economic compensation, which may or have already caused general social impact, has attracted the attention of regulatory agencies and requires regular rectification.</p> <p>General deficiency: it may or has temporarily affected the health of employees or citizens. It may or has caused a slight impact on business activities, which is not an objective reason, and has exceeded the budget by 1% - 5% in terms of time, manpower or cost without proper approval. Negative news may or has already had a slight impact on the Company, spreading</p>

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

2. Audit report for internal control☒Applicable ☐Non-applicable

Audit opinion on internal control	
Beijing Shougang Company Limited has kept the effective internal control over financial reporting in all material matters on 31 December 2024, in accordance with the Basic <i>Standards for Internal Control of Enterprises</i> and other relevant regulations.	
Disclosure of internal control audit report	Disclosed
Date of disclosure of the internal control audit report	18 April 2025
Source for the internal control audit report	Searching for: http://www.cninfo.com.cn/ .
Audit opinion on internal control	Standard unqualified opinion
Whether material deficiency over non-financial reporting	No

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

☐ YES ☒ NO

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

☒ YES ☐ NO**XV. Rectification of problems found in self-inspection under the special initiative on corporate governance of the listed company**

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

SECTION V. ENVIRONMENT AND SOCIAL RESPONSIBILITY

I. Major environmental protection matters

Whether the listed company and its subsidiaries belong to the key pollutant discharge units announced by the Environmental Protection department

√ YES ☐ NO

Environmental protection related policies and industry standards

The policies and industry standards related to environmental protection implemented by the Company and its subsidiaries mainly include: Environmental Protection Law of the People's Republic of China, Cleaner Production Promotion Law of the People's Republic of China, Air Pollution Prevention and Control Law of the People's Republic of China, Water Pollution Prevention and Control Law of the People's Republic of China, Environmental Pollution Prevention and Control Law of the People's Republic of China by Solid Waste, Noise Pollution Prevention and Control Law of the People's Republic of China, Soil Pollution Prevention and Control Law, Environmental Impact Assessment Law of the People's Republic of China, Regulations on the Administration of Pollutant Emission Permits, Regulations of Hebei Province on Ecological and Environmental Protection, Ultra-Low Emission Standards of Air Pollutants for the Iron and Steel Industry, Regulations of Tangshan City on Ecological and Environmental Protection, etc.

Administrative license for environmental protection

The Company and its holding subsidiaries adhere to the principle of equal emphasis on production development and environmental protection and carry out environmental impact assessment of construction projects in strict accordance with the requirements of relevant laws and regulations, and carry out construction in strict accordance with the approvals of the environmental assessment during the implementation of the project to meet the requirements of environmental protection management, and the environmental protection approval procedures are complete. Sewage Discharge Licenses of Enterprises Discharging Sewage are all within the validity period, and all sewage discharging is done with a license and comply with the law.

Industrial discharge standards and details of the discharge of pollutants involved in production and business activities

Name of Company or Subsidiary	Types of major pollutants and characteristic contaminants	Names of major pollutants and characteristic contaminants	Way of Discharge	No. of drains	Distribution of drains	Emission concentration	Implemented pollutant emission standards	Total emissions (tons)	Total approved emissions (tons)	Emissions exceed the standard
Qiangang Co.	Water pollutant	COD (Chemical Oxygen Demand)	Direct	1	1# wastewater discharge port	4.131mg/L	50mg/L	0.639029	648.990	None
Qiangang Co.	Water pollutant	Ammonia Nitrogen	Direct	1	1# wastewater discharge port	0.185mg/L	5mg/L	0.054666	64.899	None
Qiangang Co.	Air pollutants	Sulfur Dioxide	Organized	41	Power station boiler chimney, sintering machine head flue gas outlet, pellet roasting flue gas outlet, CCPP combustion exhaust gas, blast furnace hot blast furnace outlet, steel rolling heating furnace outlet, white ash kiln roof, sleeve kiln roof	Sintering, pelletizing < 10.87mg/m ³ , blast furnace hot blast furnace, rolling steel heating furnace, lime kiln < 28.3mg/m ³ , power generation < 26.35mg/m ³	Sintering, pelletizing < 35mg/m ³ , blast furnace hot blast furnace, rolling steel heating furnace, lime kiln < 50mg/m ³ , power generation < 35mg/m ³	816.439726	1643.635	None
Qiangang Co.	Air pollutants	Nitrogen Oxides	Organized	40	Power station boiler chimney, sintering	Sintering, pelletizing <	Sintering, pelletizing <	1261.600686	3357.2769	None

					machine head flue gas outlet, pellet roasting flue gas outlet, CCPP combustion exhaust gas, blast furnace hot blast furnace outlet, steel rolling heating furnace outlet, white ash kiln roof, sleeve kiln roof	30.9mg/m ³ , blast furnace hot blast furnace, rolling steel heating furnace, lime kiln < 37.76mg/m ³ , power generation < 34.79mg/m ³	50mg/m ³ , blast furnace hot blast furnace, rolling steel heating furnace, lime kiln < 150mg/m ³ , power generation < 100mg/m ³			
Qiangang Co.	Air pollutants	Particulate Matter	Organized	154	Power station boiler chimney, sintering machine head flue gas outlet, pellet roasting flue gas outlet, blast furnace iron field dust removal, blast furnace silo dust removal, steelmaking converter secondary dust removal, converter primary dust removal, CCPP combustion exhaust gas, hot rolling heating furnace exhaust gas, environmental dust removal, material transfer exhaust gas	Sintering, pelletizing < 3.42mg/m ³ , blast furnace hot blast furnace, rolling steel heating furnace, lime kiln, other environment < 3.26mg/m ³ , power generation < 2.55mg/m ³	Sintering, pelletizing < 10mg/m ³ , blast furnace hot blast furnace, rolling steel heating furnace, lime kiln < 10mg/m ³ , power generation < 5mg/m ³	1874.18426	2473.9338	None
Jingtang Co./Jingtang Base.	Air pollutants	Sulfur Dioxide	Organized	51	Boiler chimney of power station of thermoelectric branch plant, flue gas outlet of sintering machine head, flue gas outlet of pellet roasting, primary flue gas dust removal 1#, primary flue gas dust removal 2#, secondary flue gas dust removal 2#, secondary flue gas dust removal on silo of 1# and 2# blast furnace, secondary dust removal from 1# decarbonization converter, secondary dust removal from 2# decarbonization converter, coke oven chimney 3 emissions Port, coke pushing machine ground station discharge port, coke dust removal 3 discharge port, dry extinguishing dust removal 3 discharge port, dry extinguishing dust removal 4 discharge port, 7# converter secondary dust removal, CCPP combustion exhaust gas, 6# converter secondary dust removal, etc.	Sintering, pelletizing < 15mg/m ³ , blast furnace hot blast furnace, rolling steel heating furnace, lime kiln < 25mg/m ³ , coke oven flue gas < 15mg/m ³ , coal-fired power generation < 10mg/m ³	Sintering, pelletizing < 35mg/m ³ , blast furnace hot blast furnace, rolling steel heating furnace, lime kiln < 50mg/m ³ , coke oven flue gas < 30mg/m ³ , coal-fired power generation < 35mg/m ³	1174	3031	None

Jingtang Co./Jingtang Base.	Air pollutants	Nitrogen Oxides	Organized	47	Boiler chimney of power station of thermoelectric branch plant, flue gas outlet of sintering machine head, flue gas outlet of pellet roasting, primary flue gas dust removal 1#, primary flue gas dust removal 2#, secondary flue gas dust removal 2#, secondary flue gas dust removal on silo of 1# and 2# blast furnace, secondary dust removal from 1# decarbonization converter, secondary dust removal from 2# decarbonization converter, coke oven chimney 3 emissions Port, coke pushing machine ground station discharge port, coke dust removal 3 discharge port, dry extinguishing dust removal 3 discharge port, dry extinguishing dust removal 4 discharge port, 7# converter secondary dust removal, CAPP combustion exhaust gas, 6# converter secondary dust removal, etc.	Sintering < 25mg/m ³ , pelletizing < 30mg/m ³ , blast furnace hot blast furnace, rolling steel heating furnace, lime kiln < 50mg/m ³ , coke oven flue gas < 45mg/m ³ , coal-fired power generation < 30mg/m ³	Sintering, pelletizing < 50mg/m ³ , blast furnace hot blast furnace, rolling steel heating furnace, lime kiln < 150mg/m ³ , coke oven flue gas < 130mg/m ³ , coal-fired power generation < 50mg/m ³	2724	6110	None
Jingtang Co./Jingtang Base.	Air pollutants	Particulate Matter	Organized	235	Boiler chimney of power station of thermoelectric branch plant, flue gas outlet of sintering machine head, flue gas outlet of pellet roasting, primary flue gas dust removal 1#, primary flue gas dust removal 2#, secondary flue gas dust removal 2#, secondary flue gas dust removal on silo of 1# and 2# blast furnace, secondary dust removal from 1# decarbonization converter, secondary dust removal from 2# decarbonization converter, coke oven chimney 3 emissions Port, coke pushing machine ground station discharge port, coke dust removal 3 discharge port, dry extinguishing dust removal 3 discharge port, dry extinguishing	Sintering, pelletizing < 5mg/m ³ , blast furnace hot blast furnace, rolling steel heating furnace, lime kiln < 8mg/m ³ , coke oven flue gas < 8mg/m ³ , coal-fired power generation < 5mg/m ³	Sintering, pelletizing < 10mg/m ³ , blast furnace hot blast furnace, rolling steel heating furnace, lime kiln < 10mg/m ³ , coke oven flue gas < 15mg/m ³ , coal-fired power generation < 10mg/m ³	3475	3969	None

					dust removal 4 discharge port, 7# converter secondary dust removal, CCPP combustion exhaust gas, 6# converter secondary dust removal, etc.					
Shougang Zhixin	Air pollutants	Sulfur Dioxide	Organized	70	Continuous annealing furnace, regular annealing furnace, decarbonization annealing furnace, ring furnace, hot drawing furnace	< 30mg/m ³	30 mg/m ³	6.399	35.376	None
Shougang Zhixin	Air pollutants	Nitrogen Oxides	Organized	70	Continuous annealing furnace, regular annealing furnace, decarbonization annealing furnace, ring furnace, hot drawing furnace	< 100mg/m ³	100 mg/m ³	49.301	117.918	None
Shougang Zhixin	Air pollutants	Particulate Matter	Organized	92	Acid regeneration, continuous annealing furnace, constant annealing furnace, decarbonization annealing furnace, ring furnace, hot drawing furnace, scoring	Acid regeneration < 30 mg/m ³ , heat treatment furnace, score < 10 mg/m ³	Heat treatment furnace, pull straightening machine, finishing and shot blasting: 10 mg/m ³ , acid regeneration: 30 mg/m ³	23.663	32	None
Cold-R Co.	Water pollutant	COD (Chemical Oxygen Demand)	Organized	1	Wastewater stations	4.48-47.92mg/L	200 mg/L	13.1	67.098487	None
Cold-R Co.	Water pollutant	Ammonia Nitrogen	Organized	1	Wastewater stations	0.027-0.96 mg/L	15 mg/L	0.17	4.126054	None
Cold-R Co.	Air pollutants	Sulfur Dioxide	Organized	8	Factory perimeter	3-7 mg/m ³	Furnace 20mg/m ³ ; Boiler 10mg/m ³	4.07	14.196973	None
Cold-R Co.	Air pollutants	Nitrogen Oxides	Organized	8	Factory perimeter	1.5-77.28 mg/m ³	Furnace 100mg/m ³ ; Boiler 80mg/m ³	56.375	278.130787	None
Cold-R Co.	Air pollutants	Particulate Matter	Organized	10	Factory perimeter	0.3-6mg/m ³	Furnace and dust-cleaning 10mg/m ³ ; Boiler 5mg/m ³	24.33	28.330472	None

Treatment of pollutants

The environmental protection facilities of the Company and its holding subsidiaries for each production process are perfect and in good operation. Qiangang Co. and Jingtang Co. are full-process super-low emission iron and steel enterprises, and have been continuously evaluated as “class A” in environmental performance evaluation.

Each production process of Qiangang Co. is equipped with perfect environmental protection facilities, and all dust removal facilities realize super-low emission. Key pollution sources are equipped with online monitoring systems and networked with ecological and environmental departments. The online monitoring system is monitored by qualified monitoring units on a quarterly basis to ensure that the data are true and reliable. Construction of sewage treatment plants and water depth desalination stations, adoption of

internationally advanced membrane treatment process, all production wastewater treatment and recycling, water recycling rate of 98.94%.

Jingtang Company builds complete dust removal, desulfurization and denitrification and other waste gas treatment facilities, and efficiently handles all kinds of waste gases; builds complete waste water treatment facilities, and the production waste water enters into the comprehensive sewage treatment station for processing, and realizes the coupled zero-discharge of waste water; and builds complete solid waste treatment facilities, and realizes the comprehensive utilization of the solid waste materials. During the reporting period, all environmental protection facilities operated well, and the whole process of each procedure reached the super-low emission standard.

The production line of Zhixin Co. is equipped with dust removal, denitrification and other waste gas treatment facilities, all of which realize super-low emissions. All environmental protection facilities are operating well, the emission concentrations of three pollutants, including particulate matter, are at optimal levels, and the emissions are well below the permitted emissions.

Cold-R Co.'s pollution prevention and control facilities are maintained in efficient operation, industrial dust is disposed of using a coated bag filter, all pollutant emission concentrations are maintained at a leading level in China, and emissions are well below the permitted emissions.

Environmental self-monitoring programme

The Company and its controlling subsidiaries have formulated pollutant discharge monitoring plans, established and perfected pollution source monitoring and information disclosure systems, and entrusted qualified third-party organizations to carry out monitoring in accordance with the *Measures for Self-monitoring and Information Disclosure of National Key Monitoring Enterprises* and other relevant regulations, so as to achieve a 100% completion rate of annual monitoring and a 100% compliance rate of pollutant discharges.

Emergency Response Plan for Environmental Emergencies

The Company and its controlling subsidiaries have formulated and filed the *Emergency Response Plan for Environmental Emergencies* in accordance with the requirements of the *Environmental Protection Law of the People's Republic of China* and other laws and regulations. According to the requirements of the plan, each enterprise organizes and carries out emergency drills and training, summarizes and evaluates the drills and handling the situation, and ensures that in case of emergency, in accordance with the requirements of the plan, the implementation of the effective handling of emergencies and rescue improves the skills of preventing and handling of sudden environmental incidents, and strengthens the ability of actual practice.

Environmental protection input and environmental protection tax

The Company and its holding subsidiaries continue to improve environmental protection facilities and invest in environmental protection projects in accordance with relevant laws and regulations and in light of the actual production situation, in accordance with the requirements of the relevant laws and regulations. In 2024, the amount of investment in environmental management and protection is RMB 268 million, and the specific situation of each enterprise's payment of environmental protection tax, etc. is as follows: Qiangang Co. paid RMB 38.241 million and deducted RMB 4.584 million, Jingtang Co. paid RMB 52.01 million and deducted RMB 8.66 million, Zhixin Co. paid RMB 0.9828 million and deducted RMB 0.188 million, and Cold-R Co. paid RMB 0.7762 million and deducted RMB 0 million.

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

☒Applicable ☐Non-applicable

The Company actively responds to climate change and continuously standardizes its climate governance management system. In accordance with the *Interim Regulations on the Management of Carbon Emission*

Right Trading, the *National Climate Change Adaptation Strategy 2035*, *China's Policies and Actions for Addressing Climate Change* and other documents and requirements, and in close connection with the actual situation of the Company, we have formulated a *Climate Governance Management System* and a *Carbon Emission Reporting and Verification Management System* to safeguard the standardization of the work of climate governance at the institutional level. Continuously deepen the construction of the product life cycle assessment (LCA) system, complete the collection of annual LCA basic data, and actively carry out product carbon footprint accounting. Continuously promote the research and development and comprehensive application of carbon reduction technologies, such as large-ratio pellet smelting in blast furnace, hydrogen-rich blowing smelting in blast furnace, and large-scrap ratio smelting in converters, so as to realize the greening and upgrading of the process, and to help the landing of the “dual-carbon” strategic plan.

Continuous research and development and comprehensive application of carbon reduction technology for large-ratio pellet smelting in blast furnace. The annual average pellet ratio of Jingtang Co.'s low-carbon dedicated line supporting blast furnace reached over 55%. The energy consumption of the Company's newly commissioned belt roaster pellet production line is less than half of that of an ordinary sinter, which greatly reduces energy consumption and carbon dioxide emissions.

Actively carrying out the industrial test of hydrogen-enriched smelting with injected coke oven gas, reducing carbon dioxide emission by 9.8 kilograms per ton of iron. At the same time, Jingtang Co. deeply researches the law and demand of high oxygen-enriched smelting of large blast furnace, and innovatively utilizes the combination mode of “Deep Cooling + Variable Pressure Adsorption” oxygen production process, in which the oxygen products of Variable Pressure Adsorption are used as the pre-machine oxygen-enriched oxygen, and are sent to the blast furnace through the blower, which has created a new mode of mixing and supplying of oxygen to the industry's large-scale blast furnaces before and after the machine. Under the premise of meeting the demand for high oxygen enrichment in the blast furnace, the energy consumption of oxygen for ironmaking has been minimized.

Conducted converter large scrap ratio smelting. The Company organizes and carries out experiments on large scrap ratio of converter, realizes continuous production of the whole casting with a 50% scrap ratio, and has the ability to mass produce products with a carbon footprint reduced by more than 40%, and the low-carbon products cover automobile plates, household appliance plates, high-strength steel, tin-plated plates and so on.

The Company conducts cutting-edge low-carbon research. Continuously focusing on low-carbon ironmaking process innovation, the Company actively promotes the research and development and comprehensive application of carbon reduction technologies, such as carbon dioxide capture and utilization and steel slag carbonization technology. Qiangang Co. has completed the 100-ton continuous blowing industrial test of biomass hydrogen-rich micropowder, and plans to continue to carry out the amplified blowing test of biomass hydrogen-rich micropowder; the best carbon sequestration effect of the pilot test of steel slag carbonization technology reaches 20%. Jingtang Co. actively explores carrying out carbon dioxide capture test of blast furnace gas, and plans to set up a 3000m³/h industrial test plant for carbon dioxide capture of blast furnace gas.

Administrative penalties imposed due to environmental problems during the reporting period

During the reporting period, neither the Company nor its holding subsidiaries were punished by regulatory authorities in respect of environmental protection. At the same time, the Company urges the shareholding companies to abide by the *Environmental Protection Law of the People's Republic of China* and other laws, regulations, rules and normative documents.

Other environmental information that shall be disclosed

On the basis of adhering to the work of environmental protection, the Company and its holding subsidiaries regularly release environmental protection information on the national key monitoring enterprise self-monitoring information disclosure platform in accordance with the requirements of the environmental protection department, and actively accept social supervision.

Other environmental protection related information

In order to develop a circular economy and low-carbon economy, build resource-saving, environment-friendly and low-carbon oriented enterprises, and achieve sound and rapid development of the Company, the Company started the preparation of the environmental responsibility report at the end of 2016, covering the preparation scope of Qiangang Co., Jingtang Co., Zhixin Co. and Cold-R Co. and other subsidiaries. In April 2024, the Company's website (<http://www.sggf.com.cn>) released the 2023 Annual Environmental Responsibility Report of Beijing Shougang Co., Ltd.

II. Social responsibility

The Company has independently prepared the "2024 Sustainable Development Report" and submitted it for review at the 15th meeting of the 8th Board of Directors. The specific content is detailed in the company announcement on 18 April 2025.

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

The Company actively fulfills its social responsibilities, expands the achievements of poverty alleviation, implements poverty alleviation through consumption, and comprehensively helps rural revitalization. In 2024, the Company purchased RMB 1.9504 million of agricultural materials in paired assistance areas.

SECTION VI. SIGNIFICANT EVENTS

I. Implementation of commitment

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

☒Applicable ☐Non-applicable

Commitment	Commitment party	Type	Contents	Commitment date	Commitment term	Implementation
Commitment in assets restructuring	Shougang Group Co., Ltd.		<p>1. According to the development plan for Shougang's steel industry, Shougang shares will serve as the sole platform for the development and integration of Shougang Group's steel and upstream iron ore resources industries in the PRC, and ultimately realise the overall listing of Shougang Group's steel and upstream iron ore resources businesses in the PRC.</p> <p>2. In the event that Shougang Group's other companies engaged in steel operations and production further optimise and adjust their product structure through active implementation of national industrial policies and environmental protection requirements, and achieve profits for three consecutive years, and that the overall situation of the industry does not fluctuate significantly, Shougang Group will, in accordance with the requirements of securities laws and regulations and industry policies, initiate a process including but not limited to acquisition, merger, restructuring and other means in the interests of shareholders of the listed company. The injection of relevant high-quality assets into Shougang will be completed within 36 months after the commencement of the relevant matters.</p>	27 December 2018	Refer to contents of commitment	The process of performance. In December 2024, Shougang Co., Ltd. and Shougang Group signed the "Management Service Agreement between Shougang Group Co., Ltd. and Beijing Shougang Co., Ltd. on the Affiliated Enterprises of Shougang Group Co., Ltd.". Shougang Co., Ltd. provides management services for a total of 11 target enterprises in the steel sector of Shougang Group.
Commitment in assets restructuring	Shougang Group Co., Ltd.		When the market improves in the future, Shougang Mining Corporation will achieve stable profits for two consecutive years, and the overall situation of the industry will not fluctuate greatly, Shougang Corporation will start the injection of Shougang Mining Corporation in Shougang Co. and complete it within 36 months. Before	20 April 2017	Refer to contents of commitment	The process of performance.

			Shougang Mining Corporation joined in Shougang Co., Shougang Group will urge Shougang Mining Corporation to conduct necessary related party transactions with Shougang Co. in accordance with fair and reasonable market price, strictly conform to the requirements of laws and regulations, normative documents, the articles of association of Shougang Co. and related transaction management system, and perform the corresponding review, approval and information disclosure procedures for the necessary related transactions between Shougang Co. and Shougang Mining Corporation.			
Commitment in assets restructuring	Shougang Group Co., Ltd.		The Company will not damage the independence of Shougang Co. due to the increase of the proportion of shares held by Shougang Co. after the completion of the reorganization. The Company will maintain "the five-aspect separation principle", which means assets, personnel, financial affairs, institution and business should be independent of Shougang Co., strictly conform to relevant provisions of the CSRC on the independence of listed companies, not illegally utilize Shougang Co. to provide guarantees, not illegally occupy the assets of Shougang Co. and keep and maintain the independence of Shougang Co.	20 July 2012	First reorganization/long-term commitment	Implementing of the long-term commitment.
Commitment in assets restructuring	Shougang Group Co., Ltd.		Shougang Group is the largest shareholder and controlling shareholder of Shougang. On 17 July 2012, Shougang Group issued the <i>Letter of Commitment of Shougang Corporation on Reducing and Standardizing Related Party Transactions</i> (i.e. the commitments listed above, hereinafter referred to as the "original letter of commitment"), and promised that after the completion of major asset replacement purchase of assets by issuing shares between Shougang Co., and Shougang Group [hereinafter referred to as "the previous major asset restructuring (completed on 25 April 2014)", Shougang Group will take relevant measures including joining Shougang	29 September 2015	Implementing of the long-term commitment.	

		<p>Mining Company into Shougang Co., to reduce and standardize related party transactions with Shougang Co. In order to reduce and standardize the related party transactions after The main asset replacement and related party transactions of Shougang Co. and safeguard the legitimate rights and interests of Shougang Co. and its public shareholders, the Company promises to continue to fulfill the contents of the original commitment letter after The main asset replacement, and further promises as follows:</p> <p>1. The Company will perform its obligations as the controlling shareholder of Shougang Co. in good faith, try to avoid and reduce the related transactions with Shougang Co. (including the enterprises it controls); as for the related transactions, which are unavoidable or occur for reasonable reasons between the Company and other enterprises under the control of the Company, and Shougang Co. and the enterprises it controls, the Company will not require or accept the more favorable conditions provided by Shougang Co. than the conditions to an independent third party in any fair market transaction. The Company and other enterprises under the control of the Company will sign a standardized related party transaction agreement with Shougang Co. in accordance with the law, follow the market principles of openness, fairness and justice, in accordance with fair and reasonable market price, conform to relevant provisions of laws, regulations and normative documents in the decision-making procedures of related transactions and disclose information in accordance with the law.</p> <p>2. The Company and other enterprises controlled by the Company will not obtain any improper benefits or make Shougang Co. bear any improper obligations through related party transactions with Shougang Co. or the enterprises controlled by Shougang Co.</p> <p>3. The Company will be liable</p>			
--	--	---	--	--	--

			for the losses to Shougang Co. and the enterprise controlled by Shougang Co. due to the related party transactions with them in violation of the above commitments.			
Commitment in assets restructuring	Beijing Jing Guorui Soe Reform and Development Fund (L.P.)		The shares of the listed company acquired by the Fund as a result of the purchase of assets through the issuance of shares shall not be transferred within 36 months from the date of the completion of the issuance of shares. If such shares are increased due to the listed company's granting of bonus shares, conversion of capital stock and other reasons, the additional shares of the listed company shall be locked in accordance with the above lockup period.	21 May 2021	21 May 2024	Implemented The fund's restricted shares of the Company were released from restricted sale on 21 May 2024.
Commitment in assets restructuring	Shougang Group Co., Ltd.		<p>1. The shares of the listed company acquired by the Company in this transaction shall not be transferred within 36 months from the date when the shares are issued. However, transfers permitted by applicable law are not subject to this restriction. Within six months after completion of the transaction, if the closing price of the shares of the listed company for 20 consecutive trading days is lower than the issuing price of the shares, or the closing price at the end of six months after the completion of this transaction is lower than the issue price of this share, the locking period of shares obtained by the Company through this transaction will be automatically extended for six months on the basis of the above locking period. If such shares are increased due to the listed company's granting of bonus shares, conversion of capital stock and other reasons, the additional shares of the listed company shall be locked in accordance with the above lockup period.</p> <p>2. If the aforementioned commitment to lock up shares is inconsistent with the latest regulatory opinions of the securities regulatory authority, the company shall adjust the aforementioned commitment according to the regulatory</p>	20 December 2022	19 October 2025	The process of performance.

			opinions of the relevant securities regulatory authority.			
Commitment in assets restructuring	Shougang Group Co., Ltd.		The <i>Asset Appraisal Report</i> evaluates partial of intellectual property rights of Jingtang Co. and Shanxi Coking Co., Ltd. (hereinafter referred to as "performance commitment assets") based on future earnings expectations. The appraisal value of 1,346 patent rights, 190 proprietary technologies, 32 software copyrights and other assets of Jingtang Co. is RMB 242.8 million, and the appraisal value of 57 patent rights assets of Shanxi Coking Co., Ltd. is RMB 40 million. In accordance with the forecast income sharing of the performance committed assets, if the purchase of assets by issuing shares is completed before 31 December 2022, Shougang Group commitments that, in 2022, 2023 and 2024, the total income sharing of performance commitment assets in the current period shall be no less than RMB 90.9182 million, RMB 79.414 million and RMB 61.5618 million respectively. If the above performance commitments are not met, please refer to "Performance Commitments and Impairment Compensation Arrangements" in <i>Beijing Shougang Co., Ltd.'s Report on Issuing Shares to Purchase Assets and Raising Supporting Funds and Related Party Transactions</i> issued by the Company for detailed compensation methods and arrangements.	20 December 2021	31 December 2024	All the commitments for 2022, 2023 and 2024 have been fulfilled. The commitment has been implemented.
Completed on time	Y					
If the commitment is not fulfilled on time, the specific reasons for the unfulfilled performance and the next step of the work plan should be explained in detail	N/A					

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

☐ Applicable ☒ Non-applicable

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

☐ Applicable ☒ Non-applicable

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

III. External guarantees against the rules and regulations

☐ Applicable ☒ Non-applicable

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

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

☐ Applicable ☒ Non-applicable

V. Explanation from board of directors, supervisory committee and independent directors (if applicable) on the current audit report with modified opinion

☐ Applicable ☒ Non-applicable

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

☐ Applicable ☒ Non-applicable

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

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

No change in the scope of consolidated financial statements during the reporting period during the Company's reporting period.

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

Current accounting firm

Name of domestic accounting firm	ShineWing Certified Public Accountants (LLP)
Remuneration for domestic accounting firm (RMB 0,000)	235
Continuous life of auditing service for domestic accounting firm (year)	1
Name of domestic CPA	Guo Yong, Lu Min
Continuous life of auditing service for domestic accounting firm (year)	1

Whether changed the accounting firm in current year

☒ YES ☐ NO

Whether changed the accounting firm during the audit

☐ YES ☒ NO

Whether the approval procedures for the change of accounting firms have been fulfilled

☒ YES ☐ NO

Detailed explanation of the reappointment and change of accounting firms

In accordance with the relevant provisions and regulatory requirements of the Measures for the Management of Selection and Employment of Accounting Firms by State-owned Enterprises and Listed Companies (Caikui [2023] No. 4) issued by the Ministry of Finance, the State-owned Assets Supervision and Administration Committee of the State Council and the Securities Regulatory Committee, Zhitong Accounting Firm (Special General Partnership) is unable to continue to provide auditing services for the Company as it has been providing auditing services to the Company for many consecutive years. Approved by the shareholders' general meeting of the Company, the Company appointed ShineWing Certified Public Accountants (LLP) as the audit firm of the Company's financial report and internal control for the year 2024 for a period of one year.

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

☒ Applicable ☐ Non-applicable

The Company has engaged ShineWing Certified Public Accountants (LLP) as the Company's internal control audit firm.

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

☐ Applicable ☒ Non-applicable

X. Insolvency or restructuring related matters

☐ Applicable ☒ Non-applicable

No insolvency or restructuring related matters during the reporting period

XI. Material litigation or arbitration cases

☐ Applicable ☒ Non-applicable

No material litigation or arbitration cases during the reporting period.

XII. Punishment or rectification

☐ Applicable ☒ Non-applicable

No punishment or rectification during the reporting period.

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

☐ Applicable ☒ Non-applicable

XIV. Material related party transactions

1. Related transaction with routine operation concerned

☒ Applicable ☐ Non-applicable

Related parties	Relationship	Transaction type	Contents of related transactions	Pricing principle of transaction	Transaction price	Related transaction price (RMB'0,000)	Proportion in similar transactions	Approved transaction quota (RMB'0,000)	Whether it exceeds the approved quota (Y/N)	Related transaction settlement methods	Available market prices for similar transactions	Disclosure date	Disclosure index
Shougang Group and its subsidiaries	Parent company	Related purchase	Raw fuel, power energy, production, living, engineering services, etc.	Market price	Market price	4,640,412		5,347,415	No	Cash at bank and on hand	Market price	12 December 2023	<i>China Securities Journal, Securities Times, Shanghai Securities News, Juchao Information Network (http://www.cninfo.com.cn)</i>
Shougang Group and its subsidiaries	Parent company	Related sales	Steel, solid waste, power energy, etc.	Market price	Market price	182,490		331,380	No	Cash at bank and on hand	Market price	12 December 2023	Ditto
Other related parties	Joint venture, associate	Related purchase	Raw fuel, power energy, production services, etc.	Market price	Market price	2,311,555		2,480,757	No	Cash at bank and on hand	Market price	12 December 2023	Ditto
Other related parties	Joint venture, associate	Related sales	Steel, power energy, etc.	Market price	Market price	410,246		360,816	Y	Cash at bank and on hand	Market price	12 December 2023	Ditto
Total				--	--	7,544,703	--	8,520,368	--	--	--	--	--
Details of large sales returns				None									
The Company classifies the daily related transactions by category and estimates the transaction amount that will take place in the current period, and discloses the actual transaction amount (if any)				The Company's proposal on the resigning of the <i>Framework Agreement between Shougang Group Co., Ltd. and Beijing Shougang Co., Ltd. on Related Party Transactions and the Estimated Amount of Daily Related Party Transactions for the Year 2024</i> , based on the estimated total amount of daily related party transactions, was reviewed and approved by the 7th interim meeting of the Board of Directors in 2023, and submitted for approval at the 2nd Extraordinary General Meeting of Shareholders in 2023 of the Company on 28 December 2023. The total transaction amount approved by the shareholders' meeting for this period is RMB 85,203.68 million, with a total amount of RMB 75,447.03 million incurred, which does not exceed the approved limit. Please refer to Section 10 "XIII. Related parties and related party transactions" for specific information on related parties and related transactions.									
The reason for the material difference between the transaction price and the market reference price (if applicable)				N/A									

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

☐ Applicable ☒ Non-applicable

No related party transactions by assets or equity acquisition and disposal during the reporting period.

3. Related transactions of joint external investment

☐ Applicable ☒ Non-applicable

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

4. Related creditor's rights and debts

☒ Applicable ☐ Non-applicable

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

☐ YES ☒ NO

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

5. Transactions with related financial companies

☒ Applicable ☐ Non-applicable

Deposit

Related party	Relationship	Maximum daily deposit limit (RMB'0,000)	Range of deposit interest rate	Opening balance (RMB'0,000)	Current amount		Closing balance (RMB'0,000)
					Total deposit amount of current period (RMB'0,000)	Total withdrawal amount of current period (RMB'0,000)	
Shougang Group Finance Co., Ltd.	Under the control of the same parent company	1,600,000	1.35%-2.1%	912,860.87	14,482,249.19	14,523,126.05	871,984.01

Loan

Related party	Relationship	Loan amount (RMB'0,000)	Range of loan interest rate	Opening balance (RMB'0,000)	Current amount		Closing balance (RMB'0,000)
					Total loan amount of current period (RMB'0,000)	Total repayment amount of current period (RMB'0,000)	
Shougang Group Finance Co., Ltd.	Under the control of the same parent company	2,983,700.00	1.5%-2.75%	1,538,921.11	1,877,149.20	1,928,828.90	1,487,241.41

Credit granting or other financial services

Related party	Relationship	Business types	Total amount (RMB'0,000)	Actual amount (RMB'0,000)
Shougang Group Finance Co., Ltd.	Under the control of the same parent company	Credit	2,983,700.00	1,487,241.41

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

☐ Applicable ☒ Non-applicable

The Company has no controlling finance companies.

7. Other significant related party transactions

☐ Applicable ☒ Non-applicable

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

XV. Material contracts and implementation

1. Entrustment, contract and leasing

(1) Entrustment

☐ Applicable ☒ Non-applicable

No entrustment during the reporting period.

(2) Contract

☐ Applicable ☒ Non-applicable

No contract during the reporting period.

(3) Leasing

☐ Applicable ☒ Non-applicable

No leasing during the reporting period.

