

Bengang Steel Plates Co., Ltd.

Annual Report 2023

2023 Annual Report

SECTION I. IMPORTANT NOTICE, TABLE OF CONTENTS, AND DEFINITIONS

The Board of Directors, the Supervisory Committee and the Directors, members of the Supervisory Committee and senior management of the Company guarantee that there are no misrepresentations or misleading statements, or material omissions in this report, and individually and collectively accept full responsibility for the authenticity, accuracy and integrity of the information contained in this report.

Li Yan, the person in charge of the Company, Zheng Zhengli, the person in charge of accounting work, and Sun Yanbin, the person in charge of the accounting department (accounting officer in charge), have pledged the authenticity, accuracy and integrity of the attached financial statements. All the members of the Board of Directors attended the board meeting on which this report was examined.

The prospective statements contained in this annual report do not constitute any substantial commitment to the investors. Investors should pay attention to the risks attached to investment decisions. This report is prepared in both of Chinese and English. The Chinese version shall prevail when there are any controversial statements in the two versions.

The Company has described the risks and countermeasures in detail in this report, please refer to Section III. XI "Risks to the Company and countermeasures". *China Securities Journal*, *Securities Times*, the website of Shenzhen Stock Exchange and Cninfo Website are the media selected by the Company for information disclosure. All information of the Company shall be based on the information published in the above designated media, and investors are advised to pay attention to the investment risks.

The Company plans not to pay cash dividends, not to send bonus shares, and not to increase its share capital by transferring its public reserves.

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Reference File Directory

1. Financial statements containing the signatures and seals of the person in charge of the Company, the person in charge of accounting work and the person in charge of the accounting institution;
2. The original audit report containing the seal of the accounting firm and the signature and seal of the certified public accountant.
3. The original copies of all Company documents and announcements that have been publicly disclosed during the reporting period;
4. Annual reports published in other securities markets.

Definition

Interpretation items	Refers to	Interpretation contents
Bengang Steel Plates, Company, the Company, listed company	Refers to	Bengang Steel Plates Co., Ltd.
Ansteel	Refers to	Ansteel Group Co., Ltd.
Bengang Group	Refers to	Bengang Group Co., Ltd.
Benxi Iron & Steel, Bengang Company	Refers to	Benxi Iron & Steel (Group) Co., Ltd.
SSE	Refers to	Shenzhen Stock Exchange
Liaoning Provincial State-asset Administration	Refers to	Liaoning State-owned Asset Supervisory and Management Committee
Bengang Puxiang	Refers to	Bengang Puxiang Cool Rolling Steel Sheet Co., Ltd.
Ansteel Finance Company	Refers to	Ansteel Group Finance Co., Ltd.
Ansteel	Refers to	Ansteel Steel Company Limited
Vanadium & Titanium Company	Refers to	PAnsteel Group Vanadium & Titanium Resources Co., Ltd.

SECTION II. COMPANY PROFILE AND MAIN FINANCIAL INDEX

I. Company information

Stock abbreviation	Bengang Steel Plates, Bengang Steel Plates plate B	Stock code	000761, 200761
Stock exchange for listing	Shenzhen Stock Exchange		
Company name in Chinese	本钢板材股份有限公司		
Abbreviation of Company name in Chinese	本钢板材		
Company name in English (if any)	BENGANG STEEL PLATES CO., LTD.		
Abbreviation of Company name in English (if any)	BSP		
Legal representative	Li Yan		
Registration address	No.16, Renmin Road, Pingshan District, Benxi City, Liaoning Province		
Postal code of registration address	117000		
Changes in the Company's registered address history	None		
Office address	No.1-1, Steel Road, Pingshan District, Benxi City, Liaoning Province		
Postal code of office address	117000		
Company website	None		
E-mail	zhengzhengli76@126.com		

II. Contact person and contact information

	Secretary of Board of Directors	Representative of Securities Affairs
Name	Zheng Zhengli	Chen Liwen
Contact address	No.1-1, Steel Road, Pingshan District, Benxi City, Liaoning Province	No.1-1, Steel Road, Pingshan District, Benxi City, Liaoning Province
Telephone	024-47827003	024-47828980
Fax	024-47827004	024-47827004
E-mail	zhengzhengli76@126.com	bgb000761@126.com

III. Information disclosure and place for consulting

Website of the stock exchange where the Company discloses the annual report	http://www.SSE.cn
Name and website of the media in which the Company discloses the annual report	<i>China Securities Journal</i> , <i>Securities Times</i> , http://www.cninfo.com.cn
Place for inquiry of the annual report	Secretary Office of the Board, Bengang Steel Plates Co., Ltd.

IV. Change of business registration

Uniform social credit code	91210000242690243E
Changes of principal business activities since listing (if any)	No change
Historical changes in controlling shareholders (if any)	On August 20 th , 2021, Liaoning State-owned Asset Supervisory and Management Committee, the former actual controller of the Company, and Ansteel Group Co., Ltd. signed the <i>Agreement between Liaoning State-owned Asset Supervisory and Management Committee and Ansteel Group Co., Ltd. on the Free Transfer of Bengang Group Co., Ltd. State-owned Equity</i> , in which Liaoning Provincial State-asset Administration transferred 51% of its equity interest in Bengang Group Co., Ltd. to Ansteel without compensation. On October 12 th , 2021, the change of business was completed and Ansteel Group Co., Ltd. became the indirect controlling shareholder of the Company. The direct controlling shareholder of the Company remains unchanged as Benxi Iron & Steel (Group) Co., Ltd.

V. Other relevant information

Accounting firm engaged by the Company

Name of the accountants' firm	Lixin Certified Public Accountants (Special General Partnership)
Address of the accountants' firm	Fourth Floor, No.61 Nanjing East Road, Huangpu District, Shanghai
Name of signatory accountants	Guo Shunxi, Nick Cheung and Fu Yangyi

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

Applicable Not applicable

Financial consultancy institution engaged by the Company to conduct sustained supervision during the reporting period

Applicable Not applicable

VI. Main accounting data and financial index

Whether the Company is required to retroactively adjust or restate prior years' accounting data

Yes No

	FY2023	FY2022	Increase or decrease compared with the previous year	FV2021
Operating income (RMB)	57,814,969,351.65	62,616,621,627.60	-7.67%	77,912,144,981.46
Net profit attributable to shareholders of the listed company (RMB)	-1,742,574,163.92	-1,232,976,557.37	-41.33%	2,500,582,902.58
Net profit after non-recurring gain or loss attributable to shareholders of the listed company (RMB)	-2,067,775,288.69	-1,416,415,028.51	-45.99%	2,517,758,656.14
Net cash flow from	4,329,351,258.30	1,276,362,965.56	239.19%	413,473,454.04

operating activities (RMB)				
Basic earnings per share (RMB/share)	-0.4240	-0.3000	-41.33%	0.600
Diluted earnings per share (RMB/share)	-0.4240	-0.3000	-41.33%	0.496
Weighted average return on net assets	-9.73%	-5.68%	-4.05%	11.88%
	FY2023	FY2022	Increase or decrease compared with the previous year	FV2021
Total assets (RMB)	46,253,250,872.50	44,459,650,119.11	4.03%	55,147,123,275.30
Net assets attributable to shareholders of listed companies (RMB)	17,009,969,496.07	18,789,151,216.62	-9.47%	22,500,969,014.30

The lower of the company's net profit before and after the deduction of non-recurring gains and losses in the most recent three fiscal years is negative, and the audit report of the most recent year shows that the company's ability to continue operations is uncertain.

Yes No

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

Yes No

Item	FY2023	FY2022	Note
Operating income (RMB)	57,814,969,351.65	62,616,621,627.60	Gross operating income
Deduction amount of operating income (RMB)	1,187,913,732.14	2,143,539,898.31	Selling raw materials and waste products, providing services, etc
Amount after deduction of operating income (RMB)	56,627,055,619.51	60,473,081,729.29	Selling raw materials and waste products, providing services, etc

VII. Differences in accounting data under domestic and foreign accounting standards

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

Applicable Not applicable

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

2. Differences in net profit and net assets between financial reports disclosed simultaneously in accordance with foreign accounting standards and in accordance with Chinese accounting standards

Applicable Not applicable

There are no differences between the net profit and net assets of the Company in the financial reports disclosed in accordance with foreign accounting standards and in accordance with Chinese accounting standards in the reporting period.

VIII. Main financial index by quarter

Unit: RMB

	First quarter	Second quarter	Third quarter	Fourth quarter
Operating income	15,784,242,237.23	14,783,166,967.80	12,935,206,488.37	14,312,353,658.25

Net profit attributable to shareholders of the listed company	47,524,016.34	-1,052,469,640.02	-240,873,918.19	-496,754,622.05
Net profit after non-recurring gain or loss attributable to shareholders of the listed company	70,931,650.60	-1,078,210,989.45	-327,965,565.23	-732,530,384.61
Net cash flow from operating activities	2,833,913,987.48	1,828,723,294.33	190,084,866.44	-523,370,889.95

Whether the above financial indicators or the sum of such indicators are significantly different from the relevant financial indicators in the disclosed quarterly and semi-annual reports of the Company

Yes No

IX. Non-recurring gain or loss items and amounts

Applicable Not applicable

Unit: RMB

Item	FY2023 amount	FY2022 amount	FY2021 amount	Description
Gain or loss on disposal of non-current assets (including the offsetting portion of the provision for asset impairment)	298,940,955.41	3,648,546.62	-60,100,706.71	
Government subsidies included in current profit or loss (except government subsidies that are closely related to the Company's normal business operations, in accordance with national policies and continuously enjoyed in accordance with certain standards and in fixed or quantitative amounts)	79,554,896.45	72,300,830.48	66,345,976.64	
Gains or losses from entrusting others to invest or manage assets			-37,205,991.34	
Gains and losses from debt restructuring	-6,626,340.44	2,879,850.07	2,436,869.33	
Gains or losses from changes in fair value of financial assets and liabilities held for trading, and investment income from the disposal of financial assets and	5,179,346.89	1,274,270.98		

liabilities for trading and available-for-sale financial assets, except for effective hedging activities related to the Company's normal business operations				
Non-operating income and expenses other than the items mentioned above	-51,663,946.71	13,507,766.62	5,176,371.41	
Other profit or loss items that meet the definition of non-recurring gain or loss		92,174,927.78		
Less: Income tax effect	327,320.42	1,956,581.46	-5,969,319.73	
Effect of minority interests (after tax)	-143,533.59	391,139.95	-202,407.38	
Total	325,201,124.77	183,438,471.14	-17,175,753.56	--

Details of other profit and loss items that meet the definition of non-recurring profit or loss:

Applicable Not applicable

The company does not have other specific conditions of profit and loss items that meet the definition of non-recurring profit and loss.

Explanation of defining the non-recurring profit and loss items listed in the *Explanatory Announcement on Information Disclosure of Companies Offering Securities to the Public No.1-Non-recurring Profit and Loss* as recurring profit and loss items

Applicable Not applicable

The company does not define the non-recurring profit and loss items listed in *Explanatory Announcement No.1 on Information Disclosure of Companies Offering Securities to the Public-Non-recurring Profit and Loss* as recurring profit and loss items.

SECTION III. MANAGEMENT DISCUSSION AND ANALYSIS

I. Industry situation of the company during the reporting period

The Company belongs to the steel industry, which is an important basic industry of China's national economy, an important support for building a modern and powerful country, and an important area for achieving green and low-carbon development.

The global steel market was gloomy, the operating environment of steel industry was severe and the industry level has been decreasing in 2023. The development trend is largely presented as "huge supply elasticity and slow demand recovery". The main force that engines steel production increase is that steel export increases and the steel demand of domestic manufacturing industry while the main reason of decreasing consumption is the shrinking steel demand of construction industry. Although prices of imported ore fell year on year, the decreasing extent of steel enterprises' cost is actually lower than the decreasing amplitude of steel prices. Whole profit of the industry has decreased year on year and performance indicators have been at a low level in recent years.

Under the co-effect of "two carbon" target (carbon peaking and carbon neutrality) and economy condition at home and abroad, Steel industry in China has been under an in-depth Adjustment of supply and demand structure. The year of 2024 is the crucial stage of "the 14th Five Year Plan" as well as the key stage when the Long-Range Objectives through the Year 2035 is being shaped and in the making. The expected changes in the supply side of steel industry are not obvious and it is expected that there will be mild recovery on the demand side. "Strong board and long-term weakness (of the stock price)" structure will continue. Meanwhile, under the blueprint of "two carbon", the domestic steel industry will face a bunch of challenges and opportunities such as "industrial greenization and premiumisation, procedure intelligentization". Steel enterprises nationwide will have to face the co-existence of three periods, namely "platform period for supply, adjusting period for demand and differentiation period for profit". Faced with these challenges, the iron and steel industry will face necessary adjustments and countermeasures. Enterprises need to pay more attention to improving technological innovation, reducing production costs, strengthening the development of domestic and foreign markets, and seeking new growth points. They should focus on strengthening and deepening the basic business disk on the basis of scale, consolidate the core competitiveness of products with technological innovation, and accelerate the transformation to high-end, green, efficient and intelligent.

II. Main business of the Company during the reporting period

1. Main business, main products and their uses

During the reporting period, the company's main businesses include iron and steel smelting, rolling processing, power generation, coal chemical industry, special steel profiles, railways, import and export trade, scientific research, product sales, etc. The introduction of state-of-the-art equipment and technology to implement equipment upgrades for the main iron and steel industry and have built a high-quality steel base, formed more than 60 varieties, more than 7,500 specifications of product series, the proportion of high value-added and high-tech products reached more than 80%. The leading products for automotive surface panels, home appliance panels, petroleum pipeline steel, container panels, shipboard, etc. are widely used in the fields of automobiles, home appliances, petrochemicals, aerospace, machinery manufacturing, energy and transportation, building decoration and metal products, and are exported to more than 60 countries and regions.

2. Business model

Procurement mode: The Company's procurement mode includes domestic procurement and foreign procurement. Domestic material procurement is carried out through centralized procurement, unified bidding, price comparison and negotiation. The procurement of foreign materials is carried out through the modes of long-association procurement, direct procurement, open and invited bidding, inquiry and comparison, competitive negotiation and negotiation procurement, which are mainly represented by Benxi Iron & Steel

(Group) International Economic and Trading Co., Ltd.

Sales model: The Company's sales are divided into domestic sales and foreign sales, domestic sales are mainly based on agreement account sales, sales channels are based on direct supply, circulation and engineering, organizing contract orders in advance by month, and organizing required production according to contract orders. According to different regions, different channels, different industry characteristics, the implementation of futures mode, one plant and one policy, index pricing and other price policy sales method; export sales mainly use the Benxi Iron & Steel (Group) International Economic and Trading Co., Ltd. over the years in the international trade accumulated strong marketing network, the Company's products exported by its agent, and pay Benxi Iron & Steel (Group) International Economic and Trading Co., Ltd. agency fees.

3. Main performance drivers

The Company focused on the construction of world-class enterprises, fully implemented the "7531" strategic objectives of Ansteel Group and the "1357" work guidelines of Benxi Iron and Steel Group, and after deepening the reform and refining the market, it further promoted lean management, extreme efficiency improvement, benchmarking and cost reduction, core brand building and talent team building, which condensed the powerful energy of all cadres and employees to "lead the new Benxi Iron and Steel and support the new Ansteel". Establish an operation and control model based on comprehensive budget and planned value management, taking benefit as the center, sales as the leader, finance as the core, benchmarking as the starting point, and vigorously promoting the "consistent system" management of automobile panels as the guide. Strengthen strategic determination, strengthen the linkage of "sales, research and production", vigorously promote the "consistent system" management of the whole process quality, take users as the center, meet the needs of users, strengthen the construction of industrial chain ecosystem, build the competitiveness of automobile steel brand and enhance the core functions of enterprises. Firmly establish the sense of responsibility of "seeking benefits from reform and promoting revitalization through reform", adhere to innovation drive, take reform and innovation as the driving force, create the "source" of original technology, and improve new productivity. Adhere to the strategy of "developing enterprises with talents", take lean management as the starting point, increase the intensity of selecting and educating people, promote the "four-three transformation" mode of organizational performance, and deepen the development of enterprises with talent empowerment. Unswervingly take the road of green and low-carbon transformation, promote industrial digitalization, gather transformation power, accelerate the pace of building "A high-quality plate base with international competitiveness led by automobile plates and a domestic first-class excellent special steel base", and achieve hard-won achievements in production, operation and enterprise reform.

During the reporting period, there was no change in the Company's main business or business model.

III. Analysis on core competitiveness

The Company adheres to the innovation-driven and "quality + service" development model, with the strategic goal of building an internationally competitive high-quality plate base, a domestic first-class special steel base and a comprehensive service provider, and exerts a strategic leading role, focusing on improving quality and efficiency, In terms of product upgrades, technological innovation, green and intelligent manufacturing, we will innovate management ideas, enhance the core competitiveness of enterprises, and promote enterprises to achieve high-quality, green and intelligent development.

1. Manufacturing capacities. Adhere to the benefit as the center, strengthen the strategic determination of automobile steel to lead the development, and adhere to the four-wheel drive of "reform + lean" and "digital + technology" according to the principle of "market first, R&D follow-up and on-site follow-up". Seize the market opportunity, coordinate the production line with the market efficiently, continuously optimize the product structure, and continuously improve the profitability of the company. Strengthen benchmarking, reduce costs and continuously improve. Deepen the special work of benchmarking and cost reduction, externally look for indicators, methods and differences, internally find problems, potentials and measures, pay attention to all employees,

foundation and implementation, and strive to outperform the manufacturing cost and processing cost of major products.

2. Equipment transformation and upgrading. In 2023, the company issued a fixed asset investment plan of 1.871 billion yuan. We have implemented a new round of large-scale technological transformation and ultra-low emission transformation, represented by key projects such as the environmental protection transformation of the first coal storage plant, the environmental protection transformation of the second coal storage plant, the integrated iron front control of the plate iron making plant, the integrated energy control of the plate iron making plant, the main transformation project of the cold rolling plant, the new three-time dust removal system of the 1#2#3#7 converter of the steel plant, and the desulfurization waste liquid of the plate iron making plant. At present, the environmental protection transformation projects of the first coal storage plant and the second coal storage plant have been put into operation.

3. New product development capabilities. Successfully developed 41 brands of new products, of which 36 brands were sold in the market. 2000mm wide and thin tank steel, which is the first in China. Develop galvanized high-strength QP980 + Z, which will add another member to the third generation automobile steel family of the company. Special steel products represented by 18CrNiMo7-6 fill the blank of Benxi Steel. The hot-dip galvanized dual-phase steel DH780 with reinforced formability was developed, and the layout of hot-dip galvanized dual-phase steel and derivative products was enlarged. BGJTM800L for 800MPa load-bearing beam is developed to realize batch supply. IS2062 E250A/BR, high-quality coated pipe steel for India, to achieve exclusive domestic supply. The first product was inoculated, and the laboratory research of Delta-TRIP 780 and the industrial trial production of BG650LW rim steel with high strength and high fatigue performance were completed.

4. Technological innovation ability. We will strengthen school-enterprise cooperation, build a " postgraduate joint training demonstration base " with Northeastern University, innovate a new model of talent training, promote the construction of " digital " R & D and " information intelligence " platform, and provide strong support for the intelligent decision-making of enterprise scientific research work. It has signed 21 foreign technical cooperation projects with Dalian University of Technology and Northeast University to promote the transplantation of mature scientific and technological achievements of colleges and universities to enterprises. In terms of standards : presided over the completion of 2 national standards, participated in the completion of 1 industry standard, and participated in the completion of 3 group standards. Drafting 94 enterprise standards. In terms of intellectual property rights : 353 patents were accepted, including 6 overseas patents ; the number of authorized patents is 184, of which 82 are invention patents ; won the honorary title of " National Intellectual Property Demonstration Enterprise. " In terms of scientific and technological achievements, it has won 14 awards of scientific and technological progress at or above the provincial and ministerial levels. Among them, ' the key technology development and industrialization of the third generation of ultra-high-volume low-temperature and high-pressure pipeline steel ' won the special prize of metallurgical science and technology progress, ' the development of intensive ultra-high-strength galvanized dual-phase steel series products based on pre-oxidation technology ' won the first prize of scientific and technological progress in Liaoning Province, ' the key technology and industrialization application of laser welding of ultra-high-strength thin steel plate for automobile ' won the second prize of mechanical industry science and technology, and ' high-quality hot-dip galvanized dual-phase steel ' won the first prize of China Automobile Lightweight Design Competition. The ' Hot Stamping Steel Serialization Product Development ' project was included in the advanced material field of the ' Science and Technology Innovation China ' series list.

5. Green development ability. According to the national and Liaoning provincial policy requirements for the iron and steel industry and local ultra-low emissions, the Company has the courage to assume social responsibility, relying on professional planning and research institutions, the preparation of environmental protection improvement plan and annual implementation plan, through clean production, three waste management, environmental protection management, "AAA" level scenic garden factory construction and other all-round green improvement, to achieve environmental quality community. Strive to achieve ultra-low rank by the end of 2025, and build the company into an "ecological steel mill" that develops in harmony with the city.

6. Intelligent manufacturing capabilities. In 2023, intelligent transformation of plate iron front centralized control, plate energy

centralized control, plate intelligent material yard construction and so on has been carried out. Keep up with the pace of enterprise development in the era of big data and achieve high-quality development. Guided by the core indicators of the 14 th Five-Year Plan, we will promote the construction of " four modernizations " indicators such as automation, informatization, digitization, and intelligence. The automatic control rate of the production line in the key areas of the production unit will increase by 30 %, and the construction coverage of the production execution system will reach 100 %. The replacement rate of 3D posts, the completion rate of the four modernizations production line and the four chemical plants will increase by 30 %.

IV. Management discussion and analysis

1. General

In 2023, the company achieved a comprehensive breakthrough in production record for the first time, and the pig iron cost outperformed the industry. The annual pig iron output was 10.412 million tons, an increase of 409,200 tons year-on-year, breaking the historical record; The output of crude steel was 11.281 million tons, an increase of 729,000 tons year-on-year, breaking the historical record; The output of hot rolled plates was 10.42 million tons, an increase of 657,400 tons year-on-year, breaking the historical record; The output of cold rolled plate is 5.381 million tons, and the output of special steel is 511,600 tons. Realized operating income of 57.8 billion yuan. Looking back at the whole year's work, it is mainly reflected in the following aspects:

I. Create new performance of production and operation with the goal of extreme efficiency. The Company has built a full-process pull-type production mode, with the ultimate efficiency as the goal, make up for the shortcomings, and comprehensively build a clear interface and clear process operation control platform. The output of iron, steel and materials has reached new highs. Each production line has repeatedly refreshed Nissan and monthly production records throughout the year. The annual cumulative power generation was 3.342 billion kWh, a record high.

II.Reduce costs and create efficiency as the goal, deepen the system potential. Explore and construct a new model of ' whole process, whole level and whole industry chain ' benchmarking management. Operating cash flow is effectively guaranteed, adhere to the preferential policies of taxes and fees, and benefit the dividends of enterprises. Set up energy development branch, with the help of waste heat, residual pressure power generation, heating, enjoy tax rebates ; actively strive for government special funds. Promote the compliance disposal of idle assets. Relying on the data collection advantages of the financial integration accounting system, we will promote the synergy of tax policy efficiency and cost expenditure control.

III.Serve customers as the center, brand building has made new progress. Fully implement the quality of Benxi Iron and Steel, service ' seven iron law ', in order to improve the brand market share as the goal, enhance the user experience as the criterion, to serve customers as the center, to meet the needs of users, brand building has made new progress ; establish a regular visit mechanism for the main engine factory, and the production and sales of automobile steel have reached a record high. The sales volume of automobile steel in the whole year has reached 2.6839 million tons. Focusing on the supply guarantee of the main engine factory, strengthening the supporting role of logistics, shortening the water transportation time of automobile steel, and creating the best level in history. The contract delivery rate of the OEM increased by 13 % year-on-year.

IV.Reform and innovation as the driving force, continue to enhance the competitiveness of enterprises. We will fully implement measures such as professional integration, separation of main and auxiliary, and performance of all staff positions, with reform and innovation as the driving force to release our inherent potential. Adhere to the cultivation of innovative culture, won eight awards at the above level of Ansteel, and achieved new breakthroughs in the award level of scientific and technological innovation achievements. Adhering to the guidance of scientific and technological innovation, the third generation of galvanized high strength steel QP980 + Z, hot-dip galvanized reinforced formability dual phase steel DH780 and wind power gear steel 18CrNiMo7-6 filled the gap of this steel. BG650LW steel for high strength and high fatigue rim was successfully trial-produced in France, which realized the first production of wide and thin tank steel in China. In the whole year, 26 new products were successfully developed and 24 were sold in the market. Benxi Iron and Steel Group Co., Ltd.successfully entered the list of " double hundred enterprises " in the reform

of state-owned enterprises by the State-owned Assets Supervision and Administration Commission of the State Council in 2023, successfully selected as " quality benchmark enterprises in Liaoning Province, " obtained the certification of high-tech enterprises, and the benchmark demonstration effect continued to increase. Benxi Steel Plates Co., Ltd. won the honor of " National Intellectual Property Demonstration Enterprise " and achieved " zero breakthrough. "

V. Taking the construction of world-class enterprises as the priority, new breakthroughs have been made in the high-quality development of enterprises. Establish a lean management promotion model, take project implementation as the carrier, take the construction of world-class enterprises as the priority, gather the transformation power, take benchmark cultivation as the starting point, instant reward as the guarantee, and benefit improvement as the goal, encourage full participation and independent improvement, promote the model innovation of lean education, and achieve new breakthroughs in high-quality development. Unswervingly take the road of green and low-carbon transformation, 32 ultra-low emission projects are put into operation on schedule. Promote the construction of ' garden-style ' factories, win the national ' AAA ' tourist attractions in advance and open the operation. Strengthen the management and control of key energy-saving projects, and the comprehensive energy consumption per ton of steel hit a record low. Promote the life cycle assessment of automotive steel products, promote industrial digitization, energy centralized control, three cold centralized control, iron front centralized control and intelligent material yard put into operation, create efficiency optimization.