2. Material guarantees

☒ Applicable ☐ Non-applicable

Unit: RMB 0,000

External guarantees of the Company and its subsidiaries (excluding guarantees to subsidiaries)										
Name of obligee	Date of the related announcement disclosing the guarantee amount	Amount of guarantee	Guarantee date	Guarantee provided	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term	Fulfilled or not	Guarantee to related parties or not
Shougang (Qingdao) Steel Industry Co., Ltd.	7 June 2024	21,000	18 July 2024	14,331	Guarantee of joint and several liability			One year	No	Y
Ningbo Shougang Zhejin Steel Materials Co., Ltd.	7 June 2024	4,400	14 August 2024	1,371	Guarantee of joint and several liability			One year	No	Y
Total external guarantees approved during the reporting period (A1)		25,400		Total actual external guarantees during the reporting period (A2)		15,702				
Total external guarantees approved at the end of the reporting period (A3)		25,400		Balance of total actual guarantees at the end of the reporting period (A4)		15,702				
Guarantees between the Company and its subsidiaries										
Name of obligee	Date of the related announcement disclosing the guarantee amount	Amount of guarantee	Guarantee date	Guarantee provided	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term	Fulfilled or not	Guarantee to related parties or not
Shanghai Shougang Steel & Iron Trading	7 June 2024	16,050	28 November 2024	7,050	Guarantee of joint and several liability			One year	No	Y

Co., Ltd.										
Total amount of guarantee provided for subsidiaries approved during the reporting period (B1)		16,050		Total amount of guarantee provided for subsidiaries during the reporting period (B2)		7,050				
Total amount of guarantee provided for subsidiaries approved as at the end of the reporting period (B3)		16,050		Total balance of guarantee provided for subsidiaries as at the end of the reporting period (B4)		7,050				
Guarantees between subsidiaries										
Name of obligee	Date of the related announcement disclosing the guarantee amount	Amount of guarantee	Guarantee date	Guarantee provided	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term	Fulfilled or not	Guarantee to related parties or not
Total corporate guarantees (i.e., total of the top three items)										
Total guarantees approved during the reporting period (A1 + B1 + C1)		41,450		Total actual guarantees during the reporting period (A2 + B2 + C2)		22,752				
Total guarantees approved at the end of the reporting period (A3 + B3 + C3)		41,450		Balance of total actual guarantees at the end of the reporting period (A4 + B4 + C4)		22,752				
Total actual guarantees (i.e. A4 + B4 + C4) as a percentage of the Company's net assets				0.46%						
Including:										
Balance of debt guarantees provided, directly or indirectly, to recipients of guarantees with gearing ratios exceeding 70% (E)				21,381						
Total amount of the above three guarantees (D + E + F)				21,381						

3. Entrusted cash asset management

(1) Entrusted wealth management

☐ Applicable ☒ Non-applicable

No entrusted wealth management during the reporting period.

(2) Entrusted loans

☐ Applicable ☒ Non-applicable

No entrusted loans during the reporting period.

4. Other material contracts

☐ Applicable ☒ Non-applicable

No other material contracts during the reporting period.

XVI. Explanation of other significant matters

☐ Applicable ☒ Non-applicable

No other significant matters need to be explained during the reporting period.

XVII. Significant matters of subsidiaries of the Company

☒ Applicable ☐ Non-applicable

On 22 March 2024, Shougang Zhixin Qian'an Electromagnetic Materials Co., Ltd. held the founding meeting of the shareholding reform. The Company's registered capital was changed to RMB 3,000.00 million by discounting the shares with the audited net book assets on the base date of the shareholding reform. On 27 March 2024, Zhixin Co. completed the registration of business change for shareholding reform and officially changed its name to Shougang Zhixin Electromagnetic Materials (Qian'an) Co., Ltd. After the completion of the

shareholding reform, the shareholding ratio of each shareholder of Zhixin Co. remains unchanged, and Shougang Co. is still its controlling shareholder.

SECTION VII. MOVEMENTS IN SHARE CAPITAL AND SHAREHOLDERS

I. Share movement

1. Share movement

Unit: share

	Before change		Changes in current (+/-)					After change	
	Quantity	Proportion	Shares issued	Bonus issue	Shares transferred from reserves	Others	Sub-total	Quantity	Proportion
I. Restricted shares	1,781,306,264	22.85%				-514,588,891	-514,588,891	1,266,717,373	16.29%
1. State ownership									
2. State-owned corporation shares	1,741,662,029	22.34%				-493,958,306	-493,958,306	1,247,703,723	16.05%
3. Shares held by other domestic investors	39,644,235	0.51%				-20,630,585	-20,630,585	19,013,650	0.24%
Of which: Shares held by domestic legal persons									
Shares held by domestic natural persons	39,644,235	0.51%				-20,630,585	-20,630,585	19,013,650	0.24%
4. Foreign ownership									
Of which: Shares held by overseas legal persons									
Shares held by overseas natural persons									
II. Non-restricted shares	6,013,305,341	77.15%				493,958,306	493,958,306	6,507,263,647	83.71%
1. RMB ordinary shares	6,013,305,341	77.15%				493,958,306	493,958,306	6,507,263,647	83.71%
2. Domestic listed foreign shares									
3. Overseas listed foreign shares									
4. Others									
III. Total amount of shares	7,794,611,605	100.00%				-20,630,585	-20,630,585	7,773,981,020	100.00%

Reasons for shares movements

☒Applicable ☐Non-applicable

According to the *Incentive Plan*, with the approval of the company's shareholders meeting, the company has repurchased and cancelled 20,630,585 restricted shares during the reporting period, and the share capital of the company has been reduced from 7,794,611,605 shares to 7,773,981,020 shares.

Approval of share movements

☒Applicable ☐Non-applicable

During the reporting period, the repurchase and cancellation of restricted shares by the Company has been considered and approved by the annual general meeting of 2023 on 28 June 2024.

Transfer of shares arising from changes in shareholding

☒Applicable ☐Non-applicable

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

Influences of shares movements on basic EPS, diluted EPS, net assets per share attributable to common shareholders of the company and other financial indicators for both the latest year and the latest period

☐Applicable ☒Non-applicable

Other information necessary to disclose for the Company or needs to be disclosed under requirements from security regulators

☐ Applicable ☒ Non-applicable

2. Movements of restricted shares

☒Applicable ☐Non-applicable

Unit: share

Name of shareholders	Restricted shares at the beginning of period	Restricted shares increased during the period	Restricted shares released during the period	Restricted shares at the end of period	Reason for restriction	Date of release from restriction
Shougang Group Co., Ltd.	1,247,703,723	0	0	1,247,703,723	Reasons for restricted sales of 232,286,354 shares: The commitments made by Shougang Group when the Company was first restructured are still in the process of being fulfilled. For details, please refer to the company's announcements in <i>China Securities Journal</i> , <i>Securities Times</i> , <i>Shanghai Securities News</i> , and CNINFO (http://www.cninfo.com.cn) on 28 September 2019. Reasons for restricted sales of other shares: Share lock up commitment made as the counterparty to the Company's issuance of shares to purchase assets.	Respectively, the restriction can be lifted after the fulfillment of the commitment; due to the Company's stock price meets the circumstances of automatic extension of the lock-up period in the commitment, therefore, the lock-up period of the Company's shares acquired by Shougang Group in this transaction is automatically extended for six months, i.e., to 19 October 2025.
Beijing Jing Guorui Soe Reform and Development Fund (L.P.)	493,958,306	0	493,958,306	0	For details, please refer to the relevant announcement issued by the Company on 20 May 2021. Share lock up commitment made as the counterparty to the company's issuance of shares to purchase assets.	21 May 2024
Shougang Directors, senior executives and other equity incentive targets	39,644,235	0	20,630,585	19,013,650	In accordance with relevant regulations, the Company's 2021 restricted stock incentive plan will arrange the lock-up period of the restricted stock grants. For details, please refer to the relevant announcement issued by the Company on 13 November 2021.	According to the Incentive Plan, the Company has repurchased and cancelled the restricted stocks corresponding to the first and second periods of lifting restrictions; The restricted period for the remaining restricted stocks is 48 months from the date of completion of grant registration, namely 24 December 2025, respectively.
Total	1,781,306,264	0	514,588,891	1,266,717,373	--	--

II. Securities issuance and listing

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

☐ Applicable ☒ Non-applicable

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

☒ Applicable ☐ Non-applicable

According to the *Incentive Plan*, with the approval of the company's shareholders meeting, a total of 20,630,585 shares of restricted stock have been repurchased and cancelled by the company during the

reporting period. There has been a change in shareholder structure and a decrease in the total number of shares of the Company. There is no impact on the asset and liability structure of the Company.

3. Current internal staff shares

☐ Applicable ☒ Non-applicable

III. Shareholders and the actual controller

1. Amount of shareholders and shareholding

Unit: share

Total common stock shareholders in reporting period-end	93,627	Total common stock shareholders at end of last month before annual report disclosed	85571	Total preference shareholders with voting rights recovered at end of reporting period	0	Total preference shareholders with voting rights recovered at end of last month before annual report disclosed	0	
Shareholders holding above 5% or top 10 shareholders								
Name of shareholders	Nature of shareholder	Shareholding ratio	Total shareholders at the end of report period	Changes in report period	Amount of restricted shares held	Amount of unrestricted shares held	Shares pledged or frozen	
							Status	Quantity
Shougang Group Co., Ltd.	State-owned legal entity	56.87	4,420,769,800	0	1,247,703,723	3,173,066,077	N/A	0
China Baowu Steel Group Corporation Ltd.	State-owned legal entity	10.21	793,408,440	0	0	793,408,440	N/A	0
Beijing Jingtou Investment Holding Co., Ltd.	State-owned legal entity	9.53	740,940,679	0	0	740,940,679	N/A	0
Beijing Jing Guorui Soe Reform and Development Fund (L.P.)	State-owned legal entity	6.35	493,958,306	0	0	493,958,306	N/A	0
Sunshine Life Insurance Co., Ltd. - Traditional insurance products	Others	0.99	76,692,529	0	0	76,692,529	N/A	0
Sunshine Life Insurance Co., Ltd. - Dividend insurance products	Others	0.72	56,159,243	0	0	56,159,243	N/A	0
Liu Wei	Domestic natural persons	0.60	47,000,000	-21,200,000	0	47,000,000	N/A	0
Hong Kong Securities Clearing Company Limited	Overseas legal entity	0.43	33,667,054	-22,115,248	0	33,667,054	N/A	0
Shanxi Coking Coal Financial Capital Investment Holding Co., Ltd.	State-owned legal entity	0.41	32,155,928	32,155,928	0	32,155,928	N/A	0
Agricultural Bank of China Limited - China Securities 500 Trading Open-end Index Securities Investment Fund	Others	0.28	21,565,852	12,958,600	0	21,565,852	N/A	0
Strategic investor or general legal person becoming a top-10 ordinary shareholder due to rights issue		N/A						

Related or acting-in-concert parties among the shareholders above	Subsidiary of Shougang Group holds 0.68% of Baosteel Co., Baowu Group Co., Ltd. and its persons acting in concert hold 62.30% of Baosteel Co. Except which, Shougang Group has no relationship or concerted acting relationship with other top 10 shareholders. The relationship between other shareholders or the relationship of cooperators is unknown.		
Above shareholders involved in entrusting / being entrusted with voting rights and giving up voting rights	N/A		
Special account for share repurchases among the top 10 shareholders	N/A		
Shareholding of the top 10 shareholders unrestricted shares held			
Name of shareholders	Amount of unrestricted shares held at period-end	Type of shares	
		Type of shares	Quantity
Shougang Group Co., Ltd.	3,173,066,077	RMB ordinary shares	3,173,066,077
China Baowu Steel Group Corporation Ltd.	793,408,440	RMB ordinary shares	793,408,440
Beijing Jingtou Investment Holding Co., Ltd.	740,940,679	RMB ordinary shares	740,940,679
Beijing Jing Guorui Soe Reform and Development Fund (L.P.)	493,958,306	RMB ordinary shares	493,958,306
Sunshine Life Insurance Co., Ltd. - Traditional insurance products	76,692,529	RMB ordinary shares	76,692,529
Sunshine Life Insurance Co., Ltd. - Dividend insurance products	56,159,243	RMB ordinary shares	56,159,243
Liu Wei	47,000,000	RMB ordinary shares	47,000,000
Hong Kong Securities Clearing Company Limited	33,667,054	RMB ordinary shares	33,667,054
Shanxi Coking Coal Financial Capital Investment Holding Co., Ltd.	32,155,928	RMB ordinary shares	32,155,928
Agricultural Bank of China Limited - China Securities 500 Trading Open-end Index Securities Investment Fund	21,565,852	RMB ordinary shares	21,565,852
Connected associated relationship or acting in concert among the top 10 shareholders holding tradable shares without selling restrictions, and between the top 10 shareholders holding tradable shares without selling restrictions and the top 10 shareholders	Subsidiary of Shougang Group holds 0.68% of Baosteel Co., Baowu Group Co., Ltd. and its persons acting in concert hold 62.30% of Baosteel Co. Except which, Shougang Group has no relationship or concerted acting relationship with other top 10 shareholders. The relationship between other shareholders or the relationship of cooperators is unknown.		
Top 10 ordinary shareholders involved in securities margin trading	Liu Wei holds 47,000,000 shares of the company through its credit securities account.		

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

☒Applicable ☐Non-applicable

Unit: share

Shareholders holding more than 5% of shares, top 10 shareholders and top 10 shareholders with unrestricted shares in circulation participating in the lending of shares in the transfer and financing business								
Name of shareholders (full name)	General and credit account holdings at the beginning of the period		Shares lent under the transfer and finance at the beginning of the period and not yet repatriated		General and credit account holdings at the end of the period		Shares lent under the transfer and finance at the end of the period and not yet repatriated	
	Total quantity	Proportion of share capital	Total quantity	Proportion of share capital	Total quantity	Proportion of share capital	Total quantity	Proportion of share capital
Agricultural Bank of China Limited - China Securities 500 Trading Open-end	8,607,252	0.11%	2,515,600	0.03%	21,565,852	0.28%	0	0.00%

Index	Securities							
Investment Fund								

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

☐ Applicable ☒ Non-applicable

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

☐ YES ☒ NO

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

2. Controlling shareholders

Nature of controlling shareholders: local state-owned holding

Type of controlling shareholders: legal person

Name of controlling shareholders	Legal representative / person in charge of the company	Date of establishment	Organization code	Main businesses
Shougang Group Co., Ltd.	Zhao Mingge	13 May 1981	911100001011200015	Industry, construction, geological examination, transportation, foreign trade, post and telecommunications, finance and insurance, scientific research and comprehensive technical services, domestic commerce, public catering, material supply and marketing, warehousing, real estate, residential services, consulting services, leasing, agriculture, forestry, animal husbandry and fishery (excluding business without special permission); authorized operation and management of state-owned assets; hosted Shougang Daily newspaper; design and production of TV advertisements; use of self-owned TV stations to publish advertisements; design and production of print advertising; use of self-owned Shougang Daily to publish advertisements; sewage treatment and recycling; seawater desalination; literary and artistic creation and performance; sports project management (excluding high-risk sports projects); stadium management; Internet information services; Municipal solid waste treatment. (enterprises shall independently choose business projects and carry out business activities in accordance with the law; municipal solid waste treatment, Internet information services and projects subject to approval in accordance with the law after licensing; they shall not engage in business projects prohibited or restricted by local policies)
Shareholdings of controlling shareholders who have control or hold shares in other domestic or overseas listed companies during the reporting period	<p>1. Domestic: (1) Hua Xia Bank Co., Ltd., holds 21.68%; (2) Beiqi Foton Motor Co., Ltd., holds 0.15%; (3) BAIC MOTOR Corporation., Ltd. (H-share), holds 12.83%.</p> <p>2. Overseas: (1) Capital Industrial Financial Services Group Limited, holds 61.29%; (2) Shoucheng Holdings Limited, holds 24.94%; (3) Shougang Fushan Resources Group Ltd., holds 33.29%; (4) Shougang Century Holdings Limited, holds 44.91%; (5) Global Digital Creations Holdings Limited, holds 41.19%; (6) CWT International Limited, holds 3.11%; (7) Newton Resources Limited, holds 27.46%; (8) Sunshine Insurance Group Co., Ltd., holds 0.58%.</p>			

Controlling shareholder turnover during the reporting period

☐ Applicable ☒ Non-applicable

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

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

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

Type of actual controller:

Actual controller turnover during the reporting period

☐ Applicable ☒ Non-applicable

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

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



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

☐ Applicable ☒ Non-applicable

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

☐ Applicable ☒ Non-applicable

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

☒ Applicable ☐ Non-applicable

Name of legal person shareholders	Legal representative / person in charge of the company	Date of establishment	Registered capital	Main businesses
China Baowu Steel Group Corporation Ltd.	Hu Wangming	1 January 1992	RMB 52,791,101,000	Licensed project: Retail of publications; Wholesale of publications. (For projects that require approval according to law, business activities can only be carried out with the approval of relevant departments. The specific business projects shall be subject to the approval documents or licenses of relevant departments.) General projects: engaging in investment activities with self-owned funds; Investment management; Asset management services for self-owned fund investment; Enterprise headquarters management; Land use right leasing;

				Non-residential real estate leasing; Tax services; Human resources services (excluding occupational intermediary activities and labor dispatch services); Registration and agency of market entities; Business agency services; Undertake outsourcing of archival services; Tendering and bidding agency services; Big data services; Enterprise management consulting. (Except for projects that require approval according to law, business activities shall be conducted independently based on the business license in accordance with the law)
--	--	--	--	---

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

☐ Applicable ☒ Non-applicable

IV. The implementation of share repurchase during the reporting period

Progress of share repurchase

☐ Applicable ☒ Non-applicable

Implementation progress of reducing and repurchasing shares through centralized bidding

☐ Applicable ☒ Non-applicable

SECTION VIII. PREFERRED SHARES

☐ Applicable ☒ Non-applicable

SECTION IX. BONDS

☒Applicable ☐Non-applicable

I. Enterprise bonds

☐ Applicable ☒ Non-applicable

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

II. Corporate bonds

☐ Applicable ☒ Non-applicable

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

III. Debt financing instruments for non-financial corporations

☒Applicable ☐Non-applicable

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

Unit: RMB 0,000

Bond name	Bond abbreviation	Bond code	Issue date	Interest starting date	Maturity date	Bond balance	Interest rate	Principal and interest payment method	Trading venue
Beijing Shougang Company Limited 2023 Third Super Short-Term Financing Note (Kechuang Note)	23 Shougang Co. SCP003 (Kechuang Note)	012384132	15 November 2023	16 November 2023	19 April 2024	0	2.56%	One-off principal and interest payment upon maturity	National Interbank Bond Market
Beijing Shougang Company Limited 2024 First Super Short-Term Financing Note	24 Shougang Co. SCP001	012480956	19 March 2024	20 March 2024	28 August 2024	0	2.12%	One-off principal and interest payment upon maturity	National Interbank Bond Market
Beijing Shougang Company Limited 2024 Second Super Short-Term Financing Note	24 Shougang Co. SCP002	012482527	21 August 2024	22 August 2024	20 December 2024	0	2.01%	One-off principal and interest payment upon maturity	National Interbank Bond Market
Beijing Shougang Company Limited 2024 Third Super Short-Term Financing Note	24 Shougang Co. SCP003	012482524	21 August 2024	22 August 2024	20 March 2025	70,000	2.04%	One-off principal and interest payment upon maturity	National Interbank Bond Market
Investor suitability arrangements (if any)			Institutional investors in the national interbank bond market (except for purchasers prohibited by national laws and regulations)						
Applicable trading mechanisms			Trading system of debt financing instruments for non-financial corporations						
Whether there is a risk of termination of listing and trading (if any) and measures to deal with it			None						

Bonds overdue

☐ Applicable ☒ Non-applicable

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

☐ Applicable ☒ Non-applicable

3. Situation of intermediaries

Bond item name	Name of intermediary	Office address	Signed CPA	Contact of intermediary	Telephone
Beijing Shougang Company Limited 2023 Third Super Short-Term	Bank of Beijing Co., Ltd.	No. C17, Financial Street, Xicheng District, Beijing		Zhang Guoxia	010-66223400

Financing Note (Kechuang Note)					
Beijing Shougang Company Limited 2023 Third Super Short-Term Financing Note (Kechuang Note)	Beijing Rural Commercial Bank Co., Ltd.	Building 2, No.1 Yuetan South Street, Xicheng District, Beijing, China		Guan Yuming, Niu Caiping	010-63229793
Beijing Shougang Company Limited 2023 Third Super Short-Term Financing Note (Kechuang Note)	Zhitong Accounting Firm (Special General Partnership)	5th Floor, Saitei Plaza, No.22 Jianguomenwai Avenue, Chaoyang District, Beijing, China	Qian Bin, Yu Qike	Qian Bin, Yu Qike	010-85665231
Beijing Shougang Company Limited 2023 Third Super Short-Term Financing Note (Kechuang Note)	Jingtian & Gongcheng Law Firm	34th Floor, Office Tower 3, Huamao Center, No. 77 Jianguo Road, Chaoyang District, Beijing, China		Deng Qing, Yang Yao	010-58091000
Beijing Shougang Company Limited 2024 First Super Short-Term Financing Note	Postal Savings Bank of China Co., Ltd.	No. 3, Financial Street, Xicheng District, Beijing		Cui Xuguang, Song Liuyu	010-68857444, 010-86353387
Beijing Shougang Company Limited 2024 First Super Short-Term Financing Note	Bank of Ningbo Co., Ltd.	No. 345 Ningdong Road, Yinzhou District, Ningbo City, Zhejiang		Xie Zhongyuan	0574-87857211
Beijing Shougang Company Limited 2024 First Super Short-Term Financing Note	Zhitong Accounting Firm (Special General Partnership)	5th Floor, Saitei Plaza, No.22 Jianguomenwai Avenue, Chaoyang District, Beijing, China	Qian Bin, Yu Qike	Qian Bin, Yu Qike	010-85665231
Beijing Shougang Company Limited 2024 First Super Short-Term Financing Note	Jingtian & Gongcheng Law Firm	34th Floor, Office Tower 3, Huamao Center, No. 77 Jianguo Road, Chaoyang District, Beijing, China		Deng Qing, Yang Yao	010-58091000
Beijing Shougang Company Limited 2024 Second Super Short-Term Financing Note	Bank of Ningbo Co., Ltd.	No. 345 Ningdong Road, Yinzhou District, Ningbo City, Zhejiang		Xie Zhongyuan	0574-87857211
Beijing Shougang Company Limited 2024 Second Super Short-Term Financing Note	Zhitong Accounting Firm (Special General Partnership)	5th Floor, Saitei Plaza, No.22 Jianguomenwai Avenue, Chaoyang District, Beijing, China	Li Dan, Yu Qike	Li Dan, Yu Qike	010-85665231
Beijing Shougang Company Limited 2024 Second Super Short-Term Financing Note	Jingtian & Gongcheng Law Firm	34th Floor, Office Tower 3, Huamao Center, No. 77 Jianguo Road, Chaoyang District, Beijing, China		Deng Qing, Yang Yao	010-58091000
Beijing Shougang Company Limited 2024 Third Super Short-Term	Bank of Ningbo Co., Ltd.	No. 345 Ningdong Road, Yinzhou District, Ningbo City, Zhejiang		Xie Zhongyuan	0574-87857211

Financing Note					
Beijing Shougang Company Limited 2024 Third Super Short-Term Financing Note	China Construction Bank Corporation	No. 25, Financial Street, Xicheng District, Beijing		Wang Wenjun	010-67594276
Beijing Shougang Company Limited 2024 Third Super Short-Term Financing Note	Zhitong Accounting Firm (Special General Partnership)	5th Floor, Saitei Plaza, No.22 Jianguomenwai Avenue, Chaoyang District, Beijing, China	Li Dan, Yu Qike	Qian Bin, Liu Yiwei	010-85665231
Beijing Shougang Company Limited 2024 Third Super Short-Term Financing Note	Jingtian & Gongcheng Law Firm	34th Floor, Office Tower 3, Huamao Center, No. 77 Jianguo Road, Chaoyang District, Beijing, China		Deng Qing, Yang Yao	010-58091000

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

☐ YES ☒ NO

4. Use of raised funds

Unit: RMB 0,000

Bond item name	Total amount of funds raised	Agreed purpose of the funds raised	Amount used	Amount not yet used	Operation of the special account for funds raised (if any)	Rectification of irregular use of funds raised (if any)	Whether it is consistent with the purpose, plan of use and other agreements committed to in the offering prospectus
Beijing Shougang Company Limited 2023 Third Super Short-Term Financing Note (Kechuang Note)	100,000	For repayment of the issuer's interest-bearing debt	100,000	0	Operation standards of the Company's special account for funds raised during the reporting period	None	Y
Beijing Shougang Company Limited 2024 First Super Short-Term Financing Note	100,000	For repayment of the issuer's interest-bearing debt	100,000	0	Operation standards of the Company's special account for funds raised during the reporting period	None	Y
Beijing Shougang Company Limited 2024 Second Super Short-Term Financing Note	30,000	For repayment of the issuer's interest-bearing debt	30,000	0	Operation standards of the Company's special account for funds raised during the reporting period	None	Y
Beijing Shougang Company Limited 2024 Third Super Short-Term Financing Note	70,000	For repayment of the issuer's interest-bearing debt	70,000	0	Operation standards of the Company's special account for funds raised during the reporting period	None	Y

Funds raised for construction projects

☐ Applicable ☒ Non-applicable

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

☐ Applicable ☒ Non-applicable

5. Adjustments to credit rating results during the reporting period

☐ Applicable ☒ Non-applicable

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

☐ Applicable ☒ Non-applicable

IV. Convertible corporate bonds

☐ Applicable ☒ Non-applicable

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

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

☐ Applicable ☒ Non-applicable

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

☐ Applicable ☒ Non-applicable

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

☐ YES ☒ NO

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

Unit: RMB 0,000

Item	End of the reporting period	End of previous year	Increase/decrease at the end of the reporting period over the end of the previous year
Current ratio	0.53	0.5	6.00%
Gearing ratio	58.59%	60.43%	-1.84%
Quick ratio	0.34	0.32	6.25%
	Current reporting period	Same period last year	Increase/decrease in the current reporting period over the same period last year
Net profit after non-recurring gains and losses	21,951.71	52,767.21	-58.40%
EBITDA all debt ratio	12.84%	12.37%	0.47%
Interest coverage ratio	1.63	1.62	0.62%
Cash interest coverage ratio	6.67	5.18	28.76%
EBITDA interest coverage ratio	8.43	7.04	19.74%
Loan repayment rate	100.00%	100%	
Interest repayment rate	100.00%	100%	

SECTION X. FINANCIAL REPORT

I. Auditor’s report

Main Body of Auditor’s Report

XYZH/2025BJAA16B0514

To the Shareholders of Beijing Shougang Company Limited:

1. Opinion

We have audited the financial statements of Beijing Shougang Company Limited (the Company), which are comprised of the consolidated and parent company statements of financial position as of 31 December 2024, and the consolidated and parent company income statements, statements of changes in equity, and statements of cash flows for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and parent company’s financial position of the Company as of 31 December 2024, and the consolidated and parent company’s financial performance, and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

2. Basis for Opinion

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

3. Key Audit Matters

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

1. Recognition of Revenue	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>The related information is disclosed in “III. 23” regarding revenue recognition principles and measurement methods and “V. 42” regarding operating revenue and costs in the notes to the financial statements.</p> <p>In 2024, the operating revenue of the Company was RMB 10.8311 billion. Considering that the revenue has a significant impact on the financial statements of the Company and steel price could exert a great influence on the profits of the Company since the steel industry is a cyclical industry, we regarded the recognition of revenue as a key audit matter.</p>	<p>(1) Understanding and testing the key internal controls related to revenue, and assessing the appropriateness and effectiveness of key control executions.</p> <p>(2) Performing analysis procedures, including comparisons of the current period’s gross profit of major products with that of the prior period and the analysis of revenue fluctuations, to check for any anomalies.</p> <p>(3) Obtaining sales details of the current year, selecting revenue transaction samples recorded in the current year, and checking the supporting documents such as sales contracts, orders, delivery orders, logistics bills, invoices, and receipts to evaluate whether the related revenue recognition is in compliance with the Company's accounting policies.</p> <p>(4) Selecting sales contract samples to identify contractual terms and conditions related to the transfer of control of goods and to evaluate whether the point of time of revenue recognition of the Company complies with the requirements of</p>

	<p>the Accounting Standards for Business Enterprises.</p> <p>(5) Selecting customer samples to perform the confirmation procedures on sales revenue of the reporting period in conjunction with notes receivable, accounts receivable, financing receivables, contract liabilities, etc.</p> <p>(6) Checking the appropriateness of disclosures in relation to revenue in the financial report.</p>
2. The provision for inventory impairments	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>The related information is disclosed in “III. 12. Inventories” and “V. 7. Inventories” in the notes to the financial statements.</p> <p>The book balance of inventory of the Company at the end of the period amounted to RMB 11.618 billion with a provision for inventory impairments of RMB 247 million. Inventory had been regarded as the material part of the current assets of the Company at the end of the period, and the provision for inventory impairments referred to the application of management’s accounting estimates. Hence, we have identified the provision for inventory impairments as a key audit matter.</p>	<p>(1) Assessing the design and operation of internal controls related to the provision for inventory impairments.</p> <p>(2) Checking the price fluctuations of major raw materials, work-in-process, and goods in stock to determine the risk of inventory impairments.</p> <p>(3) Conducting inventory monitoring of important inventories, examining the quantities and conditions of inventories, and paying attention to the status of inventories with a longer inventory age and the provision for impairments.</p> <p>(4) Obtaining the table of the provision for inventory impairments of the Company, reviewing the calculation process and results of the provision to check compliance with the relevant accounting policies, and analyzing the adequacy of the provision for inventory impairments.</p> <p>(5) Testing the accuracy of the calculation of the net realizable value of inventories of the Company.</p> <p>(6) Checking the appropriateness of disclosures in relation to the net realizable value of inventories in the financial report.</p>

4. Other Information

The management of the Company (the management) is responsible for the other information. The other information comprises the information included in the Annual Report of 2024, other than the financial statements and our auditor’s report thereon.

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

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

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

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

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

In preparing the financial statements, the management is responsible for assessing the Company’s

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

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

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

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

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

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

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

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

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships

and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards (if any).

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

ShineWing Certified Public Accountants (LLP)

Chinese Certified Public Accountant: Guo Yong
(Engagement partner)

Chinese Certified Public Accountant: Lu Min

Beijing, China

16 April 2025

II. Financial statements

1. Consolidated Statement of Financial Position

Prepared by: Beijing Shougang Company Limited

Unit: RMB Yuan

Item	Closing balance	Opening balance
Current assets:		
Cash at bank and on hand	8,777,273,626.01	9,153,205,626.37
Provision for settlement		
Lendings to banks and other financial institutions		
Financial assets held for trading		
Derivative financial assets		
Notes receivable	4,264,328,295.93	3,958,135,183.83
Accounts receivable	1,627,874,027.95	1,365,633,725.20
Financing receivables	3,596,293,493.59	2,223,431,426.46
Prepayments	2,073,302,355.50	2,111,891,544.80
Premiums receivable		
Reinsurance accounts receivable		
Receivable reserves for reinsurance		
Other receivables	4,200,049.47	9,509,909.78
Including: Interest receivable		
Dividends receivable		2,407,634.67
Buying back the sale of financial assets		
Inventories	11,370,913,814.02	12,177,610,585.90
Including: Data resources		
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	620,415,519.20	1,529,327,917.77
Total current assets	32,334,601,181.67	32,528,745,920.11
Non-current assets:		
Loans and advances granted		
Debt investments		
Other debt investments		
Long-term receivables		

Long-term equity investments	2,070,713,423.51	2,420,775,096.36
Other equity instruments investments	268,404,638.58	340,204,092.21
Other non-current financial assets	70,218,671.35	75,009,218.61
Investment properties		
Fixed assets	87,108,977,736.60	89,895,037,102.17
Construction in progress	3,265,734,893.25	5,320,613,251.88
Productive biological assets		
Oil and gas assets		
Right-of-use assets	468,243,465.30	489,044,162.56
Intangible assets	5,850,757,692.94	6,004,370,080.22
Including: Data resources		
Development expenditures		
Including: Data resources		
Goodwill		
Long-term prepaid expenses	4,420,815.37	4,791,419.09
Deferred tax assets	413,773,974.38	441,070,785.12
Other non-current assets		
Total non-current assets	99,521,245,311.28	104,990,915,208.22
Total assets	131,855,846,492.95	137,519,661,128.33
Current liabilities:		
Short-term borrowings	22,251,284,791.74	26,661,355,641.29
Borrowings from the Central Bank		
Borrowings from banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	3,834,000,000.00	3,433,752,366.00
Accounts payable	20,029,391,804.83	20,734,040,709.58
Receipts in advance		
Contract liabilities	5,083,362,454.55	4,699,449,813.28
Financial assets sold for repurchase		
Accept money deposits and interbank placement		
Acting trading securities		
Acting underwriting securities		
Employee benefits payable	731,640,032.37	762,360,797.04
Taxes payable	264,558,679.56	184,929,853.68
Other payables	405,074,195.81	431,690,700.91
Including: Interest payable		
Dividends payable		
Service charge and commission payable		
Reinsurance accounts payable		
Liabilities held for sale		
Current portion of non-current liabilities	2,680,572,602.44	1,337,686,760.50
Other current liabilities	6,145,690,644.01	6,207,392,240.67
Total current liabilities	61,425,575,205.31	64,452,658,882.95
Non-current liabilities:		
Insurance contract reserves		
Long-term borrowings	11,864,070,000.00	12,789,060,000.00
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	465,190,839.65	471,745,760.35
Long-term payables	2,100,000.00	2,300,000.00
Long-term employee benefits payables	72,720,356.41	77,050,280.88
Provisions	1,000,000.00	
Deferred income	563,629,799.28	852,384,301.36
Deferred tax liabilities	495,856,362.74	554,522,851.81

Other non-current liabilities	2,364,112,304.97	3,899,674,951.80
Total non-current liabilities	15,828,679,663.05	18,646,738,146.20
Total liabilities	77,254,254,868.36	83,099,397,029.15
Shareholders' equity:		
Share capital	7,773,981,020.00	7,794,611,605.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	30,269,670,353.06	30,359,081,190.35
Less: Treasury shares	65,694,761.24	130,627,194.09
Other comprehensive income	188,552,639.99	249,573,973.65
Special reserve	45,140,519.27	32,813,410.14
Surplus reserve	1,961,227,213.80	1,944,190,492.65
General risk reserve		
Undistributed profits	9,444,363,914.69	9,224,145,934.95
Equity attributable to shareholders of the parent company	49,617,240,899.57	49,473,789,412.65
Non-controlling interests	4,984,350,725.02	4,946,474,686.53
Total shareholders' equity	54,601,591,624.59	54,420,264,099.18
Total liabilities and shareholders' equity	131,855,846,492.95	137,519,661,128.33

Legal Representative: Qiu Yinfu

Chief Accountant: Liu Tonghe

Accounting Officer: Cui Xiumei

2. Parent Company Statement of Financial Position

Unit: RMB Yuan

Item	Closing balance	Opening balance
Current assets:		
Cash at bank and on hand	1,230,117,559.98	1,806,064,978.27
Financial assets held for trading		
Derivative financial assets		
Notes receivable	566,521,081.97	825,606,179.97
Accounts receivable	2,482,552,334.49	1,433,327,640.47
Financing receivables	668,605,011.58	823,200,805.55
Prepayments	726,081,788.91	534,795,080.00
Other receivables	386,280,464.23	136,314,481.16
Including: Interest receivable		
Dividends receivable	250,000,000.00	
Inventories	1,682,608,959.46	1,967,980,821.94
Including: Data resources		
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	313,587,537.06	720,044,580.92
Total current assets	8,056,354,737.68	8,247,334,568.28
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	36,720,076,756.68	37,020,179,840.15
Other equity instruments investments	268,404,638.58	340,204,092.21
Other non-current financial assets	70,218,671.35	75,009,218.61
Investment properties		
Fixed assets	18,666,064,480.15	18,294,054,760.24
Construction in progress	1,057,966,829.30	2,096,054,577.18
Productive biological assets		
Oil and gas assets		
Right-of-use assets	9,004,814.78	18,009,629.54
Intangible assets	1,601,256,519.01	1,650,621,035.40