2. Income and cost

(1) Breakdown of operating income

Unit: RMB

	FY2023		FY2022		Change over last year
	Amount	Proportion	Amount	Proportion	
Total operating income	57,814,969,351.65	100%	62,616,621,627.60	100%	-7.67%
By Industries					
Industry	57,814,969,351.65	100.00%	62,616,621,627.60	100.00%	-7.67%
By products					
Steel plate	55,846,805,275.80	96.60%	59,395,642,984.38	94.86%	1.74%
Others	1,968,164,075.85	3.40%	3,220,978,643.22	5.14%	-1.74%
By regions					
Northeast	20,691,986,568.44	35.79%	23,156,472,367.43	36.98%	-10.64%
North China	2,376,195,240.35	4.11%	2,727,436,320.34	4.36%	-12.88%
East China	24,871,999,815.08	43.02%	28,747,114,756.97	45.91%	-13.48%
Northwest	52,033,472.42	0.09%	49,874,139.13	0.08%	4.33%
Southwest	2,341,506,258.74	4.05%	2,903,291,017.72	4.64%	-19.35%
Central south	7,481,247,996.62	12.94%	5,032,433,026.01	8.04%	48.66%
By sales model					
Sales in domestic market	50,333,721,355.03	87.06%	57,584,188,601.59	91.96%	-12.59%
Sales in export market	7,481,247,996.62	12.94%	5,032,433,026.01	8.04%	48.66%

(2) Industry, product and regions accounting for the Company's operating income or profit over 10%

Applicable Not applicable

Unit: RMB

	Operating income	Operating costs	Gross margin	Operating income change over last year	Operating costs change over last year	Gross margin changes over last year

By industries						
Industry	57,814,969,351 .65	58,326,286,006 .53	-0.88%	-7.67%	-6.32%	-1.45%
By products						
Steel plate	55,846,805,275 .80	56,022,475,742 .99	-0.31%	-5.97%	-5.22%	-0.79%
Others	1,968,164,075. 85	2,303,810,263. 54	-17.05%	-38.90%	-26.83%	-19.30%
By regions						
Northeast	20,691,986,568 .44	20,951,715,682 .17	-1.26%	-10.64%	-9.03%	-1.80%
North China	2,376,195,240. 35	2,394,016,704. 65	-0.75%	-12.88%	-11.74%	-1.29%
East China	24,871,999,815 .08	25,115,496,693 .27	-0.98%	-13.48%	-12.16%	-1.52%
Northwest	52,033,472.42	52,465,350.24	-0.83%	4.33%	5.69%	-1.30%
Southwest	2,341,506,258. 74	2,361,268,571. 56	-0.84%	-19.35%	-18.07%	-1.58%
Central south	7,481,247,996. 62	7,451,323,004. 63	0.40%	48.66%	49.25%	-0.39%
By sales model						
Sales in domestic market	50,333,721,355 .03	57,266,707,304 .14	-13.77%	-12.59%	0.00%	-14.32%
Sales in export market	7,481,247,996. 62	4,992,627,550. 58	33.26%	48.66%	0.00%	32.47%

Operating data of recent one year according to adjusted statistics caliber at the year-end in the case that the Company's main business statistics caliber has changed during the reporting period

Applicable Not applicable

(3) Whether the Company's physical sales income exceeded service income

Yes No

Industry classification	Item	Unit	FY2023	FY2022	Change over last year
Steel rolling processing industry	Sales	ton	13,969,225.21	14,022,304.90	-0.38%
	Production	ton	13,906,372.52	13,892,713.60	0.10%
	Inventory	ton	409,472.24	472,324.93	-13.31%

The main reasons that the relevant data changed by more than 30%

Applicable Not applicable

(4) Performance of significant sales and purchase contracts signed up in this reporting period

Applicable Not applicable

(5) Breakdown of operating cost

Industry classification

Industry classification

Unit: RMB

Industry classification	Item	FY2023		FY2022		Change over last year
		Amount	Proportion	Amount	Proportion	
Steel rolling	Raw material	29,581,611,202	50.72%	32,656,346,258	52.45%	-1.73%

processing industry		.59		.98		
Steel rolling processing industry	Supplementary materials	2,302,602,411.33	3.95%	2,471,539,945.40	3.97%	-0.02%
Steel rolling processing industry	Spare parts and tools	634,076,720.43	1.09%	664,918,489.57	1.07%	0.02%
Steel rolling processing industry	Fuel	19,077,855,313.66	32.71%	19,516,799,781.80	31.35%	1.36%
Steel rolling processing industry	Energy	2,474,454,980.42	4.24%	2,654,880,861.12	4.26%	-0.02%
Steel rolling processing industry	Salary and benefits	2,156,978,343.86	3.70%	1,890,550,009.31	3.04%	0.66%
Steel rolling processing industry	Depreciation	1,628,409,626.63	2.79%	1,941,797,897.36	3.12%	-0.33%
Steel rolling processing industry	Others	470,297,407.61	0.81%	462,501,611.18	0.74%	0.07%
Steel rolling processing industry	Total	58,326,286,006.53	100.00%	62,259,334,854.72	100.00%	0.00%

Introduction:

None

(6) Whether changes occurred in consolidation scope in the reporting period

Yes No

(7) Relevant information on significant changes or adjustments of the business, product or service in the reporting period

Applicable Not applicable

(8) Information of main customers and main suppliers

Information about the Company's main customers

Total sales amount of the top five customers (RMB)	9,998,697,001.58
Total sales amount of the top five customers accounted for the proportion of total annual sales	17.29%
The proportion of the total sales of the related parties in the top five customers	6.80%

Information on the top 5 customers

No.	Name	Amount (RMB)	Proportion
1	North Hengda Logistics Co., Ltd.	3,931,414,139.80	6.80%
2	SINO-ORDINS (SHANGHAI) Co., Ltd.	1,991,253,986.40	3.44%
3	Hailian Jinhui Technology Co., Ltd.	1,745,490,675.75	3.02%
4	Ningbo AUX Trade Co., Ltd.	1,342,906,969.49	2.32%

5	Shanghai Ouyeel Supply Chain Co., Ltd.	987,631,230.14	1.71%
Total	--	9,998,697,001.58	17.29%

Other information about principal customers

Applicable Not applicable

Information on the Company's main suppliers

Total purchase amount of the top five suppliers (RMB)	24,171,827,486.11
Total purchase amount of the top five suppliers accounted for the proportion of total purchase	41.44%
The proportion of the total purchase of the related parties in the top five suppliers	30.32%

Information on the top 5 suppliers

No.	Name	Amount (RMB)	Proportion
1	Benxi Beiyong Steel & Iron (Group) Co., Ltd.	11,588,576,048.68	19.87%
2	Benxi Steel & Iron (Group) Mining Co., Ltd.	6,097,885,650.06	10.45%
3	Heilongjiang Dragon Coal Group Co., Ltd.	2,762,493,436.20	4.74%
4	Liaoning Electric Power Co., Ltd. Benxi Electric Power Supply Company	2,272,935,877.08	3.90%
5	Shanxi Coking Coal Group Co.,Ltd.	1,449,936,474.09	2.49%
Total	--	24,171,827,486.11	41.44%

Other information about principal suppliers

Applicable Not applicable

3. Expenses

Unit: RMB

	FY2023	FY2022	Change over last year	Notes to significant change
Selling and distribution expenses	159,034,136.51	128,489,696.80	23.77%	
General and administrative expenses	601,859,503.43	663,080,654.45	-9.23%	
Financial expenses	309,298,938.97	523,070,165.35	-40.87%	Affected by the decrease in financial expenses and exchange gains during the year
Research and development expenses	81,247,560.73	58,088,008.14	39.87%	Affected by the increase in research and development expenditure this year

4. Research and development input

Applicable Not applicable

Main R&D project	Project purpose	Project progress	Intended goal	Expected impact on the
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name				future development of the Company
<p>Research on preparation technology of high strength and high reactivity coke for hydrogen-rich smelting of blast furnace</p>	<p>In terms of the current development trend of the iron and steel industry, the long process smelting process will not be replaced in a short time. In order to achieve the goal of carbon peak and carbon neutralization, it is important to study how to reduce the carbon reduction technology of blast furnace fuel ratio to promote the low carbonization and high efficiency of blast furnace iron making. Therefore, it is of great significance for the sustainable development of coal industry and iron and steel industry to study the method of using high reactivity and high strength coke to partially replace traditional coke and reduce the coke ratio by reducing the temperature of heat reserve area.</p>	<p>The researches show that with the increase of CaO and MgO content in coal, the catalytic effect of coke solution loss reaction is obvious, but the strength after reaction shows a decreasing trend. When the content of CaO is more than 0.2 %, the CSR of coke after reaction decreases by 16 %. At the same time, the microscopic strength and structural strength of coke were studied. (2) According to the follow-up project research plan, it is proposed to appropriately add binders to the coking coal with CaO and MgO to strengthen the coking experiment of coke strength after reaction, so as to improve the coke reactivity and improve the coke strength after reaction by adding binder reinforcement.</p>	<p>(1) In view of the systematic research on the coal quality characteristics and coking characteristics of coking coal in Benxi Iron and Steel Co., Ltd., taking the basic blended coal of Benxi Iron and Steel Co., Ltd.as the raw material, the coke reactivity CRI is increased by 1 ~ 3 percentage points under the condition that the CSR of coke after reaction is basically the same as that of coke prepared by basic blended coal. When the CSR of the prepared coke is 2 percentage points lower than that of the base coke, the CRI of the coke reactivity is increased by 4 ~ 5 percentage points.</p> <p>(2) On the basis of ensuring that the cold strength M40 and hot strength CSR of coke are basically stable on the basis of coke made by the basic coal blending institute, the need to reduce a certain amount of CO2 emission by the existing blast furnace every year is met.</p>	<p>On the basis of ensuring that the coke has a certain CSR and M40 strength. When the coke CRI index is appropriately increased, the blast furnace can maintain a high utilization coefficient, and at the same time achieve the purpose of carbon reduction, which plays a positive role in the company 's realization of carbon emission targets.</p>
<p>Development and Application of Slow Cooling Process for High Strength Steel Coil Based on 2300 Hot Rolling Mill</p>	<p>By studying the requirements of different high strength steel varieties, specifications, uses and ambient temperature for slow cooling process, combined with the construction of slow cooling equipment of 2300 hot rolling mill, a set of feasible and efficient slow cooling process</p>	<p>The slow cooling experiments of cold rolled high strength steel PHS2000, TRIP780 and DP780 at 700 ~ 500 ° C for 20 ~ 240 minutes have been completed, and the corresponding performance change rules have been obtained. The industrial test scheme is being drafted in</p>	<p>(1) The slow cooling process of hot rolled (pickling) high strength steel coil above500MPa was established.</p> <p>(2) The slow cooling process of hot rolled raw material coils of cold rolled high strength steel represented by PHS1500, PHS2000,</p>	<p>A set of feasible and efficient slow cooling process of hot rolled coil is established to solve the key common problems such as uneven through coil performance, poor shape and large deviation of cold rolling force caused by too fast cooling rate of hot rolled coil, and to break through the bottleneck</p>

	for hot rolled steel coils is established.	combination with the project progress.	DP980 and QP980 was established.	restricting the quality improvement of high strength steel in Benxi Iron and Steel Co., Ltd.
Research and development of 780 MPa grade hot rolled pickling steel with high hole expansion	The 440 MPa, 540 MPa, 580 MPa grade high reaming hot rolled pickling plate has been successfully developed, and the batch stable supply has been realized. The research and development of 780 MPa grade high reaming steel is helpful to narrow the gap with advanced enterprises, improve product serialization and improve the profitability of enterprises.	The fundamental theoretical research is completed, and the first production trial is completed in combination with similar contracts. The mechanical properties basically meet the requirements of relevant standards. At present, the market promotion is being carried out, and the production trial is planned to be carried out in combination with the special contract review FB780 contract.	The mechanical properties fulfill: $600\text{MPa} \leq \text{ReL (or Rp0.2)} \leq 760\text{MPa}$, $780\text{MPa} \leq \text{Rm} \leq 900\text{MPa}$, $\text{A80 \%} \geq 12 \%$, reaming rate $\geq 50 \%$.	780 MPa steel products are widely used in automotive safety structural parts. With high strength and high flanging forming performance, 780 MPa products have the processing and forming of more parts. There is a lot of demand in the market, which can improve the profitability and social influence of enterprises.
Research on fatigue performance control technology and mechanism of 650MPa high strength and high fatigue performance wheel rim steel	Through the reasonable addition of alloying elements and the improvement of the control precision of chemical composition in steelmaking, the technology of controlled rolling and controlled cooling is redesigned to make the thin material obtain the required high strength performance, so as to achieve the purpose of reducing the weight of wheel rim.	The laboratory research and industrial trial production of BG650 LW have been completed, the batch stable supply has been realized, and the relevant certification has been completed. At present, the cumulative supply is about 500 tons.	The yield strength of BG650LW product is $\geq 500\text{MPa}$, the tensile strength is $\geq 650\text{MPa}$ and the elongation is $\geq 15 \%$. Fatigue performance ≥ 1.5 million times.	The successful development of BG650 LW hot rolled wheel steel can not only create considerable economic benefits for Benxi Steel, but also provide conditions for the upgrading of wheel products, energy saving and consumption reduction, national safety production and environmental protection.

Information on research and development personnel by the Company

	FY2023	FY2022	Change over last year
Number of research and development staff	1,456	1,601	-9.06%
Proportion of number of research and development staff	10.12%	10.83%	-0.71%
Educational structure of research and development staff			
Bachelor	1,090	1,158	-5.87%
Master's degree	152	164	-7.31%
Age composition of research and development staff			
Under the age of 30	75	82	-8.53%
30 to 40 years old	452	471	-4.03%

Information on research and development input by the Company

	FY2023	FY2022	Change over last year
Amount of research and development investment (RMB)	1,763,356,565.00	1,923,920,000.00	-8.35%
Proportion of research and development investment to operating income	3.05%	3.07%	-0.02%
Amount of capitalized research and development investment	0.00	0.00	0.00%
Proportion of capitalized research and development investment accounted to total research and development investment	0.00%	0.00%	0.00%

Reasons for and effects of significant changes in the composition of the Company's R&D staff

Applicable Not applicable

Reasons for the significant change in total R&D investment as a proportion of operating income compared to the previous year

Applicable Not applicable

Reasons for the significant change in the capitalization rate of R&D investment and its reasonableness

Applicable Not applicable

5. Cash flow

Unit: RMB

Item	FY2023	FY2022	Change over last year
Subtotal of cash inflows from operating activities	55,274,413,040.41	51,680,631,749.58	6.95%
Subtotal of cash outflows from operating activities	50,945,061,782.11	50,404,268,784.02	1.07%
Net cash flows from operating activities	4,329,351,258.30	1,276,362,965.56	239.19%
Subtotal of cash inflows from investing activities	87,797,599.66	145,128,645.47	-39.50%
Subtotal of cash outflows from investing activities	993,323,275.09	1,707,467,068.85	-41.82%
Net cash flows from investing activities	-905,525,675.43	-1,562,338,423.38	-38.58%
Subtotal of cash inflows from financing activities	2,698,377,111.10	4,759,751,595.78	-43.31%
Subtotal of cash outflows from financing activities	6,267,561,866.24	9,497,398,695.88	-34.01%
Net cash flows from financing activities	-3,569,184,755.14	-4,737,647,100.10	-24.66%
Net increase in cash and cash equivalents	-111,887,711.68	-5,002,436,380.28	-97.76%

Illustrations of key factors of significant changes over the same period last year

Applicable Not applicable

(1) Net cash flow from operating activities increased by 239.19% compared with the previous period, mainly due to the increase in the proportion of cash remittances of sales refunds in the current period.

(2) The subtotal cash inflow from investing activities decreased by 39.5% compared with the previous period, mainly due to the reduction of the income of the disposal sub-enterprises in the current period compared with the previous period.

(3) The subtotal of cash outflow from investing activities decreased by 41.82% compared with the previous period, which was mainly due to the decrease in the proportion of spot exchange of fixed assets purchased and built in the current period.

(4) Net cash flow from investing activities decreased by 38.58% compared with the previous period, mainly due to the reduction of the disposal of subsidiary enterprises' income and the reduction of the proportion of fixed assets in the current period compared with the previous period.

(5) The subtotal of cash inflow from financing activities decreased by 43.31% compared with the previous period, mainly due to the decrease of borrowings in the current period.

(6) The subtotal of cash outflow from financing activities decreased by 34.01% compared with the previous period, mainly due to the decrease in repayment of loans and interest on loans, and the decrease in restricted monetary funds in the current period.

(7) Net increase in cash and cash equivalents increased by 70.71% compared with the previous period, mainly due to the decrease in borrowings and dividend payment in the current period.

Illustrations of significant difference between cash flow from operating activities and net profit during the reporting period

Applicable Not applicable

V. Analysis of non-core business

Applicable Not applicable

Unit: RMB

	Amount	Proportion of total profit	Reason for formation	Whether it is sustainable or not
Investment Income	-2,827,424.32	0.18%	Investment income from disposal of long-term equity investments	No
Asset impairment	-35,339,403.25	2.24%	Due to the increase in the provision for inventory impairment	No
Non-operating income	43,395,135.36	-2.75%	Due to the income from disposal of non-current assets	No
Non-operating expenses	95,059,082.07	-6.03%	Due to the disposal of assets in the current period	No

VI. Analysis of assets and liabilities

1. Significant change of assets components

Unit: RMB

	Ending balance of 2023		Beginning balance of 2023		Proportion change	Notes to significant change
	Amount	Proportion in the total assets (%)	Amount	Proportion in the total assets (%)		
Cash and cash	2,194,654,161.	4.74%	1,461,145,641.	3.29%	1.45%	

equivalents	34		87			
Accounts receivable	1,328,532,598.47	2.87%	897,230,896.06	2.02%	0.85%	
Contract assets					0.00%	
Inventory	7,708,372,894.81	16.67%	8,463,728,475.18	19.04%	-2.37%	
Investment properties					0.00%	
Long-term equity investments	46,910,346.41	0.10%	51,030,777.18	0.11%	-0.01%	
Fixed assets	25,028,192,964.67	54.11%	24,836,556,422.90	55.86%	-1.75%	
Construction in progress	4,308,404,147.31	9.31%	3,158,195,899.65	7.10%	2.21%	
Right-of-use assets	1,319,616,179.37	2.85%	1,379,990,713.89	3.10%	-0.25%	
Short-term loans	328,000,000.00	0.71%	49,200,000.00	0.11%	0.60%	
Contract liabilities	3,303,108,592.38	7.14%	3,794,115,592.29	8.53%	-1.39%	
Long-term borrowings	1,723,726,700.80	3.73%	1,726,938,302.30	3.88%	-0.15%	
Lease liabilities	1,342,427,252.45	2.90%	1,384,348,462.18	3.11%	-0.21%	

High proportion of abroad assets

Applicable Not applicable

2. Assets and liabilities measured at fair value

Applicable Not applicable

3. Restricted assets by the end of the period

Items	The end of the period	
	Book balance	Restricted reasons
Cash and cash equivalents	1,009,879,189.82	Margin on bills, Letter of credit margin
Notes receivable	218,427,117.76	Pledge
Total	1,228,306,307.58	

VII. Analysis of the investment situation

1. General

Applicable Not applicable

2. Acquiring significant equity investment in the reporting period

Applicable Not applicable

3. Undergoing significant non-equity investment in the reporting period

Applicable Not applicable

4. Investment of financial assets**(1) Investment in securities**

Applicable Not applicable

There was no investment in securities during the reporting period.

(2) Investment in derivatives

Applicable Not applicable

There was no investment in derivatives during the reporting period.

5. Use of raised funds

Applicable Not applicable

(1) Use of raised funds

Applicable Not applicable

Unit: RMB 10,000

Year	Method of raising funds	Total amount of raised funds	Net amount of fund raised	Used amount of raised fund this period	The total used amount of funds raised	The total amount of funds raised for change of purpose during the reporting period	Cumulative total amount of funds raised for change of purpose	Cumulative proportion of total raised funds for changes of purposes	The total amount of funds raised not used	The purpose and destination of the raised funds not yet used	Amount of funds raised after being idle for more than two years
2018	Private placement to raise funds	400,000	396,580	0	396,580				0	Not applicable	
2020	Issue of convertible	680,000	675,920	2,963.82	426,640.28				249,279.72	Deposit	101,479

	bonds										
Total	--	1,080,000	1,072,500	2,963.82	823,220.28	0	0	0.00%	249,279.72	--	101,479

Description of the overall use of raised funds

(I) Status of use of funds for investment projects with raised funds

Details of the actual use of proceeds in FY2023 of the Company are set out in (2) Details of raised fund commitment projects.

(II) Status of changes in the implementation location and implementation method of the projects invested by raised funds

During the reporting period, there is no situation of change in the investment projects of raised funds or their implementation locations and implementation methods.

(III) Status of preliminary investment and replacement of raised funds for investment projects

1. Status of preliminary investment and replacement of funds raised from non-public offering of stocks

At the 14th meeting of the 7th Board of Directors and the 10th meeting of the 7th Board of Supervisors of the Company, *About the Use of Raised Funds to Replace Pre-Invested Raised Funds for Investment Projects* was reviewed and approved. Before the raised funds arrive in the account, in order to ensure the smooth implementation of the raised investment projects, the Company uses self-raised funds for project construction. As of February 28th, 2018, the pre-invested amount of self-raised funds replaced by raised funds was RMB 1,822,749,211.07, including RMB 1,484,133,089.39 for the cold-rolled high-strength steel reconstruction project and RMB 338,616,121.68 for the hot-dip galvanizing production line project of the third cold rolling plant.

During the period from March 1st, 2018 to February 28th, 2019, the Company paid RMB 88,296,207.56 for the construction of projects with self-raised funds, of which RMB 86,709,830.40 was invested in the cold-rolled high-strength steel reconstruction project, and the third cold-rolling plant was hot-dip galvanized. The zinc production line project is RMB 1,586,377.16 (not yet replaced from the special account of raised funds). The Company transferred RMB 86,709,830.40 from the fundraising account to the general deposit account in 2020.

During the period from March 1st, 2019 to May 31st, 2021, the Company paid RMB 62,608,242.01 for the construction of the project with self-raised funds, of which RMB 50,391,999.49 was invested in the cold-rolled high-strength steel reconstruction project, and the third cold-rolling plant was hot-dip galvanized. The zinc production line project is RMB 12,216,242.52. The Company has transferred the above amount from the fundraising account to the general deposit account in 2021.

During the period from June 1st, 2021 to May 31st, 2022, the Company paid the amount of RMB 37,435,207.38 for the construction of the raised fund investment project with self-raised funds, all of which was used for the construction of cold-rolled high-strength steel renovation project. As of December 31st, 2022, the Company has transferred the above amount from the fund-raising account to the general deposit account in 2022.

During the period from January 1st, 2023 to December 31st, 2023, the construction amount of the fund-raising investment project raised for the company by self-financing payment was 21,092,488.80 RMB, all of which were used for the construction of cold-rolled high-strength steel transformation project. As of December 31st, 2023, the above amount was transferred from the fundraising account to the general deposit account.

2. Status of preliminary investment and replacement of funds raised from public issuance of convertible corporate bonds

After the 13th meeting of the 8th Board of Directors and the 11th meeting of the 8th Board of Supervisors of the Company, the *Proposal on Using Raised Funds to Replacing Pre-invested Raised Funds for Investment Projects and Self-raised Funds for which Issuance Fees Have Been Paid* was reviewed and approved. The Company used the raised funds to replace the self-raised funds that had been invested in the investment projects with raised funds and had paid the issuance fees, and the total replacement amount was RMB 366,180,860.17. There is no disguised change in the use of the raised funds in this replacement, and it does not affect the normal progress of the investment projects with the raised funds. The replacement time is less than 6 months from the time when the raised funds arrive in the account, which is in line with the relevant laws and regulations.

Before the raised funds arrive in the account, the Company has used self-raised funds to pre-invest in the raised investment projects according to the progress of the project. As of May 31st, 2020, the pre-invested amount of self-raised funds replaced by

raised funds was RMB 365,630,860.17, including RMB 76,278,945.59 for the No. 8 casting machine project of the steelmaking plant, RMB 119,043,290.09 for the No. 5 blast furnace capacity replacement project in the ironmaking plant, and special The steel electric furnace upgrade and reconstruction project is RMB 59,948,807.90, the CCPP power generation project is 95,098,084.16 yuan, and the steel plant No. 4-6 converter environmental protection renovation project is RMB 15,261,732.43. As of July 6th, 2020, the above-mentioned issuance fee of RMB 550,00.00 paid by the Company's own funds will be replaced with the raised funds.

During the period from March 1st, 2019 to May 31st, 2021, the Company used self-raised funds to pay the raised funds to invest in the project construction amount of RMB 1,082,356,809.47, including high grade high magnetic inductance non-oriented silicon steel project RMB 180,000.00. The No. 8 casting machine project is RMB 55,364,729.08, the No. 5 blast furnace capacity replacement project in the iron plant is RMB 628,049,033.12, the special steel electric furnace upgrading project is RMB 253,298,156.22, the CCPP power generation project is RMB 115,353,050.36, and the No. 4-6 converter environmental protection renovation project in the steel plant item RMB 30,111,840.69. The Company has transferred the above amount from the fundraising account to the general deposit account in 2021.

During the period from June 1st, 2021 to May 31st, 2022, the Company paid the construction amount of RMB 614,208,698.23 for the investment projects with self-raised funds, including: No.8 casters project of steel-making plant No.8 RMB 12,881,890.61, No.5 blast furnace capacity replacement project of iron making plant RMB 17,508,088.97, electric furnace upgrade project of special steel RMB 364,155,482.35, CCPP power generation project RMB 186,441,497.75, No.4 and No.6 converters environmental improvement project of steel making plant RMB 33,221,738.55. The Company has transferred the above amount from the fund-raised account to the general deposit account in 2022.

During the period from January 1st, 2023 to December 31st, 2023, the company paid self-raised funds to raise funds for the construction of investment projects amounted to RMB 610,957,924.72, of which : No.8 Caster Project of Sheet Steelmaking Plant RMB 125,000,000.00, No.5 Blast Furnace Energy Saving and Environmental Protection Reconstruction Project of Ironmaking Plant RMB 15,316,136.52, Special Steel Electric Furnace Upgrading and Reconstruction Project RMB 429,392,157.76, CCPP Project RMB 19,796,661.74, No.4-6 Converter Environmental Protection Reconstruction Project RMB 21,452. 968.70. As of December 31st, 2023, the Company transferred funds from the fundraising account to the general deposit account.

(IV) Status of temporary replenishment of working capital with idle raised funds

During the reporting period, according to the construction progress of the Company's raised funds investment projects and the use plan of the raised funds, part of the funds raised by the company's non-public offering was temporarily idle. In accordance with the provisions of the *Supervisory Guidelines for Listed Companies No. 2 - Supervisory Requirements for the Management and Use of Funds Raised by Listed Companies* (Revised in 2022) (SFC Announcement [2022] No. 15) and other normative documents, in line with the principle of following the principle of maximizing the interests of shareholders, and on the premise of ensuring the capital needs of the raised funds investment projects and the normal progress of the raised funds investment projects, in order to improve the use efficiency of raised funds will further reduce the company's financial costs, reduce financial expenditures, and protect the interests of investors. The Company plans to use idle raised funds to temporarily supplement working capital. The use period shall not exceed 12 months from the date of deliberation and approval by the Board of Directors. Liquidity will save the company financial expenses.

1. Temporary replenishment of working capital with funds raised from non-public offering of stocks

(1) In March 2018, the funds raised by the non-public offering of shares temporarily supplemented the working capital

In 2018, the Company used RMB 530,000,000.00 of idle raised funds to temporarily supplement working capital, and the period of use shall not exceed 12 months from the date of approval by the Board of Directors (March 13th, 2018).

As of March 11th, 2019, the Company has returned all the above-mentioned idle raised funds of RMB 530,000,000.00 used to temporarily supplement working capital to the company's special account for raised funds.

(2) In March 2019, the funds raised from the non-public offering of shares temporarily supplemented the working capital

In 2019, the Company used idle raised funds of RMB 742,000,000.00 to temporarily supplement working capital, and the period of use shall not exceed 12 months from the date of approval by the Board of Directors (March 21st, 2019).

As of March 23rd, 2020, the company has returned all the above-mentioned idle raised funds of RMB 742,000,000.00 used to

temporarily supplement working capital to the Company's special account for raised funds.