Including: Data resources		
Development expenditures		
Including: Data resources		
Goodwill		
Long-term prepaid expenses		
Deferred tax assets	179,175,280.34	191,520,829.30
Other non-current assets		
Total non-current assets	58,572,167,990.19	59,685,653,982.63
Total assets	66,628,522,727.87	67,932,988,550.91
Current liabilities:		
Short-term borrowings	8,676,269,208.30	9,697,875,763.85
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		50,000,000.00
Accounts payable	9,665,298,876.19	9,850,290,958.06
Receipts in advance		
Contract liabilities	932,461,337.67	1,036,301,337.72
Employee benefits payable	260,679,465.21	278,758,236.87
Taxes payable	41,081,290.90	30,265,576.48
Other payables	159,473,270.50	218,440,824.20
Including: Interest payable		
Dividends payable		
Liabilities held for sale		
Current portion of non-current liabilities	1,334,422,685.20	513,180,977.19
Other current liabilities	1,549,477,306.79	2,016,969,625.15
Total current liabilities	22,619,163,440.76	23,692,083,299.52
Non-current liabilities:		
Long-term borrowings	3,949,070,000.00	3,946,830,000.00
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		9,850,828.20
Long-term payables	2,100,000.00	2,300,000.00
Long-term employee benefits payables	72,720,356.41	77,050,280.88
Provisions	0.00	0.00
Deferred income	91,446,568.04	99,843,517.79
Deferred tax liabilities	311,272,229.33	359,787,326.79
Other non-current liabilities		
Total non-current liabilities	4,426,609,153.78	4,495,661,953.66
Total liabilities	27,045,772,594.54	28,187,745,253.18
Shareholders' equity:		
Share capital	7,773,981,020.00	7,794,611,605.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	22,026,550,938.69	22,108,845,278.76
Less: Treasury shares	65,694,761.24	130,627,194.09
Other comprehensive income	188,544,504.02	249,574,039.56
Special reserve		
Surplus reserve	1,961,227,213.80	1,944,190,492.65
Undistributed profits	7,698,141,218.06	7,778,649,075.85
Total shareholders' equity	39,582,750,133.33	39,745,243,297.73
Total liabilities and shareholders' equity	66,628,522,727.87	67,932,988,550.91

3. Consolidated Income Statement

Unit: RMB Yuan

Item	2024	2023
------	------	------

I. Total operating revenue	108,310,796,466.52	113,761,443,633.43
Including: Operating revenue	108,310,796,466.52	113,761,443,633.43
Interest income		
Earned premiums		
Service charge and commission income		
II. Total operating costs	107,812,955,460.44	112,606,608,177.72
Including: Operating costs	103,923,153,537.72	108,450,939,228.35
Interest expenses		
Service charge and commission expenses		
Surrender charge		
Net insurance claim		
Net appropriation of deposit for insurance liability contracts		
Policy dividend expenses		
Reinsurance expenses		
Taxes and surcharges	764,686,113.66	773,788,277.52
Selling expenses	230,356,966.33	247,978,613.12
General and administrative expenses	1,260,436,312.80	1,289,613,009.53
R&D expenses	532,698,755.48	491,078,795.33
Financial expenses	1,101,623,774.45	1,353,210,253.87
Including: Interest expenses	1,176,723,369.76	1,459,986,955.71
Interest income	87,667,107.03	107,859,174.95
Add: Other income	1,072,682,669.43	497,165,799.61
Investment gain/ (loss)	-306,727,610.88	-173,640,314.78
Including: Gains from investments in associates and joint ventures	-317,194,130.31	-192,776,595.40
Gains on derecognition of financial assets at amortized cost		
Foreign exchange gain/ (loss)		
Net exposure hedging gain/ (loss)		
Gain/ (loss) on the changes in fair value	-4,790,547.26	-4,224,788.99
Credit impairment losses	-18,982,257.38	48,197,342.07
Assets impairment losses	-575,389,035.63	-600,099,065.24
Gain/ (loss) from disposal of assets	791,373.65	567,839.38
III. Operating profit/ (loss)	665,425,598.01	922,802,267.76
Add: Non-operating income	147,879,116.11	6,975,486.44
Less: Non-operating expenses	67,699,479.06	29,457,854.70
IV. Profit/ (loss) before tax	745,605,235.06	900,319,899.50
Less: Income tax expense	150,452,372.74	146,515,055.29
V. Net profit / (loss)	595,152,862.32	753,804,844.21
1. Categorized by operation continuity:		
(1) Net profit/ (loss) from continuing operations	595,152,862.32	753,804,844.21
(2) Net profit/ (loss) from discontinued operations		
2. Categorized by ownership:		
(1) Net profit/ (loss) attributable to shareholders of the parent company	471,093,049.04	663,754,519.41
(2) Net profit/ (loss) attributable to non-controlling interests	124,059,813.28	90,050,324.80
VI. Other comprehensive income, net of tax	-61,021,333.66	91,322,198.71
Other comprehensive income, net of tax, attributable to shareholders of the parent company	-61,021,333.66	91,322,198.71
1. Other comprehensive income that will not be reclassified to profit or loss	-61,029,535.54	91,322,264.62
(1) Remeasurement of changes in defined benefit plans		
(2) Other comprehensive income not converted into profit or loss under the equity method		
(3) Changes in fair value of other equity instruments investments	-61,029,535.54	91,322,264.62
(4) Changes in fair value of the company's credit risk		

(5) Others		
2. Other comprehensive income to be reclassified to profit or loss	8,201.88	-65.91
(1) Other comprehensive income converted into profit or loss under the equity method		
(2) Changes in fair value of other debt investments		
(3) Amount of financial assets reclassified into other comprehensive income		
(4) Provision for credit impairment of other debt investments		
(5) Cash flow hedging reserves		
(6) Foreign currency translation differences	8,201.88	-65.91
(7) Others		
Other comprehensive income, net of tax, attributable to non-controlling interests	0.00	
VII. Total comprehensive income	534,131,528.66	845,127,042.92
Total comprehensive income attributable to shareholders of the parent company	410,071,715.38	755,076,718.12
Total comprehensive income attributable to non-controlling interests	124,059,813.28	90,050,324.80
VIII. Earnings per share		
1. Basic earnings per share	0.0607	0.0856
2. Diluted earnings per share	0.0607	0.0856

Legal Representative: Qiu Yinfu

Chief Accountant: Liu Tonghe

Accounting Officer: Cui Xiumei

4. Parent Company Income Statement

Unit: RMB Yuan

Item	2024	2023
I. Operating revenue	36,803,582,879.18	38,926,306,222.11
Less: Operating costs	35,567,917,809.84	37,636,422,870.72
Taxes and surcharges	212,213,114.74	186,759,975.87
Selling expenses	129,019,569.64	145,715,400.04
General and administrative expenses	513,551,196.78	511,892,492.19
R&D expenses	234,581,639.11	188,022,863.16
Financial expenses	394,036,563.14	412,626,659.67
Including: Interest expenses	402,660,308.80	472,742,471.44
Interest income	16,751,363.64	16,560,676.53
Add: Other income	249,648,602.17	192,257,211.40
Investment gain/ (loss)	108,279,795.26	468,027,906.62
Including: Gains from investments in associates and joint ventures	-271,292,907.49	-132,155,436.66
Gains/ (loss) on derecognition of financial assets at amortized cost		
Net exposure hedging gain/ (loss)		
Gain/ (loss) on the changes in fair value	-4,790,547.26	-4,224,788.99
Credit impairment losses	-9,358,658.19	8,342,561.87
Assets impairment losses	-44,409,798.55	-151,383,222.76
Gain/ (loss) from disposal of assets	-234,141.41	5,475,499.08
II. Operating profit/ (loss)	51,398,237.95	363,361,127.68
Add: Non-operating income	141,848,189.95	1,803,907.74
Less: Non-operating expenses	48,278,846.80	20,311,515.08
III. Profit/ (loss) before tax	144,967,581.10	344,853,520.34
Less: Income tax expense	-25,399,630.41	-8,219,319.46
IV. Net profit / (loss)	170,367,211.51	353,072,839.80
1. Net profit/ (loss) from continuing operations	170,367,211.51	353,072,839.80
2. Net profit/ (loss) from discontinued operations		
V. Other comprehensive income, net of tax	-61,029,535.54	91,322,264.62
1. Other comprehensive income that will not be reclassified to	-61,029,535.54	91,322,264.62

profit or loss		
(1) Remeasurement of changes in defined benefit plans		
(2) Other comprehensive income not converted into profit or loss under the equity method		
(3) Changes in fair value of other equity instruments investments	-61,029,535.54	91,322,264.62
(4) Changes in fair value of the company's credit risk		
(5) Others		
2. Other comprehensive income to be reclassified to profit or loss		
(1) Other comprehensive income converted into profit or loss under the equity method		
(2) Changes in fair value of other debt investments		
(3) Amount of financial assets reclassified into other comprehensive income		
(4) Provision for credit impairment of other debt investments		
(5) Cash flow hedging reserves		
(6) Foreign currency translation differences		
(7) Others		
VI. Total comprehensive income	109,337,675.97	444,395,104.42
VII. Earnings per share		
1. Basic earnings per share		
2. Diluted earnings per share		

5. Consolidated Statement of Cash Flows

Unit: RMB Yuan

Item	2024	2023
I. Cash flows from operating activities:		
Cash receipts from the sale of goods and the rendering of services	49,622,464,580.80	64,299,847,202.27
Net increase of customers' deposits and interbank deposits		
Net increase in borrowings from the Central Bank		
Net increase in borrowings from other financial institutions		
Cash received for premiums of original insurance contracts		
Net cash received from reinsurance operations		
Net increase in policyholders' savings and investment funds		
Cash received from interest, service charge and commission		
Net increase in borrowings from banks and other financial institutions		
Net increase in funds of repurchase operations		
Net cash received from acting trading securities		
Tax refunds received		123,551,111.37
Cash received relating to other operating activities	713,743,090.90	1,075,599,962.13
Cash inflow from operating activities	50,336,207,671.70	65,498,998,275.77
Cash paid for purchase of goods and services	37,249,893,363.60	51,471,616,413.84
Net increase in loans and advances to customers		
Net increase in deposits with the Central Bank and interbank		
Cash payment of compensation for original insurance contracts		
Net increase in lendings to banks and other financial institutions		
Cash paid for interest, service charge and commission		
Cash paid as policy dividends		
Cash paid to and on behalf of employees	4,538,936,927.34	4,527,216,997.76
Cash paid for taxes	1,517,597,954.85	2,863,616,678.56
Cash paid relating to other operating activities	701,050,429.22	482,242,113.79
Cash outflow from operating activities	44,007,478,675.01	59,344,692,203.95
Net cash flows from operating activities	6,328,728,996.69	6,154,306,071.82
II. Cash flows from investing activities:		

Cash received from disposal of investments		1,260,401,500.00
Cash received from investment gain	40,326,371.21	115,230,658.40
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets	1,851,894.32	4,617,334.55
Cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities		106,533,297.74
Cash inflow from investing activities	42,178,265.53	1,486,782,790.69
Purchase of fixed assets, intangible assets and other long-term assets	227,245,405.89	1,766,380,951.48
Cash paid for investments	30,908,160.00	662,474,008.68
Net increase in pledge loans		
Net cash paid for acquisition of a subsidiary and other business units		
Cash paid relating to other investing activities		
Cash outflow from investing activities	258,153,565.89	2,428,854,960.16
Net cash flows from investing activities	-215,975,300.36	-942,072,169.47
III. Cash flows from financing activities:		
Cash received from investment		1,565,806,677.81
Including: Cash receipts from capital contributions from non-controlling interests of subsidiaries		1,565,806,677.81
Proceeds from borrowings	29,070,240,000.00	34,847,552,691.12
Cash receipts relating to other financing activities		
Cash inflow from financing activities	29,070,240,000.00	36,413,359,368.93
Repayments for debts	33,067,600,000.00	38,229,681,200.88
Cash payments for distribution of dividends or profit and interest expenses	1,466,112,060.46	1,731,838,601.55
Including: Dividends or profits paid to non-controlling interests of subsidiaries	62,307,325.33	245,520,943.15
Cash payments relating to other financing activities	858,115,570.41	1,088,617,421.92
Cash outflow from financing activities	35,391,827,630.87	41,050,137,224.35
Net cash flows from financing activities	-6,321,587,630.87	-4,636,777,855.42
IV. Effect of exchange rate changes on cash and cash equivalents	1,548,107.50	-10,372.53
V. Net increase in cash and cash equivalents	-207,285,827.04	575,445,674.40
Add: Cash and cash equivalents as at the beginning of year	8,904,660,678.08	8,329,215,003.68
VI. Cash and cash equivalent as at the end of year	8,697,374,851.04	8,904,660,678.08

6. Parent Company Statement of Cash Flows

Unit: RMB Yuan

Item	2024	2023
I. Cash flows from operating activities:		
Cash receipts from the sale of goods and the rendering of services	18,422,001,039.08	20,828,679,035.96
Tax refunds received		9,607,663.70
Cash received relating to other operating activities	258,233,060.75	522,648,828.19
Cash inflow from operating activities	18,680,234,099.83	21,360,935,527.85
Cash paid for purchase of goods and services	15,904,610,759.89	18,321,312,770.37
Cash paid to and on behalf of employees	1,449,664,980.93	1,506,335,099.63
Cash paid for taxes	337,133,647.58	810,940,804.12
Cash paid relating to other operating activities	375,943,551.96	133,600,503.19
Cash outflow from operating activities	18,067,352,940.36	20,772,189,177.31
Net cash flows from operating activities	612,881,159.47	588,746,350.54
II. Cash flows from investing activities:		
Cash received from disposal of investments		702,413,695.89
Cash received from investment gain	137,333,449.24	591,297,147.99
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets	1,100,209.86	8,667,874.82
Cash received from disposal of subsidiaries and other business units		

Cash received relating to other investing activities		16,548,922.08
Cash inflow from investing activities	138,433,659.10	1,318,927,640.78
Purchase of fixed assets, intangible assets and other long-term assets	108,053,914.72	302,621,704.63
Cash paid for investments		650,162,899.68
Net cash paid for acquisition of a subsidiary and other business units		
Cash paid relating to other investing activities		
Cash outflow from investing activities	108,053,914.72	952,784,604.31
Net cash flows from investing activities	30,379,744.38	366,143,036.47
III. Cash flows from financing activities:		
Cash received from investment		
Proceeds from borrowings	13,003,240,000.00	16,583,351,200.88
Cash receipts relating to other financing activities		1,039,800,000.00
Cash inflow from financing activities	13,003,240,000.00	17,623,151,200.88
Repayments for debts	13,500,000,000.00	17,654,331,200.88
Cash payments for distribution of dividends or profit and interest expenses	644,572,509.06	490,762,007.33
Cash payments relating to other financing activities	77,802,443.53	91,365,753.67
Cash outflow from financing activities	14,222,374,952.59	18,236,458,961.88
Net cash flows from financing activities	-1,219,134,952.59	-613,307,761.00
IV. Effect of exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	-575,874,048.74	341,581,626.01
Add: Cash and cash equivalents as at the beginning of year	1,805,728,261.35	1,464,146,635.34
VI. Cash and cash equivalent as at the end of year	1,229,854,212.61	1,805,728,261.35

7. Consolidated Statement of Changes in Equity

Current period amount

Unit: RMB Yuan

Item	2024														
	Equity attributable to shareholders of the parent company												Non-controlling interests	Total shareholders' equity	
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profits	Others			Sub-total
		Preferred shares	Perpetual bonds	Others											
I. Balance at the end of previous year	7,794,611,605.00				30,359,081,190.35	130,627,194.09	249,573,973.65	32,813,410.14	1,944,190,492.65		9,224,145,934.95	0.00	49,473,789,412.65	4,946,474,686.53	54,420,264,099.18
Add: Changes in accounting policies													0.00		
													0.00		

correction s of prior period error s																
others												0.00				
II. Balance at the beginning of the year	7,79 4,61 1,60 5.00				30,3 59,0 81,1 90.3 5	130, 627, 194. 09	249, 573, 973. 65	32,8 13,4 10.1 4	1,94 4,19 0,49 2.65			9,22 4,14 5,93 4.95		49,4 73,7 89,4 12.6 5	4,94 6,47 4,68 6.53	54,4 20,2 64,0 99.1 8
III. Increase/(decrease) during the period	- 20,6 30,5 85.0 0				- 89,4 10,8 37.2 9	- 64,9 32,4 32.8 5	- 61,0 21,3 33.6 6	12,3 27,1 09.1 3	17,0 36,7 21.1 5			220, 217, 979. 74		143, 451, 486. 92	37,8 76,0 38.4 9	181, 327, 525. 41
1. Total comprehensive income							- 61,0 21,3 33.6 6					471, 093, 049. 04		410, 071, 715. 38	124, 059, 813. 28	534, 131, 528. 66
2. Shareholders' contributions and reduction	- 20,6 30,5 85.0 0				- 89,4 10,8 37.2 9	- 64,9 32,4 32.8 5								- 45,1 08,9 89.4 4	- 23,7 05,7 04.5 3	- 68,8 14,6 93.9 7
(1) Shareholders' contributions in ordinary share	- 20,6 30,5 85.0 0				- 44,3 01,8 47.8 5	- 64,9 32,4 32.8 5								0.00		
(2) Capital														0.00		

al cont ribut ions of othe r equit y instr ume nt hold ers															
(3) Amo unt of shar e- base d pay men ts reco gnize d in equit y					- 37,9 92,4 92.2 2							- 37,9 92,4 92.2 2	0.00	- 37,9 92,4 92.2 2	
(4) Othe rs					- 7,11 6,49 7.22							- 7,11 6,49 7.22	- 23,7 05,7 04.5 3	- 30,8 22,2 01.7 5	
3. Profi t distri butio n								17,0 36,7 21.1 5		- 250, 875, 069. 30		- 233, 838, 348. 15	- 65,0 29,1 68.9 7	- 298, 867, 517. 12	
(1) Tran sfer to surpl us reser ve								17,0 36,7 21.1 5		- 17,0 36,7 21.1 5		0.00			
(2) With draw al of gene ral risk reser ve												0.00			
(3) Distr ibuti on to own										- 233, 838, 348. 15		- 233, 838, 348. 15	- 65,0 29,1 68.9 7	- 298, 867, 517. 12	

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

ngs															
(5) Other comprehensive income transferred to retained earnings													0.00		
(6) Others													0.00		
5. Special reserve								12,327,109.13					12,327,109.13	2,551,098.71	14,878,207.84
(1) Additions								141,176,626.65					141,176,626.65	13,349,643.00	154,526,269.65
(2) Utilisation								128,849,517.52					128,849,517.52	10,798,544.29	139,648,061.81
6. Others													0.00		
IV. Balance at the end of the period	7,773,981,020.00				30,269,670,353.06	65,694,761.24	188,552,639.99	45,140,519.27	1,961,227,213.80		9,444,363,914.69		49,617,240,899.57	4,984,350,725.02	54,601,591,624.59

Prior period amount

Unit: RMB Yuan

Item	2023														
	Equity attributable to shareholders of the parent company												Non-cont rollin g inter ests	Total shar ehol ders' equit y	
	Shar e capit al	Other equity instruments			Capit al reser ve	Less: Trea sury shar es	Othe r com preh ensiv e inco me	Speci al reser ve	Surpl us reser ve	Gen eral risk reser ve	Undi strib uted profi ts	Othe rs			Sub- total
		Pref erre d shar es	Perp etual bond s	Othe rs											
I. Bala nce at	7,81 9,86 9,17 0.00				29,6 44,0 48,5 51.5	210, 930, 850. 00	158, 251, 774. 94	31,8 52,3 10.7 9	1,90 8,88 3,20 8.67		8,59 5,69 8,69 9.52		47,9 47,6 72,8 65.4	2,12 4,40 6,56 9.55	50,0 72,0 79,4 34.9

the end of previous year					0								2		7
A Add: Changes in accounting policies													0.00		
Corrections of prior period errors													0.00		
Others													0.00		
II. Balance at the beginning of the year	7,819,917.00				29,644,048,551.50	210,930,850.00	158,251,774.94	31,852,310.79	1,908,883,208.67		8,595,698,699.52		47,947,672,865.42	2,124,406,569.55	50,072,079,434.97
III. Increase/(decrease) during the period	-25,257,565.00				715,032,638.85	-80,303,655.91	91,322,198.71	961,099.35	35,307,283.98		628,447,235.43		1,526,116,547.23	2,822,068,116.98	4,348,184,664.21
1. Total comprehensive income							91,322,198.71				663,754,519.41		755,076,718.12	90,050,324.80	845,127,042.92
2. Shareholders' contributions	-25,257,565.00				714,657,637.11	-80,303,655.91							769,703,728.02	2,969,269,451.03	3,738,973,179.05

and reduction															
(1) Shareholders' contributions in ordinary share	- 25,257,565.00				- 55,046,090.91	- 80,303,655.91							0.00	2,969,269,451.03	2,969,269,451.03
(2) Capital contributions of other equity instrument holders													0.00		
(3) Amount of share-based payments recognized in equity					- 11,692,261.51								- 11,692,261.51	0.00	- 11,692,261.51
(4) Others					781,395,989.53								781,395,989.53	0.00	781,395,989.53
3. Profit distribution								35,307,283.98			- 35,307,283.98		0.00	- 234,080,896.77	- 234,080,896.77
(1) Transfer to surplus								35,307,283.98			- 35,307,283.98		0.00		

reser ve															
(2) With draw al of gene ral risk reser ve													0.00		
(3) Distr ibuti on to own ers (shar ehol ders)										0.00			0.00	- 234, 080, 896. 77	- 234, 080, 896. 77
(4) Othe rs													0.00		
4. Tran sfer withi n equit y													0.00		
(1) Capit al reser ves conv erte d to shar e capit al													0.00		
(2) Surpl us reser ves conv erte d to shar e capit al													0.00		
(3) Loss mad e up by surpl us reser ves													0.00		

(4) Changes in defined benefit plans trans- ferred to retained earnings													0.00		
(5) Other com- prehen- sive income trans- ferred to retained earnings													0.00		
(6) Others													0.00		
5. Special reserve					375, 001. 74			961, 099. 35					1,33 6,10 1.09	- 3,17 0,76 2.08	- 1,83 4,66 0.99
(1) Additions					375, 001. 74			961, 099. 35					1,33 6,10 1.09	- 3,17 0,76 2.08	- 1,83 4,66 0.99
(2) Utilisation								0.00					0.00	0.00	0.00
6. Others													0.00		
IV. Balance at the end of the period	7,79 4,61 1,60 5.00				30,3 59,0 81,1 90.3 5	130, 627, 194. 09	249, 573, 973. 65	32,8 13,4 10.1 4	1,94 4,19 0,49 2.65		9,22 4,14 5,93 4.95		49,4 73,7 89,4 12.6 5	4,94 6,47 4,68 6.53	54,4 20,2 64,0 99.1 8

8. Parent Company Statement of Changes in Equity

Current period amount

Unit: RMB Yuan

Item	2024											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Others	Total shareholders' equity
		Preferr ed shares	Perpet ual bonds	Others								
I. Balance at the end of previous year	7,794,611,605.00				22,108,845,278.76	130,627,194.09	249,574,039.56	0.00	1,944,190,492.65	7,778,649,075.85	0.00	39,745,243,297.73
Added: Changes in accounting policies												
Corrections of prior period errors												
Others												
II. Balance at the beginning of the year	7,794,611,605.00				22,108,845,278.76	130,627,194.09	249,574,039.56	0.00	1,944,190,492.65	7,778,649,075.85	0.00	39,745,243,297.73
III. Increase/(decrease) during the period	-20,630,585.00				-82,294,340.07	-64,932,432.85	-61,029,535.54	0.00	17,036,721.15	-80,507,857.79	0.00	-162,493,164.40
1. Total comprehensive income	0.00				0.00	0.00	61,029,535.54	0.00	0.00	170,367,211.51	0.00	109,337,675.97
2. Shareholders' contributions	-20,630,585.00				-82,294,340.07	-64,932,432.85						-37,992,492.22

and reducti on												
(1) Shareh olders' contrib utions in ordina ry share	- 20,630 ,585.0 0				- 44,301 ,847.8 5	- 64,932 ,432.8 5						
(2) Capital contrib utions of other equity instru ment holder s												
(3) Amou nt of share- based payme nts recogn ized in equity												
(4) Others					- 37,992 ,492.2 2							- 37,992 ,492.2 2
3. Profit distrib ution								17,036 ,721.1 5	- 250,87 5,069. 30	0.00		- 233,83 8,348. 15
(1) Transf er to surplu s reserv e								17,036 ,721.1 5	- 17,036 ,721.1 5	0.00		0.00
(2) Distrib ution to owner s (share holder s)									- 233,83 8,348. 15			- 233,83 8,348. 15
(3) Others												
4. Transf er within												

equity												
(1) Capital reserv es conver ted to share capital												
(2) Surplu s reserv es conver ted to share capital												
(3) Loss made up by surplu s reserv es												
(4) Chang es in define d benefit plans transfe rred to retaine d earnin gs												
(5) Other compr ehensi ve incom e transfe rred to retaine d earnin gs												
(6) Others												
5. Special reserv e												
(1) Additi ons								74,028 ,758.9 5				74,028 ,758.9 5
(2)												

Utilisation								74,028,758.95				74,028,758.95
6. Others												
IV. Balance at the end of the period	7,773,981.02				22,026,550.93	65,694,761.24	188,544,504.02	0.00	1,961,227.21	7,698,141.21	0.00	39,582,750.13

Prior period amount

Unit: RMB Yuan

Item	2023											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Others	Total shareholders' equity
		Preferr ed shares	Perpet ual bonds	Others								
I. Balance at the end of previous year	7,819,869.17				22,176,353.53	210,930,850.00	158,251,774.94	0.00	1,908,883.20	7,460,883.52	0.00	39,313,310.36
Added: Changes in accounting policies												
Corrections of prior period errors												
Others												
II. Balance at the beginning of the year	7,819,869.17				22,176,353.53	210,930,850.00	158,251,774.94	0.00	1,908,883.20	7,460,883.52	0.00	39,313,310.36
III. Increase/(decrease) during the period	-25,257,565.00				67,508,258.01	80,303,655.91	91,322,264.62	0.00	35,307,283.98	317,765,555.82	0.00	431,932,937.32
1. Total	0.00				0.00	0.00	91,322,264.6	0.00	0.00	353,072,839.	0.00	444,395,104.

comprehensive income							2			80		42
2. Shareholders' contributions and reduction	- 25,257,565.00				- 67,508,258.01	- 80,303,655.91						- 12,462,167.10
(1) Shareholders' contributions in ordinary share	- 25,257,565.00				- 55,046,090.91	- 80,303,655.91						
(2) Capital contributions of other equity instrument holders												
(3) Amount of share-based payments recognized in equity					- 12,462,167.10							- 12,462,167.10
(4) Others					0.00							0.00
3. Profit distribution									35,307,283.98	- 35,307,283.98	0.00	0.00
(1) Transfer to surplus reserve									35,307,283.98	- 35,307,283.98	0.00	0.00
(2) Distribution to owners (share)										0.00		0.00

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

Special reserve												
(1) Additions												
(2) Utilization												
6. Others												
IV. Balance at the end of the period	7,794,611,605.00				22,108,845,278.76	130,627,194.09	249,574,039.56	0.00	1,944,190,492.65	7,778,649,075.85	0.00	39,745,243,297.73

III. General Information of the Company

Beijing Shougang Company Limited (hereinafter referred to as “the Company” or “Company”) was established on 15 October 1999 and issued with a business license by the Beijing Municipal Administration for Industry and Commerce with the registration number 911100007002343182, the registered address at Shijingshan Road, Shijingshan District, Beijing, and a registered capital of RMB 7,773.981 million.

Unified social credit code: 911100007002343182

Form of organization: other joint stock limited company

Legal representative: Qiu Yinfu

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

The financial report of the Company was approved for issue by the Board of Directors of the Company on 16 April 2025.

IV. Basis of preparation of the financial statements

1. Basis of preparation

The financial statements of the Company are prepared based on transactions and events that actually occur, in accordance with the *Accounting Standards for Business Enterprises* and their application guidance, interpretations, and other related regulations (collectively known as the “ASBE”) issued by the Ministry of Finance of the PRC, as well as the related disclosure requirements set out in the General

Provisions on Financial Reporting of the *Compilation Rules for Information Disclosure of Companies Issuing Securities to the Public No. 15* (Revised in 2023) of the China Securities Regulatory Commission.

2. Going concern

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

V. Significant accounting policies and estimates

Specific accounting policies and accounting estimates are set out below:

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

1. Statement of compliance with the ASBE

The financial statements have been prepared in accordance with the ASBE, and present truly, accurately, and completely the consolidated and the Company’s financial position as at 31 December 2024, and the consolidated and the Company’s financial performance and cash flows for FY 2024.

2. Accounting period

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

3. Operating cycle

The operating cycle of the Company is 12 months.

4. Functional currency

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

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

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

☒Applicable ☐ Non-applicable

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

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

(1) Business combinations involving entities under common control

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

For the business combination involving entities under common control, the assets and liabilities obtained by the Company as the combining party in the business combination shall be measured at the

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

(2) Business combinations involving entities not under common control

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

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

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

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

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

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

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

If the equity in an investee under common control is acquired step by step through multiple transactions, which ultimately results in a business combination, when preparing the consolidated

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

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

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

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

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

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

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

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

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

9. Criteria for determining cash and cash equivalents

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

10. Foreign currency operations and foreign currency statement translation

(1) Foreign currency transactions

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

(2) Foreign currency statement translation

In preparing the consolidated financial statements, the Company translates the financial statements of its foreign operations into RMB, of which: the asset and liability items in the foreign-currency statement of financial position are translated using the spot exchange rate on the balance sheet date. Except for "undistributed profits", other items in shareholders' equity are converted using the spot exchange rate on the date of occurrence. The income and expense items in the income statement are converted using the spot exchange rate on the transaction date (or using an exchange rate determined by a systematic and reasonable method that is similar to the spot exchange rate on the transaction date). The difference arising from the above conversion of foreign-currency financial statements is reflected in

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

11. Financial instruments

(1) Recognition and derecognition of financial instruments

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

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

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

All financial assets purchased or sold in regular way are recognised or derecognised based on the trade date accounting.

(2) Classification and measurement of financial assets

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

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

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

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

1) Financial assets measured at amortized cost

The Company shall classify financial assets that meet all the following conditions as financial assets measured at amortized cost: ① the business model for managing such financial assets is to collect contractual cash flows. ② the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

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

4) Financial assets at fair value through profit or loss

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

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

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

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

1) Financial liabilities measured at amortized cost

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

2) Financial liabilities at fair value through profit or loss

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

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

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

(4) Impairment of financial instruments

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

1) Measurement of expected credit loss

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

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

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

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

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

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

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

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

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

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

① Combination categories and determination basis of accounts receivable (and contract assets)

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

② Combination categories and determination basis of notes receivable

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

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

③ Combination categories and determination basis of other receivables

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

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

3) Write-offs of impairment provision

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

5) Recognition and measurement of transfer of financial assets

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

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

The Company distinguishes financial liabilities from equity instruments in accordance with the following principles: 1) If the Company cannot unconditionally avoid fulfilling a contractual obligation by delivering cash or other financial assets, the contractual obligation satisfies the definition of financial liability. Some financial instruments do not explicitly contain terms and conditions for the obligation to deliver cash or other financial assets, but may indirectly create contractual obligations through other terms and conditions. 2) If a financial instrument must or could be settled by the Company's own equity instrument, the Company should consider whether the Company's equity instrument as the settlement instrument is a substitute of cash or other financial assets or is intended to give the holder of the instrument the residual equity in the assets of the issuer after deducting all of its liabilities. If it is the former one, the instrument is the issuer's financial liability; if it is the latter one, the instrument is the equity instrument of the issuer. In certain circumstances, if a financial instrument contract stipulates that the Company must or may settle the financial instrument with its own equity instrument, where the amount of the contractual right or contractual obligation is equal to the quantity of its own equity instrument available or to be delivered multiplied by its fair value at the time of settlement, the contract is classified as a financial liability regardless of whether the amount of the contractual right or obligation is fixed or varies wholly or partially based on changes in variables (e.g. interest rates, the price of a commodity, or the price of a financial instrument) other than the market price of the Company's own equity instrument.

(7) Offsetting of financial assets and financial liabilities

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

12. Fair value measurement

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

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

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

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

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

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

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

13. Inventories

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

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

On the balance sheet date, inventory is measured at the lower of cost and net realizable value. When the cost of inventory is greater than its net realizable value, a provision for inventory impairments

is made and included in the current profit or loss. Net realisable value is the estimated selling price of inventory in the ordinary course of activities deducted by the estimated costs to completion, the estimated selling expenses, and related taxes. The net realisable value is measured on the basis of obtained verified evidences and considerations for the purpose of holding inventories and the effect of post balance sheet events.

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

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

14. Long-term equity investments

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

(1) Determination of significant influence and joint control

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

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

(2) Accounting treatment

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

For a long-term equity investment acquired through a business combination involving entities under common control, the initial investment cost of the long-term equity investment shall be the share of the book value of the net assets of the party being combined in the consolidated financial statements of the ultimate controlling party at the combination date. If the book value of the net assets of the party being combined at the combination date is a negative amount, the initial investment cost is determined as zero.

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

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

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

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

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

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

For long-term equity investments accounted for using the equity method, the related other comprehensive income previously recognized by the equity method is accounted for on the same basis as that of direct disposal of the related assets or liabilities by the investee upon the termination of the equity method, and the amount recognised in the equity on the changes in other equity movements of the investee, other than net profit or loss, other comprehensive income, and profit distribution, is transferred in full to the current investment gain upon the termination of the equity method.

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

the investee, other than net profit or loss, other comprehensive income, and profit distribution, is transferred proportionately to the current investment gain.

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

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

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

15. Fixed assets

(1) Recognition of fixed assets

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

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

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

(2) Depreciation of fixed assets

Category	Depreciation method	Depreciation period (years)	Residual rate	Annual depreciation rate
Plant and buildings	Straight-line method	25-43	5.00	3.80-2.21
Machinery and equipment	Straight-line method	12-28	5.00	7.92-3.39
Vehicles	Straight-line method	10.00	5.00	9.50
Electronic equipment	Straight-line method	10.00	5.00	9.50
Industrial furnace	Straight-line method	13.00	5.00	7.31
Metallurgical equipment	Straight-line method	19.00	5.00	5.00

Others	Straight-line method	14-22	5.00	6.79-4.32
--------	----------------------	-------	------	-----------

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

16. Construction in progress

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

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

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

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

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

17. Borrowing costs

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

For each accounting period within the capitalization period, the Company determines the amount of borrowing costs to be capitalized in accordance with the following methods: for specific borrowings, the amount is determined on the basis of the interest expenses actually incurred in the current period, net of interest income earned on the unused borrowed funds deposited in the bank or investment gain earned on temporary investments; for general borrowings, the amount is determined by applying a capitalization rate to the weighted average of accumulated capital expenditure that exceeds the specific borrowings. The capitalization rate is calculated based on the weighted average interest rate of general borrowings.