(3) In March 2020, the funds raised by the non-public offering of stocks temporarily supplement the working capital

The Company used idle raised funds of RMB 666,000,000.00 (RMB 370,000,000.00 for the cold-rolled high-strength steel reconstruction project, and RMB 296,000,000.00 for the hot-dip galvanizing production line project of the third cold-rolling plant) to temporarily supplement the working capital. It was reviewed and approved at the ninth meeting and the eighth meeting of the eighth supervisory committee. The independent directors of the Company issued a clear agreement, and the replenishment of working capital should not exceed 12 months.

The sponsor of the Company's non-public offering agreed to the company's use of idle raised funds to temporarily supplement working capital and issued *Guotai Junan Securities Co., Ltd.'s Verification Opinions on the Company's Use of Idle Raised Funds to Temporarily Supplement Working Capital*.

As of July 27th, 2020, the Company has returned all the above-mentioned idle raised funds of RMB 666,000,000.00 used to temporarily supplement working capital to the company's special account for raised funds.

(4) In July 2020, the funds raised by the non-public offering of stocks temporarily supplement the working capital

The Company used idle raised funds of RMB 666,000,000.00 (RMB 370,000,000.00 for the cold-rolled high-strength steel renovation project, and RMB 296,000,000.00 for the hot-dip galvanizing production line project of the third cold-rolling plant) to temporarily supplement the working capital. The fourth meeting and the 12th meeting of the 8th Supervisory Committee have been reviewed and approved, and the independent directors of the Company have issued a clear agreement, that the time for replenishing working capital should not exceed 12 months.

The sponsor of the Company's non-public offering agreed to the Company's use of idle raised funds to temporarily supplement working capital and issued *Guotai Junan Securities Co., Ltd.'s Verification Opinions on the Company's Use of Idle Raised Funds to Temporarily Supplement Working Capital*.

As of July 27th, 2021, the Company has returned all the above-mentioned idle raised funds of RMB 666,000,000.00 used to temporarily supplement working capital to the company's special account for raised funds.

(5) In July 2021, the funds raised from the non-public offering of stocks will temporarily supplement working capital

The Company used idle raised funds of RMB 604,000,000.00 (RMB 320,000,000.00 for the cold-rolled high-strength steel reconstruction project, and RMB 284,000,000.00 for the hot-dip galvanizing production line project of the third cold rolling plant) to temporarily supplement the working capital. The 19th meeting and the 17th meeting of the 8th Supervisory Committee reviewed and approved, and the independent directors of the Company have expressed their clear consent, and the replenishment of working capital shall not exceed 12 months.

The sponsor of the Company's non-public offering agreed to the Company's use of idle raised funds to temporarily supplement working capital and issued *Guotai Junan Securities Co., Ltd.'s Verification Opinions on the Company's Use of Idle Raised Funds to Temporarily Supplement Working Capital*.

As of July 28th, 2022, the Company used the idle funds raised from non-public issuance of stocks to temporarily supplement the balance of working capital of RMB 604,000,000.00.

(6) In July 2022, the funds raised from the non-public offering of stocks temporarily supplemented the working capital

The Company used idle funds raised of RMB 592,000,000.00 (RMB 308,000,000.00 for the cold-rolled high-strength steel renovation project and RMB 284,000,000.00 for hot-dip galvanizing production line projects of three cold-rolling plants) to temporarily supplement the working capital at the third meeting of the 9th Board of Directors and the third meeting of the 9th Supervisory Committee of the Company held on July 28th, 2022 considered and approved, and the independent directors of the Company have expressed their clear consent to the supplemental working capital for a period not exceeding 12 months.

The sponsor of the Company's non-public offering agreed to the Company's use of idle raised funds to temporarily supplement working capital and issued *Guotai Junan Securities Co., Ltd.'s Verification Opinions on the Company's Use of Idle Raised Funds to Temporarily Supplement Working Capital*.

(7) In July 2023, the non-public offering of shares raised funds to temporarily supplement the current funds.

The company used idle funds to raise CNY 548,800,000.00 (cold-rolled high-strength steel renovation project of CNY 263,000,000.00, hot-dip galvanizing production line project of No.3 Cold Rolling Plant of CNY 285,800,000.00) to temporarily supplement current funds. The 17th meeting of the 9th Board of Directors and the 12th meeting of the 9th Board of Supervisors held on July 19,2023 were deliberated and approved. The independent directors of the company have issued clear consent opinions, and the time for supplementing current funds does not exceed 12 months.

The sponsors of the company 's non-public offering agreed that the company used the idle raised funds to temporarily supplement the liquidity and issued a ' Guotai Jun 'an Securities Co., Ltd.on the company 's use of idle raised funds to temporarily supplement the liquidity of the verification opinions '.

In December of the same year, the company used non-public offering stocks to raise funds to permanently replenish liquidity.

2. Temporary replenishment of working capital with funds raised from public issuance of convertible corporate bonds

(1) Public issuance of convertible corporate bonds in July 2020 to raise funds to temporarily supplement working capital

The Company used idle raised funds of RMB 4,180,000,000.00 (RMB 1,010,000,000.00 for the high-grade high magnetic induction non-oriented silicon steel project, RMB 220,000,000.00 for the No. 8 casting machine project of the steelmaking plant, RMB 800,000,000.00 for the production capacity replacement project of the No. 5 blast furnace in the ironmaking plant, and RMB 1,300,000,000.00 for special steel electric furnace upgrade and reconstruction project, RMB 700,000,000.00 for CCPP power generation project, RMB 150,000,000.00 for steel plant No. 4-6 converter environmental protection renovation project) Temporarily supplementing working capital matters was approved on the 14th meeting of the 8th Board of Directors of the company held on July 28th, 2020, It was reviewed and approved at the 12th meeting of the 8th Supervisory Committee, and the independent directors of the company have issued a clear agreement, and the replenishment of working capital shall not exceed 12 months.

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

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

(2) The public offering of convertible corporate bonds in July 2021 to raise funds to temporarily supplement working capital

The Company used idle raised funds of RMB 3,030,000,000.00 (RMB 1,010,000,000.00 for the high-grade high magnetic induction non-oriented silicon steel project, RMB 150,000,000.00 for the No. 8 casting machine project of the steelmaking plant, RMB 160,000,000.00 for the production capacity replacement project of the No. 5 blast furnace in the ironmaking plant, and special steel electric furnace upgrade and reconstruction project. RMB 1,000,000,000.00, CCPP power generation project RMB 590,000,000.00, steel plant No. 4-6 converter environmental protection renovation project RMB 120,000,000.00) Temporary replenishment of working capital The nineteenth meeting of the eighth Board of Directors of the company held on July 28th, 2021 It was reviewed and approved at the 17th meeting of the 8th Supervisory Committee, and the independent directors of the Company have issued a clear agreement, and the time for replenishing working capital should not exceed 12 months.

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

As of July 28th, 2022, the Company used the idle funds raised from the public issuance of convertible corporate bonds to temporarily supplement the balance of working capital of RMB 3,030,000,000.00.

(3) In July 2022, the funds raised from the public offering of convertible bonds temporarily replenished working capital

The Company used idle proceeds of RMB 3,014,000,000.00 (RMB 1,015,000,000.00 for high grade high magnetic susceptibility non-oriented silicon steel project, RMB 165,000,000.00 for No. 8 casters project of steel making plant, RMB 175,000,000.00 for

No. 5 blast furnace capacity replacement project of iron making plant, RMB 933,000,000.00 for special steel electric furnace upgrade project, CCPP power generation project RMB 578,000,000.00, and RMB 148,000,000.00 for environmental protection improvement project of No. 4-6 converters of steel making plant), temporary supplemental working capital matters were considered and approved at the third meeting of the ninth session of the Board of Directors and the third meeting of the ninth session of the Supervisory Committee of the Company held on July 28th, 2022, and the independent The directors have expressed their clear consent to the supplemental liquidity for a period not exceeding 12 months.

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

(4) In July 2023, the non-public offering of shares to raise funds to temporarily supplement current funds

The Company used idle raised funds of RMB 1,961,200,000.00 (high-grade high magnetic induction non-oriented silicon steel project RMB 1,015,000,000.00, No.8 casting machine project of steelmaking plant RMB 125,000,000.00, No.5 blast furnace capacity replacement project of ironmaking plant RMB 145,000,000.00 , electric furnace upgrading project of special steel RMB 188,000,000.00, CCPP power generation project RMB 393,200,000.00, No.4-6 converter environmental protection renovation project of steelmaking plant RMB 95,000,000.00). The issue of temporary supplementary working capital was considered and approved at the 17th meeting of the 9th board of directors and the 12th meeting of the 9th board of supervisors held on July 19,2023. The company 's independent directors have issued a clear consent to supplement the liquidity for no more than 12 months.

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

As of December 31st, 2023, the balance of RMB 1,961,200,000.00 was used by the Company to temporarily replenish working capital with idle proceeds from the public offering of convertible corporate bonds.

(V) Cash management with idle raised funds

The Company does not use idle raised funds for cash management.

(VI)Use of surplus raised funds

On December 1st, 2023, the Company held the 22nd meeting of the 9th Board of Directors and the 15th meeting of the 9th Board of Supervisors to review and pass the *Proposal on Closing the Project of Non-public Offering of Shares and Permanently Replenishing Working Capital with the Surplus Raised Funds*. In view of the fact that the Company's non-public stock offering projects "Cold Rolled High Strength Steel Reconstruction Project" and "Hot Dip Galvanizing Production Line Project of No.3 Cold Rolling Plant" in 2018 have been completed and reached the scheduled serviceable condition, in order to improve the use efficiency of the Company's raised funds and reduce financial costs, and in combination with the liquidity demand in the actual operation process of the Company, it is planned to settle the above-mentioned raised funds investment projects and permanently replenish the working capital with the surplus raised funds of RMB 561,412,300 (the specific amount shall be subject to the bank interest balance on the day when the funds are transferred out).

Besides, the Company does not use the surplus funds from the raised capital investment projects for other raised capital investment projects or non-raised capital investment projects.

(VII) Use of over-raised funds

The Company does not use over-raised funds.

(VIII) Purpose and whereabouts of unused raised funds

1. Purpose and whereabouts of unused raised funds for non-public offering of shares

In 2018, the non-public offering of stock investment projects ' Cold-Rolled High-Strength Steel Transformation Project ' and ' Hot-Dip Galvanizing Production Line Project of No.3 Cold Rolling Plant ' have been completed, and the fund-raising investment project has been completed and the fund-raising fund will be saved.561.4123 million yuan (the specific amount is based on the bank

balance on the day the fund is transferred out) will permanently supplement the working capital.

2. Purpose and whereabouts of unused raised funds for public offering of convertible corporate bonds

As of December 31st, 2023, in addition to the above-mentioned "(III) Preliminary investment and replacement of raised funds investment projects", and "(IV) Temporary replenishment of working capital with idle raised funds", the company has raised funds. In addition to replacing and temporarily supplementing working capital with idle raised funds, the remaining raised funds are temporarily deposited in a special account for raised funds.

(IX) Other information on the use of raised funds

There were no other situations about the use of raised funds of the Company.

(2) Fundraising commitments

Applicable Not applicable

Unit: RMB 10,000

Commitment to investment projects and over-raised funds	Whether the item has been changed (including some changes)	Total committed investment of raised funds	Adjusted total investment (1)	Amount invested during the reporting period	Cumulative investment amount by the end of the period (2)	Investment progress by the end of the period (3) = (2)/(1)	Item reaches scheduled availability date	Benefits realized during the reporting period	Whether the expected benefit is achieved	Has the project feasibility changed significantly
Commitment to Investment Projects										
Cold-rolled high-strength steel renovation project	No	226,580	226,580		197,212.39	87.04%	2017年12月31日	9,267.53	No	No
Hot-dip galvanizing production line project of the third cold rolling plant	No	70,000	70,000		41,514.24	59.31%	2018年12月31日	8,826.38	Yes	No
Repay bank loan	No	100,000	100,000		100,000	100.00%			Not applicable	No
High grade high magnetic induction non-oriented silicon	No	101,620	101,620	0	141	0.14%			Not applicable	No

steel engineering project										
Steel Plant No. 8 Casting Machine Project	No	33,500	33,500	1,185.02	18,833.93	56.00%	October 31 st , 2020	- 11,455.37	No	No
No. 5 blast furnace capacity replacement project in ironworks	No	96,000	96,000	136.1	78,635.33	100.00%	November 30 th , 2020	- 1,409.69	No	No
Special Steel Electric Furnace Upgrade and Reconstruction Project	No	141,600	141,600	1,181.44	80,086.09	57.00%			Not applicable	No
CCPP power generation project	No	83,300	83,300	277.12	40,714.14	49.00%	December 31 st , 2022	27,038.17	Yes	No
Environmental protection renovation project of converter No. 4-6 in steelmaking plant	No	19,900	19,900	184.14	8,229.8	41.00%			Not applicable	No
Repay bank loan	No	200,000	200,000	0	200,000	100.00%			Not applicable	No
Subtotal of Committed Investment Projects	--	1,072,500	1,072,500	2,963.82	765,366.92	--	--	32,267.02	--	--
Over-raised funds are invested in								Over-raised funds are invested in		
None										
Total	--	1,072,500	1,072,500	2,963.82	765,366.92	--	--	32,267.02	--	--

<p>Explanation by project, the situation and reasons for not reaching the planned progress and expected benefits (including the reasons for selecting "Not applicable" for "Whether to achieve the expected benefits")</p>	<p>The market environment has undergone major changes. The cold-rolled high-strength steel reconstruction project and the hot-dip galvanizing production line project of the third cold-rolling plant have reached their production capacity. The high-grade high-magnetic-induction non-oriented silicon steel project is greatly affected by market factors, and the development strategy is adjusted to continuously track market changes.</p>
<p>Status of the description of material changes in project feasibility</p>	<p>None</p>
<p>Status of amount, purpose and progress of use of over-raised funds</p>	<p>Not applicable</p>
<p>Status of changes in implementation locations of raised funds investment</p>	<p>Not applicable</p>

projects	
Status of adjustment of the implementation method of raised funds for investment projects	Not applicable
Status of preliminary investment and replacement of raised funds for investment projects	Applicable For details, please refer to the special report III. (4)
Status of temporary replenishment of working capital with idle raised funds	Applicable For details, please refer to the special report III. (4)
Reasons and amount for the balance of raised funds in project implementation	Applicable In 2018, the non-public offering stock offering project closed and the savings raised RMB 561.4123 million (the specific amount is based on the balance of the bank balance on the day of the transfer of funds) to permanently supplement the liquidity. The main reasons for the balance of the raised funds : in the process of implementing the raised funds investment project construction, the company strictly follows the relevant provisions on the use of the raised funds, starts from the actual situation of the project, and does not affect the smooth implementation of the raised funds investment project. Under the premise of completion, in line with the principles of rationality, economy and effectiveness, the Company carefully uses the raised funds, strengthens the control, supervision and management of each link cost, and reasonably saves the project construction cost. In order to improve the efficiency of the use of raised funds, under the premise of ensuring that it does not affect the construction of investment projects and the safety of raised funds, the Company has obtained certain investment income by using some temporarily idle raised funds for cash management. At the same time, a certain amount of deposit interest income has also been generated during the storage of raised funds.
Use and whereabouts of unused raised funds	Unused raised funds are deposited in the special account of raised funds.
Problems or other situations	There is no problem otherwise

in the use and disclosure of raised funds	
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(3) The situation for change of fund-raising projects

Applicable Not applicable

During the reporting period, the Company did not have any changes in the fund raising project.

VIII. Significant assets and equity sold in the reporting period**1. Significant assets sold**

Applicable Not applicable

There was no significant asset sold during the reporting period.

2. Substantial equity soldApplicable Not applicable**IX. Analysis on main subsidiaries and share participating companies**Applicable Not applicable

Main subsidiaries and the joint-stock companies influencing over 10% net profit of the Company

Unit: RMB

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net Profit
Bengang Puxiang Cool Rolling Steel Sheet Co., Ltd.	Subsidiary	Processing and sales of steel	1,920,000,000	4,273,687,500.63	2,304,357,344.37	8,939,304,737.19	325,328,064.39	273,163,973.25

Acquirement and disposal of subsidiaries during the reporting period

Applicable Not applicable

Company name	Method of acquisition and disposal of subsidiaries during the reporting period	Impact on overall production operations and results
Zhejiang Jingrui Steel Processing Co., Ltd.	Equity transfer	Non-important shareholding subsidiary and it has no significant impact on the company 's production and operation and performance.

Illustration of major holding and equity participation companies

The Company transferred the 20 % equity transfer of Zhejiang Jingrui Steel Processing Co., Ltd., a subsidiary of the company on February 28th, and completed the change of industry and commerce on March 6th. At present, the company no longer holds the equity of Zhejiang Jingrui Steel Processing Co., Ltd., this transfer did not have a greater impact on the Company.

X. Structure entities controlled by the CompanyApplicable Not applicable**XI. Prospect for future development of the Company****(I) The development trend of the industry and the market competition pattern the Company faces**

The year of 2024 is a key year to implement the spirit of the 20th National Congress of the Communist Party of China and promote the implementation of the 14th Five-Year Plan. It is also an important year for Benxi Iron and Steel Plate to deepen reform, strengthen chain, upgrade and improve core competitiveness. At present, the steel industry has entered a critical period of high-quality development. Green low-carbon and intelligent manufacturing have brought more severe challenges and disruptive changes. The industry's consumer demand is insufficient, corporate profits continue to decline, and market uncertainty factors increase. We should not only face up to the difficulties, but also be confident. The Central Economic Work Conference pointed out that it is necessary to fully optimize the policy mix, effectively guide market expectations, and stabilize market confidence. As a listed company dominated by high-quality plate in Ansteel Group, we shall move towards the goal of "first parade" of domestic automobile steel,

further optimize and strengthen the brand of automobile steel, and enhance the influence of core products and the profitability of enterprises.

(II) Company development strategy

General policy of production and management and instructive guiding thought for work in 2024 of the Company: :Take Xi Jinping Thoughts on Socialism with Chinese Characteristics in the New Era as the guiding principle, study and implement the spirit of the 20th Party Congress and The Second Plenary Session of the 20th Central Committee. Uphold the principle of innovation, maintain strategic concentration, take high-quality development as the primary task, and play a good role as the vanguard and main force in building a new development pattern of “Reform + Lean” and “Digital + Technology” .

(III) Business plan

In 2023, the production and operation target: strive to complete 10.33 million tons of pig iron, 11.15 million tons of crude steel, 10.46 million tons of hot-rolled plate, 6.66 million tons of cold-rolled plate and 458,000 tons of special steel to realize safety production target of “Three Zeroes”(Zero responsible accident, Zero personal injury and Zero damage to the environment).

In order to implement the above overall work concept and production and management objectives, we focus our efforts on the following aspects:

First, adhere to the bottom line thinking, and strive to prevent and resolve the four risks.

Second, adhere to the overall coordination of production and marketing, and focus on optimizing and adjusting the three structures.

Third, adhere to cost control, focus on compaction pressure drop process costs.

Fourth, adhere to the efficient operation, and strive to continuously improve the eight efficiency.

Fifth, adhere to the people 's position, and strive to do a good job in people 's livelihood projects.

(IV) Maintain the current business and complete the funding arrangements required for the investment projects under construction

The Company will use its own funds and bank loans to meet the funds required for production and operation and technological transformation.

(V) Possible risks

1. Risks of macroeconomic policies

The Russian-Ukrainian war and the Palestinian-Israeli Conflict are continuing, the century-old changes accelerated, and the world economic recovery was weak. The foundation of China 's economic recovery is not yet solid. Economic development is facing the triple pressure of demand contraction, supply shock and expectation weakening. The external export environment is severe and the downward pressure on the economy is increasing. The downstream demand of the domestic steel industry is generally weak, and the market pattern of supply exceeding demand has not changed fundamentally. The optimization and adjustment of domestic steel layout has accelerated, and the strategic restructuring of iron and steel enterprises has continued to advance. Changes in macro policies such as domestic steady growth finance and finance will bring many uncertainties to the development of the steel industry.

Countermeasures : First, strengthen the research on national fiscal, financial and industrial policies, fully, accurately and comprehensively implement the new development concept, and continuously improve the forward-looking and effectiveness of policy research ; the second is to seize the development opportunities of macro policy adjustment, optimize and adjust strategic

planning in time, focus on key areas such as safety, green, high efficiency, intelligence and quality, adhere to the ultimate thinking, deepen lean operation, accelerate the transformation of old and new kinetic energy, actively promote green low-carbon transformation and upgrading, create more comparative advantages, continuously improve core competitiveness, and strive to achieve high-quality development of the Company.

2. Raw fuel prices and supply risks

The global iron ore supply monopoly situation is difficult to change in the short term, the domestic iron ore demand is highly dependent on foreign countries, the short board of strategic resources such as coal and coke is obvious, the implementation time of the "cornerstone plan" of China's iron and steel industry is short, and the independent control ability of the supply chain of the iron and steel industry chain is weak. The financial attributes of black resources of ore and coal char are enhanced, and speculation of floating capital at home and abroad is frequent. The energy-saving and emission reduction policies continue to deepen, and the production capacity of upstream coal char enterprises is limited. Various internal and external factors lead to frequent fluctuations in raw fuel prices, and the risk of raw fuel prices and safe supply increases.

Countermeasures : First, adhere to the 'predictive' business procurement concept, strengthen the analysis and judgment of raw fuel supply and market demand, build a raw fuel procurement model, scientifically control the procurement timing, and adjust the procurement strategy in a timely manner ; the second is to strengthen the strategic cooperation of raw fuel supply, consolidate and expand domestic raw fuel procurement channels, deeply aggregate raw fuel resources, accelerate the formation of domestic and foreign dual-cycle supply chain security guarantee pattern, and enhance the price advantage of scale procurement ; the third is to optimize the production burden structure, adjust the raw fuel procurement structure, reasonably control the raw fuel inventory, effectively reduce the adverse effects of raw fuel price fluctuations, and minimize the cost of raw fuel.

3. Environmental protection risks

With the continuous strengthening of the state's environmental protection efforts and the promotion of "carbon peak, carbon neutralization", the environmental protection department continues to increase the supervision of the pollution control of the iron and steel industry, the environmental protection investment and operation cost of the iron and steel enterprises will increase, and the iron and steel enterprises will face increasing environmental protection pressure.

Countermeasures : First, establish and improve the production and operation system of green low-carbon cycle development, that is, through the upgrading of equipment energy conservation and environmental protection, the promotion and application of advanced technology, further improve the efficiency of resource and energy utilization, promote ultra-low emission transformation and comprehensive treatment of pollutants, and continuously reduce carbon emission intensity ; second, actively carry out product ecological design and life cycle assessment to create green and low-carbon products ; the third is to strengthen the operation and maintenance of existing environmental protection equipment and facilities and standardized operation control, focusing on strengthening the monitoring of atmospheric pollution sources ; the fourth is to build a "AAA" level scenic spot garden factory as the starting point, and strive to improve the factory environment.

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

Applicable Not applicable

Reception time	Reception location	Reception method	Reception type	Reception object	The main content of the conversation and the information provided	Index of basic information of the research
February 28 th ,	Benxi	Telephone	Institution	Beijing Zhetou	Company	Transcript of

2023		communication		<p>Investment Co., Ltd. -Lin Xiaoshan and Fan Guannan; Gaokang Capital Investment Management Co., Ltd. -Miao Yongyan; China Securities-Zhang Shaochen; Forbes Global Alliance-Yao Lei; Great Wall Securities-Dongdan; JING CAI HU ZHI GROUP Co., Ltd. -Shi Hongxia; Beijing Quant Investment Co., Ltd. -Dou Changmin; Shanghai Mingshi Private Fund Management Co., Ltd. -Liu Jingfeng; Beijing Jiaheng Private Fund Management Co., Ltd. -Zhang Zhanqian; HSBC-Li Junwen; Zhongtai Securities-Zhou Xingzhen; Beijing Gelei Fund Co., Ltd. -Yuan Shuai; Beijing Fantaike Technology Co., Ltd. -Li Huayong; Beijing Hechuang Youliang Private Fund Management Co., Ltd. -Zhao Tianyu; Hangzhou Dechuang Investment Management Co., Ltd. -Peng Guolin; Beijing Beiyin Fengye Group Co., Ltd.</p>	production and operation and industry situation	investor relations activities of Bengang Steel Plates Co., Ltd. on February 28 th , 2023
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				-Zhang Peng		
March 30 th , 2023	Benxi	Telephone communication	Institution	Yinhua Fund Management Co., Ltd. -Hua Qiangqiang; Pengyang Fund Management Co., Ltd. -Yuan Yamei; Dongwu Fund Management Co., Ltd. -Qin Bin; Guangfa Fund Management Co., Ltd. -Wu Xiaogang; Minsheng Securities Research Institute-Ren Heng; Xingye Fund-Li Xin; Shanghai Qushi Assets Management Co., Ltd. -Zhang Hongyun; China Life AMP Asset Management Co., Ltd. -Ge Jia; Huabao WP Fund Management Co., Ltd. -Hu Yingzhen; Boser Funds Management Co., Ltd. -Wang Han and Gong Runhua; Beijing Xingshi Investment Management Co., Ltd. -Qiu Yinglun; China Asset Management Co., Ltd. -Hu Yuxi	Company production and operation and industry situation	Transcript of investor relations activities of Bengang Steel Plates Co., Ltd. on March 23 rd , 2023
March 30 th , 2023	Benxi	Telephone communication	Institution	Bosera Funds Management Co., Ltd. -Wang Yixian; CITIC-Prudential Fund Management Company Ltd. - Lin Li; Yinhua Fund Management Co., Ltd. -Hua Qiangqiang; Everbright	Company production and operation and industry situation	Transcript of investor relations activities of Bengang Steel Plates Co., Ltd. on March 30 th , 2023

				<p>Pramerica Fund Management Co.,Ltd. -Hua Yeshu; Wanjia Asset Management Co.,Ltd. -An Jingyi; China Universal Asset Management Co.,Ltd. -Huang Heqing; Bosc Asset Management Co.,Ltd. -Lu Yang; Lombarda China Fund Management Co., Ltd. -Li Bo; Evergrande Life Assurance Co., Ltd. -Shi Han; PICC Asset Management Co., Ltd. -Bi Qinglan; Zhihe Yuanjian Private Fund Management Center Co., Ltd. -Sun Bin; Wisdomshire Blossom Investment Management Co., Ltd. -Ding Chenxia; Zhongtian Securities Co., Ltd. -Li Chen; China Capital Management Co., Ltd. -Tian Mingzhou; Zheshang Securities Co., Ltd. Shanghai Securities Proprietary Branch -Shi Lingyu; Anxin Securities Asset Management Co., Ltd. -Feng Siyuan; China National Gold Group Asset Management Corporation - Hu Di; China Securities Co., Ltd. Proprietary</p>		
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				Branch -Liu Guangzong and Liu Lan		
April, 11 th , 2023	Benxi	Others	Individual	Earnings communication conference	Company production and operation and industry situation	Transcript of investor relations activities of Bengang Steel Plates Co., Ltd. on April, 11 th , 2023
May 24 th , 2023	Benxi	Field research	Institution	Huatai Securities Co., Ltd. -Li Bin and Wang Xinyan; Citic Securities Co., Ltd. -Wang Bojun; Beijing Xingshi Investment Management Co., Ltd. -Qiu Yinglun; Shanghai Greenwoods Asset Management Co., Ltd. -Wang Ziyu	Company production and operation and industry situation	Transcript of investor relations activities of Bengang Steel Plates Co., Ltd. on May 24 th , 2023
June 1 st , 2023	Benxi	Telephone communication	Institution	GF Securities Co., Ltd. -Li Sha and Chen Qiwei	Company production and operation and industry situation	Transcript of investor relations activities of Bengang Steel Plates Co., Ltd. on June 1 st , 2023
June 7 th , 2023	Benxi	Field research	Institution	GF Securities Co., Ltd. -Gong Shuai; Southern Fund Management Co., Ltd. -Bao Yuchen	Company production and operation and industry situation	Transcript of investor relations activities of Bengang Steel Plates Co., Ltd. on June 7 th , 2023
June 8 th , 2023	Benxi	Field research	Institution	Guolian Securities Co., Ltd. -Liu Yiming; Huanan Securities Co., Ltd. -Hu Qianqian; Zhongrong International Trust Co., Ltd. -Tu Jiawei; Cathay Insurance Co., Ltd. -Gan Ge; Xingzheng Global Fund	Company production and operation and industry situation	Transcript of investor relations activities of Bengang Steel Plates Co., Ltd. on June 8 th , 2023