18. Intangible assets

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

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

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

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

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

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

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

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

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

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

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

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

19. Impairment of long-term assets

The Company examines long-term equity investments, investment properties measured using the cost model, fixed assets, construction in progress, right-of-use assets, and intangible assets with finite useful lives at each balance sheet date and performs impairment tests when indicators of impairment

exist. Goodwill, intangible assets with indefinite useful lives, and development expenditures of assets that have not yet reached the intended use are tested for impairment at the end of each year regardless of whether there is an indicator of impairment

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

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

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

(2) Impairment of goodwill

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

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

20. Long-term prepaid expenses

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

21. Employee benefits

(1) Accounting treatment of short-term employee benefits

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

Short-term employee benefits mainly include employee salaries and bonuses, social security contributions such as medical insurance, work-related injury insurance, and maternity insurance paid for employees on a prescribed basis and at a prescribed rate, and housing fund, and etc. Short-term employee benefits actually incurred are recognized as a liability in the accounting period in which the

employees provide services and are charged to profit or loss or to costs of related assets, depending on the object of benefit.

(2) Accounting treatment of post-employment benefits

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

22. Provisions

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

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

23. Share-based payments

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

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

Cash-settled share-based payments shall be measured in accordance with the fair value of the liability that is recognised based on the shares or other equity instruments undertaken by the Company. If the right may be exercised immediately after the grant, the fair value of the liability undertaken by the Company shall, on the date of the grant, be included in the relevant costs or expenses, and the liabilities

shall be increased accordingly. If the right can not be exercised until the services during the vesting period are completed or until the specified performance conditions are met, then on each balance sheet date within the vesting period, the services obtained in the current period shall, based on the best estimate of the information about the exercisable right, be included in the relevant costs or expenses at the fair value of the liability undertaken by the Company and the corresponding liabilities are adjusted. On each balance sheet date and on each account date prior to the settlement of the relevant liabilities, the Company re-measures the fair value of the liabilities and include the changes in the current profit or loss.

24. Revenue

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

(1) General principle

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

Performance obligations are contractual commitments where the Company transfers clearly distinguishable goods to the customer. The Company's performance obligation is fulfilled within a certain period of time if it meets one of the following conditions; otherwise, a performance obligation is fulfilled at a certain point in time: ① The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; ② The customer can control the asset created or enhanced during the Company's performance; ③ The Company's performance does not create an asset with an alternative use to it and the Company has an enforceable right to payment for performance completed to date.

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

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

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

performance obligation, and measures revenue based on the transaction price apportioned to each individual performance obligation.

(2) Specific methods

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

① Revenue from sale of goods

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

② Revenue from rendering of services

The service contract between the Company and its customers usually includes performance obligations for labor services, technical consulting or technical services. As a result of the satisfaction of the performance obligation the Company, the customers obtain and consume the economic benefits of the service while the Company provides the service simultaneously. The Company is entitled to recover from the accumulative performance of the contract that has been completed to date, except when progress of the performance cannot be reasonably determined. The Company determines the progress of the performance of the services provided in accordance with the input method. When the progress of the performance cannot be reasonably determined, and the costs incurred by the Company are expected to be compensated, the revenue will be recognized based on the amount of costs incurred, until the progress of the performance can be reasonably determined.

Different operating models for the same type of business involving different revenue recognition and measurement methods

None

25. Government grants

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

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

Asset-related government grants are recognized as deferred income. Asset-related government grants recognized as deferred income are recognized in profit or loss in accordance with a reasonable and systematic method over the useful life of the related assets. If the related assets are sold, transferred,

scrapped or destroyed before the end of their useful lives, the unallocated balance of the related deferred income is transferred to profit or loss in the period in which the assets are disposed of.

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

26. Deferred tax assets and deferred tax liabilities

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

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

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

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

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

27. Lease

A. Accounting for leases as a lessee

(1) Identification of lease

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

(2) The Company as lessee

1) Lease recognition

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

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

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

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

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

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

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

The Company chooses not to recognize right-of-use assets and lease liabilities for short-term leases with lease terms of less than 12 months and leases of low-value assets where the individual leased assets

are brand-new assets. The Company recognizes lease payments for short-term leases and low-value asset leases in the cost of the related assets or in current profit or loss on a straight-line basis or other systematic, reasonable basis in each period of the lease term.

B. Accounting for leases as a lessor

The Company as lessor

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

Finance leases

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

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

Operating lease

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

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

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

28. Safety fund and maintenance fee

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

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

29. Share repurchase

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

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

30. Significant accounting judgments and estimates

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

Classification of financial assets

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

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

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

Measurement of expected credit loss of account receivables

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

Deferred tax assets

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary difference and unused tax credit can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can

be recognized, based upon the likely timing and level of future taxable profits together with tax planning strategies.

Determination of unlisted equity investment fair value

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

31. Changes in significant accounting policies and estimates

(1) Changes in significant accounting policies

☒Applicable ☐Non-applicable

In October 2023, the Ministry of Finance issued *Interpretation of Accounting Standards for Business Enterprises No. 17* (Cai kuai [2023] No. 21), prescribing the "Classification of Current Liabilities and Non-current Liabilities", the "Disclosure of Vendor Financing Arrangements", and the "Accounting for Sale and Leaseback Transactions", which came into effect on January 1, 2024. In accordance with the relevant requirements of the Ministry of Finance, the Company has implemented this accounting policy since 1 January 2024, and the implementation of this accounting policy will not have a material impact on the Company's financial position and results of operations.

In December 2024, the Ministry of Finance issued *Interpretation of Accounting Standards for Business Enterprises No. 18* (Cai kuai [2024] No. 24), which stipulates that for guarantee-type quality guarantees that do not belong to a single performance obligation, according to the relevant provisions of *Accounting Standards for Business Enterprises No. 13 - Contingencies*, the determined amount of provisions should be debited to accounts such as "main business costs" and "other business costs", and credited to the "provisions" account. This interpretation shall come into effect from the date of issuance and allows enterprises to implement it in advance on the basis of the year of issuance. In accordance with the relevant requirements of the Ministry of Finance, the Company has implemented this accounting policy since issuance, and the implementation of this accounting policy will not have a material impact on the Company's financial position and results of operations.

(2) Changes in significant accounting estimates

☐ Applicable ☒ Non-applicable

(3) Adjustments to financial statements at the beginning of the year of implementation of new accounting standards for the first time starting in 2024

☐ Applicable ☒ Non-applicable

VI. Tax

1. Main types of taxes and corresponding tax rates

Tax type	Tax basis	Tax rate%
Value-added tax	Taxable Value Added (The taxable amount is calculated by multiplying the taxable sales amount by the applicable tax rate and deducting the input tax allowed for deduction in the current period)	13/9/6
City construction and maintenance tax	Levy based on the actual paid value-added tax	7/5
Income tax	Taxable Income	25.00

Education surcharge	Levy based on the actual paid value-added tax	3.00
Local education surcharge	Levy based on the actual paid value-added tax	2.00

2. Tax preferential benefits and approvals

On 29 October 2024, the Company obtained the high-tech enterprise certificate issued by the Beijing Municipal Science and Technology Commission with the certificate number GR202411000032 and the certificate is valid for three years.

On 29 October 2024, Beijing Shougang Cold Rolling Co., Ltd., a subsidiary of the Company, obtained the high-tech enterprise certificate issued by Beijing Municipal Science and Technology Commission with the certificate number GS202411000048 and the certificate is valid for three years.

On 16 December 2024, Shougang Jingtang United Iron & Steel Co., Ltd., a subsidiary of the Company, obtained the high-tech enterprise certificate issued by the Hebei Science and Technology Commission with the certificate number GR202413003235 and the certificate is valid for three years.

On 18 October 2022, Shougang Zhixin Qian'an Electromagnetic Materials Co., Ltd., a subsidiary of the Company, obtained the high-tech enterprise certificate issued by Hebei Science and Technology Commission with the certificate number GR202213001060 and the certificate is valid for three years.

On 3 September 2023, the Ministry of Finance and the State Administration of Taxation issued a notice on the policy of adding and deducting value-added tax for advanced manufacturing enterprises (Caishui [2023] No. 43), allowing advanced manufacturing enterprises to add 5% of the current deductible input tax to offset the payable value-added tax from 1 January 2023 to 31 December 2027. According to this policy, our company will enjoy the above preferential policies for the year 2024.

VII. Notes to consolidated financial statements

1. Cash at bank and on hand

Unit: RMB Yuan

Item	Closing balance	Opening balance
Cash on hand	50,977.80	33,669.68
Bank deposits	8,698,786,948.89	8,906,802,642.00
Other monetary assets	78,435,699.32	246,369,314.69
Total	8,777,273,626.01	9,153,205,626.37
Including: Total amount deposited abroad	259,782,432.11	1,898,333.02

Other notes:

(1) At the end of the period, except for various types of security deposits of RMB 28,435,686.58 and fixed deposits of RMB 50,000,000.00, the Company has no funds pledged, guaranteed or blocked frozen or overseas balances that are restricted to be remitted back.

(2) Bank deposits include interest receivable from deposits of RMB 1,463,088.39. This part of interest does not belong to "cash and cash equivalents."

2. Notes receivable

(1) Presentation of notes receivable by category

Unit: RMB Yuan

Item	Closing balance	Opening balance
Bank acceptance notes	1,742,934,149.19	1,434,119,364.00
Commercial acceptance notes	2,521,394,146.74	2,524,015,819.83
Total	4,264,328,295.93	3,958,135,183.83

(2) Classified by bad debt provision method

Unit: RMB Yuan

Category	Closing balance	Opening balance
----------	-----------------	-----------------

	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrual ratio		Amount	Proportion	Amount	Accrual ratio	
Including:										
Assessed bad debt provision in portfolios	4,268,596,892.82	100.00%	4,268,596.89	0.10%	4,264,328,295.93	3,962,097,281.10	100.00%	3,962,097.27	0.10%	3,958,135,183.83
Including:										
Portfolio 2	4,268,596,892.82	100.00%	4,268,596.89	0.10%	4,264,328,295.93	3,962,097,281.10	100.00%	3,962,097.27	0.10%	3,958,135,183.83
Total	4,268,596,892.82	100.00%	4,268,596.89	0.10%	4,264,328,295.93	3,962,097,281.10	100.00%	3,962,097.27	0.10%	3,958,135,183.83

Assessed bad debt provision in portfolios: Portfolio 2

Unit: RMB Yuan

Name	Closing balance		
	Book balance	Bad debt provision	Accrual ratio
Portfolio 2	4,268,596,892.82	4,268,596.89	0.10%
Total	4,268,596,892.82	4,268,596.89	

Description of the basis for determining the portfolio:

Bank acceptance notes and commercial acceptance notes with lower credit ratings

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

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

Provision for bad debts in the current period:

Unit: RMB Yuan

Category	Opening balance	Amount of change during the period				Closing balance
		Accrual	Recovered or reversed	Write-offs	Others	
Notes receivable with expected credit losses accrued on a portfolio basis	3,962,097.27	306,499.62				4,268,596.89
Total	3,962,097.27	306,499.62				4,268,596.89

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

☐ Applicable ☒ Non-applicable**(4) Notes receivable endorsed or discounted by the Company at the end of the period and not yet due at the balance sheet date**

Unit: RMB Yuan

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance notes		1,402,453,799.01
Commercial acceptance notes		2,376,922,728.17
Total		3,779,376,527.18

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

Item	Amounts transferred to accounts
------	---------------------------------

	receivable at the end of the period
Commercial acceptance notes	3,137,797.19
Total	3,137,797.19

3. Accounts receivable

(1) Disclosed by the aging

Unit: RMB Yuan

Aging	31 December 2024	31 December 2023
Within 1 year (including 1 year)	1,658,378,007.78	1,411,727,072.17
1-2 years	41,912,869.50	3,579,859.18
2-3 years	544,465.95	7,373,272.12
Over 3 years	8,529,493.86	4,770,547.62
3-4 years	3,808,946.24	
4-5 years	1,000,000.00	3,206,526.64
Over 5 years	3,720,547.62	1,564,020.98
Total	1,709,364,837.09	1,427,450,751.09

(2) Classified by bad debt provision method

Unit: RMB Yuan

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrual ratio		Amount	Proportion	Amount	Accrual ratio	
Assessed bad debt provision individually	6,477,000.85	0.38%	6,477,000.85	100.00%		4,770,547.62	0.33%	4,770,547.62	100.00%	
Including:										
Assessed bad debt provision in portfolios	1,702,887,836.24	99.62%	75,013,808.29	4.41%	1,627,874,027.95	1,422,680,203.47	99.67%	57,046,478.27	4.01%	1,365,633,725.20
Including:										
Total	1,709,364,837.09	100.00%	81,490,809.14	4.77%	1,627,874,027.95	1,427,450,751.09	100.00%	61,817,025.89	4.33%	1,365,633,725.20

Assessed bad debt provision individually: Assessed bad debt provision individually

Unit: RMB Yuan

Name	Opening balance		Closing balance			
	Book balance	Bad debt provision	Book balance	Bad debt provision	Accrual ratio	Reason for bad debts
Overdue recourse notes	4,123,997.19	4,123,997.19	3,137,797.19	3,137,797.19	100.00%	Overdue recourse notes
Other accounts receivable	646,550.43	646,550.43	3,339,203.66	3,339,203.66	100.00%	Long aging
Total	4,770,547.62	4,770,547.62	6,477,000.85	6,477,000.85		

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

Unit: RMB Yuan

Name	Closing balance
------	-----------------

	Book balance	Bad debt provision	Accrual ratio
Within 1 year (including 1 year)	1,658,364,207.78	58,742,778.51	3.54%
1-2 years	40,170,216.27	12,053,646.60	30.01%
2-3 years	544,465.95	408,436.94	75.02%
Over 3 years	3,808,946.24	3,808,946.24	100.00%
Total	1,702,887,836.24	75,013,808.29	

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

☐ Applicable ☒ Non-applicable

(3) Provision, recovery or reversal of bad debt

Provision for bad debts in the current period:

Unit: RMB Yuan

Category	Opening balance	Amount of change during the period				Closing balance
		Accrual	Recovered or reversed	Write-offs	Others	
Assessed bad debt provision individually	4,770,547.62	1,706,453.23				6,477,000.85
Accounts receivable with bad debt provision by portfolio of credit risk characteristics	57,046,478.27	17,967,330.02				75,013,808.29
Total	61,817,025.89	19,673,783.25				81,490,809.14

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

Unit: RMB Yuan

Unit: RMB Yuan

Company name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	As a percentage of the total closing balance of accounts receivable and contract assets	Closing balance of provision for bad debts on accounts receivable and impairment of contract assets
Client 1	283,637,220.47		283,637,220.47	16.59%	10,139,601.21
Client 2	257,916,240.63		257,916,240.63	15.09%	9,671,882.18
Client 3	121,110,932.63		121,110,932.63	7.09%	4,329,532.48
Client 4	113,393,351.51		113,393,351.51	6.63%	4,053,640.64
Client 5	68,018,631.01		68,018,631.01	3.98%	2,550,698.66
Total	844,076,376.25		844,076,376.25	49.38	30,745,355.17

4. Financing receivable

(1) Classification of financing receivable

Unit: RMB Yuan

Item	Closing balance	Opening balance
Notes receivable	3,596,293,493.59	2,223,431,426.46
Total	3,596,293,493.59	2,223,431,426.46

(2) Classified by bad debt provision method

Unit: RMB Yuan

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrual ratio		Amount	Proportion	Amount	Accrual ratio	
Including:										

Assessed bad debt provision in portfolios	3,597,012,896.16	100.00%	719,402.57	0.02%	3,596,293,493.59	2,223,876,201.69	100.00%	444,775.23	0.02%	2,223,431,426.46
Including:										
Portfolio 1	3,597,012,896.16	100.00%	719,402.57	0.02%	3,596,293,493.59	2,223,876,201.69	100.00%	444,775.23	0.02%	2,223,431,426.46
Total	3,597,012,896.16	100.00%	719,402.57	0.02%	3,596,293,493.59	2,223,876,201.69	100.00%	444,775.23	0.02%	2,223,431,426.46

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

Unit: RMB Yuan

Name	Closing balance		
	Book balance	Bad debt provision	Accrual ratio
Assessed bad debt provision in portfolios	3,597,012,896.16	719,402.57	0.02%
Total	3,597,012,896.16	719,402.57	

(3) Provision, recovery or reversal of bad debt

Unit: RMB Yuan

Category	Opening balance	Amount of change during the period				Closing balance
		Accrual	Recovered or reversed	Charged off or written off	Other changes	
Financing receivable with bad debt provision by portfolio of credit risk characteristics	444,775.23	274,627.34				719,402.57
Total	444,775.23	274,627.34				719,402.57

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

Unit: RMB Yuan

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance notes	24,168,513,679.18	
Total	24,168,513,679.18	

(5) Financing receivable actually written off during the period☐ Applicable ☒ Non-applicable**5. Other receivables**

Unit: RMB Yuan

Item	Closing balance	Opening balance
Dividends receivable		2,407,634.67
Other receivables	4,200,049.47	7,102,275.11
Total	4,200,049.47	9,509,909.78

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

Unit: RMB Yuan

Item (or investee)	Closing balance	Opening balance
Hebei Jingji Industrial Trading Co., Ltd.		2,407,634.67
Total		2,407,634.67

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

Unit: RMB Yuan

Nature	31 December 2024	31 December 2023
Petty cash	180,478.25	250,018.71
Deposits	2,739,434.36	6,418,024.34
Due from other companies	4,524,197.37	4,807,494.46
Court debit	2,182,757.60	2,305,049.60
Total	9,626,867.58	13,780,587.11

2) Disclosed by the aging

Unit: RMB Yuan

Aging	31 December 2024	31 December 2023
Within 1 year (including 1 year)	4,044,859.10	5,120,670.55
1-2 years	41,885.57	79,076.40
2-3 years		2,293,030.11
Over 3 years	5,540,122.91	6,287,810.05
3-4 years	525,000.00	1,395.00
4-5 years	1,395.00	30,999.94
Over 5 years	5,013,727.91	6,255,415.11
Total	9,626,867.58	13,780,587.11

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

Unit: RMB Yuan

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrual ratio		Amount	Proportion	Amount	Accrual ratio	
Assessed bad debt provision individually	4,957,651.47	51.50%	4,957,651.47	100.00%		5,541,507.21	40.21%	5,541,507.21	100.00%	
Including:										
Assessed bad debt provision in portfolios	4,669,216.11	48.50%	469,166.64	10.05%	4,200,049.47	8,239,079.90	59.79%	1,136,804.79	13.80%	7,102,275.11
Including:										
Total	9,626,867.58		5,426,818.11	56.37%	4,200,049.47	13,780,587.11		6,678,312.00	48.46%	7,102,275.11

Assessed bad debt provision individually: Assessed bad debt provision individually

Unit: RMB Yuan

Name	Opening balance		Closing balance			
	Book balance	Bad debt provision	Book balance	Bad debt provision	Accrual ratio	Reason for bad debts
Assessed bad debt provision individually	5,541,507.21	5,541,507.21	4,957,651.47	4,957,651.47	100.00%	Long aging
Total	5,541,507.21	5,541,507.21	4,957,651.47	4,957,651.47		

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

Unit: RMB Yuan

Name	Closing balance		
	Book balance	Bad debt provision	Accrual ratio
Assessed bad debt provision in portfolios	4,669,216.11	469,166.64	10.05%
Total	4,669,216.11	469,166.64	

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

Unit: RMB Yuan

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit loss within 12 months	Expected credit loss over the lifetime (no credit impairment)	Expected credit loss over the lifetime (credit impairment occurred)	
Balance as at 1 January 2024	256,033.52	880,771.27	5,541,507.21	6,678,312.00
Balance at 1 January 2024 in the current period				
Accrual in the current period	-90,086.39	-577,551.76	-461,563.74	-1,129,201.89
Current period reversal			122,292.00	122,292.00
Balance as at 31 December 2024	165,947.13	303,219.51	4,957,651.47	5,426,818.11

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

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

Provision for bad debts in the current period:

Unit: RMB Yuan

Category	Opening balance	Amount of change during the period				Closing balance
		Accrual	Recovered or reversed	Charged off or written off	Others	
Assessed bad debt provision individually	5,541,507.21	-461,563.74	122,292.00			4,957,651.47
Assessed bad debt provision in portfolios	1,136,804.79	-667,638.15	0.00			469,166.64
Total	6,678,312.00	-1,129,201.89	122,292.00	0.00	0.00	5,426,818.11

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

Unit: RMB Yuan

Company name	Nature	Closing balance	Aging	Percentage of total other receivable (%)	Closing balance of bad debt provision
Counterparty 1	Court debit	2,182,757.60	Over 5 years	22.67%	2,182,757.60
Counterparty 2	Security fund	694,085.00	Within 1 year	7.21%	34,704.25
Counterparty 3	Security fund	573,668.36	Within 1 year	5.96%	28,683.42
Counterparty 4	Security fund	525,000.00	Over 3 years	5.45%	105,000.00
Counterparty 5	Security fund	500,000.00	Within 1 year	5.19%	25,000.00
Total		4,475,510.96		46.48%	2,376,145.27

6. Prepayments**(1) Disclosed by the aging of prepayments**

Unit: RMB Yuan

Aging	Closing balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	2,073,153,110.13	99.98%	2,095,132,119.83	99.21%
1-2 years	61,598.04	0.01%	16,029,793.14	0.76%

Over 3 years	87,647.33	0.01%	729,631.83	0.03%
Total	2,073,302,355.50		2,111,891,544.80	

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

Company name	Closing balance	Percentage of total prepayments (%)
Supplier 1	1,047,698,624.39	50.53
Supplier 2	378,259,396.89	18.24
Supplier 3	98,071,024.73	4.73
Supplier 4	97,163,677.61	4.69
Supplier 5	40,159,178.60	1.94
Total	1,661,351,902.22	80.13

7. Inventories

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

No

(1) Classification of inventories

Unit: RMB Yuan

Item	Closing balance			Opening balance		
	Book balance	Provision for decline in value of inventories or provision for impairment of contract performance costs	Book value	Book balance	Provision for decline in value of inventories or provision for impairment of contract performance costs	Book value
Raw materials	2,469,564,036.80	38,062,352.25	2,431,501,684.55	2,646,014,681.91	38,073,815.60	2,607,940,866.31
Goods in stock	5,062,238,365.12	96,193,269.59	4,966,045,095.53	5,140,798,217.37	80,895,474.59	5,059,902,742.78
Low value consumables	673,651,032.24		673,651,032.24	673,837,073.34		673,837,073.34
Self-made semi-finished products	3,412,761,842.79	113,045,841.09	3,299,716,001.70	3,952,354,739.89	116,424,836.42	3,835,929,903.47
Total	11,618,215,276.95	247,301,462.93	11,370,913,814.02	12,413,004,712.51	235,394,126.61	12,177,610,585.90

(2) Impairment provision for inventories or performance costs

Unit: RMB Yuan

Item	Opening balance	Increase		Decrease		Closing balance
		Accrual	Others	Reversal or charged off	Others	
Raw materials	38,073,815.60	4,861,647.92		4,873,111.27		38,062,352.25
Goods in stock	80,895,474.59	186,739,362.62		171,441,567.62		96,193,269.59
Self-made semi-finished products	116,424,836.42	383,788,025.09		387,167,020.42		113,045,841.09
Total	235,394,126.61	575,389,035.63		563,481,699.31		247,301,462.93

(3) Other debt investments maturing within one year

☐ Applicable ☒ Non-applicable

8. Other current assets

Unit: RMB Yuan

Item	Closing balance	Opening balance
Input value added tax to be certified	606,315,007.09	1,027,726,549.40
Prepaid income tax	7,909,849.60	42,916,429.07
Input value added tax to be deducted	4,621,878.50	3,993,436.29
VAT credit left for deduction	972,584.68	
Carbon credits assets	579,647.20	263,718.45
Prepayment of other taxes	16,552.13	
Transfer payment for special steel debt		109,717,639.69
Additional deduction of value-added tax (VAT)		344,710,144.87
Total	620,415,519.20	1,529,327,917.77

9. Other equity instrument investments

Unit: RMB Yuan

Item	Closing balance	Opening balance	Gains recognized in other comprehensive income for the period	Losses recognized in other comprehensive income for the period	Gains accumulated in other comprehensive income at the end of the period	Losses accumulated in other comprehensive income at the end of the period	Dividend income recognized in the period	Reasons for designation as at fair value through other comprehensive income
Beijing TIEKE Shougang RAILWAY-TECH Co., Ltd.	238,829,008.00	310,601,456.00	0	71,772,448.00	229,127,808.00		5,062,320.00	
Minmetals Special Steel (Dongguan) Co., Ltd.		1,786,138.70		1,786,138.70		5,000,000.00		
Qianan Shougang K.wah Construction MATERIALS Company Limited						22,866,375.00		
Qian'an China Petroleum Kunlun Gas Co., Ltd.	23,678,335.02	21,342,418.64	2,335,916.38		21,878,335.02		2,866,519.58	
Mintian Steel Co., Ltd.	5,897,295.56	6,474,078.87		576,783.31		1,322,704.44		
Total	268,404,638.58	340,204,092.21	2,335,916.38	74,135,370.01	251,006,143.02	29,189,079.44	7,928,839.58	

10. Long-term equity investments

Unit: RMB Yuan

Investee	Opening	Opening	Changes of increase or decrease in current period								Closing balance	Closing balance
			Additi	Deduc	Invest	Adjust	Other	Cash	Provisi	Others		

	balance (book value)	balance of impairment provision	share of investment	share of investment	share of profit or loss recognized under equity method	share of income in other comprehensive income	equity changes	dividend or profit declared	share of impairment		share of (book value)	share of impairment provision
I. Joint ventures												
Tangshan Guoxing Industry Co., Ltd.	42,683,077.74				2,209,530.49		-1,590.96	1,500,000.00			43,391,017.27	
Tangshan Shougang Jingtang Xishan Coking Co., Ltd.	1,092,919,136.99				18,652,827.25		-3,021,527.86	20,000,000.00			1,088,550,436.38	
Sub-total	1,135,602,214.73				20,862,357.74		-3,023,118.82	21,500,000.00			1,131,941,453.65	
II. Associates												
Tangshan Tangcao Railway Co., Ltd.	242,165,134.57				-65,122,694.68		53,140.00				177,095,579.89	
Tangshan Caofeidian Dunshi New Building Materials Co., Ltd.	57,239,326.28				-6,172,352.85						51,066,973.43	
Beijing Shouxi Jinyuan Management Consulting Center (Limited Partnership)	129,100,426.06				-38,543,573.99			7,789,898.99			82,766,953.08	

Qian'an Sinochem Coal Chemical Industrial Co., Ltd.	673,021,389.62				- 228,408,528.35						444,612,861.27	
Beijing Dingsheng Packaging Materials Co., Ltd.	21,427,595.94				1,552,465.77						22,980,061.71	
Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd.	33,261,908.60				- 5,893,270.92						27,368,637.68	
Ningbo Shougang Zhejiang Steel Materials Co., Ltd.	18,899,756.95				56,326.49		53,033.64				19,009,117.08	
Guangzhou Jinghai Shipping Co., Ltd.	28,689,361.34				241,751.19		9,036.88				28,940,149.41	
Shougang (Qingdao) Steel Industry Co., Ltd.	58,714,884.44				1,261,431.23			700,000.00			59,276,315.67	
Tianjin Wuchan Shougang Steel Processing	16,691,750.43				- 346,322.52		30,262.72				16,375,690.63	

and Distribution Co., Ltd.												
Hebei Jingji Industrial Trading Co., Ltd.	5,961,347.40				3,318,280.58					2.03	9,279,630.01	
Sub-total	1,285,172,881.63				-338,056,488.05		145,473.24	8,489,898.99		2.03	938,771,969.86	
Total	2,420,775,096.36				-317,194,130.31		-2,877,645.58	29,989,898.99		2.03	2,070,713,423.51	

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

☐ Applicable ☒ Non-applicable

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

☐ Applicable ☒ Non-applicable

11. Other non-current financial assets

Unit: RMB Yuan

Item	Closing balance	Opening balance
Financial assets measured at fair value through profit and loss	70,218,671.35	75,009,218.61
Total	70,218,671.35	75,009,218.61

Other notes:

Item	Closing balance	Opening balance
Beijing Shouxin Jin'an Equity Investment Partnership (Limited Partnership)	70,218,671.35	75,009,218.61
Total	70,218,671.35	75,009,218.61

12. Fixed assets

Unit: RMB Yuan

Item	Closing balance	Opening balance
Fixed assets	87,108,977,736.60	89,895,037,102.17
Fixed assets to be disposed		
Total	87,108,977,736.60	89,895,037,102.17

(1) Details of fixed assets

Unit: RMB Yuan

Item	Plant and buildings	Machinery and equipment	Vehicles	Electronic equipment	Industrial furnace	Metallurgical equipment	Others	Total
I. Original book value:								
1. Opening balance	39,401,795,923.97	53,129,406,719.81	3,819,623,632.09	11,674,795,228.86	1,439,878,060.38	58,079,465,501.10	1,163,224,539.91	168,708,189,606.12
2. Increase	580,173,056.35	3,016,068,593.25	180,488,620.02	759,227,623.17	29,774,707.46	1,489,778,403.85	57,981,702.66	6,113,492,706.76
(1)	752,250.00	118,987,10	15,860,970	42,558,661		43,426,072	4,418,570.	226,003,63

Purchase		9.35	.00	.82		.01	00	3.18
(2) Transferred from construction in progress	579,420,806.35	1,893,439,579.56	164,571,615.56	716,611,444.27	29,774,707.46	1,446,352,331.84	53,378,688.92	4,883,549,173.96
(3) Increased by business combinations								
(4) Other increases		1,003,641,904.34	56,034.46	57,517.08			184,443.74	1,003,939,899.62
3. Decrease	38,369,234.16	171,888,061.52	28,980,003.41	14,607,094.94	6,856,893.60	1,117,391,116.69	2,521,027.16	1,380,613,431.48
(1) Disposal or retirement	38,369,234.16	171,888,061.52	28,980,003.41	14,287,743.59	6,856,893.60	152,864,935.03	1,833,849.10	415,080,720.41
(2) Other decreases				319,351.35		964,526,181.66	687,178.06	965,532,711.07
4. Closing balance	39,943,599,746.16	55,973,587,251.54	3,971,132,248.70	12,419,415,757.09	1,462,795,874.24	58,451,852,788.26	1,218,685,215.41	173,441,068,881.40
II. Accumulated depreciation								
1. Opening balance	13,549,772,174.65	24,609,335,252.82	2,678,029,831.75	7,860,758,638.32	739,450,224.33	28,796,585,108.17	579,221,273.91	78,813,152,503.95
2. Increase	1,254,871,489.72	2,932,062,568.37	188,830,837.38	597,413,746.36	72,878,925.52	2,707,856,763.96	94,252,776.50	7,848,167,107.81
(1) Accrual	1,254,871,489.72	2,893,091,228.61	188,765,994.34	597,356,229.28	72,878,925.52	2,707,856,763.96	94,183,753.12	7,809,004,384.55
(2) Other increases		38,971,339.76	64,843.04	57,517.08			69,023.38	39,162,723.26
3. Decrease	14,164,909.93	126,863,030.07	26,359,934.98	12,887,354.13	6,040,297.46	140,870,849.51	2,042,090.88	329,228,466.96
(1) Disposal or retirement	14,164,909.93	126,863,030.07	26,359,934.98	12,705,587.15	6,040,297.46	140,870,849.51	1,468,323.15	328,472,932.25
(2) Other decreases				181,766.98			573,767.73	755,534.71
4. Closing balance	14,790,478,754.44	27,414,534,791.12	2,840,500,734.15	8,445,285,030.55	806,288,852.39	31,363,571,022.62	671,431,959.53	86,332,091,144.80
III. Impairment provision								
1. Opening balance								
2. Increase								
(1) Accrual								
3. Decrease								
(1) Disposal or retirement								
4. Closing balance								
IV. Book value								

1. Closing book value	25,153,120,991.72	28,559,052,460.42	1,130,631,514.55	3,974,130,726.54	656,507,021.85	27,088,281,765.64	547,253,255.88	87,108,977,736.60
2. Opening book value	25,852,023,749.32	28,520,071,466.99	1,141,593,800.34	3,814,036,590.54	700,427,836.05	29,282,880,392.93	584,003,266.00	89,895,037,102.17

(2) Fixed assets leased through operating leases

Unit: RMB Yuan

Item	Closing book value
Plant and buildings	145,965,612.54
Total	145,965,612.54

13. Construction in progress

Unit: RMB Yuan

Item	Closing balance	Opening balance
Construction in progress	3,262,228,697.53	5,279,317,813.90
Construction materials	3,506,195.72	41,295,437.98
Total	3,265,734,893.25	5,320,613,251.88

(1) Details of construction in progress

Unit: RMB Yuan

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Jingtang technical renovation project	456,323,877.48		456,323,877.48	714,355,677.48		714,355,677.48
New energy automotive electrical steel project				84,878,191.46		84,878,191.46
Zhixin Co. oriented phase II project	40,129,758.09		40,129,758.09	71,554,023.86		71,554,023.86
Zhixin Co. high-end heat treatment engineering project	1,110,711,589.62		1,110,711,589.62	1,315,631,740.70		1,315,631,740.70
Qiangang technical renovation project	1,057,515,085.30		1,057,515,085.30	2,094,608,579.82		2,094,608,579.82
Other projects	597,548,387.04		597,548,387.04	998,289,600.58		998,289,600.58
Total	3,262,228,697.53		3,262,228,697.53	5,279,317,813.90		5,279,317,813.90

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

Unit: RMB Yuan

Item	Budget amount	Opening balance	Increase	Transferred to fixed assets	Other decreases	Closing balance	Proportion of project investment to the budget	Project progress	Accumulated amount of interest capitalization	Including: Capitalized amount of interest in current period	Capitalization rate of interest in current period	Capital source
Zhixin Co.	1,683,200.00	71,554,023.8	173,195,437.	204,619,703.		40,129,758.0	98.00 %	100%				Others

oriented phase II project	0.00	6	91	68		9						
Zhixin Co. high-end heat treatment engineering project	1,948,560.00	1,315,631.74	281,269,502.35	486,189,653.43		1,110,711,589.62	89.00 %	95%				Others
Total	3,631,760.00	1,387,185.76	454,464,940.26	690,809,357.11		1,150,841,347.71						

(3) Details of impairment tests on construction in progress

☐ Applicable ☒ Non-applicable

(4) Construction materials

Unit: RMB Yuan

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Specialized materials	1,731,123.81		1,731,123.81	3,298,486.36		3,298,486.36
Specific equipment	1,775,071.91		1,775,071.91	37,996,951.62		37,996,951.62
Total	3,506,195.72		3,506,195.72	41,295,437.98		41,295,437.98

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

Unit: RMB Yuan

Item	Plant and buildings	Land use rights	Vehicles	Total
I. Original book value				
1. Opening balance	554,921,525.46	311,888.26	474,802.94	555,708,216.66
2. Increase	27,505,783.30			27,505,783.30
(1) Lease-in	45,307.77			45,307.77
(2) Adjustments to lease liabilities	27,460,475.53			27,460,475.53
3. Decrease	25,081,748.71	311,888.26	474,802.94	25,868,439.91
(1) Other decreases	25,081,748.71	311,888.26	474,802.94	25,868,439.91
4. Closing balance	557,345,560.05			557,345,560.05
II. Accumulated depreciation				
1. Opening balance	66,038,222.21	167,581.80	458,250.09	66,664,054.10
2. Increase	35,451,446.37	27,930.30	15,782.01	35,495,158.68
(1) Accrual	35,451,446.37	27,930.30	15,782.01	35,495,158.68
3. Decrease	12,387,573.83	195,512.10	474,032.10	13,057,118.03
(1) Disposal				