				Management Co., Ltd.-Qian Yiwen; Warburg Fund Management Co., Ltd. -Zhang Yanwen; China Life AMP Asset Management Co., Ltd. -Lin Han; Wanlian Securities Co., Ltd. -Zhang Weijing; China Fortune Securities Ltd. -Liu Yiwen; China Plus Investment Limited -Gao Jiayue; First Capital Securities Co., Ltd. -Yu Xiuying; Haitong International Asset Management (HK) Limited -Deng Zhanfei; Ping An Finance Co., Ltd. -Gan Lu; First Capital Securities Co., Ltd. -Bian Qin; China Everbright Investment and Assets Management Co., Ltd. -Yuan Wai; Capital Securities Corporation Limited -Tang Ren; Xingye Economic Research Consulting Co., Ltd. -Hua Peiqi		
June 20 th , 2023	Benxi	Field research	Institution	Changjiang Securities-Zhao Chao, Yi Hong; Taikang Assets-Xiao Rui; Tianan Life Insurance-Cao Yuan; China Europe Fund-Zheng Sien	Company production and operation and industry situation	Transcript of investor relations activities of Bengang Steel Plates Co., Ltd. on June 20 th , 2023
June 21 st , 2023	Benxi	Field research	Institution	Everbright Securities Co.,	Company production and	Transcript of investor

				Ltd. -Dai Mo; China Life Asset Management Co., Ltd. -Yang Chen; Baoying Fund Co., Ltd. - Jiang Le	operation and industry situation	relations activities of Bengang Steel Plates Co., Ltd. on June 21 st , 2023
July 18 th , 2023	Benxi	Telephone communication	Institution	Citic Securities Co., Ltd. -Tang Chuanlin	Company production and operation and industry situation	Transcript of investor relations activities of Bengang Steel Plates Co., Ltd. on July 18 th , 2023
July 20 th , 2023	Benxi	Field research	Institution	Citic Securities Co., Ltd. -Du Bozhao; Jinyuan Capital Management (Xiamen) Co., Ltd. -Wu Xinbin, Huang Zhaoteng and Wu Qian	Company production and operation and industry situation	Transcript of investor relations activities of Bengang Steel Plates Co., Ltd. on July 20 th , 2023
September 8 th , 2023	Benxi	Telephone communication	Institution	Agricultural Bank of China Huili Fund Management Co., Ltd. -Zhou Zihan	Company production and operation and industry situation	Transcript of investor relations activities of Bengang Steel Plates Co., Ltd. on September 8 th , 2023
September 12 th , 2023	Benxi	Others	Individual	Earnings communication conference	Company production and operation and industry situation	Transcript of investor relations activities of Bengang Steel Plates Co., Ltd. on September 12 th , 2023
October 10 th , 2023	Benxi	Telephone communication	Institution	The Pacific Securities Co., Ltd. -Wang Qili and Zhang Lei; Guosen Securities Co., Ltd. -Yang Lujia; Yinhua Fund Management Co., Ltd. -Hua Qiangqiang; UBS SDIC Fund Management Co., Ltd. - Huang Zhicheng; Huachuang	Company production and operation and industry situation	Transcript of investor relations activities of Bengang Steel Plates Co., Ltd. on October 10 th , 2023

				Securities Co., Ltd. -Ma Ye		
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Section IV. CORPORATE GOVERNANCE

I. Basic situation of corporate governance

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

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

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

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

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

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

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

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

Yes No

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

II. Explanation on structural independence of the Company on business, personnel, assets, organization and finance from the controlling shareholder and actual controller

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

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

2. In personnel: The Company and controlling shareholder are separate in such aspects as labor, personnel and salary management. Such senior executives as the general manager, vice general manager, secretary of the Board of Directors, etc. receive a salary from the Company, and none of them holds an important position in the shareholders' entity other than director.

3. In Asset: The Company and controlling shareholder have a clear ownership relationship. The Company has its own independent purchase, production, and marketing system.

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

5. In finance: The Company has an independent financial management department, the accounting and financial management system that are complete and operated independently, and has a bank account and pays taxes independently.

III. Competition situations of the industry

Applicable Not applicable

Question type	Type of affiliation with listed companies	Company name	Company nature	Cause	Solution	Progress and follow-up plans
Industry competition	Controlling shareholder	Ansteel Group Co., Ltd.	Other	Caused by Ansteel	Ansteel Group promises that	The Company disclosed that

				Group's reorganization of Benxi Iron and Steel Group Co., Ltd.	within five years from the date of issuance of its commitment letter, it will strive to use a shorter time to steadily promote relevant business integration to solve the problem of peer competition in accordance with the requirements of relevant securities regulatory authorities, and on the premise of complying with applicable laws, regulations and relevant regulatory rules at that time, comprehensively use various methods such as asset restructuring, business adjustment and entrusted management	the Plan for <i>Major Asset Replacement and Related Party Transactions</i> on June 21 st , 2023 and planned to carry out asset replacement with Benxi Iron and Steel Company. At present, the Company is further demonstrating, communicating and negotiating the transaction plan. After the relevant matters are determined, the Company will convene the Board of Directors again for deliberation.
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IV. Annual general meeting and extraordinary shareholders' meetings in the reporting period

1. Annual general meeting

Sessions	Type	Investor participation ratio	Meeting Date	Date of disclosure	Index of information disclosure
First Extraordinary Shareholders General Meeting of 2023	Extraordinary General Meeting	76.81%	March 16 th , 2023	March 17 th , 2023	Announcement of Resolutions of the First Extraordinary General Meeting of Shareholders of 2023
Annual Shareholders General Meeting of	Annual General Meeting	76.73%	April 27 th , 2023	April 28 th , 2023	Announcement of Resolutions of the

2022					Annual General Meeting of Shareholders of 2022
Second Extraordinary Shareholders General Meeting of 2023	Extraordinary General Meeting	76.74%	May 18 th , 2023	May 19 th , 2023	Announcement of Resolutions of the Second Extraordinary General Meeting of Shareholders of 2023
Third Extraordinary Shareholders General Meeting of 2023	Extraordinary General Meeting	76.88%	August 21 st , 2023	August 22 nd , 2023	Announcement of Resolutions of the Third Extraordinary General Meeting of Shareholders of 2023
Fourth Extraordinary Shareholders General Meeting of 2023	Extraordinary General Meeting	77.68%	December 18 th , 2023	December 19 th , 2023	Announcement of Resolutions of the Fourth Extraordinary General Meeting of Shareholders of 2023

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

Applicable Not applicable

V. Status of directors, supervisors, senior executives and employees

1. Basic situation

Name	Gender	Age	Position	Office status	Starting date of office term	Expiry date of office term	Number of shares held at the beginning of the period (shares)	Number of additional shares held during the period (shares)	Number of shares reduced during the period (shares)	Other changes in additions and deletions (shares)	Number of shares held at the end of the period (shares)	Reasons for change in share increase or decrease
Li Yan	Male	41	Chairman	In office	March 16 th , 2023	April 26 th , 2025						
Huang Zuowei	Male	53	Director, Deputy General Manager	In office	May 18 th , 2023	April 26 th , 2025						
Quan Xihong	Male	46	Director	In office	October 19 th , 2023	April 26 th , 2025						
Wang Dongh	Male	54	Director	In office	March 16 th , 2023	April 26 th , 2025						

ui					2023	2025							
Tang Yaowu	Male	51	Director	In office	July 22 nd , 2022	April 26 th , 2025							
Jin Ge	Male	55	Director	In office	December 18 th , 2023	April 26 th , 2025							
Zhang Suxun	Female	68	Independent Director	In office	May 16 th , 2019	April 26 th , 2025							
Yuan Zhizhu	Male	42	Independent Director	In office	May 20 th , 2020	April 26 th , 2025							
Zhong Tianli	Female	67	Independent Director	In office	May 27 th , 2021	April 26 th , 2025							
Lu Xuezh u	Male	43	Chairman of the Supervisory Board	In office	July 18 th , 2023	April 26 th , 2025							
Lu Weijun	Male	48	Supervisor	In office	December 7 th , 2021	April 26 th , 2025							
Zhang Weian	Male	54	Supervisor	In office	October 19 th , 2023	April 26 th , 2025							
Guo Peng	Male	45	Supervisor	In office	October 19 th , 2023	April 26 th , 2025							
Jiang Zhenyu	Male	45	Supervisor	In office	October 19 th , 2023	April 26 th , 2025							
Liu Yan song	Male	52	Deputy General Manager	In office	July 18 th , 2023	April 26 th , 2025							
Liu Zhang man	Male	49	Deputy General Manager	In office	August 17 th , 2022	April 26 th , 2025							
Guo Yuwei	Male	54	Deputy General	In office	August 17 th , 2022	April 26 th , 2025							

			al Manag er										
Zheng Zhengli	Male	47	Chief Accou ntant, Secret ary of the Board of Direct ors	In office	Februa ry 28 th , 2023	April 26 th , 2025							
Huo Gang	Male	50	Chairm an	Leave office	Decem ber 7 th , 2021	Februa ry 28 th , 2023							
Wang Shiyou	Male	49	Direct or, Deput y Gener al Manag er	Leave office	Nove mber 18 th , 2021	April 27 th , 2023							
Sun Zhen	Male	40	Direct or	Leave office	Decem ber 27 th , 2022	Octob er 19 th , 2023							
Han Mei	Femal e	54	Direct or	Leave office	May 27 th , 2021	Februa ry 28 th , 2023							
Cheng Bing	Male	60	Chairm an of the Superv isory Commi ttee	Leave office	May 27 th , 2021	July 18 th , 2023							
Bai Yufei	Femal e	53	Superv isor	Leave office	July 22 nd , 2022	April 27 th , 2023							
Zhang Yanlong	Male	46	Superv isor	Leave office	Januar y 26 th , 2014	Octob er 19 th , 2023							
Zhao Xingtao	Male	51	Superv isor	Leave office	June 26 th , 2019	Octob er 19 th , 2023							
Jing Tao	Male	53	Deput y Gener al Manag er	Leave office	Nove mber 18 th , 2021	July 18 th , 2023							

Jiang Xiaoyu	Female	52	Secretary of the Board of Directors, Head of Finance	Leave office	April 26 th , 2022	February 28 th , 2023						
Total	--	--	--	--	--	--	0	0	0	0	0	--

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

Yes No

1. Mr. Huo Gang, former Chairman of the Company, resigned during the reporting period due to job changes during his term of office;
2. Mr. Wang Shiyou, former Director and Deputy General Manager of the Company resigned during the reporting period due to a change in his employment during his term of office;
3. Mr. Sun Zhen, a former employee Director of the Company, resigned during the reporting period due to job changes during his term of office.
4. Ms. Han Mei, a former Director of the Company, resigned during the reporting period due to job changes during her term of office.
5. Mr. Liu Zhangman, former Chairman of the Supervisory Committee of the Company, resigned during the reporting period due to a change in his employment during his term of office and is still in the General Manager position;
6. Mr. Cheng Bin, the former Supervisor of the Company, resigned during the reporting period due to changes in his work during his term of office.
7. Ms. Bai Yufei, the former Supervisor of the Company, resigned during the reporting period due to changes in her work during her term of office.
8. Mr. Zhang Yanlong, former employee Supervisor of the Company, resigned during the reporting period due to job changes during his term of office;
9. Mr. Zhao Xingtao, former employee Supervisor of the Company, resigned during the reporting period due to job changes during his term of office;
10. Mr. Jing Tao, former Deputy General Manager of the Company resigned during the reporting period due to a change in his employment during his term of office.
11. Ms. Jiang Xiaoyu, the former Secretary of the Board of Directors and Head of Finance resigned during the reporting period due to changes in her work during her term of office.

Changes in directors, supervisors and senior management of the Company

Applicable Not applicable

Name	Position	Office status	Date	Reason
Huo Gang	Chairman	Leave office	February 28 th , 2023	Voluntary turnover
Han Mei	Director	Leave office	February 28 th , 2023	Voluntary turnover
Wang Shiyou	Director, Deputy	Leave office	April 27 th , 2023	Voluntary turnover

	General Manager			
Sun Zhen	Director	Leave office	October 19 th , 2023	Voluntary turnover
Cheng Bin	Chairman of the Supervisory Committee	Leave office	July 18 th , 2023	Voluntary turnover
Bai Yufei	Supervisor	Leave office	April 27 th , 2023	Voluntary turnover
Zhang Yanlong	Supervisor	Leave office	October 19 th , 2023	Voluntary turnover
Zhao Xingtao	Supervisor	Leave office	October 19 th , 2023	Voluntary turnover
Liu Zhangman	Director	Appoint and dismiss	December 1 st , 2023	Voluntary turnover
Jing Tao	Deputy General Manager	Termination of employment	July 18 th , 2023	Job change
Jiang Xiaoyu	Head of Finance, Secretary of the Board of Directors	Termination of employment	February 28 th , 2023	Job change
Li Yan	Chairman	Elected	March 16 th , 2023	Elected
Huang Zuowei	Director, Chief General Manager	Elected	May 18 th , 2023	Elected
Quan Xihong	Director	Elected	October 19 th , 2023	Elected
Wang Donghui	Director	Elected	March 16 th , 2023	Elected
Jin Ge	Director	Elected	December 18 th , 2023	Elected
Lu Xuezhu	Chairman of the Supervisory Committee	Elected	July 18 th , 2023	Elected
Zhang Weian	Supervisor	Elected	October 19 th , 2023	Elected
Guo Peng	Supervisor	Elected	October 19 th , 2023	Elected
Jiang Zhenyu	Supervisor	Elected	October 19 th , 2023	Elected
Liu Yansong	Deputy General Manager	Employed	July 18 th , 2023	Employed
Zheng Zhengli	Chief Accountant, Secretary of the Board of Directors	Employed	February 28 th , 2023	Employed

2. Post holding

Professional background, major work experience and current major responsibilities in the Company of the current directors, supervisors and senior management

Li Yan, male, 41 years old, PhD. Economic, senior engineer. He is currently the Party Secretary and Chairman of Benxi Steel Plate Co., Ltd.; Chairman of Bengang Puxiang Cold Rolled Sheet Co., Ltd. He used to be the deputy director of the plate equipment department of Benxi Steel; Director of Benxi Steel Plate Inspection and Testing Center; Party Secretary and Director of Benxi Iron and Steel Cold Rolling General Factory, General Manager of Bengang Puxiang Company; He is now deputy head, director and deputy general manager of the preparatory group of Beiyang Party Committee of Benxi Iron and Steel Co., Ltd.; Director, General Manager and Deputy Secretary of Party Committee of Beiyang, Benxi Iron and Steel Co. Ltd.

Huang Zuo, male, 53 years old, master of engineering, senior engineer. He is currently the deputy secretary of the Party Committee, director and deputy general manager of Benxi Iron and Steel Plate Co., Ltd. (temporarily responsible for the overall work of production and operation). He used to be the Minister of Energy and Environmental Protection of Benxi Steel Plate Co., Ltd.; General Manager of Planning and Science Department of Benxi Iron and Steel Group Co., Director of Benxi Beiyang Steel (Group) Co., Ltd.; Director of Benxi Iron and Steel (Group) Mining Co., Ltd.

Quan Xihong, male, 46 years old, bachelor's degree, senior engineer. He is currently deputy secretary of the Party Committee, employee director, secretary of the Discipline Inspection Commission, chairman of the trade union, general counsel, chief compliance officer and secretary of the Party Committee of Benxi Steel Plate Co., Ltd.. He used to be deputy director of the Comprehensive

Supervision Department of the Discipline Inspection Commission (Supervision Department) of Benxi Iron and Steel Group Company, director of the Supervision and Management Office of Discipline Inspection and Supervision Cadres, and director of the Discipline Inspection and Supervision Office; Manager of Audit Department, Deputy Secretary of Discipline Inspection Commission and Director of Party and Government Supervision Office of Beiyong Company of Benxi Iron and Steel Co.

Wang Donghui, male, 54 years old, bachelor of economics, senior accountant. He is currently a director of Bengang Steel Plates Co., Ltd.; General Manager of Capital Finance Department of Bensteel Group Co., Ltd. He used to be the chief accountant, finance department minister and operation improvement department minister of Bensteel Group Co., Ltd.; Vice Minister of Finance Department of Bensteel Group Co., Ltd. and Chief Accountant of Beiyong Company; Minister of Finance Department of Bensteel Group Co., Ltd. ; Director and chief accountant of Benxi Steel Plate Company; Chief accountant of Benxi Iron and Steel Mining Co., Ltd.

Tang Yaowu, male, 51 years old, bachelor degree, engineer. He is currently a director of Bengang Steel Plates Co., Ltd.; Full-time director and supervisor of Bengang Group Company Office; Director of Hengtong Company; Director of Stainless Steel Company; Director of machinery manufacturing company. He used to be the deputy director of the rolling mill of Beiyong Company of Benxi Iron and Steel Co.; Executive Deputy Director of Rolling Plant of Beiyong Company of Benxi Iron and Steel Co., Ltd.; Director of Rolling Mill of Beiyong Company of Benxi Steel; Assistant General Manager and Minister of Production Department of Beiyong Company of Benxi Steel; Chief Engineer of Beiyong Company of Benxi Steel; Chief Engineer and Director of Rolling Mill of Beiyong Company of Bensteel; Deputy General Manager and Chief Engineer of Bensteel Group Co., Ltd. Beiyong Company; Vice Minister of Energy and Environmental Protection Department of Bengang Steel Plates Co., Ltd.

Jin Ge, male, 55 years old, graduate degree, political engineer. He is currently a director of Bengang Steel Plates Co., Ltd.; Director of Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.; Director of Bensteel Group Thermal Development Co., Ltd.; Supervisor of Bensteel Group Construction Co., Ltd. He used to be the vice chairman of the trade union of Beiyong Company of Bensteel Group; Director of Comprehensive Finance Unit of Trade Union of Bensteel Group Co., Ltd..

Zhang Suxun, female, 68 years old, university degree, professor. He is currently an independent director of Benxi Steel Plate Co., Ltd.. He used to be a teacher of Liaoning University Business School.

Yuan Zhizhu, male, 42 years old, Ph.D., associate professor of accounting at Northeastern University, master tutor, non-practicing member of Chinese certified public accountant. He is currently independent director of Bensteel Group Co., Ltd.; Head of the Accounting Department, School of Business Administration, Northeastern University, and served as the director of Liaoning Accounting and Abacus Mental Arithmetic Society and Liaoning Auditing Society. He used to be a lecturer in the School of Business Administration of Northeastern University.

Zhong Tianli, female, 67 years old, is a professor (doctoral supervisor) at Northeastern University. He is currently an independent director of Benxi Steel Plate Co., Ltd.; Professor, Department of Accounting, School of Business Administration, Northeastern University. He used to be the vice president of the School of Business Administration of Northeastern University; Dean of Basic College of Northeastern University and Director of Institute of Financial Management of School of Business and Technology.

Introduction of Supervisory Board Members

Lu Xuezhu, male, 43 years old, bachelor's degree, senior economist, is currently the chairman of the Board of Supervisors of Benxi Iron and Steel Plate Co., Ltd., the general manager of the Audit Department of Benxi Iron and Steel Group Co., Ltd., the director of Benxi Iron and Steel (Group) Mining Co., Ltd. and the supervisor of Benxi Iron and Steel Plate Co., Ltd.. He used to be the deputy director of the Economic Responsibility Audit Department of the Audit Department of Ansteel Group; Deputy Director of the Management Audit Department of the Audit Department of Ansteel Group; Director of Operation and Management Audit Department of Audit Department of Ansteel Group.

Lu Weijun, male, 48 years old, university degree, senior accountant. He is currently a supervisor of Benxi Steel Plate Company; Deputy Manager of Audit Department of Benxi Iron and Steel Group Co., Ltd. He used to be the head of the Cost Section of the Finance Department of Benxi Iron and Steel (Group) Construction Co., Ltd.; Chief Business Engineer of Audit Department of Benxi Steel Plate Co., Ltd.; Chief Business Engineer of Audit Department of Benxi Iron and Steel Group Company. Deputy Manager of Finance Department of Benxi Steel Plate Company.

Zhang Weian, male, 54 years old, university degree, senior accountant, is currently the supervisor and audit manager of Benxi Steel Plate Co., Ltd.; Supervisor of Benxi Steel Pohang Cold Rolled Sheet Co., Ltd.; Supervisor of Dalian Benruitong Automotive Materials Technology Co., Ltd.; Supervisor of Benxi Steel Baojin (Shenyang) Automobile New Materials Technology Co., Ltd.. He used to be the deputy director of the finance department of Benxi Iron and Steel Beiying Company; Deputy Director of Finance Department of Benxi Iron and Steel Group Company.

Guo Peng, male, 45 years old, university degree, assistant engineer and senior technician, is currently a supervisor of Benxi Iron and Steel Plate Co., Ltd., and a special technician of rolling workers in the third hot rolling production operation area of hot continuous rolling plant. He used to be the production shift supervisor of the third hot rolling production operation area of Benxi Iron and Steel Plate Hot Continuous Rolling Plant; Chief operator and first-class technician of rolling worker in Benxi Iron and Steel Hot Continuous Rolling Plant.

Jiang Zhenyu, male, 45 years old, university degree, third-level writer of literary creation, is currently a supervisor of Benxi Iron and Steel Plate Co., Ltd., deputy director of the Party-mass Work Department (Party Committee Organization Department, Human Resources Department, Party Committee Propaganda Department, United Front Work Department, Trade Union, Youth League Committee, Party Committee of the government), and vice chairman of the trade union; Deputy Secretary of Party Committee, Secretary of Discipline Inspection Commission and Chairman of Trade Union of Benxi Steel Plate Co., Ltd.. He used to be the chief business engineer of the trade union of Benxi Iron and Steel Group Co. Deputy Director of Benxi Iron and Steel Reporter Station, Ansteel News Media Center.

Profile of non-director senior management:

Liu Yansong, male, 52 years old, Master of Engineering, is a senior engineer. He is currently the deputy general manager of Benxi Steel Plate Co., Ltd.. He used to be the director, deputy manager and director of the Export Department of Benxi Iron and Steel International Trade Company; Party Secretary and Trade Union Chairman of Cold Rolling Plant of Benxi Steel Plate Company; Director of Rolling Plant of Beiying Company of Benxi Steel; Deputy General Manager of Beiying Company of Benxi Iron and Steel Co.

Guo Yuwei, male, 54 years old, Master of Engineering, Senior Engineer. He is currently the deputy general manager of Benxi Steel Plate Co., Ltd.. He used to be assistant to the director of the ironmaking plant of Benxi Steel Plate Company and deputy director of the ironmaking plant; Party Secretary and Trade Union Chairman of Ironmaking Plant of Benxi Steel Plate Company, Deputy Director of Ironmaking Plant; Member of the preparatory group of the Party Committee of Beiying Company, deputy general manager, director of Benxi Iron and Steel Construction Company; Party Secretary and Deputy Director of Ironmaking General Plant of Benxi Steel Plate Company.

Liu Zhangman, male, 49 years old, college degree, senior engineer. He is currently the deputy general manager of Benxi Steel Plate Co., Ltd.. He used to be deputy director of Beiying No.2 Steelmaking Plant and deputy director of Beiying Steelmaking Plant; Assistant to Executive Deputy General Manager of Beiying Company, Chairman of Association for Science and Technology, Director of Technology Center; Chief Engineer of Beiying Company and Chairman of Association for Science and Technology, Minister of New Product Department, Manager of Bar and Wire Development Project Department, Director of Bar and Wire Research Institute; Deputy General Manager and Director of Benxi Iron and Steel Beiying Company; Vice Minister of Manufacturing Department of Benxi Steel Plate Company; Deputy General Manager of Operation Management Department of Benxi Iron and Steel Group Company; Director of Benxi Steel Plate Co., Ltd.

Zheng Zhengli, male, 47 years old, MBA, senior accountant, is currently the chief accountant and secretary of the board of directors of Benxi Steel Plate Company. He used to be the deputy director of the finance department of Benxi Steel Plate Company; Director of Accounting and Taxation of Finance Department of Benxi Steel Plate Company; Party Committee member and assistant to general manager of Beiyang Company of Benxi Iron and Steel Co.Ltd.

Positions in shareholder units

Applicable Not applicable

Names of the persons in office	Names of the shareholders	Titles engaged in the shareholders	Starting date of office term	Expiry date of office term	Does he /she receive remuneration or allowance from the shareholder
Wang Donghui	Bengang Group Co., Ltd.	General Manager of Capital Financial Department	February 9 th , 2023		Yes
Tang Yaowu	Bengang Group Co., Ltd.	Full-time Director	March 24 th , 2022		Yes
Jin Ge	Bengang Group Co., Ltd.	Full-time Director	December 10 th , 2021	December 27 th , 2023	Yes
Lu Xuezhu	Bengang Group Co., Ltd.	General Manager of Audit Department	April 12 th , 2023		Yes
Lu Weijun	Bengang Group Co., Ltd.	Deputy General Manager of Audit Department	June 6 th , 2023		Yes
Description of the position in the shareholder	None				

Posts holding in other companies

Names of the persons in office	Names of the other companies	Titles engaged in other companies	Starting date of office term	Expiry date of office term	Does he /she receive remuneration or allowance from the shareholder
Li Yan	Benxi Steel Posco Cold Rolled Sheet Co., Ltd.	Chairman	March 2 nd , 2023		No
Liu Yansong	Benxi Steel Baojin (Shenyang) Automobile New Material Technology Co., Ltd.	Chairman	September 21 st , 2023		No
Liu Yansong	Dalian Benruitong AUTO MATERIALS Technology Co., Ltd.	Chairman	August 12 th , 2023		No
Zhang Wei'an	Dalian Benruitong AUTO MATERIALS Technology Co., Ltd.	Supervisor	August 12 th , 2023		No
Zhang Wei'an	Benxi Steel Posco Cold Rolled Sheet	Supervisor	July 10 th , 2023		No

	Co., Ltd.				
Zhang Wei'an	Benxi Steel Baojin (Shenyang) Automobile New Material Technology Co., Ltd.	Supervisor	September 21 st , 2023		No
Zhong Tianli	School of Business Administration Northeastern University	Professor	October 1 st , 1982		Yes
Yuan Zhizhu	School of Business Administration Northeastern University	Dean of Department of Accounting	July 13 th , 2009		Yes
Yuan Zhizhu	Shenyang Machine Tool Co., Ltd.	Independent Director	May 28 th , 2021		Yes
Description of the position in other companies	None				

Applicable Not applicable

Punishment by the security's regulatory authorities in the last three years

Applicable Not applicable

3. Remuneration to Directors, Supervisors and Senior Executives

Decision-making procedures, basis of recognition and actual payment of the remuneration to directors, supervisors and senior executives

Decision-making procedures

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

Basis of recognition

The remuneration scheme for a particular position is recognized based on the range of responsibilities, and duties. Remunerations are distributed based on the assessment results and remuneration policies.

Actual payment of the remuneration

Remuneration is paid on monthly basis according to the remuneration allocation policies. Remuneration of Directors, Supervisors and Senior Executives during the reporting period

Unit: RMB 10,000

Name	Gender	Age	Position	Office status	Total remuneration received from the shareholder	Whether receive remuneration in the Company's related parties

Li Yan	Male	41	Chairman	In office	1	No
Huang Zuowei	Male	53	Director, Deputy General Manager	In office	1	No
Quan Xihong	Male	46	Director	In office	1	No
Wang Donghui	Male	54	Director	In office	1	Yes
Tang Yaowu	Male	51	Director	In office	1	Yes
Jin Ge	Male	55	Director	In office	1	Yes
Zhang Suxu	Female	68	Independent Director	In office	1	No
Yuan Zhizhu	Male	42	Independent Director	In office	1	No
Zhong Tianli	Female	67	Independent Director	In office	1	No
Lu Xuezhu	Male	43	Chairman of the Supervisory Committee	In office	1	Yes
Lu Weijun	Male	48	Supervisor	In office	1	Yes
Zhang Weian	Male	54	Supervisor	In office	1	No
Guo Peng	Male	45	Supervisor	In office	1	No
Jiang Zhenyu	Male	45	Supervisor	In office	1	No
Liu Yansong	Male	52	Deputy General Manager	In office	1	No
Liu Zhangman	Male	49	Deputy General Manager	In office	1	No
Guo Yuwei	Male	54	Deputy General Manager	In office	1	No
Zheng Zhengli	Male	47	Chief Accountant, Secretary of the Board of Directors	In office	1	No
Huo Gang	Male	50	Chairman	Leave office	1	Yes
Wang Shiyong	Male	49	Director, Deputy General Manager	Leave office	1	Yes
Sun Zhen	Male	40	Director	Leave office	1	Yes
Han Mei	Female	54	Director	Leave office	1	Yes
Cheng Bin	Male	60	Chairman of the Supervisory Committee	Leave office	1	Yes
Bai Yufei	Female	53	Supervisor	Leave office	1	Yes
Zhang Yanlong	Male	46	Supervisor	Leave office	1	No
Zhao Xingtao	Male	51	Supervisor	Leave office	1	No
Jing Tao	Male	53	Deputy General Manager	Leave office	1	Yes
Jiang Xiaoyu	Female	51	Head of Finance, Secretary of the Board of Directors	Leave office	1	Yes
Total	--	--	--	--	28	--

Illustration of other conditions

Applicable Not applicable

VI. Duty fulfillment of directors during the reporting period

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

Sessions	Meeting Date	Date of disclosure	Index of information disclosure
9th Ninth plenary session	February 28 th , 2023	March 1 st , 2023	Announcement on Resolutions of 9th Ninth plenary session
10th Ninth plenary session	March 16 th , 2023	March 17 th , 2023	Announcement on Resolutions of 10th Ninth plenary session
11th Ninth plenary session	March 28 th , 2023	March 30 th , 2023	Announcement on Resolutions of 11th Ninth plenary session
12th Ninth plenary session	April 27 th , 2023	April 28 th , 2023	Announcement on Resolutions of 12th Ninth plenary session
13th Ninth plenary session	April 28 th , 2023		Announcement on Resolutions of 13th Ninth plenary session
14th Ninth plenary session	May 30 th , 2023	May 31 st , 2023	Announcement on Resolutions of 14th Ninth plenary session
15th Ninth plenary session	June 12 th , 2023	June 13 th , 2023	Announcement on Resolutions of 15th Ninth plenary session
16th Ninth plenary session	June 20 th , 2023	June 21 st , 2023	Announcement on Resolutions of 16th Ninth plenary session
17th Ninth plenary session	July 18 th , 2023	July 19 th , 2023	Announcement on Resolutions of 17th Ninth plenary session
18th Ninth plenary session	August 4 th , 2023	August 5 th , 2023	Announcement on Resolutions of 18th Ninth plenary session
19th Ninth plenary session	August 29 th , 2023	August 31 st , 2023	Announcement on Resolutions of 19th Ninth plenary session
20th Ninth plenary session	September 9 th , 2023	September 12 th , 2023	Announcement on Resolutions of 20th Ninth plenary session
21th Ninth plenary session	October 30 th , 2023	October 31 st , 2023	Announcement on Resolutions of 21th Ninth plenary session
22th Ninth plenary session	December 1 st , 2023	December 2 nd , 2023	Announcement on Resolutions of 22th Ninth plenary session
23th Ninth plenary session	December 25 th , 2023	December 26 th , 2023	Announcement on Resolutions of 23th Ninth plenary session

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

Attendance of Directors at Board of Directors and General Meetings of Shareholders

Director name	Number of Board meetings necessary to be attended during the reporting period	Number of spot attendances	Number of meetings attended by Communication	Number of attendances by representative	Number of absences	Failure to personally attend board meetings successively twice (Yes/No)	Number of general meetings to be attended
Huo Gang	1		1	0	0	No	0
Wang Shiyou	4	3	1	0	0	No	2
Sun Zhen	12	4	8	0	0	No	4
Han Mei	1		1	0	0	No	0
Liu Zhangman	14	6	8	0	0	No	4
Tang Yaowu	15	6	9	0	0	No	5
Zhang Suxun	15	6	9	0	0	No	5
Yuan Zhizhu	15	6	9	0	0	No	5
Zhong Tianli	15	6	9	0	0	No	5
Li Yan	14	6	8	0	0	No	5
Huang Zuowei	10	3	7	0	0	No	3
Quan Xihong	3	2	1	0	0	No	1
Wang Donghui	14	6	8	0	0	No	5
Jin Ge	1		1	0	0	No	1

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

None

3. Objections of directors on relevant issues

Objections of independent directors on some relevant issues

Yes No

Independent directors proposed no objection against the relevant matters during the reporting period.

4. Other notes to duty fulfillment of directors

Whether any director's advice to the Company was accepted

Yes No

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

Directors have not made recommendations during the reporting period.

VII. Duty fulfillment of the special committees under the board during the reporting period

Committees	Membership	Number of meetings held	Meeting date	Meeting content	Important comments and suggestions raised	Other performance of duties	Specific circumstances of the objections (if any)
Committee of Audit and	Zhang Xuxun, Yuan Zhizhu,	7	March 17 th , 2023	1. Annual report and	Agree	Not applicable	No

Risk Management	Wang Donghui		summary for 2022; 2. Financial final accounts report for 2022; 3. Profit distribution plan for 2022; 4. Proposal on the proposed change of accounting firm; 5. Evaluation Report on Internal Control of the Company in 2022; 6. Proposal on Provision for Impairment of Assets; 7. Special Report on the Storage and Use of Raised Funds in 2022;			
		April 21 st , 2023	<i>Report for the first quarter of 2023</i>	Agree	Not applicable	No
		April 23 rd , 2023	1. Report on Compliance Work in 2022; 2. Work Report of Internal Control System in 2022; 3. 2023 Major Risk Assessment Report	Agree	Not applicable	No
		July 12 th , 2023	Proposal on Temporary Replenishment of Working Capital with Idle Raised Funds	Agree	Not applicable	No
		August 18 th , 2023	1. Semi-annual report for	Agree	Not applicable	No

				2023; 2. Risk Assessment Report of Ansteel Group Finance Co., Ltd.; 3. Report on the use of funds raised in the semi-annual period of 2020; 4. Proposal on Changes in Accounting Policies			
			October 20 th , 2023	<i>Third Quarter Report of 2023</i>	Agree	Not applicable	No
			November 20 th , 2023	1. Proposal on the Estimation of Daily Related Party Transactions in 2024; 2. Proposal on Closing the Project of the Company's Non-public Offering of Shares and Permanently Replenishing the Working Capital with the Balance Raised Funds	Agree	Not applicable	No
Nominating Committee	Yuan Zhizhu, Zhang Suxun, Li Yan	5	February 23 rd , 2023	1. Proposal to nominate candidates for director of the Company; 2. Proposal to appoint senior management of the Company	Agree	Not applicable	No
			April 21 st , 2023	1. Proposal to nominate candidates for director of the	Agree	Not applicable	No

				Company; 2. Proposal to appoint senior management of the Company			
			June 6 th , 2023	Proposal on the appointment of the Secretary of the Board of Directors of the Company	Agree	Not applicable	No
			July 12 th , 2023	Proposal to appoint senior management of the Company	Agree	Not applicable	No
			November 20 th , 2023	.Proposal to nominate candidates for director of the Company	Agree	Not applicable	No
Strategy Committee	Li Yan, Wang Donghui, Zhong Tianli	3	March 17 th , 2023	1. 2022 annual report of the Board of Directors; 2. 2023 annual investment framework plan proposal	Agree	Not applicable	No
			May 24 th , 2023	Proposal to Adjust the Company's organizational structure	Agree	Not applicable	No
			June 11 th , 2023	1. Proposal on this major asset restructuring plan of the Company; 2. Proposal on the <i>Plan for Major Asset Replacement and Related Party Transactions of Benxi Steel Plate Co., Ltd.</i> and its summary; 3.	Agree	Not applicable	No

				Proposal on Signing the <i>Framework Agreement on Major Asset Replacement</i> with Conditions and Effectiveness between the Company and the Counterparty			
Salary and Assessment Committee	Zhong Tianli, Yuan Zhizhu, Tang Yaowu	1	April 23 rd , 2023	1. Proposal on the Completion of Operating Performance Indicators of the Company's Management in 2022; 2. Proposal on Cashing the Salary of Company Leaders in 2022; 3. Proposal on the Setting of Performance Evaluation Indicators of the Company's Management in 2023	Agree	Not applicable	No

VIII. Duty fulfillment of the supervisory committee

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

Yes No

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

IX. Staff condition

1. Number of staff, professional structure and education level

Number of in-service staff in the parent company	13,687
Number of in-service staff in main subsidiaries	655

Total population of in-service staff	14,342
Total population of staff receiving remuneration in the current period	14,342
Number of retired staff whose expense was borne by parent company and major subsidiary companies	24,466
Professional composition	
Type of professional composition	Population
Production staff	12,029
Sales staff	234
Technician staff	1,217
Financial staff	91
Administrative Staff	771
Total	14,342
Educational degree	
Type of educational degree	Population
PhD.	9
Postgraduate	304
Undergraduate	3,550
Junior College	5,463
Technical secondary school	417
High School and Technical School	2,954
Middle School and others	1,645
Total	14,342

2. Remuneration policies

The company has established a perfect performance management system, according to the determined annual production and operation principles, policies and management objectives, to assess the completion of various functional departments and factories and mines' operation indicators and work tasks, set key performance evaluation indicators, implement monthly evaluation, pay according to posts, abilities and performance principles, set salaries by posts, change salaries by posts, guide employees to improve their abilities, establish a salary distribution mechanism that relies on competition for posts and contributions for income, highlight the assessment of key performance indicators, and truly realize income can increase and decrease. Continue to promote the total salary contract, guide all units to rationally allocate human resources, optimize the distribution mechanism and improve labor productivity, and give full play to the incentive and restraint role of salary.

3. Training plan

In 2023, the Company implemented the strategy of "developing enterprises with talents" in depth, focusing on building the new Benxi Steel into an internationally competitive production base for automotive steel and excellent special steel bars and wires, focusing on optimizing the education and training system, improving the training evaluation mechanism and improving the training quality and effect, highlighting the political, systematic, accurate and effective training, continuously improving the political ability, leadership ability, general ability and professional ability of employees, and striving to create characteristic excellent training programs, effectively releasing the training effectiveness, and further improving the comprehensive quality of the workforce. The company completed 15 training programs and 24,172 person-times throughout the year, with the qualified rate of training reaching 95% and the implementation rate of annual training plan reaching 94%. Plan to achieve training objectives in an all-round way.

4. Outsourcing

Applicable Not applicable

X. Profit distribution or capital reserve conversion

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

Applicable Not applicable

Profit distribution plan for FY2023: As audited by BDO China Shu Lun Pan Certified Public Accountants LLP (Special General Partnership), the net profit attributable to the parent company for the year 2022 was RMB-1,742,574,163.92, plus the undistributed profit of RMB-720,559,670.73 at the beginning of the year. The balance of the undistributed profit for the period was RMB -2,463,133,834.65. The profit distribution plan for FY2022 is: No cash dividend, no bonus shares and no capitalization of capital reserve.

Special description of cash dividend policy	
Whether it meets the requirements of the company's articles of association or the resolutions of the shareholders meeting:	Yes
Whether the dividend standard and ratio are clear:	Yes
Whether the relevant decision-making procedures and mechanisms are complete:	Yes
Whether independent directors have performed their duties due diligence and played their due role:	Yes
Whether small and medium shareholders have sufficient opportunities to express their opinions and demands, and whether their legitimate rights and interests are fully protected:	Yes
Whether it meets the requirements of the company's articles of association or the resolutions of the shareholders meeting:	Yes
Whether it meets the requirements of the company's articles of association or the resolutions of the shareholders meeting:	Yes

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

Applicable Not applicable

Profit Distribution or Capital Reserve Conversion Proposal in the Reporting Period

Applicable Not applicable

The Company plans to distribute no cash dividends, no bonus shares and no increase in capital by way of the transfer of public reserves for the year.

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

Applicable Not applicable

During the reporting period, the Company had no equity incentive plan, employee stock ownership plan or other employee incentive measures and their implementation.

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

1. Construction and implementation of internal control system

During the reporting period, the Company strictly abides by the *Basic Regulations of Internal Control* and its supporting guidelines and other internal control supervision requirements, combined with industry characteristics, business practices and internal control systems and evaluation methods. These make it possible to constantly improve and refine the internal control management system, promotes the improvement of the Company's decision-making efficiency. Meanwhile, the Company provides guarantee for the legal compliance and asset safety of the Company's operation and management, and effectively promotes the steady implementation of the company's strategy.

The Company has established a sound internal control system, and combined with the actual operation of the timely revision and improvement, to give full play to its system protection role. During the reporting period, the company formulated 77 systems such as the *Administrative Measures for the performance of Duties of external Directors dispatched by subsidiaries of Bengang Steel and Iron Sheet Co., Ltd.*, the *Rules for the Security Management of Network and information systems of Bengang Steel and Iron Sheet Co., Ltd.*, and revised 38 systems such as the "*Rules for the Management of Environmental Statistics of Bengang Steel and Iron Sheet Co., Ltd.*" and the *Accounting Basic Work Standards of Bengang Steel and Iron Sheet Co., Ltd.* As of the end of the reporting period, the Company had 434 effective systems.

2. Material internal control defects found during the reporting period

Yes No

XIII. Management and control of subsidiaries during the reporting period

Company name	Integration plan	Integration progress	Problems encountered during integration	Solutions implemented	Solutions progress	Follow-up solutions plan
Zhejiang Jingrui Steel Processing Co., Ltd.	Equity transfer	Completed	N/A	N/A	N/A	N/A

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

1. Internal control self-evaluation report

Disclosing date of the internal control audit report (full text)	March 30 th , 2024
Index of the internal control audit report (full text)	http://www.cninfo.com.cn
Proportion of total assets of subsidiaries within the scope of the self-evaluation report in total assets of the Company's consolidated financial statements	99.06%
Proportion of operating income of subsidiaries within the scope of self-evaluation report in operating income of the Company's consolidated financial	99.98%

statements		
Standards of defects evaluation		
Category	Financial report	Non-financial report
Qualitative criteria	<p>1. Material defects: fraud of directors, supervisors and senior management; the Company corrects its published financial statements; there is a material misstatement in the financial statements, and the internal control fails to detect the misstatement during the operation; the corporate audit committee and the internal audit institution have no effect on the supervision of internal control.</p> <p>2. Significant defects: the seriousness and economic consequences of accounting policies, accounting and financial reporting are lower than material defects, but there are still internal control defects that may cause the Company to deviate from the control objectives. 3. General defects: other than material and significant defects, other internal control defects in financial reporting.</p>	<p>1. the Company's standards of internal control defects evaluation in terms of daily operation: 1) Material defects: have a material impact on the normal operation of the Company: affect most of the Company's main business types/main functional areas; have a significant impact on the overall operation of the Company which makes it difficult to recover in the long run. 2) Significant defects: have a great impact on the normal operation of the Company: affect some of the Company's main business types/main functional areas; have a large impact on the Company's overall operation, requiring a great price for the Company to recover in a long period of time. 3) General defects: have a moderate or less impact on the normal operation of the Company: affect a certain main business type/main functional area or general business type/general functional area of the Company; have a moderate or less impact on the overall operation of the Company, requiring some price for the Company to recover within a certain period of time. 2. the Company's standards of internal control defects evaluation in terms of business objectives: 1) Material defects: have a significant impact on the Company's business objectives: have a significant impact on any type of budget indicators of the Company; affect most of the Company's important management objectives; have a significant impact on liquidity (0.8 times \leq current asset turnover rate < 1 time); have a significant impact on any type of budget indicators of the Company (profit \geq RMB 800 million). 2) Significant defects: have a great impact on the Company's business objectives: have a great impact on any type of budget indicators of the Company; affect some important management objectives of the Company; have a great impact on current capital (0.5 times \leq current asset turnover rate < 0.8 times); have a great impact on any type of budget indicators of the Company (RMB 400 million \leq profit < RMB 800 million). 3) General defects: have a moderate or less impact on the</p>

		<p>Company's business objectives: have a moderate or less impact on any type of budget indicators of the Company; affect one important management objective or several general management objectives of the Company; have a moderate or less impact on current capital (current asset turnover rate < 0.5 times); have a moderate or less impact on any type of budget indicators of the Company (profit < RMB 400 million). 3. the Company's standards of internal control defects evaluation in terms of safety: 1) Material defects: affect a certain number of employees/public health/safety, critical accidents. 2) Significant defects: affect some employees/public health/safety, major accidents. 3) General defects: affect a small number of employees/public health/safety, minor accidents. 4. the Company's standards of internal control defects evaluation in terms of environmental protection: 1) Material defects: serious environmental damage, the occurrence of critical environmental incidents (national level II or above environmental protection accidents). 2) Significant defects: great environmental damage and major environmental incidents (national level III). 3) General defects: moderate or less environmental impact, general environmental incidents (national level IV).</p>
Quantitative criteria	<p>1. Range of misstatement amount of material defects in financial statements: 1) misstatement \geq 5% of total profits; 2) misstatement \geq 3% of total assets; 3) misstatement \geq 1% of total operating income; 4) misstatement \geq 1% of total shareholders' equity. 2. Range of misstatement amount of significant defects in financial statements: 1) 3% of total profits \leq misstatement < 5% of total profits; 2) 0.5% of total assets \leq misstatement < 3% of total assets; 3) 0.5% of total operating income \leq misstatement < 1% of total operating income; 4) 0.5% of total shareholders' equity \leq misstatement < 1% of total shareholders' equity. 3. Range of misstatement amount of general defects in financial statements: 1) misstatement < 3% of total profits; 2) misstatement < 0.5% of total assets; 3) misstatement < 0.5% of total operating income; 4)</p>	无

	misstatement < 0.5% of total shareholders' equity.	
Number of material defects in financial reporting(a)		0
Number of material defects in non-financial reporting (a)		0
Number of significant defects in financial reporting(a)		0
Number of significant defects in non-financial reporting(a)		0

2. Internal control audit report

Applicable Not applicable

Opinion in the internal control audit report	
According to <i>Fundamental Rules of Enterprise Internal Control</i> and related regulations, Bengang Steel Plates has remained effective internal control in financial reporting up to December 31 st , 2023.	
Status of the internal control audit report	Disclosure
Disclosing date of the internal control audit report (full text)	March 30 th , 2024
Index of the internal control audit report (full text)	http://www.cninfo.com.cn
Internal audit report's opinion	Standard unqualified opinion
Whether there are significant defects in non-financial reporting	No

Whether the accountants' firm issues a qualified opinion in the internal control audit report

Yes No

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

Yes No

XV. Self-examination and rectification of governance initiatives of listed companies

During the reporting period, the Company actively followed and implemented the spirit of *Opinions on Further Improving the Quality of Listed Companies* issued by the State Council and worked out the *List of Listed Company Governance Initiatives* based on China Securities Regulatory Commission [2020] No. 69 *Announcement on Carrying out Initiatives on Corporate Governance of Listed Companies* and the Company's practical conditions. The list reflected the problems and rectification of governance in listed companies in a true, accurate and comprehensive manner. The Company made efforts to strengthen the endogenous driving force of corporate governance, improve the corporate governance system, and build a healthy ecology of corporate governance. In those ways, it has further optimized the governance structure as a listed company featuring clear-cut duties and responsibilities, harmonious coordination and operation, and effective check and balance, and has tamped the foundation for high-quality development as a listed company and promoted the governance level.

Section V. Environmental and Social Responsibility

I. Major environmental issues

Whether the listed company and its subsidiaries belonging to the key pollutant discharge units announced by the environmental protection department

Yes No

Environmental protection policies and industry standards

The Company implemented *Environmental Protection Law of the People's Republic of China, Environmental Impact Assessment Law of the People's Republic of China, Water Pollution Prevention and Control Law of the People's Republic of China, Atmospheric Pollution Prevention and Control Law of the People's Republic of China, Soil Pollution Prevention and Control Law of the People's Republic of China, Solid Waste Pollution Prevention and Control Law of the People's Republic of China*, and other relevant ecological and environmental policies, and complied with such industry standards as *Water Pollutants Emission Standard for Iron and Steel Industry (GB13456-2012)* and *Pollutants Emission Standard for Coking Chemical Industry(GB16171-2012)*, *Sintering and Sintered Pellets Air Pollutants Emission Standard for Iron and Steel Industry (GB28662-2012)*, *Air Pollutants Emission Standard for Iron Making Industry (GB28663-2012)*, *Air Pollutants Emission Standard for Steel Rolling Industry (GB28665-2012)*, and *Air Pollutants Emission Standard for Thermal Power Plants (GB13223-2011)*.

Environmental protection administrative license

The Company has 14 pollutants discharging units, 11 of which are key pollutants discharging units. The license was obtained for the first time in December 2018 and was extended to December 2026 in December 2021 according to the requirements of license management. Three units have been registered and granted the registration receipt of fixed pollution source discharge in March 2020, which is valid until 2025. the Company strictly implements the stable operation of environmental protection facilities, strictly controls the discharge of pollutants, and discharges pollutants within the scope of permission every year. It completes quarterly reporting and annual reporting through online filing as required.

Industry emission standards and the description of pollutants emission involved in production and business activities

Company or subsidiary name	Category of major pollutants and characteristic pollutants	Name of major pollutants and characteristic pollutants	Emission method	Number of discharge outlets	Distribution of discharge outlets	Emission concentration/intensity	Implemented pollutants discharge standards	Total emissions	Total approved emissions	Excessive emissions
Bengang Steel Plates Co., Ltd.	Wastewater pollutants	COD	Continuous	1	Energy General Plant Sewage Treatment Plant	6.09	50	18.62 tonnes	Not approved by the government	None
Bengang Steel Plates Co., Ltd.	Wastewater pollutants	Ammonia nitrogen	Continuous	1	Energy General Plant Sewage Treatment Plant	0.37	8	1.20 tonnes	Not approved by the government	None
Bengang Steel Plates Co., Ltd.	Exhaust gas pollutants	Particulate matter	Continuous and intermittent	191	Raw material dumper, transfer station, receiving tank, pre-batching; iron-making casting yard, furnace roof, fuel, solvent, granulation, ore coke tank, sintering head dust removal, machine tail dust removal; iron and steel water pretreatment, north-south pouring station, tundish, primary dust	Raw material 12-15; sintering 1.34-19; iron making 0.81-9; steel making 0.3-10 special steel 0.7-10; coking 10-50; power generation 1-7; cold rolling 6-18; hot rolling 1-8	Raw material 25; sintering 50-30; iron making 25; steel making 20-50; special steel 20; coking 10-50; power generation 10-30; cold rolling 20; hot rolling 20-30.	Smoke 1,050 tonnes, powder 11,814 tonnes	Not approved by the government	None

					removal, secondary dust removal, refining dust removal; special steel electric furnace, refining furnace; coking coal addition, coke pushing, dry quenching, chimney desulfurization and denitrification; power boiler dust removal, desulfurization and denitrification; cold rolling acid regeneration, pickling, straightening, welding, leveling, annealing, roasting; hot rolling furnace.					
Bengang Steel Plates Co., Ltd.	Exhaust gas pollutants	Sulfur dioxide	Continuous and intermittent	65	Sintering head; coke oven chimney; power generation boiler desulfurization;	Sintering head 12-40; coke oven chimney 1.4-50; power generation 0.33-45; cold	Sintering head 200; coke oven 50-100; power generation 100-	3,993 tonne	Not approved by the government	None

					cold rolling roasting and annealing; hot rolling heating furnace.	rolling 11-25; hot rolling 3-79.	200; cold rolling 100; hot rolling 150.			
Bengang Steel Plates Co., Ltd.	Exhaust gas pollutants	Nitrogen oxides	Continuous and intermittent	58	Sintering head; coking chimney; power generation boiler; cold rolling roasting; annealing; hot rolling heating furnace.	Sintering head 75-165; coking chimney 46-120; power generation 6-130; cold rolling 84-94; hot rolling 46-124.	Sintering head 300; coking chimney 150-500; power generation 100-200; cold rolling 200; hot rolling 300.	8,738 tonne	Not approved by the government	None

Pollutants treatment

In 2023, the Company has coordinate overall enterprise development and environment protection and has invested 1.72 billion yuan to comprehensively accelerate ultra-low emission renovation work combined with process route of source reduction, procedure control and end-of-pipe treatment. It has successively implemented coke oven desulfurization and denitrification transformation (SDS dry desulfurization/long bag low pressure pulse dust collector/medium and low temperature SCR denitrification process), sintering desulfurization and denitrification transformation (wet desulfurization/wet electrostatic dust collector/medium and low temperature SCR denitrification process), material plant closure, blast furnace ore trough/tapping yard transformation (low pressure pulse coated bag dust collector/wrinkled bag dust collector process), converter tertiary dust collector (pulse coated bag dust collector process), converter hot metal pretreatment station dust collector transformation (pulse ash cleaning bag dust collector process), etc. The Company has carried out ultra-low emission transformation in the whole process of organized emission, unorganized emission and clean transportation, which can realize that the emission concentration of air pollutants meets the requirements of ultra-low emission standards, and the environmental protection management and control ability of enterprises has been significantly improved.