(1) Other decreases	12,387,573.83	195,512.10	474,032.10	13,057,118.03
4. Closing balance	89,102,094.75			89,102,094.75
III. Impairment provision				
1. Opening balance				
2. Increase				
(1) Accrual				
3. Decrease				
(1) Disposal				
4. Closing balance				
IV. Book value				
1. Closing book value	468,243,465.30			468,243,465.30
2. Opening book value	488,883,303.25	144,306.46	16,552.85	489,044,162.56

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

☐ Applicable ☒ Non-applicable

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

Unit: RMB Yuan

Item	Land use rights	Patent	Non-patented technologies	Software	Total
I. Original book value					
1. Opening balance	6,856,917,770.65			514,282,508.96	7,371,200,279.61
2. Increase				37,671,484.89	37,671,484.89
(1) Purchase				13,639,557.52	13,639,557.52
(2) In-house R&D					
(3) Increased by business combinations					
(4) Transferred from construction in progress				24,031,927.37	24,031,927.37
3. Decrease					
(1) Disposal					
4. Closing balance	6,856,917,770.65			551,953,993.85	7,408,871,764.50
II. Accumulated amortization					
1. Opening balance	1,123,621,074.87			243,209,124.52	1,366,830,199.39
2. Increase	146,411,049.73			44,872,822.44	191,283,872.17
(1) Accrual	146,411,049.73			44,872,822.44	191,283,872.17
3. Decrease					
(1) Disposal					

4. Closing balance	1,270,032,124.60			288,081,946.96	1,558,114,071.56
III. Impairment provision					
1. Opening balance					
2. Increase					
(1) Accrual					
3. Decrease					
(1) Disposal					
4. Closing balance					
IV. Book value					
1. Closing book value	5,586,885,646.05			263,872,046.89	5,850,757,692.94
2. Opening book value	5,733,296,695.78			271,073,384.44	6,004,370,080.22

(2) Data resources recognized as intangible assets

☐ Applicable ☒ Non-applicable

(3) Details of impairment tests on intangible assets

☐ Applicable ☒ Non-applicable

16. Long-term prepaid expenses

Unit: RMB Yuan

Item	Opening balance	Increase	Amortization	Other decreases	Closing balance
Renovation costs	4,791,419.09		659,529.54		4,131,889.55
Safety rectification works		315,191.81	26,265.99		288,925.82
Total	4,791,419.09	315,191.81	685,795.53		4,420,815.37

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

Unit: RMB Yuan

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Provision for asset impairment	245,849,377.34	41,095,043.34	269,626,906.31	43,837,995.70
Unrealized profits in internal trading	111,125,777.51	17,753,675.63	221,305,036.64	33,195,755.50
Deductible losses	1,014,554,778.40	152,183,216.76	1,090,774,966.00	163,616,244.90
Lease liabilities	485,776,051.76	83,472,167.40	493,493,671.39	86,977,838.59
Amortization of equity incentives			2,074,225.79	320,280.51
Withdrawal amount of payroll payable	12,238,113.93	1,850,717.73	11,968,784.40	1,795,317.66
Deferred income	479,149,696.83	72,295,391.44	418,032,946.24	63,168,702.02
Profit on commissioning of construction in progress	275,069,158.93	41,260,373.84	293,407,102.85	44,011,065.43
Amortization of assets difference	25,688,666.73	3,853,300.01	27,650,565.49	4,147,584.81
Others	40,352.92	10,088.23		
Total	2,649,491,974.35	413,773,974.38	2,828,334,205.11	441,070,785.12

(2) Deferred tax liabilities without offsetting

Unit: RMB Yuan

Item	Closing balance	Opening balance
------	-----------------	-----------------

	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Changes in fair value of investments in other equity instruments	221,817,063.73	33,272,559.56	293,616,517.21	44,042,477.65
Equipment additional deduction	1,719,396,622.68	257,909,493.40	1,835,794,544.82	275,369,181.72
Right-of-use assets	468,124,246.16	80,208,578.99	488,963,025.70	85,684,032.63
Cost of commissioning of construction in progress	829,771,538.60	124,465,730.79	996,181,065.40	149,427,159.81
Total	3,239,109,471.17	495,856,362.74	3,614,555,153.13	554,522,851.81

(3) Deferred tax assets or liabilities presented as net of offsetting

Unit: RMB Yuan

Item	Offsetting amount of deferred tax assets and liabilities at period-end	Closing balance of deferred tax assets or liabilities after offsetting	Offsetting amount of deferred tax assets and liabilities at beginning of period	Opening balance of deferred tax assets or liabilities after offsetting
Deferred tax assets		413,773,974.38		441,070,785.12
Deferred tax liabilities		495,856,362.74		554,522,851.81

(4) Details of unrecognized deferred tax assets

Unit: RMB Yuan

Item	Closing balance	Opening balance
Deductible temporary difference	93,357,712.31	49,549,392.54
Deductible losses	1,794,649,804.23	1,817,836,980.09
Total	1,888,007,516.54	1,867,386,372.63

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

Unit: RMB Yuan

Year	Closing balance	Opening balance	Note
2024		33,903,321.35	
2025	17,290,511.03	17,290,511.03	
2026	13,437,096.04	13,437,096.04	
2027	1,749,623,032.87	1,749,623,032.87	
2028	3,512,740.72	3,583,018.80	
2029	10,786,423.57		
Total	1,794,649,804.23	1,817,836,980.09	

18. Restricted assets

Unit: RMB Yuan

Item	End-of-period				Beginning of the period			
	Book balance	Book value	Type of restriction	Restriction reason	Book balance	Book value	Type of restriction	Restriction reason
Cash at bank and on hand	79,898,774.97	79,898,774.97	Freeze	All kinds of deposits	246,369,301.95	246,369,301.95	Freeze	All kinds of deposits
Notes receivable					297,201,490.24	297,201,490.24	Pledged	Pledged accounts receivable
Total	79,898,774.97	79,898,774.97			543,570,792.19	543,570,792.19		

19. Short-term loans**(1) Classification of short-term loans**

Unit: RMB Yuan

Item	Closing balance	Opening balance
Pledged loans		284,201,490.24
Guaranteed loans	3,892,749,388.88	5,094,415,277.76
Credit loans	18,358,535,402.86	21,282,738,873.29

Total	22,251,284,791.74	26,661,355,641.29
-------	-------------------	-------------------

20. Notes payable

Unit: RMB Yuan

Type	Closing balance	Opening balance
Commercial acceptance notes	3,740,000,000.00	3,368,752,366.00
Bank acceptances	94,000,000.00	65,000,000.00
Total	3,834,000,000.00	3,433,752,366.00

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

Unit: RMB Yuan

Item	Closing balance	Opening balance
Payables for goods	17,241,486,713.12	18,592,628,297.35
Payment for construction work	2,787,905,091.71	2,141,412,412.23
Total	20,029,391,804.83	20,734,040,709.58

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

Unit: RMB Yuan

Item	Closing balance	Reasons for non-reimbursement or non-carry-forward
Supplier 1	54,819,984.98	In the execution
Supplier 2	34,942,367.07	In the execution
Supplier 3	12,043,123.06	In the execution
Supplier 4	10,006,250.69	In the execution
Supplier 5	2,086,634.73	In the execution
Total	113,898,360.53	

22. Other payables

Unit: RMB Yuan

Item	Closing balance	Opening balance
Other payables	405,074,195.81	431,690,700.91
Total	405,074,195.81	431,690,700.91

(1) Other payables**1) Presentation of other payables by nature of amount**

Unit: RMB Yuan

Item	Closing balance	Opening balance
Deposits	5,493,190.63	5,749,390.63
Security fund	36,764,480.30	24,646,861.86
Due from Shougang Group	56,231,261.81	56,517,064.49
Restricted stock repurchase obligations	65,694,761.24	130,627,194.09
Due from other companies	240,890,501.83	214,150,189.84
Total	405,074,195.81	431,690,700.91

23. Contract liabilities

Unit: RMB Yuan

Item	Closing balance	Opening balance
Advance from product sales	5,083,362,454.55	4,699,449,813.28
Total	5,083,362,454.55	4,699,449,813.28

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

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
I. Short-term employee benefits	726,228,193.85	3,952,100,883.27	3,996,962,874.45	681,366,202.67
II. Post-employment benefits	30,242,603.19	631,729,711.87	617,588,485.36	44,383,829.70

(defined contribution plans)				
III. Termination benefits		74,890,968.11	74,890,968.11	
IV. Other retirement benefits due within one year	5,890,000.00			5,890,000.00
Total	762,360,797.04	4,658,721,563.25	4,689,442,327.92	731,640,032.37

(2) Presentation of short-term employee benefits

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
1. Salaries, bonuses and subsidies	224,428,633.70	2,895,161,458.22	2,963,599,272.03	155,990,819.89
2. Welfare		329,139,602.48	329,139,602.48	
3. Social insurance	203,718,065.52	312,495,700.09	287,865,146.90	228,348,618.71
Work-related injury insurance	393,797.82	25,690,684.54	24,995,735.80	1,088,746.56
Including: Medical insurance premiums and maternity insurance premiums	203,324,267.70	286,805,015.55	262,869,411.10	227,259,872.15
4. Housing fund	57,575.00	327,777,709.22	327,774,771.22	60,513.00
5. Labor union fee and employee education fee	298,023,919.63	102,285,472.78	103,344,241.34	296,965,151.07
Equity incentive		-37,992,492.22	-37,992,492.22	
Other short-term employee benefits		23,233,432.70	23,232,332.70	1,100.00
Total	726,228,193.85	3,952,100,883.27	3,996,962,874.45	681,366,202.67

(3) Presentation of defined contribution plans

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
1. Pension insurance	8,660,032.54	447,039,031.59	436,280,777.21	19,418,286.92
2. Unemployment insurance	11,917,933.61	16,309,610.79	16,141,718.00	12,085,826.40
3. Enterprise pension	9,664,637.04	168,363,338.18	165,151,191.02	12,876,784.20
Mandatory Provident Fund (MPF)		17,731.31	14,799.13	2,932.18
Total	30,242,603.19	631,729,711.87	617,588,485.36	44,383,829.70

Other notes:

Termination benefits

Item	Opening balance	Increase	Decrease	Closing balance
Compensation for employee		74,890,968.11	74,890,968.11	
Total		74,890,968.11	74,890,968.11	

25. Taxes payable

Unit: RMB Yuan

Item	Closing balance	Opening balance
Value-added tax	135,198,194.99	137,714,492.68
Income tax	62,353,976.37	6,189,412.20
Individual income tax	6,388,349.01	872,184.15
City construction and maintenance tax	1,461,923.27	777,178.34
Education surcharge	688,195.57	417,660.05
Local education surcharge	390,453.48	182,860.68
Property tax	1,355,503.63	1,361,531.20
Land use tax	440,536.03	440,536.03

Stamp duty	28,974,937.65	29,910,115.63
Resource tax	3,644,879.00	1,214,784.40
Environmental protection tax	23,640,223.10	5,828,540.94
Others	21,507.46	20,557.38
Total	264,558,679.56	184,929,853.68

26. Current portion of non-current liabilities

Unit: RMB Yuan

Item	Closing balance	Opening balance
Long-term loans due within one year	2,659,863,250.12	1,315,853,024.03
Lease liabilities due within one year	20,709,352.32	21,833,736.47
Total	2,680,572,602.44	1,337,686,760.50

27. Other current liabilities

Unit: RMB Yuan

Item	Closing balance	Opening balance
Short-term bonds payable	705,150,163.98	1,003,296,438.41
Tax to be exported	871,512,272.20	875,183,618.12
Undue backed notes	3,779,376,527.18	3,171,985,421.26
Shougang Jing Notes	789,651,680.65	1,156,926,762.88
Total	6,145,690,644.01	6,207,392,240.67

Increase or decrease in short-term bonds payable:

Unit: RMB Yuan

Bond name	Nominal value	Coupon rate	Issue date	Maturity of bond	Issue amount	Opening balance	Issued during current period	Interest accrued per nominal value	Amortization of premium and discount	Repaid in the current period		Closing balance	Breached or not
SCP1	1,000,000.00	2.56%	16 November 2023	155 days	1,000,000.00	1,003,296.438.41	0.00	7,545,091.64		1,010,841.530.05		0.00	No
SCP2	1,000,000.00	2.12%	20 March 2024	161 days	1,000,000.00		1,000,000.00	9,351,232.88		1,009,351.232.88		0.00	
SCP3	300,000.00	2.01%	22 August 2024	120 days	300,000.00		300,000.00	1,982,465.75		301,982.465.75		0.00	
SCP4	700,000.00	2.04%	22 August 2024	210 days	700,000.00		700,000.00	5,150,163.98				705,150.163.98	No
Total					3,000,000.00	1,003,296.438.41	2,000,000.00	24,028,954.25	0.00	2,322,175.228.68	0.00	705,150.163.98	

28. Long-term loans

(1) Classification of long-term loans

Unit: RMB Yuan

Item	Closing balance	Opening balance
Guaranteed loans	8,497,451,736.11	8,811,562,222.22
Credit loans	6,026,481,514.01	5,293,350,801.81
Less: Long-term loans due within one year	-2,659,863,250.12	-1,315,853,024.03
Total	11,864,070,000.00	12,789,060,000.00

29. Lease liabilities

Unit: RMB Yuan

Item	Closing balance	Opening balance
Lease payment amount	725,384,558.67	667,991,018.95
Less: Unrecognized financing costs	-239,484,366.70	-174,411,522.13
Reclassified to non-current liabilities due within one year	-20,709,352.32	-21,833,736.47
Total	465,190,839.65	471,745,760.35

30. Long-term payables

Unit: RMB Yuan

Item	Closing balance	Opening balance
Special payables	2,100,000.00	2,300,000.00
Total	2,100,000.00	2,300,000.00

(1) Presentation of long-term payables by nature of amount

☐ Applicable ☒ Non-applicable

(2) Special payables

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance	Reasons for formation
R&D funding	2,300,000.00		200,000.00	2,100,000.00	
Total	2,300,000.00		200,000.00	2,100,000.00	

31. Long-term employee benefits payables**(1) Statement of long-term employee benefits payables**

Unit: RMB Yuan

Item	Closing balance	Opening balance
II. Termination benefits	17,183,594.32	19,620,436.48
III. Other long-term benefits	61,426,762.09	63,319,844.40
Less: Long-term employee benefits payables due within one year	-5,890,000.00	-5,890,000.00
Total	72,720,356.41	77,050,280.88

32. Provisions

Unit: RMB Yuan

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

33. Deferred revenue

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance	Reasons for formation
Government grant	507,674,156.49	96,251,900.00	40,296,257.21	563,629,799.28	
Valueadded tax additional deduction	344,710,144.87	558,293,858.12	903,004,002.99		
Total	852,384,301.36	654,545,758.12	943,300,260.20	563,629,799.28	--

34. Other non-current liabilities

Unit: RMB Yuan

Item	Closing balance	Opening balance
Shougang Group advance payment for construction	2,364,112,304.97	3,899,674,951.80
Total	2,364,112,304.97	3,899,674,951.80

35. Share capital

Unit: RMB Yuan

	Opening balance	Changes in current (+/-)					Closing balance
		Shares issued	Bonus issue	Shares transferred from reserves	Others	Sub-total	
Total amount of shares	7,794,611,605.00				- 20,630,585.00	- 20,630,585.00	7,773,981,020.00

36. Capital reserve

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Share premium	29,540,123,611.84		44,301,847.85	29,495,821,763.99
Other capital reserve	818,957,578.51		45,108,989.44	773,848,589.07
Total	30,359,081,190.35		89,410,837.29	30,269,670,353.06

Other notes, including increases or decreases during the period and explanations of the reasons for the changes:

① The change in share capital premium refers to the repurchase and cancellation of restricted stocks granted in 2021 by the Company; ② Other changes in capital reserves refer to changes in equity of joint ventures and associates recognized by the company based on shareholding ratios, amortization expenses for equity incentives.

37. Treasury shares

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Restricted stock incentive plan	130,627,194.09		64,932,432.85	65,694,761.24
Total	130,627,194.09		64,932,432.85	65,694,761.24

Other notes, including increases or decreases during the period and explanations of the reasons for the changes:

Due to the failure of the performance evaluation indicators for the 2023 fiscal year to meet the Company level of performance evaluation conditions for the first period of lifting restrictions as stipulated in the Incentive Plan, changes in some incentive objects due to organizational or personal reasons that do not meet the incentive conditions, the Company repurchased and cancelled a total of 20,630,585 shares of restricted stocks that have been granted but have not yet been released, and paid RMB 64,932,432.85 for equity incentive repurchase.

38. Other comprehensive income

Unit: RMB Yuan

Item	Opening balance	Current amount						Closing balance
		Incurred before income tax for the period	Less: Transferred from other comprehensive income in prior periods to profit or loss during the period	Less: Transferred from other comprehensive income in prior periods to retained earnings during the period	Less: Income tax expense	Attributable to the parent company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive income which	249,574,039.56	- 71,799,453.62			- 10,769,918.08	- 61,029,535.54		188,544,504.02

h cannot be reclassified into profits or losses								
Changes in fair value of investments in other equity instruments	249,574,039.56	-71,799,453.62			-10,769,918.08	-61,029,535.54		188,544,504.02
II. Other comprehensive income to be reclassified into profits or losses	-65.91	8,201.88				8,201.88		8,135.97
Translation difference of foreign currency financial statements	-65.91	8,201.88				8,201.88		8,135.97
Total other comprehensive income	249,573,973.65	-71,791,251.74			-10,769,918.08	-61,021,333.66		188,552,639.99

39. Special reserve

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Safety fund	32,813,410.14	141,176,626.65	128,849,517.52	45,140,519.27
Total	32,813,410.14	141,176,626.65	128,849,517.52	45,140,519.27

40. Surplus reserve

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Statutory reserve	1,944,190,492.65	17,036,721.15		1,961,227,213.80
Total	1,944,190,492.65	17,036,721.15		1,961,227,213.80

41. Undistributed profits

Unit: RMB Yuan

Item	2024	2023
Undistributed profits at previous year before adjustment	9,224,145,934.95	8,595,698,699.52
Undistributed profits at previous year after adjustment	9,224,145,934.95	8,595,698,699.52
Add: Current period net profit attributable to owners of the parent company	471,093,049.04	663,754,519.41
Less: Transfer to statutory surplus reserve	17,036,721.15	35,307,283.98
Common stock dividends payable	233,838,348.15	
Undistributed profit at the end of the period	9,444,363,914.69	9,224,145,934.95

42. Operating revenue and cost of sales

Item	Current amount		2023	
	Revenue	Cost of sales	Revenue	Cost of sales
Main business	105,024,513,695.40	100,879,037,047.09	110,360,385,867.79	105,336,679,879.43
Other businesses	3,286,282,771.12	3,044,116,490.63	3,401,057,765.64	3,114,259,348.92
Total	108,310,796,466.52	103,923,153,537.72	113,761,443,633.43	108,450,939,228.35

43. Revenue and cost of sales by product type

Item	2024		2023	
	Revenue	Cost of sales	Revenue	Cost of sales
Main business				
Billet	329,725,948.36	321,610,684.42	420,010,787.22	419,214,964.92
Hot-rolled steel	43,490,893,729.26	42,525,424,736.87	47,572,138,080.78	45,948,593,124.43
Cold-rolled steel	59,429,232,318.97	56,695,132,627.18	60,288,367,715.32	57,068,321,706.00
Other steels	1,774,661,698.81	1,336,868,998.62	2,079,869,284.47	1,900,550,084.08
Sub-total	105,024,513,695.40	100,879,037,047.09	110,360,385,867.79	105,336,679,879.43
Other businesses				
Power	1,259,432,629.39	1,324,041,223.72	1,438,721,205.53	1,548,462,791.82
Solid waste	1,402,954,634.74	1,289,159,218.25	1,254,710,199.53	1,092,896,195.57
Others	623,895,506.99	430,916,048.66	707,626,360.58	472,900,361.53
Sub-total	3,286,282,771.12	3,044,116,490.63	3,401,057,765.64	3,114,259,348.92
Total	108,310,796,466.52	103,923,153,537.72	113,761,443,633.43	108,450,939,228.35

Revenue and cost of sales by timing of goods transfer

Unit: RMB Yuan

Item	2024	2023
Revenue from main business	105,024,513,695.40	110,360,385,867.79
Including: recognised at a certain point in time	105,024,513,695.40	110,360,385,867.79
recognised during a certain period of time		
Revenue from other business	3,286,282,771.12	3,401,057,765.64
Total	108,310,796,466.52	113,761,443,633.43

Revenue from trial sales

Item	2024		2023	
	Revenue	Cost of sales	Revenue	Cost of sales
Pilot sale of	419,353,740.71	378,381,897.07	727,577,085.52	570,215,586.70

44. Taxes and surcharges

Unit: RMB Yuan

Item	Current amount	2023
City construction and maintenance tax	39,132,598.85	82,829,113.41
Education surcharge	16,955,990.62	36,370,626.34
Resource tax	37,622,775.40	42,514,815.04
Property tax	206,822,239.08	200,940,588.26
Land use tax	227,504,159.18	222,030,070.11
Vehicle and vessel use tax	288,888.97	339,296.12
Stamp duty	129,563,183.91	135,239,940.90
Environmental protection tax	95,499,714.51	29,378,169.09
Local education surcharge	11,124,401.48	23,861,858.53
Others	172,161.66	283,799.72
Total	764,686,113.66	773,788,277.52

45. General and administrative expenses

Unit: RMB Yuan

Item	Current amount	2023
Staff costs	616,652,562.44	662,496,839.12
Depreciation and amortization	290,040,139.70	336,502,316.28
Other regular expenses	353,743,610.66	290,613,854.13
Total	1,260,436,312.80	1,289,613,009.53

46. Selling expenses

Unit: RMB Yuan

Item	Current amount	2023
Staff costs	162,047,686.26	177,495,001.31
Depreciation and amortization	96,669.26	101,427.85
Other regular expenses	68,212,610.81	70,382,183.96
Total	230,356,966.33	247,978,613.12

47. R&D expenses

Unit: RMB Yuan

Item	Current amount	2023
Staff costs	478,207,259.12	418,054,111.94
Depreciation and amortization		
Other regular expenses	54,491,496.36	73,024,683.39
Total	532,698,755.48	491,078,795.33

48. Financial expenses

Unit: RMB Yuan

Item	Current amount	2023
Interest expenses	1,176,723,369.76	1,459,986,955.71
Interest income	-87,667,107.03	-107,859,174.95
Discount on notes acceptance	32,358,001.80	69,038,764.98
Exchange losses and gains	-20,979,873.31	-11,596,478.72
Bank charges and others	1,189,383.23	-56,359,813.15
Total	1,101,623,774.45	1,353,210,253.87

49. Other income

Unit: RMB Yuan

Source of other income	Current amount	2023
Asset-related government grants	40,296,257.21	35,422,925.41
Revenue-related government grants	150,195,417.92	102,064,691.25
Value added tax deduction	881,359,599.43	358,107,596.53
Refund of personal income tax commission	829,144.87	1,570,586.42
Others	2,250.00	
Total	1,072,682,669.43	497,165,799.61

50. Gains from changes in fair value

Unit: RMB Yuan

Sources of gains from changes in fair value	Current amount	2023
Other non-current financial assets	-4,790,547.26	-4,224,788.99
Total	-4,790,547.26	-4,224,788.99

51. Investment gain

Unit: RMB Yuan

Item	Current amount	2023
Long-term equity investment income measured under equity method	-317,194,130.31	-192,776,595.40
Gain on disposal of long-term equity investments		-1,083,074.06
Dividend from other equity instruments investments	7,928,839.58	7,412,132.80
Investment gain from entrusted loans		8,990,991.36
Others	2,537,679.85	3,816,230.52
Total	-306,727,610.88	-173,640,314.78

52. Credit impairment losses

Unit: RMB Yuan

Item	Current amount	2023
Provision for bad debts of notes receivable	-306,499.62	2,735,686.54
Provision for bad debts of accounts receivable	-19,652,624.31	11,362,839.02
Provision for bad debts of other receivables	1,251,493.89	718,309.36
Provision for bad debts of financing receivable	-274,627.34	253,191.32
Others		33,127,315.83
Total	-18,982,257.38	48,197,342.07

53. Impairment losses on assets

Unit: RMB Yuan

Item	Current amount	2023
I. Loss on decline in value of inventories and impairment loss of contract performance costs	-575,389,035.63	-600,099,065.24
Total	-575,389,035.63	-600,099,065.24

54. Gains on disposal of assets

Unit: RMB Yuan

Sources of proceeds from the disposal of assets	Current amount	2023
Gains and losses on disposal of fixed assets	97,353.54	567,839.38
Gains and losses on disposal of right-of-use assets	694,020.11	
Total	791,373.65	567,839.38

55. Non-operating income

Unit: RMB Yuan

Item	Current amount	2023	Recognised as non-recurring gains or losses in 2024
Gains on assets scrapping	179,820.54	908,690.98	179,820.54
Income from penalty	2,591,052.13	1,861,990.05	2,591,052.13
Revenue from carbon credits	140,795,603.84		140,795,603.84
Others	4,312,639.60	4,204,805.41	4,312,639.60
Total	147,879,116.11	6,975,486.44	147,879,116.11

56. Non-operating expenses

Unit: RMB Yuan

Item	Current amount	2023	Recognised as non-recurring gains or losses in 2024
Loss on retirement of non-current assets	51,551,673.87	23,542,645.85	51,551,673.87
Provisions	1,000,000.00		1,000,000.00
Fines and late fees	7,939,068.02	1,493,872.04	7,939,068.02
Liquidated damages	2,263,140.95	4,006,315.70	2,263,140.95
Carbon Emission Allowance Trading	4,878,686.28		4,878,686.28
Others	66,909.94	415,021.11	66,909.94
Total	67,699,479.06	29,457,854.70	67,699,479.06

57. Income tax expenses

(1) Income tax expense statement

Unit: RMB Yuan

Item	Current amount	2023
Current income tax expenses	171,052,132.98	112,909,545.39
Deferred income tax expenses	-20,599,760.24	33,605,509.90
Total	150,452,372.74	146,515,055.29

(2) Process of adjusting accounting profit and income tax expenses

Unit: RMB Yuan

Item	Current amount
Total profits	745,605,235.06
Income tax expense at the statutory/applicable tax rate	111,840,785.27
Effect of different tax rates applicable to subsidiaries	-958,833.05
Effect of adjustments to income taxes of prior periods	8,531,204.98
Effect of non-taxable income	-1,189,325.94
Effect of non-deductible costs, expenses and losses	24,895,553.51
Effect of using deductible losses not recognized as deferred tax assets in prior periods	-37,846,131.43
Effect of deductible temporary differences or deductible losses not recognized as deferred tax assets in the current period	12,715,291.34
Gains and losses on joint ventures and associates accounted for under the equity method of accounting	41,344,436.75
Effect of tax rate changes on opening deferred income tax balances	34,647.22
Tax implications of the markup deduction for research and development expenses	-6,769,979.28
Others	-2,145,276.63
Income tax expense	150,452,372.74

58. Other comprehensive income

See "Note VII.38. Other comprehensive income" in this section for details.

59. Items in statement of cash flows

(1) Cash related to operating activities

Other cash received related to operating activities

Unit: RMB Yuan

Item	Current amount	2023
Receipt of government subsidies	232,212,716.55	173,870,477.67
Receipt of deposits	106,545,651.83	1,714,500.00
Receipt of other non-operating income	146,160,258.38	5,610,435.02
Receipt of due from other companies	121,157,357.11	366,102.15
Restricted cash at bank and on hand	20,000,000.00	894,038,447.29
Interest income	87,667,107.03	
Total	713,743,090.90	1,075,599,962.13

Other cash paid related to operating activities

Unit: RMB Yuan

Item	Current amount	2023
Expenditures of a cost nature	667,795,129.17	469,828,037.02
Non-operating expenses	14,838,595.07	5,914,076.77
Payment of deposits	17,227,321.75	6,500,000.00
Handling fee expenses	1,189,383.23	
Total	701,050,429.22	482,242,113.79

(2) Cash related to investing activities

Significant cash received from investing activities

Unit: RMB Yuan

Item	Current amount	2023
Proceeds from disposal of equity of Zhixin Co. by New-E Co.		1,260,401,500.00
Total		1,260,401,500.00

Significant cash paid for investing activities

Unit: RMB Yuan

Item	Current amount	2023
Entrusted loan payment to Zhonghong		12,311,109.00
Purchase payment for ball burning		650,162,899.68
Total		662,474,008.68

(3) Cash related to financing activities

Other cash paid for financing activities

Unit: RMB Yuan

Item	Current amount	2023
Handling fee expenses		1,203,876.70
Paying back the borrowings from Shougang Group	765,796,082.92	590,000,000.00
Lease payments	24,683,792.05	51,873,444.07
Investment funds payment to minority shareholders		364,349,130.58
Payment for equity incentive repurchasement	64,932,121.43	80,303,655.91
Others	2,703,574.01	887,314.66
Total	858,115,570.41	1,088,617,421.92

Changes in liabilities arising from financing activities

☒Applicable ☐Non-applicable

Unit: RMB Yuan

Item	Opening balance	Increase		Decrease		Closing balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term borrowings	26,661,355,641.29	24,337,000,000.00	638,158,424.94	29,385,229,274.49		22,251,284,791.74
Long-term borrowings	14,104,913,024.03	4,653,240,000.00	465,979,776.12	4,700,199,550.03		14,523,933,250.12
Super & Short-Term Commercial Paper (SCP)	1,003,296,438.41	2,000,000,000.00	24,028,954.25	2,322,175,228.68		705,150,163.98
Lease liabilities	493,579,496.82		33,871,922.31	41,551,227.16		485,900,191.97
Total	42,263,144,600.55	30,990,240,000.00	1,162,039,077.62	36,449,155,280.36		37,966,268,397.81

60. Supplements to statement of cash flows**(1) Supplementary information**

Unit: RMB Yuan

Supplementary information	Current period amount	Prior period amount
1. Reconciliation of net profit to net cash flows from operating activities		
Net profit	595,152,862.32	753,804,844.21
Add: Impairment losses on assets	594,371,293.01	551,901,723.17
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of bearer biological assets	7,809,004,384.55	7,735,539,138.64
Depreciation of right-of-use assets	35,495,158.68	33,163,882.30
Amortization of intangible assets	191,283,872.17	184,816,598.20
Amortization of long-term deferred expenses	685,795.53	973,269.04
Losses on disposal of fixed assets, intangible assets and other long-term assets (Gains as in "-")	-791,373.65	-567,839.38
Losses on written-off fixed assets (Gains as in "-")	51,371,853.33	22,633,954.87
Losses on fair value changes (Gain as in "-")	4,790,547.26	4,224,788.99
Financial expenses (Income as in "-")	1,188,101,498.25	1,353,210,253.87
Investment losses (Income as in "-")	306,727,610.88	173,640,314.78
Decrease in deferred tax assets (Increase as in "-")	27,296,810.74	-38,714,829.81
Increase in deferred tax liabilities (Decrease as in "-")	-47,896,570.98	56,941,878.24
Decrease in inventories (Increase as in "-")	794,789,435.56	-764,110,188.47
Decrease in receivables from operating activities (Increase as in "-")	-1,118,617,495.84	-551,504,080.80
Increase in payables from operating activities (Decrease as in "-")	-4,196,673,814.42	-4,243,063,771.00
Others	93,637,129.30	881,416,134.97
Net cash flows from operating activities	6,328,728,996.69	6,154,306,071.82
2. Significant non-cash payments for investing and financing activities		
Conversion of debt into capital		
Convertible bonds due within one year		
Finance leased fixed assets		
Right-of-use assets newly added during the period	45,307.77	436,316,890.81
3. Net changes in cash and cash equivalents:		
Closing balance of cash	8,697,374,851.04	8,904,660,678.08
Less: Opening balance of cash	8,904,660,678.08	8,329,215,003.68
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-207,285,827.04	575,445,674.40

(2) Components of cash and cash equivalents

Unit: RMB Yuan

Item	Closing balance	Opening balance
I. Cash	8,697,374,851.04	8,904,660,678.08
Including: Cash on hand	50,977.80	33,669.68
Balances in banks without restriction	8,697,323,860.50	8,904,626,995.66
Other monetary funds without restriction	12.74	12.74
III. Closing balance of cash and cash equivalents	8,697,374,851.04	8,904,660,678.08

(3) Monetary funds not belong to cash and cash equivalents

Unit: RMB Yuan

Item	Current period amount	Prior period amount	Reasons for monetary funds not belong to cash and cash equivalents
Other monetary assets	78,435,686.58	246,369,301.95	Security fund
Accrued interest	1,463,088.39	2,175,646.34	Accruing interest based on actual interest rate
Total	79,898,774.97	248,544,948.29	

61. Notes to Statement of Changes in Shareholders' Equity

Indicate the name of the "Other" item and the amount of adjustment to the closing balance of the prior year:

Item “6. Others” in the Statement of Changes in Equity has no amount for the period.

62. Foreign currency monetary items

(1) Foreign currency monetary items

Unit: RMB Yuan

Item	Closing balance for foreign currency	Exchange rate	Closing balance converted to RMB
Cash at bank and on hand			
Including: USD	32,220,075.48	7.1884	231,610,790.58
EUR	3,668,604.27	7.5257	27,608,815.16
HKD	607,777.61	0.9260	562,826.37
Accounts receivable			
Including: USD	7,300,603.29	7.1884	52,479,656.69
EUR	1,106,811.16	7.5257	8,329,530.18
HKD			
Long-term borrowings			
Including: USD			
EUR			
HKD			
Accounts payable			
Including: USD	851,111.57	7.1884	6,118,130.41
EUR			
HKD			

(2) Description of the overseas operating entities, including, in the case of a significant overseas operating entity, a disclosure of the principal place of business outside the country, the local currency of account and the basis of selection, and the reasons for any change in the local currency of account.

☒Applicable ☐Non-applicable

Subsidiary of the Company: Zhixin Electromagnetic (Hong Kong) Trading Co., Ltd. is a wholly-owned subsidiary of Shougang Zhixin Electromagnetic Materials (Qian'an) Co., Ltd., a subsidiary held by the Company, established in Hong Kong. In 2024, the main business of this subsidiary was overseas sales of metallic soft magnetic materials, and the sales settlement method was mainly in U.S. dollars. Based on the Company's actual operation and future development plan, the bookkeeping local currency in 2024 was U.S. dollars.