Environmental self-monitoring program

During the reporting period, manually monitored pollution source monitoring points: 250 flue gas monitoring points, 13 wastewater monitoring points, 13 factory boundary noise monitoring points and 15 atmospheric dust reduction points. (1) There are 250 flue gas monitoring points: 195 organized monitoring points and 55 unorganized monitoring points, which are monitored according to the frequency of weekly, monthly, quarterly, semi-annual and annual monitoring plans, and the routine monitoring tasks of atmospheric unorganized and organized flue gas are completed. A total of 2,567 monitoring data are obtained throughout the year. (2) There are 13 monitoring points for wastewater: according to the monitoring plan, the monitoring is divided into weekly, monthly and quarterly frequencies, and 3228 monitoring data are obtained. (3) There are 13 noise monitoring points at the factory boundary: monitoring is divided into quarterly frequency according to the monitoring plan, and 416 monitoring data are obtained. (4) There are 15

atmospheric dust falling points: according to the monitoring plan, the monitoring is divided into quarterly frequency, and 180 monitoring data are obtained.

During the reporting period, automatic monitoring of pollution sources: 53 organized monitoring points for flue gas and 2 monitoring points for wastewater, realizing continuous automatic monitoring.

Emergency plan for environmental emergencies

The Company and its 13 subordinate units carry out environmental emergency management in strict accordance with current laws and regulations such as the Emergency Response Law of the People's Republic of China, the Notice on Printing and Distributing the Guidelines for Risk Assessment of Environmental Emergencies in Enterprises (Trial), and the Administrative Measures for Filing Emergency Plans for Environmental Emergencies in Enterprises and Institutions (Trial), complete the revision of emergency plans for environmental emergencies, re-carry out risk assessment and emergency resource investigation, and complete the assessment and filing work according to the management requirements of the Municipal Bureau. At the same time, all units of the Company worked out the drill plan for 2023 according to the plan, and carried out the corresponding drill work. In 2023, the company held 33 drills of emergency plans for environmental emergencies, including one "Joint Exercise of Emergency Response for Environmental Emergencies in Shenyang Modern Metropolitan Area" held by Liaoning Provincial Department of Ecology and Environment.

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

In 2023, the operating cost of environmental protection facilities will be 1.045 billion yuan, the investment expenditure on environmental governance and protection will be 774 million yuan, and the environmental protection tax will be 36.6 million yuan.

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

Applicable Not applicable

1. In 2023, the comprehensive energy consumption per ton of steel will be 564.9 kgce, which is 0.1 kgce lower than planned and 11.1 kgce lower than the same period of last year. The main work is to strengthen the economic operation of each main production process and improve the recovery of residual energy. The energy consumption ratio of blast furnace, sintering and cold rolling processes in the main processes is reduced in different degrees; Second, the centralized energy control was put into operation, and the emission rates of blast furnace gas and coke oven gas systems were 0.31% and 0.21%, respectively, which were lower than planned and month-on-month.

2. According to the maintenance situation of each production line and the gas balance plan, adjust the gas consumption of users and boilers according to the time node, and give full play to the peak shaving ability of the gas holder to reduce the gas emission index. In 2023, the blast furnace gas emission rate was 0.31%, which was 0.19% lower than planned and 0.25% lower than the same period of last year; The emission rate of coke oven gas was 0.21%, which was 0.14% lower than planned and 0.1% lower than the same period of last year.

3. By adjusting the overhaul time of gas furnace and the recovery parameters of converter gas, the recovery of converter gas per ton of steel will be completed by 133.8 m³ in 2023, which is 1.8 m³ higher than planned and 2.1 m³ higher than the same period of last year.

4. Strictly implement the economic operation plan in each process and strengthen the daily electricity management. The annual power consumption per ton of steel is 500kWh, which is 27kWh lower than planned and 19kWh lower than the same period of last year.

5. Take measures such as strictly controlling the amount of external steam supply and depressurizing operation of steam pipe network. The annual consumption of thermal coal was 169,700 tons, 30,300 tons lower than planned and 28,300 tons lower than the same period of last year.

6. In 2023, 11 energy-saving and carbon-reducing projects will be promoted, 6 projects will be completed, and the remaining 5 projects will be implemented next year. The Company completed six projects, including frequency conversion transformation of primary dust removal fans of No.4, No.5 and No.6 converters in steelmaking plant, pressure boosting transformation of No.1 CDQ boiler, heating mode transformation of Xing'an raw material area, heating transformation of high temperature slag flushing water plate in new furnace, efficiency improvement transformation of heat exchange source of slag flushing water plate in No.6 and No.7 blast furnaces, and transformation of high energy-consuming electromechanical equipment in plate factory area, with annual benefits of 34.79 million yuan and annual standard coal saving of 36,800 tons.

Administrative penalties for environmental issues during the reporting period

Company or subsidiary name	Causation of penalty	Violation	Consequence of penalty	Influence on the production and operation of listed companies	the Company's rectification measures
Bengang Steel Plates Co., Ltd.	Fugitive emissions	Scrap steel pipes with rust, scale and impurities are cut in the open air at No.3 site of waste steel plant, which leads to unorganized emission of smoke and dust and pollutes the environment.	Penalty: RMB80,000	None	All have been rectified. First, strictly implement management responsibilities, strictly control entry, and strictly control the entry of scrap steel with oversize, grease, rubber products and other environmental pollution into the factory. During the cutting operation, on-site personnel strictly select and confirm, and store scrap steel that may cause environmental pollution separately without processing. Second, the rolls, slag lumps and waste coils recovered internally are processed by the cutting room of the dust collector in our factory; Cutting and processing pure scrap steel with low smoke

					and dust, such as medium plate and tail coil, which are recovered from internal production, in the existing site; The large scrap steel recovered from non-production and overhauled in engineering shall be handed over to the scrap steel plant after being processed by the scrap producer and qualified. If sensory pollution occurs during cutting operation, operators should deal with it in time to reduce the damage to environmental pollution.
Bengang Steel Plates Co., Ltd.	Fugitive emissions	The raw materials in the Coking Dongfeng Plant area of the Ironmaking General Plant are easy to produce dusty materials for open stacking. No effective coverage measures were taken to prevent dust.	Penalty: RMB30,000	None	All have been rectified. Act and rectify instantly and cover the materials
Bengang Steel Plates Co., Ltd.	Fugitive emissions	Smoke and dust overflow from the exhaust port of 8 # 9 # coke screen dust collector in Coking Branch of Ironmaking General Plant. This leads to fugitive emission of smoke and dust and pollutes the environment.	Penalty: RMB60,000	None	All have been rectified. Rectification measures : The dry quenching dust scraper machine replaced by ultra-low emission transformation is used for recycling. After replacing the scraper machine, the ash is discharged on time to avoid smoke and dust spillover.
Bengang Steel	On line facility	There are failures	Penalty:	None	All have been

Plates Co., Ltd.	accidents	in on-line facilities of 360 sintering desulfurization outlet in No.3 sintering operation area of Ironmaking Branch of General Ironmaking Plant. During the failure period, manual monitoring was not conducted as required. This causes some data to be missing.	RMB60,000		rectified. The ironmaking plant actively organized the ice cleaning work. Due to the cold weather and safety considerations, the ice-clearing work was completed on the morning of January 13 th . In the afternoon of the same day, manual monitoring was implemented. The monitoring results show that the pollutant emission concentration is within the limit and meets the discharge standard. At present, 360 desulfurization outlet online equipment is running normally.
Bengang Steel Plates Co., Ltd.	Pollutant emission	The law enforcement personnel of Benxi Ecological Bureau checked the emission of Coking Branch of ironmaking Plant in 2022 and found that the actual emission of particulate matter was excessive.	Penalty: RMB300,000	None	All have been rectified. Four CDQ dust removal facilities and four coke oven desulfurization and denitration treatment facilities in Coking Branch are under construction. According to the Regulations on the Administration of Pollutant Discharge Permit, if no online facilities are installed, only the pollution production coefficient can be used for accounting, so the total amount of particulate matter exceeds the

					<p>standard. At present, coke oven desulfurization and denitration treatment facilities and CDQ desulfurization treatment facilities are under construction and installation, and the renovation will be completed in December 2023. After the transformation, the online method is adopted to calculate the emissions.</p>
Bengang Steel Plates Co., Ltd.	On line facility setting problems	<p>In the high-pressure operation area, the excess air coefficient of the 25 # furnace CEMS online monitoring system is set to 1.4. Thermal energy conversion type for gas boiler. The basic oxygen content should be set at 3 %.</p>	Penalty: RMB86,000	None	<p>All have been rectified. The Plant strengthens the understanding of the ability of environmental protection management personnel and increases the study of relevant national norms. Currently, the online instrument operation and maintenance unit such as personnel of the Northern Environmental Protection Operation and Maintenance have modified the display base oxygen content in the 25 # furnace online facility to be consistent with the networking application form. This is in line with the specification requirements of 5.2-Table 4 of <i>Emission Standard for Air Pollutants from Thermal Power Plants</i></p>

					G813223-2011). For boilers whose heat energy conversion type is gas, the basic oxygen content should be set at 3 %.
Bengang Steel Plates Co., Ltd.	Fugitive emissions	Law enforcement officers of Benxi Ecological Bureau conducted on-site inspection on Benxi Steel Plate Factory. They found that the furnace door in the coking operation area of the General Ironmaking Plant (Coking) was not tightly blocked, and some doors and windows of the coke screening building in the CDQ operation area were not closed. These problems lead to some smoke overflow and pollute the environment.	Penalty: RMB60,000	None	All have been rectified. Plate Ironmaking General Plant signed a contract with Xingtai Equipment Manufacturing Co., Ltd.. It will professionally operate, maintain and replace 900 oven doors in coking plant. The contract period is from January 1 st , 2023 to December 31 st , 2023. Coking Branch Plant shall take actions and rectify instantly, and deal with problems as soon as possible to prevent sensory pollution.
Bengang Steel Plates Co., Ltd.	Noises	The Company supervised and monitored the noise emission at the boundary of the desulfurization and denitration facilities of 360 sintering machine, and found that it exceeded the relevant requirements of the <i>Environmental Noise Emission Standard for Industrial Enterprises</i> (GB12348-2008).	Penalty: RMB80,000	None	All have been rectified. 1. Increase the noise of enclosure interception around the induced draft fan. The expansion joint is added at the outlet of the induced draft fan to the chimney to reduce the resonance and reduce the noise source. Add a deflector at the chimney inlet to change the reverse direction of the flue gas flow and divert the flue gas to reduce noise.

					Increase the cyclone to destroy the impact of flue gas and the inner wall of the chimney to reduce the noise source. On November 18 th 2023, the monitoring station of Benxi City conducted a retest, and the noise monitoring results met the standard.
Bengang Steel Plates Co., Ltd.	Fugitive emissions	The law enforcement personnel of Benxi Ecological Bureau implemented on-site inspection of the resource service branch. They found that the staff in the operation area filled the torpedo tank with scrap steel by grabbing steel machine. This leads to a large amount of smoke, which is directly discharged into the air and pollutes the environment.	Penalty: RMB60,000	None	All have been rectified. Immediately stop the operation that the steel grabbing machine in the southern tank station to add scrap steel to the torpedo tank.
Bengang Steel Plates Co., Ltd.	Pollutant emission	The sulfur dioxide and nitrogen oxides at the chimney outlet of coke ovens 4B and 5 in the coking process of the ironmaking plant were monitored. The concentration of pollutants exceeded the emission limit in the <i>Coking Chemical Industry Pollutant Emission Standard</i> GB16171-2012.	Penalty: RMB180,000	None	All have been rectified. The desulfurization and denitrification treatment facilities of No.4B and No.5 coke ovens in the General Plates Ironmaking Plant started construction in April 2023. The construction was completed on October 15,2023, and the commissioning was carried out after debugging. During commissioning , it

					can temporarily meet the ultra-low emission standards. It is now put into official operation and is in line with ultra-low emission standards.
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Other environmental information that should be disclosed

None

Other environmental protection related information

None

II. Social responsibility

Please refer to *2023 Corporate Social Responsibility Report of Bengang Steel Plates Co., Ltd.* disclosed on <http://www.cninfo.com.cn> on March 30th, 2024.

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

Further consolidate the fruit of poverty solving and poverty alleviation for employees and push forward effective coherence of poverty employee assistance and elevation of employees' living quality. Strictly implement the Principle of "Construct all that need to be constructed, help all that need to be helped, manage dynamically and adopt targeted policies". Stay firmly the faith that "Never leave any employees behind". Establish a long-acting mechanism of doing practical things and good things to employees to solve the problems of employees. Grant 4, 002, 100 yuan salvage money to 47 needy employees all year round and promote whole coverage to register and help poor employees that meet the standards.

The Company has actively selected excellent officials to join rural revitalization work. Currently, there are 5 people serving as first Party secretaries. Focusing on serving to find a new breakthrough for a three-year action of rejuvenation in all respects and based on actual condition of the location, resident working team members remain true to the commitment and strive to fulfill the mission, engaging in tenacious struggle with firm confidence. Poverty elimination and works of preventing people from falling back into poverty at pair-up poverty alleviation points have been well accomplished in 2023. The Company has provided growth points to rural collective economies by ways such as a direct sentinel procurement of resident agricultural and sideline products for employee welfare, etc and the income per capita is effectively increased. The Company has been awarded as advanced unit of targeted poverty alleviation in Liaoning Province for years.

Section VI Important Events

I. Performance of committed issues

1. The fulfilled commitments during the reporting period and under-fulfillment commitments by the end of the reporting period made by actual controller, shareholder, party involved, acquirer, company and other related parties

Applicable Not applicable

Commitments	Commitment party	Type of commitment	Contents	Commitment time	Commitment period	Performance
Commitment made in the acquisition report or the equity change report	Ansteel Group Co., Ltd.	Other commitment	In order to maintain the independence of Bengang Steel Plates, Ansteel Group undertakes the following: 1. Ansteel Group guarantees to keep separate from Bengang Steel Plates in terms of assets, personnel, finance, organization and business, and strictly abides by the China Securities Regulatory Commission's regulations on the independence of listed companies. It does not use its controlling position to interfere with the standard operation of Bengang Steel Plates, interfere with Bengang Steel Plates' business decisions, or damage the legitimate rights and interests of Bengang Steel Plates and other shareholders. Ansteel Group and other subsidiaries controlled by it promise not to illegally occupy the funds of Bengang Steel Plates and its controlled subsidiaries in any way. 2. The above commitments will continue to be effective during the period when	August 20 th , 2021	Long term	Under normal fulfillment

Commitments	Commitment party	Type of commitment	Contents	Commitment time	Commitment period	Performance
			Ansteel Group has control over Bengang Steel Plates. If Ansteel Group fails to fulfill the above-mentioned commitments and causes losses to Bengang Steel Plates, Ansteel Group will bear the corresponding liability for compensation.			
Commitment made in the acquisition report or the equity change report	Ansteel Group Co., Ltd.	Other commitment	In order to avoid horizontal competition, Ansteel Group undertakes the following: (1) In view of the overlapping business between Ansteel Group and Bengang Steel Plates after the completion of the acquisition, according to the requirements of existing laws, regulations and relevant policies, Ansteel Group will issue a letter of commitment. Within 5 years or less time if more effort from the date of issue, it will comprehensively adopt various methods such as asset restructuring, business adjustment, and entrusted management to steadily promote the integration of relevant businesses to solve the problem of horizontal competition, in accordance with the requirements of the relevant securities regulatory authorities, under the premise of complying with the applicable laws and regulations and relevant regulatory rules at that time, and in the principle of facilitating the development of Bengang Steel Plates and safeguard the	August 20 th , 2021	Long term	Under normal fulfillment

Commitments	Commitment party	Type of commitment	Contents	Commitment time	Commitment period	Performance
			<p>interests of shareholders, especially the interests of small and medium shareholders. The aforesaid solutions include but are not limited to: 1) Asset restructuring: a different way of asset purchase, asset replacement, asset transfer or other feasible restructuring methods permitted by relevant laws and regulations, such as cash consideration or issue share consideration. It will gradually sort out and reorganize the assets of the overlapping parts of the business between Ansteel Group and Bengang Steel Plates to eliminate the overlapping of some businesses. 2) Business adjustment: it will sort out the business boundaries and try the best to achieve differentiated operations, such as business categorization through asset transactions, business separation and other different methods, including but not limited to business composition, product grade, application field and customer groups, etc. 3) Entrusted management: by signing an entrustment agreement, one party will entrust decision making and management of related asset operation of overlapping parts to the other party for unified management. 4) Other feasible solutions permitted by laws, regulations and relevant</p>			

Commitments	Commitment party	Type of commitment	Contents	Commitment time	Commitment period	Performance
			<p>policies. The implementation of the above-mentioned solutions is premised on performing the necessary deliberation procedures for listed companies and the approval procedures of securities regulatory authorities and relevant competent authorities in accordance with relevant laws and regulations. (2) Ansteel Group has not yet formulated a specific implementation plan and time arrangement for solving the problem of partial business overlap between Ansteel Group and Bengang Steel Plates. It will timely perform the duty of disclosing information required by relevant laws and regulations when a feasible, specific plan is formulated. (3) In addition to the above circumstances, when Ansteel Group or other subsidiaries obtain business opportunities that may compete with the business of Bengang Steel Plates, Ansteel Group will do its best to give Bengang Steel Plates the priority to develop such opportunities and the right to first refuse or purchase the project, ensure the price of the relevant transaction is fair and reasonable, and set the price based on the business practices followed in normal commercial transactions as independent third parties. (4) Ansteel Group guarantees that it</p>			

Commitments	Commitment party	Type of commitment	Contents	Commitment time	Commitment period	Performance
			will strictly abide by laws, regulations, <i>Articles of Association of Bengang Steel Plates Co., Ltd.</i> and its relevant management system, and not use its position as an indirect controlling shareholder of Bengang Steel Plates to seek illegitimate interests which thereby impair the rights and interests of other shareholders of Bengang Steel Plates. (5) During the period of control over Bengang Steel Plates, the above commitments made by Ansteel Group are all valid. In the event of violation of the above commitments and the damage to the rights and interests of Bengang Steel Plates is caused, Ansteel Group is willing to assume the corresponding liability for damages.			
Commitment made in the acquisition report or the equity change report	Ansteel Group Co., Ltd.	Other commitment	In order to standardize and reduce the related transactions between Ansteel Group and listed companies, Ansteel Group has made commitments: 1. Ansteel Group will ensure the independence of Bengang Steel Plates' business, the completeness of its assets, and the independence and completeness of production, supply, sales and other auxiliary facilities. 2. Ansteel Group and other enterprises controlled by Ansteel Group will not take advantage of the control over Bengang Steel Plates to seek preferential	August 20 th ,2021	Long term	Under normal fulfillment

Commitments	Commitment party	Type of commitment	Contents	Commitment time	Commitment period	Performance
			<p>transactions with Bengang Steel Plates and its subordinate enterprises. 3. Ansteel Group and other enterprises controlled by Ansteel Group will avoid and reduce unnecessary transactions with Bengang Steel Plates and its subordinate enterprises. If there is a truly necessary and unavoidable transaction, Ansteel Group and other enterprises controlled by Ansteel Group will sign an agreement with Bengang Steel Plates and its subordinate enterprises in accordance with the principles of fairness, equity, and compensation for equal value, perform legal procedures, and comply with relevant laws, regulations and standard documents and <i>Articles of Association of Bengang Steel Plates Co., Ltd.</i> to perform the duty of disclosing information and execute relevant internal decision making and approval procedures. Ansteel Group ensures that it will not offer an unfair price or condition compared with market price in the transactions with Bengang Steel Plates and its subordinate enterprises and not use such transactions to engage in any behavior that damages the legitimate rights and interests of Bengang Steel Plates and its shareholders. 4.</p>			

Commitments	Commitment party	Type of commitment	Contents	Commitment time	Commitment period	Performance
			In the event of violation of the above commitments and the damage to the legitimate rights and interests of Bengang Steel Plates is caused, Ansteel Group will compensate for the losses caused to Bengang Steel Plates according to laws.			
Commitment made during initial public offering or refinancing	Company directors, senior management/Benxi Steel & Iron (Group) Co., Ltd.	Other commitment	According to the relevant regulations of China Securities Regulatory Commission, all directors and senior management of the Company have made the following commitments to the Company's fulfillment of the diluted immediate return measures: 1. I promise to perform my duties faithfully and diligently, and safeguard the legitimate rights and interests of the Company and all shareholders. 2. I promise not to deliver benefits to other units or individuals without compensation or under unfair conditions, nor to use other means to damage the Company's interests. 3. I promise to restrict the position-related consumption behavior of company directors and senior management personnel. 4. I promise not to use the Company's assets to do investment and consumption activities that are not related to the performance of my duties. 5. Within the scope of my responsibilities and authority, I promise to make every effort to promote the Company's	May 22 nd , 2019	Long term	Under normal fulfillment

Commitments	Commitment party	Type of commitment	Contents	Commitment time	Commitment period	Performance
			<p>Board of Directors or the remuneration system established by the remuneration and appraisal committee to be linked to the implementation of the Company's compensation measures, and vote in favor of the relevant proposals reviewed by the Company's Board of Directors and general meetings (If I have voting rights). 6. If the Company intends to implement equity incentives, I promise to, within the scope of my responsibilities and authority, make every effort to promote the Company's proposed equity incentive exercise conditions to be linked to the implementation of the Company's compensation measures, and vote in favor of the relevant proposals reviewed by the Company's Board of Directors and general meetings (If I have voting rights). 7. Between the issuance of this commitment and the completion of the Company's public issuance of convertible corporate bonds, if China Securities Regulatory Commission announces other new regulations on compensation measures and commitments and the above commitments cannot meet the regulations, the Company promises to issue a supplementary promise in accordance with the latest regulations. The</p>			

Commitments	Commitment party	Type of commitment	Contents	Commitment time	Commitment period	Performance
			Company's controlling shareholder, Benxi Iron & Steel (Group) Co., Ltd., promises not to interfere with the Company's operation and management activities beyond its authority nor to infringe on the Company's interests.			
Commitment made during initial public offering or refinancing	Bengang Group Co., Ltd. and Benxi Steel & Iron (Group) Co., Ltd.	Other commitment	<p>1. The filing of foreign economic and trade operators, taking into account the need to gradually improve the qualification certification of raw material suppliers, customs import and export qualification certification, etc. In the short term, the actual conditions and capabilities for independent import and export business are still lacking.</p> <p>In order to ensure the normal business development of Bengang Steel Plates, the Group agrees that within the period of no more than 5 years from the date of issuance of this commitment, the main import and export business of Bengang Steel Plates will still be represented by Bengang International Trade until Bengang Steel Plates can independently develop Import and export business, and Bengang International Trade, during this period, will provide the necessary support for the establishment and improvement of Bengang Steel Plates' import and export business. In addition, the sales company</p>	July 24 th , 2019	Long term	Under normal fulfillment

Commitments	Commitment party	Type of commitment	Contents	Commitment time	Commitment period	Performance
			<p>under Bengang International Trade is only responsible for selling the products of Beiying Iron and Steel (Group), and never sells steel products of a third party. 2. The sales company under the Group, Shanghai Bengang Iron and Steel Sales Co., Ltd., is currently no longer actually engaged in any business activities, specifically: Shanghai Bengang Iron & Steel Sales Co., Ltd. filed for bankruptcy in 2014, and the Shanghai Changning District People's Court issued an announcement to appoint Guohao Lawyer (Shanghai) Office as the bankruptcy administrator. After communication with the bankruptcy administrator, upon completion of the aforementioned bankruptcy liquidation procedures, the relevant procedures for cancellation of Shanghai Bengang Iron and Steel Sales Co., Ltd. will be handled immediately.</p>			
Commitment made during initial public offering or refinancing	Bengang Group Co., Ltd. and Benxi Steel & Iron (Group) Co., Ltd.	Other commitment	<p>In order to avoid horizontal competition, Benxi Iron and Steel Group Co., Ltd. and Bengang Group Co., Ltd. (hereinafter collectively referred to as the Group), as a direct controlling shareholder and an indirect shareholder of Bengang Steel Plates Co., Ltd. (Hereinafter referred to as Bengang Steel Plates), undertake the following:</p> <p>1. During the period when the Group is the</p>	July 24 th ,2019	Long term	Under normal fulfillment

Commitments	Commitment party	Type of commitment	Contents	Commitment time	Commitment period	Performance
			<p>controlling shareholder of Bengang Steel Plates, the Group and other enterprises controlled by the Group other than Bengang Steel Plates no longer produce or develop any products that compete or may compete with the products produced by Bengang Steel Plates and its subsidiaries at home and abroad, and do not directly or indirectly operate any business that competes with Bengang Steel Plates and its subsidiaries. Businesses that may constitute competition, nor are they involved in investing in any other enterprise that competes with or may compete with products or businesses produced by Bengang Steel Plates and its subsidiaries. 2. If Bengang Steel Plates and its subsidiaries further expand their business scope, the Group and other enterprises controlled by the Group will not compete with the expanded business of Bengang Steel Plates and its subsidiaries. If any business may compete with the expanded business of Bengang Steel Plates and its subsidiaries, it will withdraw from the competition with Bengang Steel Plates as follows: (1) Stop the business that may or may compete with Bengang Steel Plates and its subsidiaries; (2) Incorporate the competing businesses</p>			

Commitments	Commitment party	Type of commitment	Contents	Commitment time	Commitment period	Performance
			<p>into the business scope of Bengang Steel Plates and its subsidiaries in a legal and compliant manner; (3) Transfer the competing business to unrelated third parties.</p> <p>3. If the Group has engaged in or participated in any business opportunity that may constitute competition with Bengang Steel Plates' operation, the Group shall immediately notify Bengang Steel Plates of the above opportunity. If Bengang Steel Plates is willing to take advantage of the business opportunity and replies with an affirmative answer within a reasonable period specified in the notice, the Group will endeavor to give the business opportunity to Bengang Steel Plates with the conditions not worse than those offered to any independent third party.</p> <p>4. If the above commitments are violated, the Group is willing to bear all the responsibilities arising therefrom, and fully compensate or compensate for all direct or indirect losses caused to Bengang Steel Plates.</p> <p>5. This letter of commitment continues to be effective during the period of the Group as the controlling shareholder of Bengang Steel Plates and cannot be changed or withdrawn.</p>			
Commitment made during initial public	Bengang Group Co., Ltd. and Benxi Steel & Iron (Group) Co.,	Other commitment	In order to regulate The Group's related transaction with	July 24 th ,2019	Long term	Under normal fulfillment

Commitments	Commitment party	Type of commitment	Contents	Commitment time	Commitment period	Performance
offering or refinancing	Ltd.		<p>Bengang Steel Plates, Benxi Iron and Steel Group Co., Ltd. and Bengang Group Co., Ltd. (hereinafter collectively referred to as the Group), as a direct controlling shareholder and an indirect shareholder of Bengang Steel Plates Co., Ltd. (Hereinafter referred to as Bengang Steel Plates), undertake the following:</p> <p>1. The Group will fully respect the independent legal person status of Bengang Steel Plates, ensure the independent operation and independent decision making of Bengang Steel Plates, guarantee the independence of Bengang Steel Plates' business, the completeness of asset, and the independence of personnel and finance to avoid and reduce unnecessary related transactions. The Group will strictly control related transactions with Bengang Steel Plates and its subsidiaries.</p> <p>2. The Group and other enterprises controlled by the Group promise not to use loans, debt repayment, substitute funds or other ways to occupy or misappropriate the funds of Bengang Steel Plates and its subsidiaries, nor require Bengang Steel Plates and its subsidiaries to provide illegal guarantees for the Group and other enterprises controlled by the Group.</p> <p>3. The Group and other</p>			

Commitments	Commitment party	Type of commitment	Contents	Commitment time	Commitment period	Performance
			<p>enterprises controlled by the Group will reduce related transactions as much as possible with Bengang Steel Plates. If related transactions are indeed necessary and unavoidable, it will strictly implement the decision making authority, decision making procedures, avoidance system and other requirements stipulated in Bengang Steel Plates' Articles of Association and related transaction decision making systems, give full play to the role of the Board of Supervisors and independent directors, and earnestly fulfill the obligation of disclosing information to ensure that transactions are conducted in accordance with the open, fair, and equal principles of market transactions and normal commercial terms. The Group and other enterprises controlled by the Group will not require or accept Bengang Steel Plates to offer preferential treatment which is not given to a third party in any fair market transaction, thereby protecting other shareholders and interests of Bengang Steel Plates from damage. 4. The Group guarantees that the above commitments are continuously effective and irrevocable as long as Bengang Steel Plates is listed on the domestic stock exchange and the Group acts as its direct and indirect controlling</p>			

Commitments	Commitment party	Type of commitment	Contents	Commitment time	Commitment period	Performance
			shareholder. If any violation of the above commitments occurs, the Group therefore will bear all the losses caused to Bengang Steel Plates.			
Whether Commitment fulfilled on time or not	Yes					

2. The Company remarks that there are assets or projects which meet the original profit forecast and the reasons when there are assets or projects profit forecast of the Company and the reporting period is still in the forecast period

Applicable Not applicable

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

Applicable Not applicable

There was no non-operating occupation of funds by the controlling shareholder and related parties.