63. Lease

(1) The Company as a lessee

Item	2024	2023
Interest expenses on lease liabilities	19,970,899.60	19,884,783.97
Short-term lease expenses under simplified treatment included in current profit or loss	6,630,979.13	2,949,195.71
Lease expenses for low-value assets (other than short-term leases) recognized in profit or loss using the simplified approach		
Variable lease payments not included in the measurement of the lease liabilities		
Income from sublease of right-of-use assets		

Total cash outflows related to leases	41,551,227.16	51,873,444.07
---------------------------------------	---------------	---------------

(2) The Company as a lessor

Operating leases with the Company as a lessor

Item	Current amount	Including: Income related to variable lease payments not included in lease receipts
lease revenue	46,527,327.96	
Total	46,527,327.96	

VIII. R&D expenses

Unit: RMB Yuan

Item	Current amount	2023
Staff costs	478,207,259.12	418,054,111.94
Other regular expenses	54,491,496.36	73,024,683.39
Total	532,698,755.48	491,078,795.33
Including: Expensed amount	532,698,755.48	491,078,795.33

IX. Interests in other entities**1. Interests in subsidiaries****(1) Composition of the Company**

Unit: RMB Yuan

Name of subsidiary	Registered capital	Main place of operation	Place of registration	Business nature	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
Shougang Jingtang United Iron & Steel Co., Ltd.	35,821,676,294.00	Tangshan, PRC	Tangshan, PRC	Production and sales	70.18%	29.82%	Business combinations involving entities under common control
Beijing Shougang Cold Rolling Co., Ltd.	2,600,000,000.00	Beijing, PRC	Beijing, PRC	Production and sales	70.28%		Establishment or investment, etc.
Qian'an Shougang Metallurgical Technology Co., Ltd.	1,900,000.00	Qian'an, PRC	Qian'an, PRC	Consulting service	100.00%		Business combinations involving entities under common control
Shougang Zhixin Electromagnetic Materials (Qian'an) Co., Ltd.	3,000,000,000.00	Qian'an, PRC	Qian'an, PRC	Production and sales	66.23%		Establishment or investment, etc.
Beijing Shougang Steel Trading Investment Management Co., Ltd.	1,136,798,235.00	Beijing, PRC	Beijing, PRC	Production and sales	100.00%		Business combinations involving entities under common control

(2) Significant non-wholly owned subsidiaries

Unit: RMB Yuan

Name of subsidiary	Shareholding ratio of non-controlling interests	Profit or loss attributable to non-controlling interests in the current period	Dividends declared and distributed to non-controlling interests in the current period	Balance of non-controlling interests at the end of the period
--------------------	---	--	---	---

Beijing Shougang Cold Rolling Co., Ltd.	29.72%	1,839,109.80		-305,909,180.50
Shougang Zhixin Electromagnetic Materials (Qian'an) Co., Ltd.	33.77%	117,465,789.01	62,007,325.33	4,962,625,525.18

(3) Major financial information of significant non-wholly owned subsidiaries

Unit: RMB Yuan

Name of subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Beijing Shougang Cold Rolling Co., Ltd.	1,449,998,245.00	3,049,116,907.36	4,499,115,152.36	3,134,495,872.82	2,390,093,197.52	5,524,589,070.34	1,523,555,615.93	3,650,902,283.79	5,174,457,899.72	2,216,553,392.64	3,993,850,445.05	6,210,403,837.69
Shougang Zhixin Electromagnetic Materials (Qian'an) Co., Ltd.	6,192,348,706.35	15,524,842,346.46	21,717,191,052.81	5,693,074,749.47	1,390,783,109.09	7,083,857,858.56	5,315,471,057.37	15,796,111,190.51	21,111,582,247.88	5,228,317,348.03	1,401,485,982.54	6,629,803,330.57

Unit: RMB Yuan

Name of subsidiary	2024				2023			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Beijing Shougang Cold Rolling Co., Ltd.	9,768,261,391.98	6,188,121.79	6,188,121.79	912,441,874.23	10,222,499,759.89	25,644,278.95	25,644,278.95	490,942,970.07
Shougang Zhixin Electromagnetic Materials (Qian'an) Co., Ltd.	14,342,270,942.98	333,031,890.51	333,044,274.26	620,426,601.19	14,317,006,979.29	308,135,956.50	308,135,856.97	1,097,996,701.35

2. Interests in joint ventures and associates**(1) Significant joint ventures and associates**

Name of joint venture or associate	Main place of operation	Place of registration	Business nature	Shareholding ratio (%)		Accounting method
				Direct	Indirect	
I. Joint ventures						
Tangshan Guoxing Industry Co., Ltd.	Tangshan, PRC	Tangshan, PRC	Manufacturing	50.00%		Equity method
Tangshan Shougang Jingtang Xishan Coking Co., Ltd.	Tangshan, PRC	Tangshan, PRC	Coking	50.00%		Equity method
II. Associates						
Tangshan Tangcao Railway Co., Ltd.	Tangshan, PRC	Tangshan, PRC	Transportation	16.19%		Equity method
Tangshan Caofeidian Dunshi New Building Materials Co., Ltd.	Tangshan, PRC	Tangshan, PRC	Building materials	25.00%		Equity method
Qian'an Sinochem Coal Chemical Industrial Co., Ltd.	Qian'an, PRC	Qian'an, PRC	Coking	49.82%		Equity method

Beijing Shouxin Jinyuan Management Consulting Center (Limited Partnership)	Beijing, PRC	Beijing, PRC	Investment	20.00%		Equity method
Beijing Dingshengcheng Packaging Materials Co., Ltd.	Beijing, PRC	Beijing, PRC	Manufacturing	45.00%		Equity method
Ningbo Shougang Zhejin Steel Materials Co., Ltd.	Ningbo, PRC	Ningbo, PRC	Manufacturing	40.00%		Equity method
Guangzhou Jinghai Shipping Co., Ltd.	Guangzhou, PRC	Guangzhou, PRC	Transportation	20.00%		Equity method
Shougang (Qingdao) Steel Industry Co., Ltd.	Qingdao, PRC	Qingdao, PRC	Manufacturing	35.00%		Equity method
Tianjin Wuchan Shougang Steel Processing and Distribution Co., Ltd.	Tianjin, PRC	Tianjin, PRC	Manufacturing	35.00%		Equity method
Hebei Jingji Industrial Trading Co., Ltd.	Shijiazhuang, PRC	Shijiazhuang, PRC	Manufacturing	35.71%		Equity method
Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd.	Qian'an, PRC	Qian'an, PRC	Building materials	35.00%		Equity method

(2) Major financial information of significant joint ventures

Item	Closing balance/2024		Opening balance/2023	
	Tangshan Guoxing Industry Co., Ltd.	Tangshan Shougang Jingtang Xishan Coking Co., Ltd.	Tangshan Guoxing Industry Co., Ltd.	Tangshan Shougang Jingtang Xishan Coking Co., Ltd.
Current assets	69,987,990.52	2,589,154,143.35	87,762,250.00	2,416,667,328.21
Including: Cash and cash equivalents	6,426,493.84	19,204,043.19	11,831,560.37	921,218,575.78
Non-current assets	81,435,831.50	923,965,805.48	67,486,657.73	1,124,868,967.63
Total assets	151,423,822.02	3,513,119,948.83	155,248,907.73	3,541,536,295.84
Current liabilities	56,592,687.16	1,307,120,876.10	64,953,492.81	1,341,411,421.87
Non-current liabilities	8,049,100.30	28,898,200.00	4,929,259.45	14,286,600.00
Total liabilities	64,641,787.46	1,336,019,076.10	69,882,752.26	1,355,698,021.87
Total net assets	86,782,034.56	2,177,100,872.73	85,366,155.47	2,185,838,273.97

Including: Non-controlling interests				
Equity attributable to shareholders of the parent company	86,782,034.56	2,177,100,872.73	85,366,155.47	2,185,838,273.97
Net assets calculated by shareholding ratio	43,391,017.27	1,088,550,436.38	42,683,077.74	1,092,919,136.99
Adjustment				
--Goodwill				
--Unrealized profit of internal transaction				
--Others				
Book value of equity investments in joint ventures	43,391,017.27	1,088,550,436.38	42,683,077.74	1,092,919,136.99
Fair value of equity investment with quoted market price				
Operating revenue	142,182,164.30	11,074,278,709.42	152,846,388.61	11,913,406,274.48
Financial expenses	-6,413.14	24,000,484.29	67.65	18,636,499.11
Income tax expense	1,473,020.35	13,193,720.07	4,299,552.60	21,449,766.52
Net profit	4,419,060.99	37,305,654.47	11,993,957.13	28,813,025.73
Net profit from discontinued operations				
Other comprehensive income				
Total comprehensive income	4,419,060.99	37,305,654.47	11,993,957.13	28,813,025.73
Dividends received from joint ventures	1,500,000.00	20,000,000.00	1,500,000.00	20,000,000.00

(3) Major financial information of significant associates

Item	Closing balance/2024			Opening balance/2023		
	Tangshan Tangcao Railway Co., Ltd.	Tangshan Caofeidian Dunshi New Building Materials Co., Ltd.	Qian'an Sinochem Coal Chemical Industrial Co., Ltd.	Tangshan Tangcao Railway Co., Ltd.	Tangshan Caofeidian Dunshi New Building Materials Co., Ltd.	Qian'an Sinochem Coal Chemical Industrial Co., Ltd.
Current assets	52,440,010.15	42,846,381.54	1,570,885,238.75	11,997,404.09	57,009,150.19	1,684,760,023.03
Including: Cash and equivalents	46,641,489.82	16,951,890.26	12,534,818.62	5,922,814.07	40,829,184.60	146,638,014.89
Non-current assets	7,726,049,346.20	197,536,973.90	2,389,287,838.85	7,954,587,079.21	210,901,577.81	2,454,695,383.56
Total assets	7,778,489,356.35	240,383,355.44	3,960,173,077.60	7,966,584,483.30	267,910,728.00	4,139,455,406.59
Current liabilities	2,946,802,229.28	22,871,084.46	3,059,030,465.56	2,276,603,433.89	23,294,131.49	2,778,212,894.87
Non-current liabilities	3,737,829,314.29	13,244,377.28	17,115,900.12	4,194,211,225.00	15,659,291.41	18,781,936.85

Total liabilities	6,684,631,543.57	36,115,461.74	3,076,146,365.68	6,470,814,658.89	38,953,422.90	2,796,994,831.72
Total net assets	1,093,857,812.78	204,267,893.70	884,026,711.92	1,495,769,824.41	228,957,305.10	1,342,460,574.87
Including: Non-controlling interests						
Equity attributable to shareholders of the parent company	1,093,857,812.78	204,267,893.70	884,026,711.92	1,495,769,824.41	228,957,305.10	1,342,460,574.87
Net assets calculated by shareholding ratio	177,095,579.89	51,066,973.43	440,465,441.06	242,165,134.57	57,239,326.28	668,873,969.41
Adjustment						
--Goodwill			4,147,420.21			4,147,420.21
--Unrealized profit of internal transaction						
--Others						
Book value of equity investments in associates	177,095,579.89	51,066,973.43	444,612,861.27	242,165,134.57	57,239,326.28	673,021,389.62
Fair value of equity investments in associates with quoted market prices						
Operating revenue	164,997,004.73	241,162,895.99	6,924,184,652.71	95,540,290.94	298,428,204.39	7,607,961,864.64
Financial expenses	211,257,810.68	55,809.88	50,637,409.78	208,633,656.87	-370,248.37	25,553,298.95
Income tax expense		38,980.23	-1,433,111.60		21,593.07	-1,435,787.78
Net profit	-402,240,238.93	-24,689,411.40	-458,433,862.95	-436,239,033.71	-20,910,692.67	-438,524,832.41
Net profit from discontinued operations						
Other comprehensive income						
Total comprehensive income	-402,240,238.93	-24,689,411.40	-458,433,862.95	-436,239,033.71	-20,910,692.67	-438,524,832.41
Dividends received from associates					5,000,000.00	

(Continued)

Item	Closing balance/2024			Opening balance/2023		
	Beijing Shouxin Jinyuan Management Consulting Center (Limited Partnership)	Beijing Dingshengcheng Packaging Materials Co., Ltd.	Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd.	Beijing Shouxin Jinyuan Management Consulting Center (Limited Partnership)	Beijing Dingshengcheng Packaging Materials Co., Ltd.	Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd.

Current assets	2,272,966.16	74,699,002.05	23,021,292.55	49,953,014.72	71,276,041.71	38,020,972.68
Including: Cash and cash equivalents	1,772,966.16	37,922,666.16	3,390,262.50		35,099,487.50	18,058,114.94
Non-current assets	535,864,735.00	438,504.67	231,727,402.31	748,940,871.51	503,489.11	243,292,858.01
Total assets	538,137,701.16	75,137,506.72	254,748,694.86	798,893,886.23	71,779,530.82	281,313,830.69
Current liabilities	8,075,000.00	24,169,691.51	40,178,753.87	159,846,777.25	24,261,639.55	27,238,639.49
Non-current liabilities	120,366,283.39		136,373,833.34			159,041,166.67
Total liabilities	128,441,283.39	24,169,691.51	176,552,587.21	159,846,777.25	24,261,639.55	186,279,806.16
Total net assets	409,696,417.77	50,967,815.21	78,196,107.65	639,047,108.98	47,517,891.27	95,034,024.53
Including: Non-controlling interests						
Equity attributable to shareholders of the parent company	409,696,417.77	50,967,815.21	78,196,107.65	639,047,108.98	47,517,891.27	95,034,024.53
Net assets calculated by shareholding ratio	82,766,953.08	22,935,516.84	27,368,637.68	129,100,426.06	21,383,051.07	33,261,908.60
Adjustment						
--Goodwill		44,544.87			44,544.87	
--Unrealized profit of internal transaction						
--Others						
Book value of equity investments in associates	82,766,953.08	22,980,061.71	27,368,637.68	129,100,426.06	21,427,595.94	33,261,908.60
Fair value of equity investments in associates with quoted market prices						
Operating revenue	-204,154,628.40	172,336,510.30	99,197,118.71	534,343,438.59	183,268,726.98	83,963,345.96
Financial expenses	691.40	-525,440.35	5,051,064.25		-340,306.32	1,822,256.58
Income tax expense		1,687,365.47	2,301,714.80		3,003,176.09	-2,288,976.32
Net profit	-168,724,805.63	3,449,923.94	-16,837,916.88	416,836,070.09	10,215,638.25	-7,064,743.58
Net profit from discontinued operations						
Other comprehensive income						

Total comprehensive income	-168,724,805.63	3,449,923.94	-16,837,916.88	416,836,070.09	10,215,638.25	-7,064,743.58
Dividends received from associates	7,789,898.99			77,539,284.02		

(4) Summary financial information for no significant joint ventures and associates

Unit: RMB Yuan

	Closing balance/2024	Opening balance/2023
Joint ventures:		
Items calculated according to the shareholding ratio		
Associates:		
Total book value of investment	132,880,902.81	128,957,100.56
Items calculated according to the shareholding ratio		
--Net profit	4,531,464.94	3,387,350.67
--Total comprehensive income	4,531,464.94	3,387,350.67

3. Interests in unconsolidated structured entities

Relevant notes on unconsolidated structured entities

(1) Basic information of unconsolidated structured entities

The unconsolidated structured entities are the Limited Partnerships initiated by the Company, including Beijing Shouxin Jinyuan Management Consulting Center (Limited Partnership) (Hereinafter referred to as Shouxin Jinyuan Fund or the Partnership) and Beijing Shouxin Jin'an Equity Investment Partnership (Limited Partnership) (Hereinafter referred to as Shouxin Jin'an Fund or the Partnership). In accordance with the provisions of the limited partnership agreement, the Company has no control over the Partnership.

①The purpose of establishing the Shouxin Jinyuan Fund is to combine the relevant policies of Beijing on the development of high-end, precision, and advanced industry with the market-oriented operation of M&A investment, actively responding to the strategic goal of Beijing to build a high-end, precision and advanced industrial structure, promoting the upgrading and development of Beijing's high-end, precision and advanced industry, contributing to the local economic development and industrial structure adjustment of Beijing, and creating satisfactory return on investment for investors.

The total subscribed capital of all partners to Shouxin Jinyuan Fund is no less than RMB 1 billion. The Fund partners are divided into general partners and limited partners. The contribution agreement is as follows: Beijing Shouyuan New Energy Investment Management Co., Ltd., the general partner, contributes RMB 10 million; and among the limited partners, the Company agrees to contribute RMB 200 million, and the other limited partners agree to contribute RMB 790 million in total.

As of 31 December 2024, Shouxin Jinyuan Fund has conducted investment activities and five external investment projects have been invested with the amount of RMB 829,432.10 thousand. A total of 2 project exits have been realized, with accumulated funds recovered amounting to RMB 2,567,021,200, including a project investment principal of 600 million and an investment gain of RMB 1,967,021,200. No financing activity has been conducted by the Fund.

② The purpose of establishing the Shouxin Jin'an Fund is to focus on investing in leading enterprises within the Shougang Group system, thereby expanding and strengthening the Shougang Group's new material industry. Leveraging platforms such as Zhixin Electromagnetic, Beiye, Guigang, and other advanced metal materials enterprises, the Fund will concentrate on advanced metal new material areas where the Shougang Group has competitive advantages, including advanced electrical steel materials, casting superalloys, precision alloys, and high-performance special steels.

The total subscribed capital of all partners to Shouxin Jin'an Fund is no less than RMB 2,070.5455 million. The Fund partners are divided into general partners and limited partners. The contribution agreement is as follows: Beijing Shouyuan Xinneng Investment Management Co., Ltd., the general partner, contributes RMB 20.7055 million; and among the limited partners, the Company agrees to contribute RMB 200 million, and the other limited partners agree to contribute RMB 1,849.84 million in total.

As of 31 December 2024, Shouxin Jin'an Fund has completed fund raising and registered with the Asset Management Association of China and two external investment projects have been invested with RMB 230 million. No financing activity has been conducted by the Fund.

(2) Book value and maximum loss exposure of interests related assets and liabilities

As of 31 December 2024, the maximum loss exposure of the Company's interests in Shouxin Jinyuan Fund is RMB 45.8864 million. The maximum loss exposure of the Company's interests in Shouxin Jin'an Fund is RMB 22.2164 million.

(3) The support provided to the unconsolidated structured entities

As of 31 December 2024, the Company had no intention of providing financial or other support for Shouxin Jinyuan Fund and Shouxin Jin'an Fund.

(4) Additional information disclosure of unconsolidated structured entities

As of 31 December 2024, no additional information related to Shouxin Jinyuan Fund and Shouxin Jin'an Fund should be disclosed by the Company.

X. Government grants

1. Government grants based on the amount receivable at the end of the reporting period

☐Applicable ☒Not applicable

Reasons for not receiving the expected amount of government grants at the expected point in time

☐Applicable ☒Not applicable

2. Liability items related to government grants

☒Applicable ☐Non-applicable

Unit: RMB Yuan

Accounting item	Opening balance	Amount of new grants during the period	Amount recognized as non-operating income during the period	Amount transferred to other income during the period	Other changes	Closing balance	Related to assets/income
Deferred income	507,674,156.49	96,251,900.00		40,296,257.21		563,629,799.28	Related to assets
Total	507,674,156.49	96,251,900.00		40,296,257.21		563,629,799.28	

3. Government grants recognized in current profit or loss

☒Applicable ☐Non-applicable

Unit: RMB Yuan

Accounting item	2024	2023
Government grants included in other income	150,195,417.92	101,824,691.25
Total	150,195,417.92	101,824,691.25

XI. Risks related to financial instruments

1. Various risks arising from financial instruments

The main financial instruments of the Company include cash at bank and on hand, notes receivable, accounts receivable, financing receivables, other receivables, current portion of non-current assets, other current assets, other equity instrument investments, other non-current financial assets, long-term

receivables, notes payable, accounts payable, other payables, short-term borrowings, financial liabilities held for trading, current portion of non-current liabilities, long-term borrowings and bond payables, lease liabilities and long-term payables. The details of financial instruments are disclosed in the respective notes. Risks related to these financial instruments and the risk management policies used by the Company to minimize the risks are disclosed as below. Management of the Company manages and monitors the risk exposures to ensure the risks are controlled in the limited range.

Objectives and policies of risk management

The objective of the Company in risk management is to obtain an appropriate equilibrium between risk and return, and also focuses on minimizing potential adverse effects on the financial performance of the Company brought by the financial risk. Based on the objectives of risk management, certain policies are established to recognize and analyze the risk. Also, in order to monitor the risk position of the Company, internal control procedures are designed according to an acceptable level of risk. Both the policies and internal control procedures are reviewed and revised regularly to adapt to the changes in the market and business activities of the Company.

The primary risks caused by the financial instruments of the Company are credit risk and liquidity risk.

Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Company.

The Company manages the credit risk on a portfolio basis. Credit risks are mainly caused by bank deposits, notes receivable, accounts receivable, and other receivables.

The Company's bank deposits are placed mainly with financial institutions with good reputations and high credit ratings. Therefore, no significant credit risk associated with bank deposits is expected.

In addition, for notes receivable, accounts receivable and other receivables, the Company sets policies to control credit risk exposure. The Company evaluates credit qualifications and sets credit periods based on the customer's financial position, credit records and other factors such as current market conditions. The credit records of the customers are regularly monitored by the Company. In respect of customers with poor credit records, the Company will use written payment reminders, or shorten or cancel credit periods, to ensure the overall credit risk of the Company is limited to a controllable extent.

The highest credit risk exposure to the Company is limited to the book value of each financial instrument illustrated in the balance sheet. The Company has not provided any guarantee that might cause credit risk to the Company.

Among the accounts receivable of the Company, the accounts receivable of the top five customers accounted for 49.38% (2023: 51.55%); among the other receivables of the Company, the other receivables of the top five customers accounted for 46.48% (2023: 42.85%).

Liquidity risk

Liquidity risk refers to the risk of the Company facing a shortage of funds when fulfilling obligations to settle with cash or other financial assets.

In managing liquidity risk, the Company maintains and monitors an adequate level of cash and cash equivalents, as considered by the management, to meet its operational needs and mitigate the impact of fluctuating cash flows. The management of the Company monitors the usage of bank borrowings and ensures compliance with the borrowing agreements. Meanwhile, the primary financial institution

commits to providing sufficient reserve funds to satisfy the short-term and long-term fund requirements of the Company.

XII. Disclosure of fair value

1. Closing fair value of assets and liabilities measured at fair value

Unit: RMB Yuan

Item	Closing fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Recurring fair value measurement	--	--	--	--
Financing receivables			3,596,293,493.59	3,596,293,493.59
Other equity instruments investments	238,829,008.00		29,575,630.58	268,404,638.58
Other non-current financial assets			70,218,671.35	70,218,671.35
Total assets measured at fair value on a recurring basis	238,829,008.00		3,696,087,795.52	3,934,916,803.52
II. Non-recurring fair value measurement	--	--	--	--

2. Basis for determining the market value of recurring and non-recurring Level 1 fair value measurement items

The Company's Level 1 fair value measurement items consist of listed stocks purchased on the STAR Market of the Shanghai Stock Exchange. Gains and losses on changes in fair value are derived from the observed public market trading prices of these financial products.

3. Qualitative and quantitative information on the valuation techniques and significant parameters used for the recurring and non-recurring Level 2 fair value measurement items

None.

4. Qualitative and quantitative information on the valuation techniques and significant parameters used for the recurring and non-recurring Level 3 fair value measurement items

Financial instruments included in Level 3 are bank acceptances receivable and equity in unlisted companies held under the management of the Company, which are valued by the Company based on future cash inflows and other factors. Under limited circumstances, if the recent information used to determine the fair value is insufficient, or the possible estimates of the fair value are widely distributed, and the cost represents the best estimate of the fair value within the range, the cost could represent the appropriate estimate of the fair value within the distribution range.

XIII. Related parties and related party transactions

1. Information about the parent company of the Company

Parent company	Place of registration	Business nature	Registered capital (RMB 0,000)	Shareholding ratio (%)	Ratio of voting rights (%)
Shougang Group Co., Ltd.	Beijing, PRC	Ferrous metal smelting and rolling industry	2,875,502.50	56.72	56.72

The ultimate controlling party of the Company is the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality.

2. Information about the subsidiaries of the Company

For details of the Company's subsidiaries, please refer to "Note IX. 1. Interests in subsidiaries" in this Section.

3. Information about joint ventures and associates of the Company

For details of the Company's significant joint ventures or associates, please refer to "Note IX.2 Interests in joint arrangements or associates" in this Section.

Other joint ventures or associates that had related party transactions with the Company during the current period or had balances arising from related party transactions with the Company in prior periods were as follows

Name of joint venture or associate	Relationship with the Company
Tangshan Shougang Jingtang Xishan Coking Co., Ltd.	Joint ventures of the Company
Tangshan Guoxing Industry Co., Ltd.	Joint ventures of the Company
Tangshan Tangcao Railway Co., Ltd.	Associates of the Company
Qian'an Sinochem Coal Chemical Industrial Co., Ltd.	Associates of the Company
Beijing Dingshengcheng Packaging Materials Co., Ltd.	Associates of the Company
Guangzhou Jinghai Shipping Co., Ltd.	Associates of the Company
Tianjin Wuchan Shougang Steel Processing and Distribution Co., Ltd.	Associates of the Company
Ningbo Shougang Zhejin Steel Materials Co., Ltd.	Associates of the Company
Tangshan Caofeidian Dunshi New Building Materials Co., Ltd.	Associates of the Company
Hebei Jingji Industrial Trading Co., Ltd.	Associates of the Company
Shougang (Qingdao) Steel Industry Co., Ltd.	Associates of the Company
Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd.	Associates of the Company

4. Information about other related parties

Names of other related parties	Relationship with the Company
Beijing Aidi Geological Engineering Technology Co., Ltd.	Under the control of the same parent company
Beijing Beiye Functional Materials Co., Ltd.	Under the control of the same parent company
Beijing Chengxin Project Supervision Co., Ltd.	Under the control of the same parent company
Peking University Shougang Hospital	Under the control of the same parent company
Beijing Dongzhimen International Apartment Co., Ltd.	Under the control of the same parent company
Beijing Huaxia Shouke Technology Co., Ltd.	Under the control of the same parent company
Beijing Jin'anyuan Auto Transportation Co., Ltd.	Under the control of the same parent company
Beijing Shouao Real Estate Co., Ltd.	Under the control of the same parent company
Beijing Shoucheng Packaging Service Co., Ltd.	Under the control of the same parent company
Beijing Shoufang Commercial Management Co., Ltd.	Under the control of the same parent company
Beijing Shougang City Transportation Holdings Co., Ltd.	Under the control of the same parent company
Beijing Shougang Futong Elevator Co., Ltd.	Under the control of the same parent company
Beijing Shougang International Engineering Technology Co., Ltd.	Under the control of the same parent company
Beijing Shougang Huaxia Engineering Technology Co., Ltd.	Under the control of the same parent company
Beijing Shougang Environmental Engineering Technology Co., Ltd.	Under the control of the same parent company
Beijing Shougang Machinery & Electric Co., Ltd.	Under the control of the same parent company
Beijing Shougang Gitane New Materials Co., Ltd.	Under the control of the same parent company
Beijing Shougang Testing Technology Co., Ltd.	Under the control of the same parent company
Beijing Shougang Construction Group Co., Ltd.	Under the control of the same parent company
Beijing Shougang Construction Investment Co., Ltd.	Under the control of the same parent company
Beijing Shougang Metal Co., Ltd.	Under the control of the same parent company
Beijing Shougang Mining Construction Co., Ltd.	Under the control of the same parent company
Beijing Shougang Industry Co., Ltd.	Under the control of the same parent company
Beijing Shougang Lanzatech Co., Ltd.	Under the control of the same parent company
Beijing Shougang Lujiashan Limestone Mine Co., Ltd.	Under the control of the same parent company
Beijing Shougang Gas Co., Ltd.	Under the control of the same parent company
Beijing Shougang Ferroalloy Co., Ltd.	Under the control of the same parent company
Beijing Shougang Property Management Co., Ltd.	Under the control of the same parent company
Beijing Shougang Material Trade Co., Ltd.	Under the control of the same parent company
Beijing Shougang 1919 Catering Management Co., Ltd.	Under the control of the same parent company
Beijing Shougang Catering Co., Ltd.	Under the control of the same parent company
Beijing Shougang Park Green Co., Ltd.	Under the control of the same parent company

Beijing Shougang Park Comprehensive Service Co., Ltd.	Under the control of the same parent company
Beijing Shougang Yunxiang Industrial Technology Co., Ltd.	Under the control of the same parent company
Beijing Shougang Automation Information Technology Co., Ltd.	Under the control of the same parent company
Beijing Shoujia Steel Structure Co., Ltd.	Under the control of the same parent company
Beijing Shoujian Hengji Construction Engineering Co., Ltd.	Under the control of the same parent company
Beijing Shoujian Hengxin Labor Service Co., Ltd.	Under the control of the same parent company
Beijing Shoujian Equipment Maintenance Co., Ltd.	Under the control of the same parent company
Beijing Shouke Xingye Engineering Technology Co., Ltd.	Under the control of the same parent company
Beijing Shouronghui Science and Technology Development Co., Ltd.	Under the control of the same parent company
Beijing Shoushi Xinye Labor Service Co., Ltd.	Under the control of the same parent company
Beijing Shouye Instruments & Meters Co., Ltd.	Under the control of the same parent company
Beijing Shouyi Mining Hospital Co., Ltd.	Under the control of the same parent company
Beijing Soly Technology Co., Ltd.	Under the control of the same parent company
Bohai International Conference Center Co., Ltd.	Under the control of the same parent company
Dachang Shougang Machinery & Electric Co., Ltd.	Under the control of the same parent company
Guizhou Bohong Industry Co., Ltd.	Under the control of the same parent company
Guizhou Guigang Drilling Tool Manufacturing Co., Ltd.	Under the control of the same parent company
Guizhou Liupanshui Shenghongda Mechanical Equipment Manufacturing Co., Ltd.	Under the control of the same parent company
Guizhou Shuigang Logistics Co., Ltd.	Under the control of the same parent company
Hebei Shenzhou Yuanda Real Estate Development Co., Ltd.	Under the control of the same parent company
Hebei Shougang Jingtang Machinery Co., Ltd.	Under the control of the same parent company
Hebei Wangqin Life Service Co., Ltd.	Under the control of the same parent company
Jilin Tonggang International Trade Co., Ltd.	Under the control of the same parent company
South China International Leasing Co., Ltd.	Under the control of the same parent company
Ningbo Metallurgical Survey and Design Research Co., Ltd.	Under the control of the same parent company
Qian'an Shougang Qiangang Hotel Co., Ltd.	Under the control of the same parent company
Qian'an Shougang Equipment Structure Co., Ltd.	Under the control of the same parent company
Qian'an Shougang Xingkuang Industrial Co., Ltd.	Under the control of the same parent company
Qian'an Shoushi Packaging Service Co., Ltd.	Under the control of the same parent company
Qian'an Shouxin Automation Information Technology Co., Ltd.	Under the control of the same parent company
Qinhuangdao Shounai New Materials Co., Ltd.	Under the control of the same parent company
Qinhuangdao Shougang Machinery Co., Ltd.	Under the control of the same parent company
Qinhuangdao Shougang Racing Valley Development Co., Ltd.	Under the control of the same parent company
Qinhuangdao Shouqin Steel Machining & Delivery Co., Ltd.	Under the control of the same parent company
Qinhuangdao Shouqin Metal Materials Co., Ltd.	Under the control of the same parent company
Geological Research Institute of Shougang Geological Exploration Institute	Under the control of the same parent company
Shougang International (Austria) Co., Ltd.	Under the control of the same parent company
Shougang International (Germany) GmbH	Under the control of the same parent company
Shougang Environmental Industry Co., Ltd.	Under the control of the same parent company
Shougang Group Finance Co., Ltd.	Under the control of the same parent company
Shougang Mining Corporation	Under the control of the same parent company
Shougang Casey Steel Co., Ltd.	Under the control of the same parent company
Shougang Mine Labor Service Company	Under the control of the same parent company
Shougang Luannan Macheng Mining Co., Ltd.	Under the control of the same parent company
Shougang Gas Tangshan Co., Ltd.	Under the control of the same parent company
Shougang Commercial Factoring Co., Ltd.	Under the control of the same parent company
Shougang Shuicheng Iron & Steel (Group) Saide Construction Co., Ltd.	Under the control of the same parent company
Shougang Shuicheng Iron & Steel (Group) Co., Ltd.	Under the control of the same parent company
Shougang Yili Steel Co., Ltd.	Under the control of the same parent company
Shougang Changzhi Steel & Iron Co., Ltd.	Under the control of the same parent company
Shoushi Fengyang International Logistics Services (Tangshan Caofeidian) Co., Ltd.	Under the control of the same parent company
Tangshan Caofeidian Industrial District Shouhanxin Industrial Co., Ltd.	Under the control of the same parent company

Tangshan Caofeidian Shoushi Industrial Co., Ltd.	Under the control of the same parent company
Tangshan Caofeidian Industrial Zone Jingtang Industry Co., Ltd.	Under the control of the same parent company
Tangshan Shougang Malanzhuang Iron Ore Co., Ltd.	Under the control of the same parent company
Tianjin Shougang Electrical Equipment Co., Ltd.	Under the control of the same parent company
Tonghua Iron and Steel Co., Ltd.	Under the control of the same parent company
Yantai Shougang Mining Industry Three-dimensional Co., Ltd.	Under the control of the same parent company
China Shougang International Trade & Engineering Corporation	Under the control of the same parent company
YASKAWA Shougang Robot Co., Ltd.	Joint ventures or associates of the Company's parent company
Cockerill Engineering (Beijing) Co., Ltd.	Joint ventures or associates of the Company's parent company
Beijing Relizhongda Heat Exchange Equipment Co., Ltd.	Joint ventures or associates of the Company's parent company
Beijing Shougang New Materials Co., Ltd.	Joint ventures or associates of the Company's parent company
Beijing Shougang Resources Comprehensive Utilization Technology Development Co., Ltd.	Joint ventures or associates of the Company's parent company
Beijing Shoushe Metallurgical Technology Co., Ltd.	Joint ventures or associates of the Company's parent company
Beijing Shoutaizhongxin Science & Technology Co., Ltd.	Joint ventures or associates of the Company's parent company
Beijing Shouyu Industry and Trade Co., Ltd.	Joint ventures or associates of the Company's parent company
Beijing Shouyun Logistics Co., Ltd.	Joint ventures or associates of the Company's parent company
Beijing Xingyeda Machinery & Electric Equipment Manufacture Co., Ltd.	Joint ventures or associates of the Company's parent company
Chaoyang Shougang Beifang Machinery Co., Ltd.	Joint ventures or associates of the Company's parent company
Hebei Shougang New Energy Technology Co., Ltd.	Joint ventures or associates of the Company's parent company
Hua Xia Bank Co., Ltd.	Joint ventures or associates of the Company's parent company
Jingtang Port Shougang Terminal Co., Ltd.	Joint ventures or associates of the Company's parent company
Jingxi Shoutang Supply Chain Management Co., Ltd.	Joint ventures or associates of the Company's parent company
Longnan City Xiong Wei Wan Li New Material Co., Ltd.	Joint ventures or associates of the Company's parent company
POSCO-TISCO (Jilin) Processing Center Co., Ltd.	Joint ventures or associates of the Company's parent company
Qianan Shougang K.wah Construction MATERIALS Company Limited	Joint ventures or associates of the Company's parent company
Shoujia Huanke (Qian'an) Co., Ltd.	Joint ventures or associates of the Company's parent company
Tangshan Caofeidian Ganglian Logistics Co., Ltd.	Joint ventures or associates of the Company's parent company
Tangshan Caofeidian Shiye Port Co., Ltd.	Joint ventures or associates of the Company's parent company
Tangshan Zhonghong Carbon Chemical Co., Ltd.	Joint ventures or associates of the Company's parent company
PetroChina Shougang (Beijing) Petroleumsales Co., Ltd.	Joint ventures or associates of the Company's parent company

5. Information about related party transactions

(1) Related transactions involving the purchase and sale of goods, rendering and receipt of services