III. Non-compliance with external guarantees

Applicable Not applicable

There was no non-compliance with external guarantees.

IV. Illustration by the Board of Directors on the latest Qualified Audit Report

Applicable Not applicable

V. Illustration by the Board of Directors, the Supervisory Committee and the Independent Directors (if any) on the Qualified Audit Report of the accountants' firm for the reporting period

Applicable Not applicable

VI. Illustration of changes in accounting policy, accounting estimate and significant accounting error as compared with the financial report of last year

Applicable Not applicable

1. Significant changes in accounting policy

(1) Implement "Accounting for deferred income tax related to assets and liabilities arising from a single transaction which is not subject to the accounting treatment of initial recognition exemption" in Accounting Standards for Business Enterprises Interpretation No. 16.

On November 30th, 2022, the Ministry of Finance issued the Accounting Standards for Business Enterprises Interpretation No. 16 (Caikuai [2022] No. 31, hereinafter referred to as Interpretation No. 16), in which "Accounting for deferred income tax related to assets and liabilities arising from a single transaction which is not subject to the accounting treatment of initial recognition exemption" came into force on January 1st, 2023.

Interpretation No. 16 stipulates that for a single transaction that is not a business combination, neither affects accounting profit nor taxable income (or deductible loss) at the time of the transaction, and the assets and liabilities initially recognized result in the same amount of taxable temporary differences and deductible temporary differences (including the lease transaction where the lessee initially recognizes lease liabilities and includes them in the right-of-use asset on the commencement date of the lease term, and the provision for fixed assets is recognized and included in the cost of related assets and other single transactions), the provisions for the exemption of initial recognition of deferred income tax liabilities and deferred income tax assets are not applicable. When the transaction occurs, the enterprise shall recognize the corresponding deferred income tax liabilities and deferred income tax assets respectively in accordance with the "Accounting Standards for Business Enterprises No. 18-Income Tax" and other relevant regulations.

Where taxable temporary differences and deductible temporary differences arise from a single transaction that applies the provisions between the beginning of the earliest period presented in the financial statements for the first time applying the provisions and the date of implementation, as well as lease liabilities and right-of-use assets recognized as a result of a single transaction that applies the provisions at the beginning of the earliest period presented in the financial statements, as well as estimated liabilities related to decommissioning obligations and corresponding related assets recognized, the enterprise shall make adjustments in accordance with the provisions.

The Company will implement this regulation as of January 1st, 2023. The main effects of implementing this regulation are as follows :

Contents and reasons of accounting policy change	Report items effected	Account effected to the balance on January 1st, 2022	
		Consolidated	Parent company
The adjustment of the operating lease existing before the first execution date by the company as the lessee.	Deferred income tax assets	360,091,312.08	360,091,312.08
	Deferred income tax liabilities	360,091,312.08	360,091,312.08

Contents and reasons of accounting policy change	Report items effected	Consolidated		Parent company	
		December 31st , 2023/FY2023	December 31st ,2022/FY2022	December 31st , 2023/FY2023	December 31st , 2022/FY2022
The adjustment of the operating lease existing before the	Deferred income tax assets	340,687,848.63	344,997,678.47	340,687,848.63	344,997,678.47

first execution date	Deferred				
by the company as	income tax	329,904,044.87	344,997,678.47	329,904,044.87	344,997,678.47
the lessee	liabilities				

VII. Illustration of changes in the consolidation scope as compared with the financial report of last year

Applicable Not applicable

There were no changes of consolidated report scope.

VIII. Appointment and dismissal of certified accountants' firm

Accountants' firm currently appointed

Name of the domestic accountants' firm	BDO China Shu Lun Pan Certified Public Accountants LLP (Special General Partnership)
Payment to the domestic accountants' firm (in RMB 10,000)	295
Service life of domestic accountants' firm providing audit service	1
Name of CPAs from the domestic accountants' firm	Guo Shunxi, Zhang Jiahui and Fu Yangyi
Service life of domestic accountants' providing audit service	1
Name of the oversea accountants' firm (if any)	Not applicable
Payment to the oversea accountants' firm (in RMB 10,000) (if any)	0
Service life of oversea accountants' firm providing audit service (if any)	Not applicable
Name of CPAs from the oversea accountants' firm (if any)	Not applicable
Service life of oversea accountants' providing audit service (if any)	Not applicable

Whether the accountants' firm is changed during the auditing period

Yes No

Engagement of accountant's firms, financial consultants or sponsors for internal control auditing

Applicable Not applicable

The Company appointed BDO China Shu Lun Pan Certified Public Accountants LLP (Special General Partnership) as the audit institution for internal control auditing at the price of RMB 600,000.

IX. Risk of suspension or termination of listing after the disclosure of the annual report

Applicable Not applicable

X. Bankruptcy and restructuring events

Applicable Not applicable

There were no bankruptcy and restructuring events during the reporting period.

XI. Significant lawsuits and arbitrations

Applicable Not applicable

Basic information of lawsuits (arbitrations)	Total amount involved (RMB 10,000)	Where there are estimated liabilities	Progress of lawsuits (arbitrations)	Judicial result and influence of lawsuits (arbitrations)	Enforcement of the judgment of lawsuits and arbitrations	Date of disclosure	Index of disclosure
Summary of significant lawsuits and arbitrations not reaching the standard of disclosure	9,132.49	No	In judgement	The Company has won most cases and is not affected.	Implementation according to laws		

XII. Punishment and rectification

Applicable Not applicable

Name	Type	Reason	Type of investigation punishment	Conclusion (if any)	Date of disclosure	Index of disclosure
Liu Yansong	Senior manager	His father did a short-term trading	Other	The earnings have been handed in to the Company	August 12 th , 2023	2023-045

Illustration of the rectification

Applicable Not applicable

1. Mr. Liu Yansong expressed deep self-blame for the failure to timely remind and urge the obligation, and sincerely apologized to the majority of investors. He also promised to study in depth and strictly abide by the provisions of relevant laws and regulations, consciously maintain the order of the securities market and urge relatives to implement in place to prevent such situations. Mr. Liu Gang has deeply realized the seriousness of this matter, and sincerely apologizes to the investors for the adverse effects of this short-term transaction, and will strengthen the study of relevant laws and regulations in the future. Strictly abide by the relevant regulations in securities trading to ensure that such situations do not occur again. Mr. Liu Yansong and his father Mr. Liu Gang promised to consciously abide by the provisions of Article 44 of the "Securities Law" on the prohibition of short-term transactions, and not to sell company shares within six months from the date of the last purchase of company shares, and not to buy company shares within six months from the date of the last sale of company shares.

2. According to the provisions of Article 44 of the Securities Law, the income of Mr. Gang Liu should be owned by the company. Mr. Gang Liu made a total profit of RMB 1,087 yuan in this short-term transaction, which has been turned over to the company.

3. The Board of Directors of the Company will continue to strengthen compliance training and publicity. Directors, supervisors, senior managers and shareholders holding more than 5% of the Company's shares are required to strengthen their study of relevant laws, regulations and normative documents such as Securities Law, Guidelines for Self-regulation of Listed Companies No.1-Standardized Operation of Listed Companies on Main Board, Guidelines for Self-regulation of Listed Companies of Shenzhen Stock Exchange No.10-Share Change Management, Rules for the Management of Shares and Changes of the Company Held by Directors, Supervisors and Senior Managers of Listed Companies, and strictly abide by relevant regulations. The Company will further urge relevant personnel to strictly regulate the behavior of buying and selling the Company's shares, so as to prevent such incidents from happening again.

XIII. Credit status of the Company and its controlling shareholders and actual controllers

Applicable Not applicable

XIV. Major related transactions

1. Related transactions relevant to daily operations

Applicable Not applicable

Related parties	Relationship	Type of related party transactions	Content of related party transactions	Pricing principle of related party transactions	Price of related party transactions	Amount of related party transactions (RMB 10,000)	Proportion of similar transactions	The approved trading limit of transactions (RMB 10,000)	Whether exceed the approved limit (Y/N)	Means of payment of related party transactions	Available market price of similar transactions	Date of disclosure	Index of disclosure
Benxi Beiyin Iron and Steel (Group) Co., Ltd.	Both belong to Bengang Group	Purchasing goods /providing services	Purchasing main raw materials	Market principles	Related agreement price	1,116,629.59	19.14%	1,508,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Benxi Iron and Steel Mining Co., Ltd.	Same parent company	Purchasing goods /providing services	Purchasing main raw materials	Market principles	Related agreement price	608,801	10.44%	895,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Benxi Iron and Steel (Group) Metallurgical Slag Co., Ltd.	Same parent company	Purchasing goods /providing services	Purchasing main raw materials	Market principles	Related agreement price	23,988.48	0.41%	30,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Benxi Iron and Steel (Group) Industrial Development Co.,	Same parent company	Purchasing goods /providing services	Purchasing main raw materials	Market principles	Related agreement price	29,709.96	0.51%	60,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073

Ltd.													
Ansteel Group Co., Ltd.	Both belong to Ansteel Group	Purchasing goods /providing services	Purchasing main raw materials	Market principles	Related agreement price	7,804.06	0.13%	10,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Ansteel Group Mining Gongchangling Co., Ltd	Both belong to Ansteel Group	Purchasing goods /providing services	Purchasing main raw materials	Market principles	Related agreement price	37,501.57	0.64%	50,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Ansteel Group International Economic Trade Co., Ltd.	Both belong to Ansteel Group	Purchasing goods /providing services	Purchasing main raw materials	Market principles	Related agreement price	36,949	0.63%	30,000	Yes	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Ansteel Scrap Resources (Anshan) Co., Ltd.	Both belong to Ansteel Group	Purchasing goods /providing services	Purchasing main raw materials	Market principles	Related agreement price	65,569.22	1.12%	130,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Ansteel Group Mining Co., Ltd	Both belong to Ansteel Group	Purchasing goods /providing services	Purchasing main raw materials	Market principles	Related agreement price	0	0.00%	10,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Panzhiron and Steel Group Vanadium Titanium Resources	Both belong to Ansteel Group	Purchasing goods /providing services	Purchasing main raw materials	Market principles	Related agreement price	357.34	0.01%	4,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073

Co., Ltd													
Shanxi products international energy co., ltd	Both belong to Bengang Group	Purchasing goods /providing services	Purchasing main raw materials	Market principles	Related agreement price	4,356.15	0.07%	0	Yes	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Ansteel metallurgy furnace material technology co., ltd	Both belong to Bengang Group	Purchasing goods /providing services	Purchasing main raw materials	Market principles	Related agreement price	2,059.21	0.04%	0	Yes	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Benxi Beijing Iron and Steel (Group) Co., Ltd.	Both belong to Bengang Group	Purchasing goods /providing services	Purchasing auxiliary materials	Market principles	Related agreement price	0	0.00%	2,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Liaoning hengtong metallurgical equipment manufacturing co., ltd	Both belong to Bengang Group	Purchasing goods /providing services	Purchasing auxiliary materials	Market principles	Related agreement price	13,796.47	0.24%	20,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Benxi Iron and Steel Electric Co., Ltd	Associates of the parent company	Purchasing goods /providing services	Purchasing auxiliary materials	Market principles	Related agreement price	15,036.48	0.26%	20,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Benxi Iron and Steel (Group)	Same parent company	Purchasing goods /providing	Purchasing auxiliary mater	Market principles	Related agreement price	8,016.25	0.14%	12,000	No	Execute according to the	Yes	December 14 th , 2022	2022-073

p) Machinery Manufacturing Co., Ltd.		services	materials							agreement			
Ansteel Industry Group Metallurgical Machinery Co., Ltd	Both belong to Ansteel Group	Purchasing goods /providing services	Purchasing auxiliary materials	Market principles	Related agreement price	1,034. 79	0.02%	1,500	No	Execute according to the agreement	Yes	December 14 th , 2022	2022- 073
Ansteel steel rope co., Ltd	Both belong to Ansteel Group	Purchasing goods /providing services	Purchasing auxiliary materials	Market principles	Related agreement price	40.23	0.00%	1,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022- 073
Other subsidiaries of Ansteel Group	Both belong to Ansteel Group	Purchasing goods /providing services	Purchasing auxiliary materials	Market principles	Related agreement price	0	0.00%	550	No	Execute according to the agreement	Yes	December 14 th , 2022	2022- 073
Benxi Beijing Iron and Steel (Group) Co., Ltd.	Both belong to Bengang Group	Purchasing goods /providing services	Purchasing energy power	Market principles	Related agreement price	61,99 0.78	1.06%	80,00 0	No	Execute according to the agreement	Yes	December 14 th , 2022	2022- 073
Benxi Iron and Steel (Group) Construction Co., Ltd.	Same parent company	Purchasing goods /providing services	Accepting supportive services	Market principles	Related agreement price	47,35 9.85	0.81%	58,50 0	No	Execute according to the agreement	Yes	December 14 th , 2022	2022- 073
Benxi Beijing Iron and Steel (Group)	Both belong to Bengang Group	Purchasing goods /providing services	Accepting supportive services	Market principles	Related agreement price	10,39 4.2	0.18%	10,00 0	Yes	Execute according to the agreement	Yes	December 14 th , 2022	2022- 073

p) Co., Ltd.		es								ment			
Benxi Iron and Steel (Group) Equipment Engineering Co., Ltd.	Same parent company	Purchasing goods /providing services	Accepting supportive services	Market principles	Related agreement price	65,137.29	1.12%	10,000	Yes	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Benxi Iron and Steel (Group) Mining Co., Ltd.	Same parent company	Purchasing goods /providing services	Accepting supportive services	Market principles	Related agreement price	987.57	0.02%	5,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Benxi Iron and Steel Group International Economic Trade Co., Ltd.	Both belong to Bengang Group	Purchasing goods /providing services	Accepting supportive services	Market principles	Related agreement price	6,129.09	0.11%	20,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Benxi Iron and Steel (Group) Information Automation Co., Ltd.	Same parent company	Purchasing goods /providing services	Accepting supportive services	Market principles	Related agreement price	1,756.84	0.03%	10,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Ansteel Steel Processing and Distribution	Both belong to Ansteel Group	Purchasing goods /providing services	Accepting supportive services	Market principles	Related agreement price	146.78	0.00%	1,300	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073

(Changchun) Co., Ltd.													
Ansteel Group Engineering Technology Co., Ltd	Associates of the Asteel Group	Purchasing goods /providing services	Accepting supportive services	Market principles	Related agreement price	49,647.58	0.85%	2,300	Yes	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Ansteel construction group co., ltd	Both belong to Ansteel Group	Purchasing goods /providing services	Accepting supportive services	Market principles	Related agreement price	10,106.07	0.17%	5,500	Yes	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Benxi Iron and Steel Group Co., Ltd	Controlling shareholder of parent company	Purchasing goods /providing services	Accepting supportive services	Market principles	Related agreement price	3,551.25	0.06%	10,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Benxi Iron and Steel (Group) Co., Ltd.	Parent company	Purchasing goods /providing services	Accepting supportive services	Market principles	Related agreement price	32,964.18	0.57%	35,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Liaoning hengtai heavy machinery co., ltd	Same parent company	Purchasing goods /providing services	Accepting supportive services	Market principles	Related agreement price	6,692.86	0.11%	5,000	Yes	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
North Hengda logistics co., ltd	Both belong to Bengang Group	Purchasing goods /providing services	Accepting supportive services	Market principles	Related agreement price	10,734.06	0.18%	3,000	Yes	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Liaoning Metall	Same parent	Purchasing goods	Accepting support	Market principles	Related agree	1,610.62	0.03%	1,000	Yes	Execute accor	Yes	December 14 th ,	2022-073

urgical Technician College	company	/providing services	rtive services	ples	ment price					ding to the agree ment		2022	
Benxi Iron and Steel (Group) New Enterprise Development Co., Ltd.	Both belong to Ansteel Group	Purchasing goods /providing services	Accepting supportive services	Market principles	Related agreement price	351.9 1	0.01%	7,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022- 073
Ansteel Group Automation Co., Ltd	Both belong to Ansteel Group	Purchasing goods /providing services	Accepting supportive services	Market principles	Related agreement price	10,82 1.5	0.19%	23,00 0	No	Execute according to the agreement	Yes	December 14 th , 2022	2022- 073
Delin dry port supply chain service co., ltd	Both belong to Ansteel Group	Purchasing goods /providing services	Accepting supportive services	Market principles	Related agreement price	63,77 1.14	1.09%	0	Yes	Execute according to the agreement	Yes	December 14 th , 2022	2022- 073
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Same parent company	Purchasing goods /providing services	Accepting supportive services	Market principles	Related agreement price	6,885. 04	0.12%	8,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022- 073
Ansteel Kurita (Anshan) Water Treatment Co., Ltd.	Both belong to Ansteel Group	Purchasing goods /providing services	Accepting supportive services	Market principles	Related agreement price	0	0.00%	1,200	No	Execute according to the agreement	Yes	December 14 th , 2022	2022- 073

Ansteel Industrial Group (Anshan) Equipment Operation and Maintenance Co., Ltd.	Both belong to Ansteel Group	Purchasing goods /providing services	Accepting supportive services	Market principles	Related agreement price	0	0.00%	1,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Other subsidiaries of Ansteel Group	Both belong to Ansteel Group	Purchasing goods /providing services	Accepting supportive services	Market principles	Related agreement price	1,966.31	0.03%	2,100	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Ansteel Lianzhong (Guanzhou) Stainless Steel Co., Ltd.	Both belong to Ansteel Group	Purchasing goods /providing services	Purchasing steel products	Market principles	Related agreement price	0	0.00%	16,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
North Hengda Logistics Co., Ltd	Both belong to Bengang Group	Selling goods /providing services	Selling goods	Market principles	Related agreement price	393,141.41	6.80%	200,000	Yes	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Delindry port supply chain service co., ltd	Both belong to Ansteel Group	Selling goods /providing services	Selling goods	Market principles	Related agreement price	81,632.15	1.41%	190,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Benxi Beijing Iron and Steel (Group)	Both belong to Bengang Group	Selling goods /providing services	Selling goods	Market principles	Related agreement price	47,469.02	0.82%	180,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073

p) Co., Ltd.													
Ansteel chemical technology co., ltd	Both belong to Ansteel Group	Selling goods /providing services	Selling goods	Market principles	Related agreement price	15,680.19	0.27%	150,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Zhejiang Jingrui steel processing co., ltd	joint stock company	Selling goods /providing services	Selling goods	Market principles	Related agreement price	0	0.00%	130,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Ansteel steel co., ltd	Both belong to Ansteel Group	Selling goods /providing services	Selling goods	Market principles	Related agreement price	131.74	0.00%	10,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Benxi Iron and Steel (Group) Mining Co., Ltd.	Same parent company	Selling goods /providing services	Selling goods	Market principles	Related agreement price	69,765.14	1.21%	79,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Ansteel Group International Economic Trade Co., Ltd.	Both belong to Ansteel Group	Selling goods /providing services	Selling goods	Market principles	Related agreement price	25,002.24	0.43%	30,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Ansteel Steel Distribution (Hefei) Co., Ltd.	Both belong to Ansteel Group	Selling goods /providing services	Selling goods	Market principles	Related agreement price	917.29	0.02%	36,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Ansteel Steel	Both belong to	Selling goods	Selling goods	Market principles	Related agree	5,510.35	0.10%	30,000	No	Execute accor	Yes	December 14 th ,	2022-073

Distribution (Wuhan) Co., Ltd.	Ansteel Group	/providing services		principles	related price					according to the agreement		2022	
Ansteel Steel Processing and Distribution (Zhenzhou) Co., Ltd.	Both belong to Ansteel Group	Selling goods /providing services	Selling goods	Market principles	Related agreement price	1,046.99	0.02%	30,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Ansteel green resources technology co., ltd	Both belong to Ansteel Group	Selling goods /providing services	Selling goods	Market principles	Related agreement price	13,392.28	0.23%	25,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Benxi Iron and Steel (Group) Metallurgical Slag Co., Ltd.	Same parent company	Selling goods /providing services	Selling goods	Market principles	Related agreement price	9,419.12	0.16%	15,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	Same parent company	Selling goods /providing services	Selling goods	Market principles	Related agreement price	6,672.22	0.12%	10,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Benxi Iron and Steel (Group)	Parent company	Selling goods /providing	Selling goods	Market principles	Related agreement price	723.91	0.01%	2,000	No	Execute according to the	Yes	December 14 th , 2022	2022-073

p) Co., Ltd.		services								agreement			
Benxi Iron and Steel (Group) Construction Co., Ltd.	Same parent company	Selling goods/providing services	Selling goods	Market principles	Related agreement price	489.55	0.01%	10,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Same parent company	Selling goods/providing services	Selling goods	Market principles	Related agreement price	1,296.25	0.02%	9,400	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Ansteel Steel Processing and Distribution (Dalian) Co., Ltd.	Both belong to Ansteel Group	Selling goods/providing services	Selling goods	Market principles	Related agreement price	7,257.52	0.13%	8,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Changchun FAW Ansteel Steel Processing and Distribution Co., Ltd	Both belong to Ansteel Group	Selling goods/providing services	Selling goods	Market principles	Related agreement price	196.99	0.00%	5,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Liaoning hengtong metallurgical equip	Both belong to Bengang Group	Selling goods/providing services	Selling goods	Market principles	Related agreement price	17,438.9	0.30%	5,000	Yes	Execute according to the agreement	Yes	December 14 th , 2022	2022-073

ment manu- factur- ing co., ltd													
Benxi Iron and Steel (Group) Industrial Development Co., Ltd.	Same parent company	Sellin- g goods /provi- ding servic- es	Sellin- g goods	Mark- et princi- ples	Relate- d agree- ment price	3,927. 58	0.07%	5,000	No	Execu- te accor- ding to the agree- ment	Yes	Dece- mber 14 th , 2022	2022- 073
Anste- el Steel Proce- ssing and Distri- bution (Chan- gchun) Co., Ltd.	Both belon- g to Anste- el Group	Sellin- g goods /provi- ding servic- es	Sellin- g goods	Mark- et princi- ples	Relate- d agree- ment price	2,451. 39	0.04%	4,300	No	Execu- te accor- ding to the agree- ment	Yes	Dece- mber 14 th , 2022	2022- 073
Anste- el Sheny- ang steel proce- ssing and distrib- ution co., ltd	Both belon- g to Anste- el Group	Sellin- g goods /provi- ding servic- es	Sellin- g goods	Mark- et princi- ples	Relate- d agree- ment price	0	0.00%	3,000	No	Execu- te accor- ding to the agree- ment	Yes	Dece- mber 14 th , 2022	2022- 073
Guan- gzhou Anste- el steel proce- ssing co., ltd	Both belon- g to Anste- el Group	Sellin- g goods /provi- ding servic- es	Sellin- g goods	Mark- et princi- ples	Relate- d agree- ment price	1,251. 05	0.02%	3,000	No	Execu- te accor- ding to the agree- ment	Yes	Dece- mber 14 th , 2022	2022- 073
Anste- el energ- y techn- ology	Both belon- g to Anste- el Group	Sellin- g goods /provi- ding servic- es	Sellin- g goods	Mark- et princi- ples	Relate- d agree- ment price	2,318. 38	0.04%	2,700	No	Execu- te accor- ding to the agree-	Yes	Dece- mber 14 th , 2022	2022- 073

co., ltd		es								ment			
Dalian Boluol e steel pipe co., ltd	Same parent company	Selling goods /providing services	Selling goods	Market principles	Related agreement price	1,611.43	0.03%	2,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Panzhong yihong metal products (Chongqing) co., ltd	Both belong to Ansteel Group	Selling goods /providing services	Selling goods	Market principles	Related agreement price	0	0.00%	1,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Benxi Iron and Steel (Group) Mining Yanjiagou Limestone Mine Co., Ltd.	Both belong to Bengang Group	Selling goods /providing services	Selling goods	Market principles	Related agreement price	205.23	0.00%	1,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Suzhou Longben metal material co., ltd	joint stock company	Selling goods /providing services	Selling goods	Market principles	Related agreement price	0	0.00%	1,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Panzhihua Iron and Steel Group Jiangyou Great Wall Special Steel Co., Ltd	Both belong to Ansteel Group	Selling goods /providing services	Selling goods	Market principles	Related agreement price	1,485.23	0.03%		Yes	Execute according to the agreement	Yes	December 14 th , 2022	2022-073

Ansteel Group Energy Saving Technology Service Co., Ltd	Both belonging to Ansteel Group	Selling goods /providing services	Selling goods	Market principles	Related agreement price	1,077.86	0.02%		Yes	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Other subsidiaries of Ansteel Group	Both belonging to Ansteel Group	Selling goods /providing services	Selling goods	Market principles	Related agreement price	1,610.38	0.03%	2,200	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Benxi Iron and Steel (Group) Mining Co., Ltd	Same parent company	Selling goods /providing services	Providing supportive services	Market principles	Related agreement price	0	0.00%	1,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Benxi Iron and Steel Group Co., Ltd	Controlling shareholder of parent company	Selling goods /providing services	Providing supportive services	Market principles	Related agreement price	0	0.00%	8,000	No	Execute according to the agreement	Yes	December 14 th , 2022	2022-073
Total				--	--	3,077,776.51	--	4,287,550	--	--	--	--	--
Details of any sales return of a large amount				N/A									
Illustration of the actual situation during the reporting period where a forecast had been made by type for the total amounts of routine related transactions which would occur during the reporting period(if any)				N/A									
Reason for any significant difference between the transaction price and the market price for reference (if applicable)				N/A									

2. Related transactions relevant to asset acquisition or sold

Applicable Not applicable

There was no related transaction relevant to asset acquisition or sale during the reporting period.

3. Related transactions relevant to joint investments

Applicable Not applicable

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

4. Credits and liabilities with related parties

Applicable Not applicable

There were no credits and liabilities with related parties.