Purchase of goods/receipt of services

Unit: RMB Yuan

Related party	Contents of related transactions	2024	2023
PetroChina Shougang (Beijing) Petroleumsales Co., Ltd.	Purchase of goods	51,288,195.75	53,721,366.22
PetroChina Shougang (Beijing) Petroleumsales Co., Ltd.	Receipt of services/labor	785,850.00	757,558.65
China Shougang International Trade & Engineering Corporation	Purchase of goods	89,291,552.06	6,657,720.00
China Shougang International Trade & Engineering Corporation	Receipt of services/labor	122,116,942.95	102,569,506.84
Tonghua Iron and Steel Co., Ltd.	Purchase of goods	44,568,228.31	3,802,885.87
Tonghua Iron and Steel Co., Ltd.	Receipt of services/labor	281.13	
Tianjin Wuchan Shougang Steel Processing and Distribution Co., Ltd.	Purchase of goods	477,374,931.41	439,639,719.08
Tianjin Wuchan Shougang Steel Processing and Distribution Co., Ltd.	Receipt of services/labor	2,598,855.95	3,193,694.14
Tianjin Shougang Electrical Equipment Co., Ltd.	Purchase of goods	24,808,285.29	27,540,466.00
Tianjin Shougang Electrical Equipment Co., Ltd.	Receipt of services/labor		750,000.00
Tangshan Shougang Malanzhuang Iron Ore Co., Ltd.	Purchase of goods	151,619,434.00	215,116,886.67

Tangshan Shougang Jingtang Xishan Coking Co., Ltd.	Purchase of goods	14,908,232,906.30	16,327,534,330.01
Tangshan Shougang Jingtang Xishan Coking Co., Ltd.	Receipt of services/labor	113,670,781.81	121,400,910.06
Tangshan Caofeidian District Bohai Kindergarten	Receipt of services/labor	846,800.00	
Tangshan Guoxing Industry Co., Ltd.	Receipt of services/labor	132,795,465.44	143,852,579.14
Tangshan Caofeidian Shoushi Industrial Co., Ltd.	Purchase of goods	2,175,919.00	899,038.00
Tangshan Caofeidian Shoushi Industrial Co., Ltd.	Receipt of services/labor	82,773,664.41	92,796,533.86
Tangshan Caofeidian Shiye Port Co., Ltd.	Receipt of services/labor	484,985,567.40	484,456,068.34
Tangshan Caofeidian Industrial District Shouhanxin Industrial Co., Ltd.	Receipt of services/labor	275,346,945.52	365,061,060.71
Tangshan Caofeidian Ganglian Logistics Co., Ltd.	Receipt of services/labor	275,377,372.23	224,986,462.57
Tangshan Caofeidian Dunshi New Building Materials Co., Ltd.	Receipt of services/labor		2,918,833.30
Shougang Qianjin Machinery Factory Beijing Maintenance Branch	Purchase of goods	334,632.00	
Shougang Qianjin Machinery Factory Beijing Maintenance Branch	Receipt of services/labor	4,146,927.55	
Shougang Casey Steel Co., Ltd.	Receipt of services/labor	101,767,584.73	89,931,464.45
Shougang Technician College	Receipt of services/labor	35,940.59	
Shougang Mining Corporation	Purchase of goods	3,746,222,472.24	4,021,937,390.46
Shougang Mining Corporation	Receipt of services/labor	225,630,737.97	281,362,511.82
Shougang Mining Corporation	Fund usage charges		910,228.06
Shougang Group Co., Ltd.	Purchase of goods	21,149,861,018.39	21,965,590,264.80
Shougang Group Co., Ltd.	Receipt of services/labor	10,185,182.30	4,971,874.94
Shougang Group Co., Ltd.	Fund usage charges	28,585,314.85	63,104,733.91
Shougang Group Finance Co., Ltd.	Fund usage charges	297,381,188.15	363,628,875.86
Shougang Environmental Industry Co., Ltd.	Receipt of services/labor	282,000.00	5,359,304.37
Shougang Institute of Technology	Receipt of services/labor	2,164,803.04	
Shougang (Qingdao) Steel Industry Co., Ltd.	Purchase of goods	10,928,506.40	4,013,015.40
Shougang (Qingdao) Steel Industry Co., Ltd.	Receipt of services/labor	125,891.54	
Qinhuangdao Shouqin Metal Materials Co., Ltd.	Purchase of goods	271,096.45	4,858,002.24
Qinhuangdao Shouqin Steel Machining & Delivery Co., Ltd.	Purchase of goods	63,492.70	125,823.00
Qinhuangdao Shougang Racing Valley Development Co., Ltd.	Receipt of services/labor	318,380.56	377,358.48
Qinhuangdao Shougang Machinery Co., Ltd.	Purchase of goods	71,430,951.60	56,458,113.41
Qinhuangdao Shougang Machinery Co., Ltd.	Receipt of services/labor	53,315,031.75	134,396,914.04
Qinhuangdao Shounai New Materials Co., Ltd	Purchase of goods	45,871,506.40	119,255,741.87
Qinhuangdao Shounai New Materials Co., Ltd	Receipt of services/labor	2,082,113.00	
Qian'an Sinochem Coal Chemical Industrial Co., Ltd.	Purchase of goods	6,046,732,690.95	6,960,115,662.67
Qian'an Shouxin Automation Information Technology Co., Ltd.	Receipt of services/labor	133,775,034.42	126,551,235.38
Qian'an Shoushi Packaging Service Co., Ltd.	Purchase of goods	21,999,368.69	3,473,060.09
Qian'an Shoushi Packaging Service Co., Ltd.	Receipt of services/labor	320,781,211.14	318,627,092.06
Qianan Shougang K.wah Construction MATERIALS Company Limited	Receipt of services/labor	2,023,904.40	

Qian'an Shougang Xingkuang Industrial Co., Ltd.	Purchase of goods	36,294,138.62	46,113,178.52
Qian'an Shougang Xingkuang Industrial Co., Ltd.	Receipt of services/labor	8,959,243.65	
Qian'an Shougang Equipment Structure Co., Ltd.	Purchase of goods	184,459,011.39	212,020,342.56
Qian'an Shougang Equipment Structure Co., Ltd.	Receipt of services/labor	101,096,902.84	78,504,799.60
Qian'an Shougang Qiangang Hotel Co., Ltd.	Receipt of services/labor	21,622,287.99	19,213,783.47
Qian'an Golden Apple Kindergarten	Receipt of services/labor	1,220,180.00	
Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd.	Receipt of services/labor	33,905,912.72	26,093,417.36
South China International Leasing Co., Ltd.	Fund usage charges		373,598.24
Longnan City Xiong Wei Wan Li New Material Co., Ltd.	Purchase of goods	16,618,904.34	326,252,685.09
Jingxi Commercial Factoring Co., Ltd.	Purchase of goods		34,907,834.40
Jingtang Port Shougang Terminal Co., Ltd.	Receipt of services/labor	11,328,301.89	2,384,905.66
Jilin Tonggang International Trade Co., Ltd.	Purchase of goods	84,995,567.71	
Hebei Wangqin Life Service Co., Ltd.	Receipt of services/labor	27,056,398.09	
Hebei Shoulang New Energy Technology Co., Ltd.	Purchase of goods	5,802,617.07	6,469,733.18
Hebei Shougang Jingtang Machinery Co., Ltd.	Purchase of goods	34,056,799.60	
Hebei Shougang Jingtang Machinery Co., Ltd.	Receipt of services/labor	112,078,456.84	82,765,129.40
Guizhou Guigang Drilling Tool Manufacturing Co., Ltd.	Purchase of goods	1,353,767.41	
Guizhou Guigang Drilling Tool Manufacturing Co., Ltd.	Receipt of services/labor		8,011,169.36
Guangzhou Jinghai Shipping Co., Ltd.	Receipt of services/labor	330,236,658.72	287,392,610.41
Bohai International Conference Center Co., Ltd.	Receipt of services/labor	499,157.74	1,709,776.21
Beijing Shouyun Logistics Co., Ltd.	Receipt of services/labor	1,247,830.84	
Beijing Shouyu Industry and Trade Co., Ltd.	Purchase of goods	8,096,226.37	15,867,277.30
Beijing Shouyu Industry and Trade Co., Ltd.	Receipt of services/labor	584,600.13	
Beijing Shouyi Mining Hospital Co., Ltd.	Receipt of services/labor	145,714.50	2,417,059.93
Beijing Shouye Instruments & Meters Co., Ltd.	Purchase of goods	39,916,891.43	41,114,852.17
Beijing Shouye Instruments & Meters Co., Ltd.	Receipt of services/labor	137,200.00	
Beijing Shoutaizhongxin Science & Technology Co., Ltd.	Purchase of goods	979,382.56	14,541,804.30
Beijing Shoushi Xinye Labor Service Co., Ltd.	Receipt of services/labor	82,341.58	
Beijing Shoushe Metallurgical Technology Co., Ltd.	Purchase of goods		1,221,243.79
Beijing Shoushe Metallurgical Technology Co., Ltd.	Receipt of services/labor	15,096.79	
Beijing Shoujian Equipment Maintenance Co., Ltd.	Purchase of goods	5,466,485.86	40,245,552.15
Beijing Shoujian Equipment Maintenance Co., Ltd.	Receipt of services/labor	124,810,305.88	62,908,007.32
Beijing Shoujian Hengxin Labor Service Co., Ltd.	Receipt of services/labor	138,500.00	1,688,340.00
Beijing Shoujian Hengji Construction Engineering Co., Ltd.	Purchase of goods	162,468.15	861,565.70
Beijing Shoujia Steel Structure Co., Ltd.	Receipt of services/labor	29,139,720.00	29,492,635.04
Beijing Shougang Automation Information Technology Co., Ltd.	Purchase of goods	98,632,677.57	91,122,808.90
Beijing Shougang Automation Information Technology Co., Ltd.	Receipt of services/labor	461,544,514.15	519,891,310.25
Beijing Shougang Resources Comprehensive Utilization	Purchase of goods	10,507,585.21	

Technology Development Co., Ltd.			
Beijing Shougang Resources Comprehensive Utilization Technology Development Co., Ltd.	Receipt of services/labor	451,009.10	
Beijing Shougang Yunxiang Industrial Technology Co., Ltd.	Purchase of goods	481,668.00	698,000.00
Beijing Shougang Yunxiang Industrial Technology Co., Ltd.	Receipt of services/labor	238,000.00	
Beijing Shougang Park Comprehensive Service Co., Ltd.	Receipt of services/labor	1,029,402.23	2,102,293.89
Beijing Shougang Park Green Co., Ltd.	Receipt of services/labor	18,592,256.99	23,862,457.96
Beijing Shougang Catering Co., Ltd.	Receipt of services/labor	13,881,457.17	13,270,186.01
Beijing Shougang 1919 Catering Management Co., Ltd.	Receipt of services/labor	369,132.70	
Beijing Shougang Material Trade Co., Ltd.	Purchase of goods	13,509,033,979.04	12,721,067,423.24
Beijing Shougang Material Trade Co., Ltd.	Receipt of services/labor	9,056.60	
Beijing Shougang Property Management Co., Ltd.	Receipt of services/labor	2,898,650.40	2,907,210.97
Beijing Shougang Ferroalloy Co., Ltd.	Purchase of goods	545,483,757.06	448,730,252.54
Beijing Shougang Shape Metal Co., Ltd.	Purchase of goods		84,278.76
Beijing Shougang Industry Co., Ltd.	Receipt of services/labor		2,497,949.85
Beijing Shougang Gas Co., Ltd.	Purchase of goods	23,395,822.69	107,170,200.97
Beijing Shougang Gas Co., Ltd.	Receipt of services/labor	159,478,005.70	65,472,431.39
Beijing Shougang Lujiashan Limestone Mine Co., Ltd.	Purchase of goods	529,372,599.18	378,556,717.00
Beijing Shougang Lujiashan Limestone Mine Co., Ltd.	Receipt of services/labor	97,625,946.05	92,165,010.94
Beijing Shougang Mining Construction Co., Ltd.	Receipt of services/labor	48,038,198.98	47,977,497.24
Beijing Shougang Construction Investment Co., Ltd.	Receipt of services/labor	10,167,678.44	
Beijing Shougang Construction Group Co., Ltd.	Purchase of goods	62,105,774.36	40,699,853.25
Beijing Shougang Construction Group Co., Ltd.	Receipt of services/labor	1,196,100,839.34	1,351,366,933.88
Beijing Shougang Testing Technology Co., Ltd.	Receipt of services/labor	4,348,267.92	
Beijing Shougang Machinery & Electric Co., Ltd.	Purchase of goods	141,253,858.36	168,320,196.54
Beijing Shougang Machinery & Electric Co., Ltd.	Receipt of services/labor	269,273,887.51	269,364,838.83
Beijing Shougang Huaxia Engineering Technology Co., Ltd.	Receipt of services/labor	179,245.28	
Beijing Shougang International Engineering Technology Co., Ltd.	Purchase of goods	337,106,152.62	353,875,163.94
Beijing Shougang International Engineering Technology Co., Ltd.	Receipt of services/labor	794,043,258.71	430,370,076.17
Beijing Shougang Futong Elevator Co., Ltd.	Purchase of goods	168,285.90	161,610.00
Beijing Shougang Futong Elevator Co., Ltd.	Receipt of services/labor	1,200,150.00	795,660.00
Beijing Shoufang Commercial Management Co., Ltd.	Receipt of services/labor	224,351.10	783,360.00
Beijing Shoucheng Packaging Service Co., Ltd.	Receipt of services/labor	116,154,652.19	103,974,097.61
Beijing Shoubang New Materials Co., Ltd.	Purchase of goods	160,201.44	
Beijing Shouao Real Estate Co., Ltd.	Receipt of services/labor	89,599.06	93,085.00
Beijing Relizhongda Heat Exchange Equipment Co., Ltd.	Purchase of goods	14,915,492.01	18,071,736.05
Beijing Relizhongda Heat Exchange Equipment Co., Ltd.	Receipt of services/labor	11,669,280.50	12,965,317.00

Cockerill Engineering (Beijing) Co., Ltd.	Purchase of goods		17,268,900.00
Beijing Jin'anyuan Auto Transportation Co., Ltd.	Receipt of services/labor	62,077,965.63	73,364,927.54
Beijing Huaxia Shouke Technology Co., Ltd.	Purchase of goods	7,782,069.45	14,311,411.96
Beijing Huaxia Shouke Technology Co., Ltd.	Receipt of services/labor	7,855,417.00	1,085,300.00
Beijing Dingshengcheng Packaging Materials Co., Ltd.	Purchase of goods	12,890,003.57	25,927,184.47
Beijing Dingshengcheng Packaging Materials Co., Ltd.	Receipt of services/labor	148,934,358.01	139,524,911.82
Peking University Shougang Hospital	Receipt of services/labor		512,567.00
Beijing Chengxin Project Supervision Co., Ltd.	Receipt of services/labor	12,572,077.07	7,431,560.20
Beijing Aidi Geological Engineering Technology Co., Ltd.	Receipt of services/labor	79,245.28	
YASKAWA Shougang Robot Co., Ltd.	Receipt of services/labor	284,439.82	

Sale of goods/rendering of services

Unit: RMB Yuan

Related party	Contents of related transactions	2024	2023
PetroChina Shougang (Beijing) Petroleumsales Co., Ltd.	Sale of goods	16,469,442.54	31,972,247.14
Tonghua Iron and Steel Co., Ltd.	Rendering of services/labor	707,547.18	
Tonghua Iron and Steel Co., Ltd.	Sale of goods	4,541,476.54	410,849.06
Tianjin Wuchan Shougang Steel Processing and Distribution Co., Ltd.	Rendering of services/labor	526,909.36	
Tianjin Wuchan Shougang Steel Processing and Distribution Co., Ltd.	Sale of goods	493,883,566.35	478,621,811.95
Tangshan Zhonghong Carbon Chemical Co., Ltd.	Interest income		8,990,991.36
Tangshan Tangcao Railway Co., Ltd.	Rendering of services/labor	296,792.43	323,773.56
Tangshan Shougang Jingtang Xishan Coking Co., Ltd.	Rendering of services/labor	241,752,662.75	217,880,847.84
Tangshan Shougang Jingtang Xishan Coking Co., Ltd.	Sale of goods	898,635,440.88	943,495,390.00
Tangshan Guoxing Industry Co., Ltd.	Rendering of services/labor	473,649.07	1,810,872.92
Tangshan Guoxing Industry Co., Ltd.	Sale of goods	3,764,299.61	2,752,084.12
Tangshan Caofeidian Shoushi Industrial Co., Ltd.	Rendering of services/labor	14,943.40	78,840.97
Tangshan Caofeidian Shoushi Industrial Co., Ltd.	Sale of goods	775,997.10	875,963.53
Tangshan Caofeidian Shiye Port Co., Ltd.	Sale of goods	2,487,828.00	3,464,678.00
Tangshan Caofeidian Industrial District Shouhanxin Industrial Co., Ltd.	Sale of goods		7,901,199.61
Tangshan Caofeidian Dunshi New Building Materials Co., Ltd.	Rendering of services/labor	25,634,904.90	26,643,362.94
Tangshan Caofeidian Dunshi New Building Materials Co., Ltd.	Sale of goods	149,987,723.76	201,233,402.01
Shoushi Fengyang International Logistics Services (Tangshan Caofeidian) Co., Ltd.	Sale of goods	133,392.42	
Shoujia Huanke (Qian'an) Co., Ltd.	Sale of goods	11,537,359.42	30,817,502.60
Shougang Changzhi Steel & Iron Co., Ltd.	Rendering of services/labor	603,773.57	707,547.16
Shougang Changzhi Steel & Iron Co., Ltd.	Sale of goods	1,425,803.89	10,970,355.00
Shougang Yili Steel Co., Ltd.	Rendering of services/labor	94,339.62	
Shougang Shuicheng Iron & Steel (Group) Co., Ltd.	Rendering of services/labor	540,000.00	471,698.12
Shougang Gas Tangshan Co., Ltd.	Rendering of		565,714.29

	services/labor		
Shougang Gas Tangshan Co., Ltd.	Sale of goods	3,011,696.79	
Shougang Casey Steel Co., Ltd.	Rendering of services/labor	2,551,355.54	1,285,724.26
Shougang Casey Steel Co., Ltd.	Sale of goods	267,611,284.40	288,823,600.47
Shougang Mining Corporation	Rendering of services/labor	355,785.88	14,472,724.25
Shougang Mining Corporation	Sale of goods	36,861,568.21	20,810,677.40
Shougang Group Co., Ltd.	Rendering of services/labor	154,462,908.49	139,149,431.21
Shougang Group Finance Co., Ltd.	Interest income	86,950,667.04	105,646,555.72
Shougang International (Germany) GmbH	Sale of goods	476,442.62	
Shougang International (Austria) Co., Ltd.	Sale of goods	2,025,758.99	
Shougang (Qingdao) Steel Industry Co., Ltd.	Rendering of services/labor		212.37
Shougang (Qingdao) Steel Industry Co., Ltd.	Sale of goods	1,646,853,666.16	1,587,159,531.37
Shougang Fushan Resources Group Co., Ltd.	Rendering of services/labor	660,377.36	
Qinhuangdao Shougang Machinery Co., Ltd.	Rendering of services/labor	672,334.59	1,060,194.56
Qinhuangdao Shougang Machinery Co., Ltd.	Sale of goods	275,474,289.42	625,374,051.56
Qinhuangdao Shounai New Materials Co., Ltd	Rendering of services/labor		41,493.59
Qinhuangdao Shounai New Materials Co., Ltd	Sale of goods		6,370,392.42
Qian'an Sinochem Coal Chemical Industrial Co., Ltd.	Rendering of services/labor	438,464.00	
Qian'an Sinochem Coal Chemical Industrial Co., Ltd.	Sale of goods	225,250,963.44	232,010,096.10
Qian'an Shouxin Automation Information Technology Co., Ltd.	Rendering of services/labor	283.02	
Qian'an Shoushi Packaging Service Co., Ltd.	Sale of goods	156,564,920.68	124,456,820.34
Qianan Shougang K.wah Construction MATERIALS Company Limited	Rendering of services/labor		
Qianan Shougang K.wah Construction MATERIALS Company Limited	Sale of goods	17,260,985.02	41,181,179.48
Qian'an Shougang Xingkuang Industrial Co., Ltd.	Sale of goods	30,010,613.04	30,810,804.11
Qian'an Shougang Equipment Structure Co., Ltd.	Rendering of services/labor	117,591.89	256,293.58
Qian'an Shougang Equipment Structure Co., Ltd.	Sale of goods	2,111,299.32	2,302,743.68
Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd.	Rendering of services/labor	373,781.62	34,105.09
Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd.	Sale of goods	41,732,219.41	53,780,564.67
POSCO-TISCO (Jilin) Processing Center Co., Ltd.	Sale of goods	7,801,088.43	
Ningbo Shougang Zhejin Steel Materials Co., Ltd.	Sale of goods	126,347,477.97	228,910,735.54
Jingtang Port Shougang Terminal Co., Ltd.	Rendering of services/labor	481,351.85	372,689.61
Hebei Shoulang New Energy Technology Co., Ltd.	Sale of goods	109,683,694.75	116,566,374.25
Hebei Shougang Jingtang Machinery Co., Ltd.	Rendering of services/labor	351,883.86	
Hebei Shougang Jingtang Machinery Co., Ltd.	Sale of goods	311,736,098.99	
Hebei Shenzhou Yuanda Real Estate Development Co., Ltd.	Rendering of services/labor	1,172,550.60	
Hebei Jingji Industrial Trading Co., Ltd.	Sale of goods		4,690,630.50
Guizhou Shuigang Logistics Co., Ltd.	Rendering of services/labor	55,298.87	137,151.19
Guizhou Liupanshui Shenghongda Mechanical Equipment Manufacturing Co., Ltd.	Rendering of services/labor	1,956.76	
Guizhou Bohong Industry Co., Ltd.	Rendering of services/labor	38,759.84	97,762.04
Guangzhou Jinghai Shipping Co., Ltd.	Rendering of	40,643,697.03	40,174,324.26

	services/labor		
Beijing Shouronghui Science and Technology Development Co., Ltd.	Sale of goods	35,206,601.90	18,339,265.07
Beijing Shoujian Equipment Maintenance Co., Ltd.	Rendering of services/labor		2,343.39
Beijing Shoujia Steel Structure Co., Ltd.	Rendering of services/labor	1,575,368.78	
Beijing Shoujia Steel Structure Co., Ltd.	Sale of goods	9,218,330.14	1,436,870.97
Beijing Shougang Automation Information Technology Co., Ltd.	Rendering of services/labor	1,550,274.26	1,469,843.53
Beijing Shougang Automation Information Technology Co., Ltd.	Sale of goods	74,622.19	86,227.79
Beijing Shougang Resources Comprehensive Utilization Technology Development Co., Ltd.	Sale of goods	214,683.10	510,865.44
Beijing Shougang Park Green Co., Ltd.	Sale of goods	2,797.45	1,625.67
Beijing Shougang Catering Co., Ltd.	Sale of goods	351,796.99	270,031.08
Beijing Shougang Material Trade Co., Ltd.	Rendering of services/labor		5,578.30
Beijing Shougang Ferroalloy Co., Ltd.	Rendering of services/labor	75,471.70	66,037.74
Beijing Shougang Ferroalloy Co., Ltd.	Sale of goods	23,424,269.41	22,136,396.88
Beijing Shougang Gas Co., Ltd.	Rendering of services/labor	95,372.60	126,600.27
Beijing Shougang Gas Co., Ltd.	Sale of goods	127,178,070.22	132,914,533.68
Beijing Shougang Lujiashan Limestone Mine Co., Ltd.	Rendering of services/labor	37,735.85	99,056.60
Beijing Shougang Lujiashan Limestone Mine Co., Ltd.	Sale of goods	5,332,439.45	
Beijing Shougang Mining Construction Co., Ltd.	Sale of goods	875,654.04	420,015.67
Beijing Shougang Metal Co., Ltd.	Rendering of services/labor		2,754,311.93
Beijing Shougang Metal Co., Ltd.	Sale of goods		1,931,819.43
Beijing Shougang Construction Group Co., Ltd.	Rendering of services/labor	823,579.82	642,905.16
Beijing Shougang Construction Group Co., Ltd.	Sale of goods	22,257,843.34	20,885,495.47
Beijing Shougang Gitane New Materials Co., Ltd.	Rendering of services/labor		141,509.43
Beijing Shougang Machinery & Electric Co., Ltd.	Rendering of services/labor	9,720.88	1,568,551.19
Beijing Shougang Machinery & Electric Co., Ltd.	Sale of goods	92,336,980.86	619,316,750.16
Beijing Shougang Huaxia Engineering Technology Co., Ltd.	Sale of goods	3,801,517.78	6,302,931.53
Beijing Shougang International Engineering Technology Co., Ltd.	Rendering of services/labor	1,252,641.51	28,301.89
Beijing Shougang International Engineering Technology Co., Ltd.	Sale of goods	35,062,599.00	
Beijing Shougang City Transportation Holdings Co., Ltd.	Sale of goods	108,274,993.89	218,448,717.31
Beijing Shoucheng Packaging Service Co., Ltd.	Rendering of services/labor		1,868,192.00
Beijing Shoucheng Packaging Service Co., Ltd.	Sale of goods	4,368,614.55	310,939.94
Beijing Relizhongda Heat Exchange Equipment Co., Ltd.	Rendering of services/labor	1,166.98	12,974.53
Beijing Jin'anyuan Auto Transportation Co., Ltd.	Rendering of services/labor	1,739,758.21	198,165.14
Beijing Jin'anyuan Auto Transportation Co., Ltd.	Sale of goods	137,958.60	1,536,753.62
Beijing Dingshengcheng Packaging Materials Co., Ltd.	Rendering of services/labor	109,794.07	238,634.36
Beijing Dingshengcheng Packaging Materials Co., Ltd.	Sale of goods	27,753.24	34,272.49
Beijing Beiye Functional Materials Co., Ltd.	Sale of goods	1,409,569.03	1,714,757.18

(2) Details of related party leases

The Company as a lessor:

Unit: RMB Yuan

Lessee	Type of assets leased	Lease income recognized in 2024	Lease income recognized in 2023
Qian'an Sinochem Coal Chemical Industrial Co., Ltd.	Land use rights	1,065,067.58	1,065,067.58
Beijing Shougang Ferroalloy Co., Ltd.	Land use rights	449,154.05	449,154.05
Qianan Shougang K.wah Construction MATERIALS Company Limited	Land use rights	248,418.37	248,418.37
Shoujia Huanke (Qian'an) Co., Ltd.	Land use rights	115,025.19	121,811.35
Tangshan Shougang Jingtang Xishan Coking Co., Ltd.	Land use rights	19,629,904.76	19,629,904.76
Tangshan Shougang Jingtang Xishan Coking Co., Ltd.	Plant and buildings	5,416,513.79	5,416,513.79
Tangshan Guoxing Industry Co., Ltd.	Land use rights	1,421,392.34	
Tangshan Guoxing Industry Co., Ltd.	Plant and buildings	716,937.72	
Tangshan Guoxing Industry Co., Ltd.	Equipment	4,120,717.52	
Tangshan Caofeidian Dunshi New Building Materials Co., Ltd.	Land use rights	2,380,761.90	2,380,761.90
Beijing Shougang Lanzatech Co., Ltd.	Land use rights	165,333.33	1,879,619.04
Hebei Shoulang New Energy Technology Co., Ltd.	Plant and buildings	2,944,689.48	2,208,517.11
Hebei Shoulang New Energy Technology Co., Ltd.	Land use rights	1,714,285.72	
Beijing Shougang Machinery & Electric Co., Ltd.	Plant and buildings	74,752.29	
Beijing Shougang Machinery & Electric Co., Ltd.	Land use rights	1,420,000.00	
Beijing Shougang Construction Group Co., Ltd.	Plant and buildings	548,110.25	
Beijing Shougang Construction Group Co., Ltd.	Land use rights	520,000.00	
Shougang Gas Tangshan Co., Ltd.	Land use rights	565,714.29	
Qian'an Shougang Equipment Structure Co., Ltd.	Plant and buildings	256,293.58	
Hebei Shougang Jingtang Machinery Co., Ltd.	Land use rights	244,190.48	
Beijing Jin'anyuan Auto Transportation Co., Ltd.	Plant and buildings	198,165.14	
Guangzhou Jinghai Shipping Co., Ltd.	Plant and buildings	13,510.00	
Beijing Shoucheng Packaging Service Co., Ltd.	Plant and buildings	1,868,192.00	1,868,192.00

The Company as a lessee:

Unit: RMB Yuan

Lessor	Type of assets leased	Rental costs for short-term leases and leases of low-value assets with simplified treatment (if applicable)		Variable lease payments not included in the measurement of the lease liabilities (if applicable)		Rental paid		Interest expenses on assumed lease liabilities		Increase in right-of-use assets	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Shougang Group Co., Ltd.	Plant and buildings					20,326,821.27	25,987,077.88	16,262,346.43	17,135,143.96		
Beijing Shougang Construction Investment Co.,	Plant and buildings					10,167,678.44	10,139,897.90	734,443.32	1,160,311.85		

The Company as a guarantor

Unit: RMB Yuan

Guarantee	Amount of guarantee	Beginning date	Maturity date	Status of guarantee
Shougang (Qingdao) Steel Industry Co., Ltd.	34,650,000.00	18 July 2024	27 June 2025	Incomplete
Shougang (Qingdao) Steel Industry Co., Ltd.	42,000,000.00	29 July 2024	27 May 2025	Incomplete
Shougang (Qingdao) Steel Industry Co., Ltd.	8,750,000.00	29 July 2024	29 April 2025	Incomplete
Shougang (Qingdao) Steel Industry Co., Ltd.	11,375,000.00	29 August 2024	30 April 2025	Incomplete
Shougang (Qingdao) Steel Industry Co., Ltd.	22,750,000.00	27 August 2024	27 June 2025	Incomplete
Shougang (Qingdao) Steel Industry Co., Ltd.	23,782,500.00	26 September 2024	20 November 2025	Incomplete
Ningbo Shougang Zhejin Steel Materials Co., Ltd.	9,040,000.00	14 August 2024	28 May 2025	Incomplete
Ningbo Shougang Zhejin Steel Materials Co., Ltd.	4,672,000.00	6 November 2024	27 June 2025	Incomplete

The Company as a guarantee

Unit: RMB Yuan

Guarantor	Amount of guarantee	Beginning date	Maturity date	Status of guarantee
Shougang Group Co., Ltd.	4,383,112,236.10	11 April 2024	10 September 2027	Incomplete
Shougang Group Co., Ltd.	8,007,088,888.89	6 September 2019	6 September 2031	Incomplete

Unit: RMB Yuan

Related party	Amounts lent and borrowed	Beginning date	Maturity date	Note
Borrowing				
Shougang Group Finance Co., Ltd.	8,573,533,301.05	30 January 2024	31 December 2025	Short-term borrowings
Shougang Group Finance Co., Ltd.	2,501,530,833.34	4 November 2022	21 November 2027	Long-term borrowings
Shougang Group Finance Co., Ltd.	3,740,000,000.00	25 July 2024	27 June 2025	Notes payable
Lending				

The Company has 12 key management personnel in 2024, and 21 key management personnel in 2023. The remuneration payment is as follows:

Item	2024	2023
Remuneration of key management personnel	RMB 9,047,600	RMB 6,457,300

Note: The significant year-on-year increase in remuneration for key management personnel is primarily due to the payout of tenure-based incentive income from the previous tenure, which was performance-evaluated in 2024.

(1) Receivables from related parties

Unit: RMB Yuan

Item	Related party	Closing balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Bank deposits	Hua Xia Bank Co., Ltd.	303,560.72		1,453,039.82	
Bank deposits	Shougang Group Finance Co., Ltd.	8,719,840,096.56		9,128,608,670.91	

Item	Related party	Closing balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivable	Beijing Shougang International Engineering Technology Co., Ltd.	218,800.00	218,800.00	354,540.00	259,370.68
Accounts receivable	Beijing Shougang Huaxia Engineering Technology Co., Ltd.	1,748,412.19	1,717,315.70	1,748,412.19	1,245,897.88
Accounts receivable	Beijing Shougang Machinery & Electric Co., Ltd.	23,488.99	839.70	53,000.00	1,887.51
Accounts receivable	Beijing Shougang Construction Group Co., Ltd.	475,998.30	17,016.22		
Accounts receivable	Beijing Shougang Automation Information Technology Co., Ltd.	944,350.00	33,759.08	1,285,250.00	45,945.74
Accounts receivable	Beijing Shouke Xingye Engineering Technology Co., Ltd.			400,000.00	298,885.25
Accounts receivable	Beijing Shoutaizhongxin Science & Technology Co., Ltd.	27,830.00	27,830.00	27,830.00	27,830.00
Accounts receivable	Guangzhou Jinghai Shipping Co., Ltd.	9,366,559.81	351,246.83	7,594,241.02	270,354.98
Accounts receivable	Jingtang Port Shougang Terminal Co., Ltd.	30,209.98	1,132.88	30,209.98	1,079.96
Accounts receivable	Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd.	4,005,181.19	150,194.65	4,354.00	155.65
Accounts receivable	Qian'an Shougang Xingkuang Industrial Co., Ltd.	6,019,653.84	225,737.56	8,776,606.90	313,750.41
Accounts receivable	Qianan Shougang K.wah Construction MATERIALS Company Limited	50,121,363.06	9,911,867.96	50,221,363.06	1,795,337.69
Accounts receivable	Shougang Group Co., Ltd.	65,878,263.48	2,470,440.80		
Accounts receivable	Shougang Mining Corporation	2,737.00	97.84		
Accounts receivable	Shougang Casey Steel Co., Ltd.	257,916,240.63	9,671,882.18	264,947,857.43	9,471,484.77
Accounts receivable	Tangshan Caofeidian Dunshi New Building Materials Co., Ltd.			1,185,255.36	42,195.09
Accounts receivable	Tangshan Caofeidian Shoushi Industrial Co., Ltd.	205,233.72	7,336.79		
Accounts receivable	Tangshan Tangcao Railway Co., Ltd.	4,180,828.46	1,081,802.52	3,866,228.46	138,211.81
Accounts receivable	Tonghua Iron and Steel Co., Ltd.	982,500.00	56,928.94	382,500.00	13,673.79
Prepayments	Beijing Jin'anyuan Auto Transportation Co., Ltd.	3,092,836.70			
Prepayments	Beijing Shougang International Engineering Technology Co., Ltd.			8,894,098.32	
Prepayments	Beijing Shougang Huaxia Engineering Technology Co., Ltd.	250,000.00			
Prepayments	Beijing Shougang Material Trade Co., Ltd.	4,800.00			
Prepayments	Shougang Group Co., Ltd.	1,047,698,624.39		959,767,074.26	
Prepayments	Shougang Changzhi Steel & Iron Co., Ltd.			7,609.04	
Prepayments	Tangshan Caofeidian Shiye Port Co., Ltd.			268,987.95	
Prepayments	Tianjin Wuchan Shougang Steel Processing and Distribution Co., Ltd.	3,736,059.53		2,045,860.74	

Item	Related party	Closing balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Prepayments	Tonghua Iron and Steel Co., Ltd.	87,647.33		15,507,934.68	
Prepayments	China Shougang International Trade & Engineering Corporation	24,419,172.91			
Prepayments	Tangshan Caofeidian Ganglian Logistics Co., Ltd.	378,259,396.89		312,574,923.41	
Dividends receivable	Hebei Jingji Industrial Trading Co., Ltd.			2,407,634.67	
Other current assets	Beijing Shougang Special Steel Co., Ltd.			109,717,639.69	

(2) Payables to related parties

Unit: RMB Yuan

Item	Related party	31 December 2024	31 December 2023
Contract liabilities	Beijing Beiye Functional Materials Co., Ltd.	261,019.10	62,368.53
Contract liabilities	Beijing Huaxia Shouke Technology Co., Ltd.	50,000.00	50,848.96
Contract liabilities	Beijing Jin'anyuan Auto Transportation Co., Ltd.	452,091.57	248,913.41
Contract liabilities	Beijing Relizhongda Heat Exchange Equipment Co., Ltd.		50,000.00
Contract liabilities	Beijing Shoucheng Packaging Service Co., Ltd.	425,606.35	53,217.02
Contract liabilities	Beijing Shougang City Transportation Holdings Co., Ltd.		4,808.33
Contract liabilities	Beijing Shougang Huaxia Engineering Technology Co., Ltd.	2,003,004.34	2,081,061.25
Contract liabilities	Beijing Shougang Machinery & Electric Co., Ltd.	2,230,862.06	17,532,836.64
Contract liabilities	Beijing Shougang Gitane New Materials Co., Ltd.	69,810.40	69,810.40
Contract liabilities	Beijing Shougang Construction Group Co., Ltd.	170,843.80	129,036.27
Contract liabilities	Beijing Shougang Mining Construction Co., Ltd.	11,427.43	203,221.14
Contract liabilities	Beijing Shougang Lujiashan Limestone Mine Co., Ltd.	1,401,649.28	1,378,893.98
Contract liabilities	Beijing Shougang Industry Co., Ltd.		17,356.29
Contract liabilities	Beijing Shougang Material Trade Co., Ltd.		188,861.00
Contract liabilities	Beijing Shougang Resources Comprehensive Utilization Technology Development Co., Ltd.	50,000.00	50,000.00
Contract liabilities	Beijing Shoujia Steel Structure Co., Ltd.	246,993.08	249,169.44
Contract liabilities	Beijing Shoujian Equipment Maintenance Co., Ltd.	50,000.00	50,000.00
Contract liabilities	Beijing Shouronghui Science and Technology Development Co., Ltd.	1,589,234.60	4,246,745.24
Contract liabilities	Beijing Shouyu Industry and Trade Co., Ltd.	58,437.91	58,437.91

Item	Related party	31 December 2024	31 December 2023
Contract liabilities	Chaoyang Shougang Beifang Machinery Co., Ltd.	114.02	114.02
Contract liabilities	Dachang Shougang Machinery & Electric Co., Ltd.	2,477.96	2,503.67
Contract liabilities	Guizhou Bohong Industry Co., Ltd.	50,000.00	52,093.30
Contract liabilities	Hebei Shougang Jingtang Machinery Co., Ltd.	956,877.03	
Contract liabilities	Hebei Shoulang New Energy Technology Co., Ltd.	17,198,866.82	26,158,105.48
Contract liabilities	Ningbo Shougang Zhejin Steel Materials Co., Ltd.	11,049,301.09	3,069,243.35
Contract liabilities	Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd.		252,503.72
Contract liabilities	Qian'an Shougang Equipment Structure Co., Ltd.	117,592.36	17,453.73
Contract liabilities	Qian'an Shoushi Packaging Service Co., Ltd.	7,143,130.35	2,145,700.29
Contract liabilities	Qinhuangdao Shounai New Materials Co., Ltd.	2,094,081.27	1,329,141.87
Contract liabilities	Qinhuangdao Shougang Machinery Co., Ltd.		1,488,091.21
Contract liabilities	Shougang (Qingdao) Steel Industry Co., Ltd.	120,830,496.13	173,809,379.60
Contract liabilities	Shougang Mining Corporation	0.73	474,597.55
Contract liabilities	Shougang Casey Steel Co., Ltd.	836,655.17	9,932.40
Contract liabilities	Shougang Shuicheng Iron & Steel (Group) Saide Construction Co., Ltd.	805.61	805.61
Contract liabilities	Shougang Changzhi Steel & Iron Co., Ltd.		33,498.85
Contract liabilities	Shoujia Huanke (Qian'an) Co., Ltd.	200,000.00	200,000.00
Contract liabilities	Suzhou Tonggang Shunye Steel Materials Processing Distribution Co., Ltd.		2,046.68
Contract liabilities	Tangshan Caofeidian Dunshi New Building Materials Co., Ltd.	1,901,702.18	1,901,702.22
Contract liabilities	Tangshan Caofeidian Industrial District Shouhanxin Industrial Co., Ltd.	173,402.08	173,402.08
Contract liabilities	Tangshan Caofeidian Shoushi Industrial Co., Ltd.	374,110.96	
Contract liabilities	Tangshan Guoxing Industry Co., Ltd.	10,163.92	
Contract liabilities	Tianjin Shougang Electrical Equipment Co., Ltd.	169.19	169.19
Contract liabilities	Tianjin Wuchan Shougang Steel Processing and Distribution Co., Ltd.	713,289.62	1,999,256.25
Contract liabilities	PetroChina Shougang (Beijing) Petroleumsales Co., Ltd.	492,189.42	2,026,489.96
Accounts payable	Beijing Aidi Geological Engineering Technology Co., Ltd.	1,133,839.61	251,381.00
Accounts payable	Beijing Chengxin Project Supervision Co., Ltd.	4,403,966.04	6,158,477.69
Accounts payable	Peking University Shougang Hospital	3,385,068.76	3,337,370.93

Item	Related party	31 December 2024	31 December 2023
Accounts payable	Beijing Dingshengcheng Packaging Materials Co., Ltd.	26,867,543.57	22,330,278.82
Accounts payable	Beijing Huaxia Shouke Technology Co., Ltd.	5,120,620.28	7,672,411.53
Accounts payable	Beijing Jin'anyuan Auto Transportation Co., Ltd.	13,588,996.27	20,439,879.74
Accounts payable	Cockerill Engineering (Beijing) Co., Ltd.	569,407.00	3,842,825.00
Accounts payable	Beijing Relizhongda Heat Exchange Equipment Co., Ltd.	14,120,948.61	15,751,115.32
Accounts payable	Beijing Shouao Real Estate Co., Ltd.	3,500.00	27,360.00
Accounts payable	Beijing Shoubang New Materials Co., Ltd.	1,658,353.65	2,280,758.30
Accounts payable	Beijing Shoucheng Packaging Service Co., Ltd.	23,321,622.83	21,962,155.16
Accounts payable	Beijing Shoufang Commercial Management Co., Ltd.	223,694.50	354,240.00
Accounts payable	Beijing Shougang Futong Elevator Co., Ltd.	624,629.15	259,255.15
Accounts payable	Beijing Shougang International Engineering Technology Co., Ltd.	429,301,810.06	92,902,894.43
Accounts payable	Beijing Shougang Environmental Engineering Technology Co., Ltd.	1,109,886.20	1,109,886.20
Accounts payable	Beijing Shougang Machinery & Electric Co., Ltd.	104,160,716.15	119,512,621.21
Accounts payable	Beijing Shougang Testing Technology Co., Ltd.	862,936.00	
Accounts payable	Beijing Shougang Construction Group Co., Ltd.	621,533,801.62	759,749,400.49
Accounts payable	Beijing Shougang Mining Construction Co., Ltd.	16,775,914.30	10,935,689.65
Accounts payable	Beijing Shougang Lujiashan Limestone Mine Co., Ltd.	269,575,785.95	258,149,223.68
Accounts payable	Beijing Shougang Gas Co., Ltd.	82,934,996.84	71,674,494.52
Accounts payable	Beijing Shougang Industry Co., Ltd.		17,093,147.98
Accounts payable	Beijing Shougang Ferroalloy Co., Ltd.	148,307,154.23	141,480,547.64
Accounts payable	Beijing Shougang Material Trade Co., Ltd.	2,363,577,396.99	2,525,304,259.02
Accounts payable	Beijing Shougang 1919 Catering Management Co., Ltd.	28,178.00	
Accounts payable	Beijing Shougang Catering Co., Ltd.	1,691,528.74	1,302,386.27
Accounts payable	Beijing Shougang Park Green Co., Ltd.	13,877,418.59	14,095,207.11
Accounts payable	Beijing Shougang Park Comprehensive Service Co., Ltd.		39,144.42
Accounts payable	Beijing Shougang Yunxiang Industrial Technology Co., Ltd.	709,009.84	1,341,229.23
Accounts payable	Beijing Shougang Resources Comprehensive Utilization Technology Development Co., Ltd.	34,942,367.07	47,067,143.46
Accounts payable	Beijing Shougang Automation Information Technology Co., Ltd.	212,263,659.30	214,716,103.28

Item	Related party	31 December 2024	31 December 2023
Accounts payable	Beijing Shoujia Steel Structure Co., Ltd.	10,622,449.84	10,670,314.99
Accounts payable	Beijing Shoujian Hengji Construction Engineering Co., Ltd.	1,148,547.78	1,080,783.29
Accounts payable	Beijing Shoujian Equipment Maintenance Co., Ltd.	33,808,081.56	29,907,449.12
Accounts payable	Beijing Shoushe Metallurgical Technology Co., Ltd.	16,002.60	326,107.50
Accounts payable	Beijing Shoutaizhongxin Science & Technology Co., Ltd.	7,245,908.61	10,432,612.75
Accounts payable	Beijing Shoutegang Yuandong Magnesium Alloy Products Co., Ltd.		200,408.00
Accounts payable	Beijing Shouye Instruments & Meters Co., Ltd.	16,952,367.68	14,752,752.88
Accounts payable	Beijing Shouyi Mining Hospital Co., Ltd.	2,026,078.28	2,340,923.44
Accounts payable	Beijing Shouyu Industry and Trade Co., Ltd.	6,503,781.48	8,789,176.18
Accounts payable	Beijing Shouyun Logistics Co., Ltd.	42,579,766.92	
Accounts payable	Beijing Soly Technology Co., Ltd.	41,204.30	174,438.35
Accounts payable	Beijing Xingyeda Machinery & Electric Equipment Manufacture Co., Ltd.	460.00	757,903.49
Accounts payable	Bohai International Conference Center Co., Ltd.	150,656.00	435,200.00
Accounts payable	Chaoyang Shougang Beifang Machinery Co., Ltd.	7,685.09	377,661.07
Accounts payable	Dachang Shougang Machinery & Electric Co., Ltd.	229,900.00	
Accounts payable	Guangzhou Jinghai Shipping Co., Ltd.	126,109,802.19	119,729,190.80
Accounts payable	Guizhou Guigang Drilling Tool Manufacturing Co., Ltd.		3,941,759.44
Accounts payable	Hebei Shougang Jingtang Machinery Co., Ltd.	65,688,474.64	22,699,470.87
Accounts payable	Hebei Shoulang New Energy Technology Co., Ltd.	1,360,620.81	1,428,942.18
Accounts payable	Hebei Wangqin Life Service Co., Ltd.	3,063,047.06	
Accounts payable	Jingtang Port Shougang Terminal Co., Ltd.	1,264,000.00	2,177,836.25
Accounts payable	Jingxi Shoutang Supply Chain Management Co., Ltd.	8,498,453.26	926,863.54
Accounts payable	Ningbo Metallurgical Survey and Design Research Co., Ltd.	1,745,477.20	
Accounts payable	Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd.	7,452,895.26	5,848,743.70
Accounts payable	Qian'an Golden Apple Kindergarten	191,140.00	
Accounts payable	Qian'an Shougang Qiangang Hotel Co., Ltd.	5,594,368.36	10,105,306.58
Accounts payable	Qian'an Shougang Equipment Structure Co., Ltd.	65,900,052.41	88,296,034.17
Accounts payable	Qian'an Shougang Xingkuang Industrial Co., Ltd.	8,358,053.59	11,977,326.09

Item	Related party	31 December 2024	31 December 2023
Accounts payable	Qian'an Shoushi Packaging Service Co., Ltd.	144,973,788.17	156,728,118.14
Accounts payable	Qian'an Shouxin Automation Information Technology Co., Ltd.	22,314,179.60	22,896,773.32
Accounts payable	Qian'an Sinochem Coal Chemical Industrial Co., Ltd.	267,880,864.14	348,423,301.67
Accounts payable	Qinhuangdao Shounai New Materials Co., Ltd	51,686,325.60	54,520,129.50
Accounts payable	Qinhuangdao Shougang Machinery Co., Ltd.	2,393.10	75,135,460.40
Accounts payable	Qinhuangdao Shouqin Steel Machining & Delivery Co., Ltd.	75,377.84	75,377.84
Accounts payable	Qinhuangdao Shouqin Metal Materials Co., Ltd.	12,043,123.06	13,995,879.69
Accounts payable	Shougang (Qingdao) Steel Industry Co., Ltd.	4,424.21	991,395.09
Accounts payable	Geological Research Institute of Shougang Geological Exploration Institute		1,635,972.59
Accounts payable	Shougang Institute of Technology	233,360.00	
Accounts payable	Shougang Environmental Industry Co., Ltd.		1,216,050.02
Accounts payable	Shougang Group Co., Ltd.	196,862,230.95	617,236,361.47
Accounts payable	Shougang Mining Corporation	3,970,485,136.17	4,100,739,052.40
Accounts payable	Shougang Luannan Macheng Mining Co., Ltd.	184,110,874.57	
Accounts payable	Shougang Qianjin Machinery Factory Beijing Maintenance Branch	883,412.98	
Accounts payable	Shougang Commercial Factoring Co., Ltd.	12,710.99	4,360.34
Accounts payable	Tangshan Caofeidian Dunshi New Building Materials Co., Ltd.	14,005,442.23	
Accounts payable	Tangshan Caofeidian Industrial District Shouhanxin Industrial Co., Ltd.	174,818,061.95	161,334,340.20
Accounts payable	Tangshan Caofeidian Shiye Port Co., Ltd.	46,750,099.16	38,098,492.55
Accounts payable	Tangshan Caofeidian Shoushi Industrial Co., Ltd.	12,355,520.39	
Accounts payable	Tangshan Guoxing Industry Co., Ltd.	52,639,317.78	57,113,565.06
Accounts payable	Tangshan Caofeidian District Bohai Kindergarten	115,800.00	
Accounts payable	Tangshan Shougang Jingtang Xishan Coking Co., Ltd.	1,443,497,854.07	1,621,788,863.85
Accounts payable	Tangshan Shougang Malanzhuang Iron Ore Co., Ltd.	79,331,760.37	160,584,083.43
Accounts payable	Tianjin Shougang Electrical Equipment Co., Ltd.	11,025,530.48	10,175,030.28
Accounts payable	Tianjin Wuchan Shougang Steel Processing and Distribution Co., Ltd.	113,014.49	183,740.76
Accounts payable	Yantai Shougang Mining Industry Three-dimensional Co., Ltd.		93,301.72
Accounts payable	China Shougang International Trade & Engineering Corporation	704,244,193.18	686,572,104.40

Item	Related party	31 December 2024	31 December 2023
Accounts payable	PetroChina Shougang (Beijing) Petroleumsales Co., Ltd.	13,263,175.23	15,920,554.74
Other payables	Beijing Shougang Construction Group Co., Ltd.	3,450,000.00	3,450,000.00
Other payables	Beijing Shougang Gas Co., Ltd.		1,123,099.67
Other payables	Beijing Shougang Industry Co., Ltd.		4,114,347.23
Other payables	Guangzhou Jinghai Shipping Co., Ltd.	507,751.46	357,800.00
Other payables	Hebei Shenzhou Yuanda Real Estate Development Co., Ltd.	5,000,000.00	
Other payables	Hebei Shougang Jingtang Machinery Co., Ltd.	2,776,577.52	2,776,577.52
Other payables	Qinhuangdao Shougang Machinery Co., Ltd.		536,392.00
Other payables	Shougang Group Co., Ltd.	56,231,261.81	56,517,064.49
Other payables	Shoushi Fengyang International Logistics Services (Tangshan Caofeidian) Co., Ltd.	100,000.00	
Other payables	Tangshan Caofeidian Shoushi Industrial Co., Ltd.	3,865,587.23	
Other payables	Tangshan Guoxing Industry Co., Ltd.	4,450,973.55	4,450,973.55
Other payables	Tangshan Caofeidian Industrial Zone Jingtang Industry Co., Ltd.	2,910,814.91	2,910,814.91
Other payables	China Shougang International Trade & Engineering Corporation	118,420.11	
Other current liabilities	Shougang Commercial Factoring Co., Ltd.	401,812,816.77	1,147,263,122.85
Other non-current liabilities	Shougang Group Co., Ltd.	2,364,112,304.97	3,899,674,951.80

7. Related party commitments

See "Section VI. I. Implementation of commitment" for details.

XIV. Share-based payment

1. General information of share-based payment

☒Applicable ☐Non-applicable

Unit: RMB Yuan

Types of object	Current period grants		Current period exercises		Current period unlock		Current period invalid	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Staff							20,630,585.00	64,932,432.85
Total							20,630,585.00	64,932,432.85

Stock options or other equity instruments issued to the public at the end of the period

☒Applicable ☐Non-applicable

Types of object	Stock options issued		Other equity instruments issued	
	Range of exercise price	Remaining term of the contract	Range of exercise price	Remaining term of the contract
Staff			3.25	11 months (34%)

2. Equity-settled share-based payment

☒Applicable ☐Non-applicable

Unit: RMB Yuan

The method of determining the fair value of equity instrument on the grant date	The price of restricted stock shall be determined at the closing price on the grant date
Important parameters of fair value of equity instruments on the grant date	N/A
Basis for determining the number of exercisable equity instruments	Based on the latest changes in the number of employees with exercisable rights and subsequent information, make the best estimate of the number of equity instruments with exercisable rights
Reasons for significant difference between the current estimate and previous estimate	Performance conditions not met
Accumulated amount of equity-settled share-based payments recognized in capital reserve	0.00
The total amount of expenses recognized for equity-settled share-based payments in this period	-37,992,492.22

3. Cash-settled share-based payment

☐Applicable ☒Not applicable

4. Current share-based payment expenses

☒Applicable ☐Non-applicable

On 29 November 2021, approved by the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality, confirmed with no objection and recorded by the China Securities Regulatory Commission, the *Proposal on Beijing Shougang Co., Ltd. 2021 Restricted Stock Incentive Plan (Draft Amendment) and its Summary*, the *Proposal of Beijing Shougang Co., Ltd. 2021 Administration Measures for Implementation and Assessment of the Restricted Stock Incentive Plan (Revised)*, and the *Beijing Shougang Co., Ltd.'s Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Handle Matters Related to 2021 Restricted stock Incentive Plan* were considered and approved at the eleventh meeting of the seventh Board of Directors and the first extraordinary General Meeting of the year 2021 of the Company. The grant date was 9 December 2021 and a total of 64,901,800.00 restricted stock shares were granted to 386 incentive objects. The grant price of the restricted stock is RMB 3.25 per share. After the completion of subscription of this incentive plan, as a result of additional issuance of new shares, the Company's share capital and capital reserve increased by RMB 64,901,800.00 and RMB 146,029,050.00 respectively, and treasury shares increased by RMB 210,930,850.00. At the same time, equity incentive repurchase obligations were recognized in RMB 210,930,850.00 in other payables. The lock-up periods of restricted shares granted by the incentive plan shall be 24 months, 36 months and 48 months respectively from the registration date of the corresponding partial equity grant. The restricted shares granted under this incentive plan shall not be transferred, used for security or debt repayment during the restricted sale period

The Company has provided lock-up periods and unlock-up conditions for the stock granted to the incentive objects by way of non-public offering, and the Company has fully recognized other payables - restricted stock repurchase obligations and treasury share in respect of the repurchase obligations based on the subscription amounts received. If the unlocking conditions specified in the final equity incentive plan are not met, the Company will repurchase the shares at the grant price and write down the treasury shares. The portion of restricted shares that meet the unlocking conditions is offset from the treasury share.

Due to the performance in 2023 and 2024 not meeting the incentive conditions, the cost and expense recognized during the current waiting period is RMB -37,992,492.22, and the consolidated capital reserve is decreased by RMB -21,020,276.99 according to the shareholding ratio of the subsidiaries.

5. Modification and termination of share-based payment

Modification of share-based payment	N/A
Termination of share-based payment	N/A

XV. Commitments and contingencies**1. Material commitments**

Significant commitments as of the balance sheet date

As of 31 December 2024, the Company has no commitments that should be disclosed.

2. Contingencies**(1) Significant contingencies as of the balance sheet date**

As of 31 December 2024, the Company has no pending litigation, external guarantees or other contingencies that should be disclosed but have not been disclosed.

(2) If the Company has no significant or contingencies that need to be disclosed, it should also be stated.

The Company has no significant contingencies that need to be disclosed.

XVI. Events after the balance sheet date**1. Profit distribution after the balance sheet date**

Dividend payout per 10 shares to be distributed per 10 shares (RMB yuan)	0.22
Proposed distribution of bonus shares per 10 shares (shares)	0
Number of shares converted per 10 shares to be distributed (shares)	0
Dividend payout per 10 shares declared after consideration and approval (RMB yuan)	0.22
Bonus shares per 10 shares declared after consideration and approval (shares)	0
Number of shares converted per 10 shares declared after consideration and approval (shares)	0
Profit distribution plan	<p>The Company proposed to distribute a cash dividend of RMB 0.22 (including tax) per 10 shares to all shareholders on the basis of the total number of 7,773,981,020 shares of the share capital, total cash distribution of RMB 171,027,582.44, accounting for 111.54% of the parent company's realizable profit available for distribution in 2024, accounting for 37.67% of the profit available for distribution in the consolidated statement of income for the year of 2024, and accounting for 36.30% of the net profit attributable to the parent company in the consolidated statement of income for the year of 2024. There will be no capital reserves converted to share capital this time.</p> <p>If the total number of the Company's share capital entitled to distribution rights changes before the implementation of the distribution plan, the cash dividend per share will be adjusted based on the total number of shares entitled to distribution rights as of the record date for the cash dividend distribution in accordance with the principle that the total amount of cash distribution remains unchanged.</p> <p>The proposal is subject to the approval of the General Meeting of Shareholders.</p>

2. Explanation of other events after the balance sheet date

As of 18 April 2024, there are no other events after the balance sheet date that should be disclosed by the Company.

XVII. Other significant events**1. Segment information**

According to its internal organizational structure, management requirements, and internal reporting system, the Company divides its businesses into iron and steel segments. Therefore, there is no need to present more detailed information on operating segments.

External revenue of goods and services

Item	2024	2023
Iron and steel	108,310,796,466.52	113,761,443,633.43

Geographical information

Current period or end of the current period	Mainland China	Hong Kong	Offset	Total
Revenue from external transactions	108,261,552,756.64	49,243,709.88		108,310,796,466.52
Non-current assets	99,521,245,311.28			99,521,245,311.28

(Continued)

Prior period or end of the prior period	Mainland China	Hong Kong	Offset	Total
Revenue from external transactions	113,761,182,300.41	1,914,228.76	-1,652,895.74	113,761,443,633.43
Non-current assets	104,990,915,208.22			104,990,915,208.22

2. Other significant transactions and events affecting investors' decision-making

None

XVIII. Notes to the main items of the financial statements of the parent company**1. Accounts receivable****(1) Disclosed by the aging**

Unit: RMB Yuan

Aging	31 December 2024	31 December 2023
Within 1 year (including 1 year)	2,465,069,041.78	1,435,785,435.03
1-2 years	30,591,805.62	
Over 3 years	1,000,000.00	2,000,000.00
4-5 years	1,000,000.00	2,000,000.00
Total	2,496,660,847.40	1,437,785,435.03

(2) Classified by bad debt provision method

Unit: RMB Yuan

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrual ratio		Amount	Proportion	Amount	Accrual ratio	
Assessed bad debt provision individually	1,000,000.00	0.04%	1,000,000.00	100.00%		2,000,000.00	0.14%	2,000,000.00	100.00%	
Including:										
Assessed bad debt provision in portfolios	2,495,660,847.40	99.96%	13,108,512.91	0.53%	2,482,552,334.49	1,435,785,435.03	99.86%	2,457,794.56	0.17%	1,433,327,640.47
Including:										
Total	2,496,660,847.40	100.00%	14,108,512.91	0.57%	2,482,552,334.49	1,437,785,435.03	100.00%	4,457,794.56	0.31%	1,433,327,640.47

Assessed bad debt provision individually: Assessed bad debt provision individually

Unit: RMB Yuan

Name	Opening balance		Closing balance			
	Book balance	Bad debt provision	Book balance	Bad debt provision	Accrual ratio	Reason for bad debts
Overdue recourse notes	2,000,000.00	2,000,000.00	1,000,000.00	1,000,000.00	100.00%	Overdue
Total	2,000,000.00	2,000,000.00	1,000,000.00	1,000,000.00		

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

Unit: RMB Yuan

Name	Closing balance		
	Book balance	Bad debt provision	Accrual ratio
Accounts receivable with bad debt provision by portfolio of credit risk characteristics	2,495,660,847.40	13,108,512.91	0.53%
Total	2,495,660,847.40	13,108,512.91	

Description of the basis for determining the portfolio:

Provision is made for goods receivable based on credit risk characteristics.

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

☐Applicable ☒Not applicable**(3) Provision, recovery or reversal of bad debt**

Provision for bad debts in the current period:

Unit: RMB Yuan

Category	Opening balance	Amount of change during the period				Closing balance
		Accrual	Recovery or reversal	Write-offs	Others	
Assessed bad debt provision individually	2,000,000.00		1,000,000.00			1,000,000.00
Accounts receivable with bad debt provision by portfolio of credit risk characteristics	2,457,794.56	10,650,718.35				13,108,512.91
Total	4,457,794.56	10,650,718.35	1,000,000.00			14,108,512.91

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

Unit: RMB Yuan

Company name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	As a percentage of the total closing balance of accounts receivable and contract assets	Closing balance of provision for bad debts on accounts receivable and impairment of contract assets
Client 1	2,360,295,823.53			94.54%	
Client 2	65,878,263.48			2.64%	2,470,440.80
Client 3	50,121,363.06			2.01%	9,911,867.96
Client 4	4,482,890.82			0.18%	168,108.81
Client 5	4,134,597.71			0.17%	155,047.79
Total	2,484,912,938.60			99.54%	12,705,465.36

2. Other receivables

Unit: RMB Yuan

Item	Closing balance	Opening balance
Dividends receivable	250,000,000.00	
Other receivables	136,280,464.23	136,314,481.16

Total	386,280,464.23	136,314,481.16
-------	----------------	----------------

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

Unit: RMB Yuan

Item (or investee)	Closing balance	Opening balance
Beijing Shougang Steel Trading Investment Management Co., Ltd.	250,000,000.00	
Total	250,000,000.00	

2) Classified by bad debt provision method□Applicable ☒Not applicable**(2) Other receivables****1) Other receivables by nature of payment**

Unit: RMB Yuan

Nature	31 December 2024	31 December 2023
Petty cash	98,278.25	74,024.55
Deposits		100,000.00
Due from other companies	136,189,096.84	136,149,157.84
Court debit		
Total	136,287,375.09	136,323,182.39

2) Disclosed by the aging

Unit: RMB Yuan

Aging	31 December 2024	31 December 2023
Within 1 year (including 1 year)	138,217.25	136,323,182.39
1-2 years	136,149,157.84	
Total	136,287,375.09	136,323,182.39

3) Classified by bad debt provision method

Unit: RMB Yuan

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrual ratio		Amount	Proportion	Amount	Accrual ratio	
Including:										
Assessed bad debt provision in portfolios	136,287,375.09	100.00%	6,910.86	0.01%	136,280,464.23	136,323,182.39	100.00%	8,701.23	0.01%	136,314,481.16
Including:										
Total	136,287,375.09	100.00%	6,910.86	0.01%	136,280,464.23	136,323,182.39	100.00%	8,701.23	0.01%	136,314,481.16

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

Unit: RMB Yuan

Name	Closing balance		
	Book balance	Bad debt provision	Accrual ratio
Assessed bad debt provision in portfolios	136,287,375.09	6,910.86	0.01%
Total	136,287,375.09	6,910.86	

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

Unit: RMB Yuan

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit loss within 12 months	Expected credit loss over the lifetime (no credit impairment)	Expected credit loss over the lifetime (credit impairment occurred)	
Balance as at 1 January 2024	8,701.23			8,701.23
Balance at 1 January 2024 in the current period				

Accrual in the current year	-1,790.37			-1,790.37
Balance as at 31 December 2024	6,910.86			6,910.86

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

☐Applicable ☒Not applicable

4) Provision, recovery or reversal of bad debt

Provision for bad debts in the current period:

Unit: RMB Yuan

Category	Opening balance	Amount of change during the period				Closing balance
		Accrual	Recovery or reversal	Charge-offs or write-offs	Others	
Assessed bad debt provision in portfolios	8,701.23	-1,790.37				6,910.86
Total	8,701.23	-1,790.37				6,910.86

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

Unit: RMB Yuan

Company name	Nature	Closing balance	Aging	Percentage of total other receivable (%)	Closing balance of bad debt provision
Counterparty 1	Current account	136,149,157.84	1-2 years	99.90%	
Counterparty 2	Current account	8,513.00	Within 1 year	0.01%	425.65
Counterparty 3	Current account	8,513.00	Within 1 year	0.01%	425.65
Counterparty 4	Current account	8,513.00	Within 1 year	0.01%	425.65
Total		136,174,696.84		99.93%	1,276.95

3. Long-term equity investments

Unit: RMB Yuan

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investments in subsidiaries	36,142,348,242.94		36,142,348,242.94	36,163,368,519.93		36,163,368,519.93
Investments in associates and joint ventures	577,728,513.74		577,728,513.74	856,811,320.22		856,811,320.22
Total	36,720,076,756.68		36,720,076,756.68	37,020,179,840.15		37,020,179,840.15

(1) Investments in subsidiaries

Unit: RMB Yuan

Investee	Opening balance (book value)	Opening balance of impairment provision	Changes of increase or decrease in current period				Closing balance (book value)	Closing balance of impairment provision
			Additions of investment	Deductions of investment	Provision for impairment	Others		
Shougang Jingtang United Iron & Steel Co., Ltd.	16,302,759,705.94					-17,860,892.74	16,284,898,813.20	
Beijing Shougang Cold Rolling Co., Ltd.	1,832,173,515.19					-1,097,615.19	1,831,075,900.00	
Qian'an Shougang Metallurgical Technology Co., Ltd.	1,900,000.00						1,900,000.00	
Beijing Shougang Steel Trading Investment Management Co., Ltd.	10,542,383,802.78					-1,915,795.73	10,540,468,007.05	
Shougang Zhixin Electromagnetic Materials (Qian'an) Co.,	7,484,151,496.02					-145,973.33	7,484,005,522.69	

Ltd.								
Total	36,163,368,519.93					-21,020,276.99	36,142,348,242.94	

(2) Investments in associates and joint ventures

Unit: RMB Yuan

Investee	Opening balance (book value)	Opening balance of impairment provision	Changes of increase or decrease in current period								Closing balance (book value)	Closing balance of impairment provision
			Additions of investment	Deductions of investment	Investment profit or loss recognized under equity method	Adjustments in other comprehensive income	Other equity changes	Cash dividend or profit declared	Provision for impairment	Others		
I. Joint ventures												
II. Associates												
Beijing Shouxin Jinyuan Management Consulting Center (Limited Partnership)	129,100,426.06				-38,543,573.99			7,789,898.99			82,766,953.08	
Qian'an Sinochem Coal Chemical Industrial Co., Ltd.	673,021,389.62				-228,408,528.35						444,612,861.27	
Beijing Dingshengcheng Packaging Materials Co., Ltd.	21,427,595.94				1,552,465.77						22,980,061.71	
Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd.	33,261,908.60				-5,893,270.92						27,368,637.68	
Sub-total	856,811,320.22				-271,292,907.49			7,789,898.99			577,728,513.74	
Total	856,811,320.22				-271,292,907.49			7,789,898.99			577,728,513.74	

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

☐Applicable ☒Not applicable

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

☐Applicable ☒Not applicable**4. Operating revenue and cost of sales**

Unit: RMB Yuan

Item	2024		2023	
	Revenue	Cost of sales	Revenue	Cost of sales
Main business	35,458,424,926.58	34,343,336,705.76	37,731,133,730.37	36,510,420,909.92
Other businesses	1,345,157,952.60	1,224,581,104.08	1,195,172,491.74	1,126,001,960.80
Total	36,803,582,879.18	35,567,917,809.84	38,926,306,222.11	37,636,422,870.72

(1) Operating revenue and cost of sales by product type

Item	2024		2023	
	Revenue	Cost of sales	Revenue	Cost of sales
Main business:				

Billet	328,755,158.68	316,915,066.15	420,010,787.22	419,214,964.92
Hot-rolled steel	34,463,621,265.61	33,359,519,916.74	36,572,541,034.81	35,338,824,605.16
Cold-rolled steel	203,480,591.93	217,202,667.76	232,556,455.45	200,135,560.77
Other steels	462,567,910.36	449,699,055.11	506,025,452.89	552,245,779.07
Sub-total	35,458,424,926.58	34,343,336,705.76	37,731,133,730.37	36,510,420,909.92
Other businesses:				
Power	820,478,942.33	884,858,525.93	734,868,775.06	832,154,398.91
Solid waste	110,936,675.91	104,550,430.32	89,176,748.38	82,967,188.13
Others	413,742,334.36	235,172,147.83	371,126,968.30	210,880,373.76
Sub-total	1,345,157,952.60	1,224,581,104.08	1,195,172,491.74	1,126,001,960.80
Total	36,803,582,879.18	35,567,917,809.84	38,926,306,222.11	37,636,422,870.72

(2) Operating revenue and cost of sales by timing of goods transfer

Item	2024	2023
Revenue from main business	35,458,424,926.58	37,731,133,730.37
Including: Recognized at a certain point	35,458,424,926.58	37,731,133,730.37
Recognized during a certain period of time		
Revenue from other business	1,345,157,952.60	1,195,172,491.74
Total	36,803,582,879.18	38,926,306,222.11

5. Investment gain

Unit: RMB Yuan

Item	2024	2023
Long-term equity investment gain measured under the cost method	371,614,710.67	492,295,603.66
Long-term equity investment gain measured under the equity method	-271,292,907.49	-132,155,436.66
Gain on disposal of long-term equity investments		96,523,695.89
Dividends from other equity instruments investments	7,928,839.58	7,412,132.80
Interest income from entrusted loans		3,951,910.93
Others	29,152.50	
Total	108,279,795.26	468,027,906.62

XIX. Supplementary information

1. Non-recurring gains or losses

☒Applicable ☐Non-applicable

Unit: RMB Yuan

Item	Amount	Note
Gains or losses on disposal of non-current assets	-50,614,446.27	
Government grants included in the current profit and loss (except for the government grants that are closely related to the business of the company and are in accordance with the national unified standard quota)	190,491,675.13	

Reversal of impairment provisions for accounts receivable subject to separate impairment testing	1,172,292.00	
Profit and loss from debt reorganization	2,537,679.85	
Other non-operating income and expenses except the above items	136,430,176.66	
Less: The impact of income tax	25,267,923.93	
The impact on non-controlling interests (post-tax)	3,173,511.00	
Total	251,575,942.44	--

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

☐Applicable ☒Not applicable

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

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

☐Applicable ☒Not applicable

2. Return on net assets and earnings per share

Profit of reporting period	Weighted average return on net assets	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	0.95%	0.0607	0.0607
Net profit attributable to ordinary shareholders of the Company excluding non-recurring gains or losses	0.44%	0.0283	0.0283

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

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

☐Applicable ☒Not applicable

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

☐Applicable ☒Not applicable

(3) Explanation of the reasons for accounting data differences under domestic and foreign accounting standards. For data that has been adjusted for differences after being audited by a foreign audit institution, the name of the foreign institution should be specified.

☐Applicable ☒Not applicable

4. Others

None

Board of Directors of Beijing Shougang Co., Ltd.
16 April 2025