5. Transactions with related financial companies

Applicable Not applicable

Deposit business

Related party	Relationship	Maximum daily deposit limit (RMB 10,000)	Deposit rate range	Beginning balance (RMB 10,000)	Amount for this period		Closing balance (RMB 10,000)
					Total deposit amount for the current period (RMB 10,000)	Total amount withdrawn in the current period (RMB 10,000)	
Ansteel Group Finance Co., Ltd.	Both belong to Ansteel Group	450,000	1.9%	107,491.85	13,291,179.19	13,359,533.29	39,137.76

Loan business

Related party	Relationship	Loan amount (RMB 10,000)	Loan interest rate range	Beginning balance (RMB 10,000)	Amount for this period		Closing balance (RMB 10,000)
					Total loan amount for the current period (RMB 10,000)	Total repayment amount for the current period (RMB 10,000)	

Credit or other financial business

Related party	Relationship	Business type	Total (RMB 10,000)	Actual amount (RMB 10,000)
Ansteel Finance Co., Ltd.	Belong to Ansteel Group	Other financial business	2,027	2,027

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

Applicable Not applicable

There were no deposit business, loan business, credit or other financial business between financial companies controlled by the Company and related parties.

7. Other significant related transactions

Applicable Not applicable

During the reporting period, the Company had no other significant related transactions.

XV. Major contracts and their performance

1. Trusteeship, contracting and lease

(1) Trusteeship

Applicable Not applicable

There was no trusteeship during the reporting period.

(2) Contracting

Applicable Not applicable

There was no contracting during the reporting period.

(3) Lease

Applicable Not applicable

Description of lease

Company as the lessor:

Lessee	Lease capital category	Lease income of this year	Lease income of last year
Ansteel Tendering Co., Ltd.	Plants and ancillary facilities		255,045.87
Bengang Tendering Co., Ltd.	Plants and ancillary facilities		250,917.43
Benxi Iron and Steel (Group) Equipment Engineering Co., Ltd	Plants and ancillary facilities	217,960.00	

Company as the lessee:

Lessor	Lease capital category	Account this year					Account last year				
		Simplified Rental expense for short-	Variable lease payments not included in the	Rent paid	Interest expense on lease liabilities	Increase right-of-use	Simplified Rental expense for short-	Variable lease payments not included in the	Rent paid	Interest expense on lease liabilities	Increase right-of-use assets

		term leases and leases of low-value assets	measurement of lease liabilities			assets	term leases and leases of low-value assets	measurement of lease liabilities			
Benxi Steel & Iron (Group) Co., Ltd.	Land use right 7,669,068.17 m ² . Land use right 42,920.00 m ² .			27,716,930.88	39,000,108.00				55,251,233.39	39,600,209.28	
Benxi Steel & Iron (Group) Co., Ltd.	2300 Hot rolling product line, related real estate			8,042,372.92	7,740,688.68				16,098,161.06	7,982,648.96	
Benxi Beiyin Iron and Steel (Group) Co., Ltd.	1780 Hot rolling product line, related real estate				5,961,443.40				12,397,899.09	6,147,787.68	
Bengang Group Co., Ltd.	Land use right 728,282.30 m ²			4,886,077.60	2,449,918.80				9,945,423.08	2,666,923.92	
North Hengda Logistics	Real estate of office										

cs Co., Ltd.	area s						120,596 .33			
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Projects that bring profits and losses to the Company reaching more than 10% of the Company's total profit during the reporting period

Applicable Not applicable

During the reporting period of the Company, there was no leasing project that brought the Company's profit and loss to more than 10% of the Company's total profit during the reporting period.

2. Guarantee

Applicable Not applicable

There was no guarantee during the reporting period.

3. Entrusting others for managing cash assets

(1) Entrusted finance

Applicable Not applicable

There was no entrusted finance during the reporting period.

(2) Entrusted loans

Applicable Not applicable

There were no entrusted loans during the reporting period.

4. Other major contracts

Applicable Not applicable

There were no other major contracts during the reporting period.

XVI. Description of other major events

Applicable Not applicable

On June 20th, 2023, the Company published Great Assets Replacement and Related Transactions Plan. The Company intends to conduct assets replacement Benxi Iron&Steel (Group) Co., Ltd. The assets intended to be purchased is 100% stock rights of Benxi Iron&Steel (Group) Mining Industry Limited Liability Company; The assets intended to be sold are all assets and liabilities other than retained assets and liabilities of listed company. The difference between assets intended to be purchased and assets intended to be sold shall be compensated in cash by one party to the other. Currently, the Company is conducting further argument and coordination towards the transaction plan and will hold a board meeting again to discuss after the confirmation of related items.

Mr. Liu Gang, the father of Company's deputy general manager Mr. Liu Yansong, purchased and sold the Company's stock from July 20th, 2023 to August 9th, 2023. Mr. Liu Gang has constituted a short term trading behavior according to relevant laws and regulations. Mr. Liu Gang has handed in all the earnings from this short term trading to the Company. Mr. Liu Yansong and his father Mr. Liu Gang have deeply recognized the severity of this event and have sent their apologies to the investors for the adverse influence brought by this short term trading. They will reinforce learning of relevant laws and regulations in the future, strictly follow relevant regulations in securities transaction to ensure that conditions of this kind will never happen again.

XVII. Major events of subsidiaries of the Company

Applicable Not applicable

The company transferred the 20 % equity transfer of the subsidiary Zhejiang Jingrui Steel Processing Co., Ltd.on February 28th , and completed the business change on March 6th . At present, The company no longer holds the equity of Zhejiang Jingrui Steel Processing Co., Ltd. This matter did not have a greater impact on the Company.

Section VII. Status of Share Capital Changes and Shareholders

I. Share Capital Changes

1. Share capital changes

Unit: shares

	Before the change		Increase/decrease(+, -)				After the change		
	Before the change	Increase/decrease(+, -)	After the change	Before the change	Increase/decrease(+, -)	After the change	Before the change	Increase/decrease(+, -)	After the change
I. Restricted shares									
1. State shareholdings									
2. State-owned Legal person shareholding									
3. Other domestic shareholdings									
Including: Domestic legal person holding									
Domestic natural person holding									
4. Foreign shareholding									
Including: Foreign legal person holding									
Foreign natural person holding									
II. Un-	4,108,212	100.00%				7,085	7,085	4,108,219	100.00%

restricted shares	,217							,302	
1. Common shares in RMB	3,708,212,217	90.26%				7,085	7,085	3,708,219,302	90.26%
2. Foreign shares in domestic market	400,000,000	9.74%						400,000,000	9.74%
3. Foreign shares in foreign market									
4. Other									
III. Total shares	4,108,212,217	100.00%				7,085	7,085	4,108,219,302	100.00%

Causation of share capital changes

Applicable Not applicable

During the reporting period, 925 convertible corporate bonds issued by the Company were converted into shares, and the total share capital of the Company increased by 20,838 shares.

Status of approval of share capital changes

Applicable Not applicable

Status of the registration process of transferred shares

Applicable Not applicable

Influences of share capital changes on financial indices such as basic earnings per share, diluted earnings per share, and net asset per share attributed to common shareholders in the most recent year and the most recent period

Applicable Not applicable

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

Applicable Not applicable

2. Changes of restricted shares

Applicable Not applicable

II. Securities issuance and listing

1. Status of security issuance (excluding preferred shares) during the reporting period

Applicable Not applicable

2. Status of total shares and shareholder change and assets and liability structure change

Applicable Not applicable

3. Status of existing internal employee shares

Applicable Not applicable

III. Shareholders and actual controllers

1. Number of shareholders and their shareholding of the Company

Unit: shares

Total number of common shareholders at the end of the reporting period	49,067	Total shareholders at the end of the previous month from the date of disclosing the annual report	49,197	The total number of preferred shareholders voting rights restored at the end of the reporting period (if any) (refer to Notes 8)	0	Total preferred shareholders at the end of the previous month from the date of disclosing the annual report (refer to Notes 8)	0	
Shareholding of shareholders holding more than 5% or top 10 shareholders								
Name of the shareholder	Nature of the shareholder	Shareholding percentage (%)	Number of shares held at the end of the reporting period	Changes during the reporting period	Restricted shares held	Un-restricted shares held	Number of pledged, marked or frozen shares	
							Status	Number
Benxi Steel & Iron (Group) Co., Ltd.	State-owned legal person	58.65%	2,409,628,094	0	0	2,409,628,094	Pledged	110,000,000
							Frozen	102,100,000
Benxi Steel & Iron (Group) Co., Ltd.	State-owned legal person	17.95%	737,371,532	0	0	737,371,532	Not applicable	0
Guan Hui	Domestic natural person	0.70%	28,730,000	2,760,000	0	28,730,000	Not applicable	0
Gao Tao	Domestic natural person	0.58%	23,750,000	750,000	0	23,750,000	Not applicable	0
Zhang Wenyu	Domestic natural person	0.47%	19,149,967	0	0	19,149,967	Not applicable	0
Hong Kong Securities Clearing Co., Ltd.	Foreign legal person	0.35%	14,228,749	-2,865,981	0	14,228,749	Not applicable	0
Basic endowment insurance fund 804 portfolio	Other	0.25%	10,285,100	10,285,100	0	10,285,100	Not applicable	0
Jia Peng	Domestic natural person	0.23%	9,430,000	9,430,000	0	9,430,000	Not applicable	0

China Universal Asset Management Co., Ltd — Social security fund 423 portfolio	Other	0.22%	9,090,200	9,090,200	0	9,090,200	Not applicable	0
Zhou Wei	Domestic natural person	0.22%	8,996,300	-85,500	0	8,996,300	Not applicable	0
Strategy investors or general legal persons become top 10 shareholders due to shares newly issued (if any) (See Notes 3)	None							
Illustration of relationship or “action in concert”	Benxi Iron and Steel (Group) Co., Ltd. has an associated relationship with Bengang Group Co., Ltd., and is a person acting in concert as stipulated in the <i>Administrative Measures for the Acquisition of Listed Companies</i> . The Company is not aware of whether there is an associated relationship between other shareholders or whether they are persons acting in concert as stipulated in the <i>Administrative Measures for the Acquisition of Listed Companies</i> .							
Illustration of the above shareholders involving entrusting/entrusted voting rights and abstention from voting rights	Illustration of the above shareholders do not involve entrusting/ entrusted voting rights or abstention from voting rights							
Special remarks for the buy-back accounts of top 10 shareholders (if any) (See Notes 10)	N/A							
Shareholding of top 10 unrestricted shareholders								
Name of the shareholder	Un-restricted shares held at the end of the reporting period	Category of shares						
		Category of shares	Quantity					
Benxi Steel & Iron (Group) Co., Ltd.	2,409,628,094	Common shares in RMB	2,409,628,094					
Begang Group Co., Ltd.	737,371,532	Common shares in RMB	737,371,532					
Guan Hui	28,730,000	Common shares in RMB	28,730,000					
Gao Tao	23,750,000	Common shares in RMB	23,750,000					
Zhang Wenyou	19,149,967	Common shares in RMB	19,149,967					
Hong Kong Securities Clearing Company Ltd.	14,228,749	Common shares in RMB	14,228,749					
Basic endowment	10,285,100	Common	10,285,100					

insurance fund 804 portfolio		shares in RMB	
Jia Peng	9,430,000	Common shares in RMB	9,430,000
China Universal Asset Management Co.,Ltd— Social security fund 423 portfolio	China Universal Asset Management Co.,Ltd— Social security fund 423 portfolio	Common shares in RMB	9,090,200
Zhou Wei	8,996,300	Common shares in RMB	8,996,300
Illustration of relationship or “action in concert” among top 10 unrestricted shareholders, and between top 10 unrestricted shareholders and top 10 shareholders	Benxi Iron and Steel (Group) Co., Ltd. has an associated relationship with Bengang Group Co., Ltd., and is a person acting in concert as stipulated in the <i>Administrative Measures for the Acquisition of Listed Companies</i> . The Company is not aware of whether there is an associated relationship between other shareholders or whether they are persons acting in concert as stipulated in the <i>Administrative Measures for the Acquisition of Listed Companies</i> .		
Illustration of top 10 shareholders participating in securities margin trading (if any) (see Notes 4)	Guan Hui holds 730,000 shares through an investor ordinary account and holds 28,000,000 shares through an investor credit securities account. Zhang Wenyong holds 19,149,967 shares through an investor credit securities account. Zhou Wei holds 164,500 shares through an investor ordinary account and holds 8,831,800 shares through an investor credit securities account.		

The lending of shares for the top 10 shareholders participating in refinance business

Applicable Not applicable

Changes of the top ten shareholders compared to that in the last period

Applicable Not applicable

Unit: Shares

Changes of the top ten shareholders compared to that at the end of last period					
Name of shareholder (full name)	Newly-added/quit in this period	The lent shares refinanced and the amount has not returned at the end of the period		, The number of shares held by shareholders ' ordinary accounts, credit accounts and refinancing and lending shares not returned at the end of the period	
		Total amount	Percentage	Total amount	Percentage
Huatai Youyi No. 5 Mixed Pension Product—China Bank Co., Ltd.	Quit	0	0.00%	0	0.00%
CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LTD	Quit	0	0.00%	0	0.00%
Gao Tao	Newly-added	0	0.00%	23,750,000	0.58%
Basic endowment insurance fund 804 portfolio	Newly-added	0	0.00%	10,285,100	0.25%
Jia Peng	Newly-added	0	0.00%	9,430,000	0.23%
China Universal Asset	Newly-added	0	0.00%	9,090,200	0.22%

Management Co.,Ltd — Social security fund 423 portfolio					
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Whether the top 10 common shareholders and top 10 un-restricted common shareholders have buy-back agreement dealing during the reporting period

Yes No

The top 10 common shareholders and top 10 un-restricted common shareholders have no buy-back agreement dealing during the reporting period.

2. Controlling shareholder

Nature of controlling shareholders: central state-owned holdings

Type of controlling shareholders: legal person

Name of the controlling shareholder	Legal representative/person in charge	Date of incorporation	Organization code	Principal business activities
Benxi Iron and Steel (Group) Co., Ltd.	Li Naiming	July 10 th , 1996	91210500119726263U	Steel, iron smelting, steel rolling processing, metal material manufacturing, ferroalloy smelting, heat production and supply, metal cutting processing services, general equipment manufacturing (excluding special equipment manufacturing), goods import and export, office services, building materials sales, refractory materials sales, refractory materials production, instrumentation manufacturing, natural science research and experimental development, professional design services, industrial design services, information consulting services (excluding licensed information consulting services), property management, productive scrap metal recovery, renewable resource recovery (except productive scrap metal),

				renewable resource processing, renewable resource sales, non-residential real estate leasing, housing leasing, asset management services invested by self-owned funds, advertising production, advertising design, agency, advertising release (except for projects subject to approval according to law, carry out business activities independently according to law with business licenses)
Equity of the controlling shareholder in other domestic/foreign listed companies under its control or participation during the reporting period	None			

changes of the controlling shareholder during the reporting period

Applicable Not applicable

The controlling shareholder of the Company did not change during the reporting period.

3. Actual controller and concerted action person

Actual controller nature: Central State-owned Assets Management Agency

Actual controller type: Legal person

Name of the controlling shareholder	Legal representative/person in charge	Date of incorporation	Organization code	Principal business activities
Ansteel Group Co., Ltd.	Tan Chengxu	July 28 th , 2010	91210000558190456G	Steel, iron, vanadium, titanium, stainless steel, special steel production and manufacturing, nonferrous metal production and manufacturing, steel rolling processing, iron, vanadium, titanium and other non-ferrous metal, nonmetallic mining and comprehensive utilization, mining

				<p>auxiliary industry, clean energy power generation, sales of coal and products, chemical products and gases (excluding hazardous chemicals), production and sales of refractory materials, industrial and mining engineering, metallurgical engineering construction, engineering and technical services, equipment manufacturing, Internet of Things information services, energy conservation, technical services of environmental protection, R&D of new materials, development of renewable resources, mechanical processing, technology development, transfer and services, transportation services, real estate development, urban energy supply, software and information technology services, intelligent manufacturing and services, domestic and foreign trade, financial management, bidding and tendering services, medical and health care services, vocational skills training, economic information consulting services, enterprise management, hotel and catering services, operating of other state-owned assets and investments within the scope authorized by the State-owned Assets Supervision and</p>
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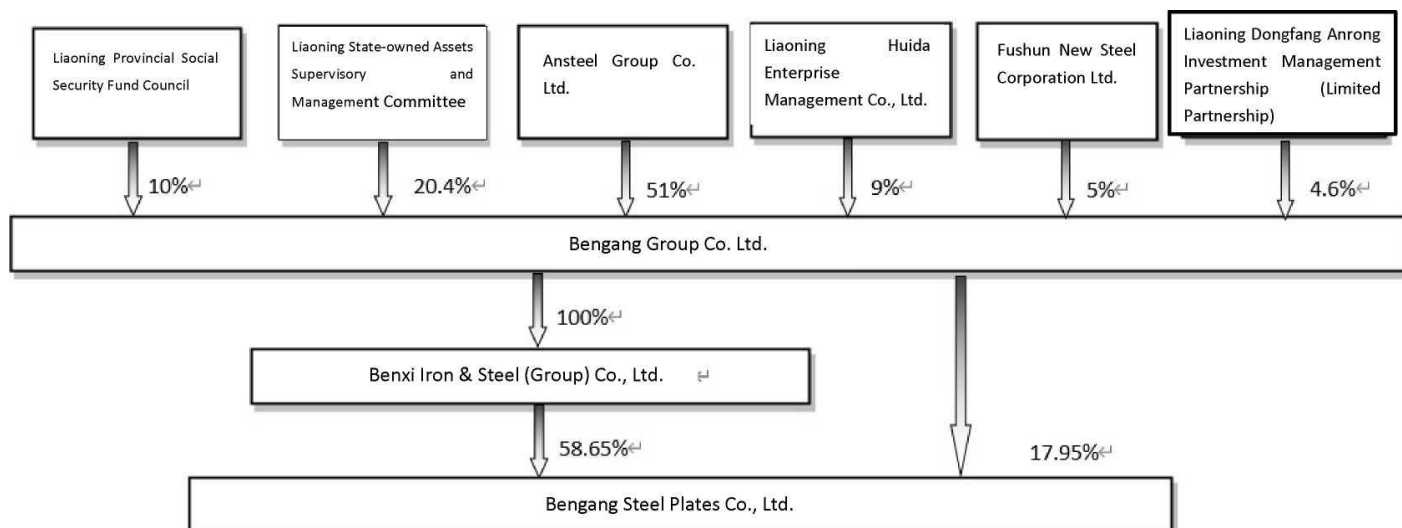
				Administration Commission of the State Council; operations of branches include: newspaper distribution, publication printing, packaging decoration and other print printing. (For projects subject to approval according to laws, business activities can only be carried out after approval by relevant departments.)
Equity of the controlling shareholder in other domestic/foreign listed companies under its control during the reporting period	During the reporting period, Ansteel Group Co., Ltd. indirectly held 53.45% of the shares of Ansteel and indirectly held 49.67% of the shares of Pansteel Vanadium and Titanium.			

Change of the actual controller during the reporting period

Applicable Not applicable

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

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



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

Applicable Not applicable

4. Controlling shareholder or the largest shareholder and its concerted action person's cumulative pledged shares accounting for 80% of the Company's shares held by them

Applicable Not applicable

5. Shareholders holding more than 10% of the shares

Applicable Not applicable

6. Share reduction limitation of controlling shareholders, actual controller, restructuring party and other commitment subject

Applicable Not applicable

IV. Implementation of share repurchase during the reporting period

Implementation progress of share repurchase

Applicable Not applicable

Implementation progress of reducing share repurchase by centralized bidding

Applicable Not applicable

Section VIII. Preferred shares

Applicable Not applicable

There were no preferred shares in the Company during the reporting period.

Section IX. Bonds

Applicable Not applicable

I. Corporate bonds

Applicable Not applicable

There were no corporate bonds in the Company during the reporting period.

II. Company bonds

Applicable Not applicable

There were no company bonds in the Company during the reporting period.

III. Non-financial corporate debt financing instruments

Applicable Not applicable

There were no non-financial corporate debt financing instruments in the Company during the reporting period.

IV. Company bonds

Applicable Not applicable

1. Previous adjustment of conversion price

1. The initial conversion price of Bengang Convertible Bonds was RMB 5.03 per share.
2. Due to the Company's implementation of the 2020 annual equity distribution plan, the conversion price of Bengang Convertible Bonds was adjusted to RMB 5.02 per share on July 19th, 2021.
3. Due to the Company's implementation of the 2021 mid-term equity distribution plan, the conversion price of Bengang Convertible Bonds was adjusted to RMB 4.55 per share on October 13th, 2021.
4. Due to the Company's implementation of the 2021 annual equity distribution plan, the conversion price of Bengang Convertible Bonds was adjusted to RMB 3.95 per share on October 13th, 2021.

2. Cumulative share conversion

Applicable Not applicable

Convertible bond abbreviation	Conversion beginning and ending date	Total amount issued (bonds)	Total amount issued (RMB)	Cumulative amount of shares converted (RMB)	Cumulative number of shares converted (shares)	Proportion of the number of converted shares to the total issued shares before conversion	Amount not yet converted (RMB)	Proportion of unconverted amount to total issued amount
Bengang Convertible Bonds	From January 4 th , 2021 to June 28 th , 2026	68,000,000	6,800,000,000.00	1,168,975,900.00	232,847,770	6.01%	5,631,024,100.00	82.81%

3. Top ten holders of convertible bonds

No.	Convertible bond holders	Nature of convertible bond holders	Number of convertible bonds held at the end of the reporting period (bonds)	Amount of convertible bonds held at the end of the reporting period (RMB)	Percentage of convertible bonds held at the end of the reporting period
1	Agricultural Bank of China Co., Ltd.-Southern Xiyuan Convertible Bond Securities Investment Fund	Other	1,678,975	167,897,500.00	2.98%
2	Bank of China Limited-Nanfang Changyuan Convertible Bond Securities Investment Fund	Other	1,651,138	165,113,800.00	2.93%
3	Bank of China Limited-E Fund Steady Income Bond Securities Investment Fund	Other	1,540,602	154,060,200.00	2.74%
4	China CITIC Group Co., Ltd. Enterprise Annuity Plan-CITIC Bank Co., Ltd.	Other	1,405,380	140,538,000.00	2.50%
5	Industrial and Commercial Bank of China Limited-Bosera Credit Bond Investment Fund	Other	1,382,219	138,221,900.00	2.45%

6	Huaxia Fund Longevity No.9 Fixed Income Pension Product-China Merchants Bank Co., Ltd.	Other	1,362,468	136,246,800.00	2.42%
7	China Construction Bank Co., Ltd.-Huashang Credit Enhancement Bond Securities Investment Fund	Other	1,093,427	109,342,700.00	1.94%
8	Pacific Asset Management-China Merchants Bank-Pacific Zhuoyue Convertible Bonds Products	Other	938,925	93,892,500.00	1.67%
9	China Construction Bank Corporation-Zheshang Fengli Enhanced Bond Securities Investment Fund	Other	800,000	80,000,000.00	1.42%
10	Industrial and Commercial Bank of China Limited Enterprise Annuity Plan-China Construction Bank Corporation	Other	764,258	76,425,800.00	1.36%

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

Applicable Not applicable

5. Liabilities and changes in credit at the end of the reporting period and cash arrangements and debt repayment in future years

At the end of the reporting period, the Company's major accounting data and financial indicators and the Company's credit rating of convertible bonds in the past two years have not changed this year.

V. Loss in the consolidation during the reporting period exceeding 10% of the net assets at the end of the previous year

Applicable Not applicable

VI. Overdue interest-bearing debts except for bonds at the end of the reporting period

Applicable Not applicable

VII. Violation of rules and regulations during the reporting period

Yes No

VIII. The main accounting data and financial indicators of the Company in the past two years at the end of the reporting period

Unit: RMB 10,000

Item	At the end of this period	At the end of last period	Change
Current ratio	0.70	0.81	-13.58%
Liabilities to Assets Ratio	61.89%	56.42%	5.47%
Quick ratio	0.27	0.21	28.57%
Item	At the end of this period	At the end of last period	Change
Net profit after deducting nonrecurring gains and losses (RMB)	-206,777.53	-139,183.79	10.89%
EBITDA total liabilities ratio	0.03%	0.11%	-0.08%
Interest coverage ratio	-2.43	-0.75	368.00%
Cash interest coverage ratio	9.07	3.68	146.47%
EBITDA interest coverage ratio	1.12	2.39	-53.14%
Loan repayment rate	100.00%	100.00%	0.00%
Interest repayment rate	100.00%	100.00%	

Section X. Financial Report

Auditor's Report

Xksbz[2024] No. ZG10444

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

I. Auditor's Opinion

We have audited the financial statements of Bengang Steel Plates Co., Ltd. (hereinafter referred to as "Bengang Steel Plates"), which comprise the consolidated and the parent company's statement of financial position as at December 31st , 2023, the consolidated and the parent company's income statement, the consolidated and the parent company's cash flow statement and the consolidated and the parent company's statement of changes in shareholders' equity for the year 2023, and the notes to the financial statements.

In our opinion, the accompanying financial statements were prepared in accordance with Accounting Standards for Business Enterprises in all material respects, and presented fairly the consolidated and the parent company's financial position of Bengang Steel Plates as of December 31st, 2023, and the consolidated and the parent company's results of operations and cash flows for the year 2023.

II. Basis for Opinion

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

III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, are considered to be most significant to the audit of the financial statements for the period. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our audit opinion thereon, and we do not express a separate opinion on these matters.

We have compiled key audit items identified during the audit as follows:

Key Audit Matters	Responses in the Audit
<p>(I) Confirmation of Incomes</p> <p>Please refer to the policies in Note (XXIII) of “III. Important accounting policies and accounting estimates” and Note (XXXVIII) of “V. Notes consolidated financial report items ”</p> <p>In the year 2023, the balance of income in the Consolidated Statement of Financial Position of Bengang Steel Plates was RMB 57,814,969,400. We classified it as a key audit matter in view of the high risk of the management of misstate arising from the significant changes in cash and cash equivalents.</p>	<p>The audit procedures we performed were as follows:</p> <p>(1) Understanding and testing key internal controls related to cash and cash equivalents and evaluating whether the relevant controls are properly designed and effectively implemented;</p> <p>(2) We have conducted analytical procedures on income, including the comparison of the gross profit of the main products in the current period with the previous period, the analysis of income fluctuations, and the inspection of whether there are abnormalities ;</p> <p>(3) Obtaining the sales details of the year and select samples of the revenue transactions recorded in the year. Checking the supporting documents such as sales contracts, invoices, warehouse receipts, and customs declarations. Evaluating whether the relevant revenue recognition is in line with the Company 's</p>

accounting policies ;

(4) Selecting samples to check the sales contract. Identifying the contract terms and conditions related to the transfer of commodity control rights and evaluating whether the income recognition time point of Bengang Plate Company meets the requirements of enterprise accounting standards ;

(5) In combination with the audit procedure of accounts receivable, the correspondence procedure is performed to the sample customers on the sales income during the reporting period ;

(6) Examining sales to related parties, review the fairness of related party transaction prices, and perform confirmation procedures to related party customers ;

(7) Checking whether the information related to income matters has been properly presented and disclosed in the financial statements.

(II) Provision for declines in inventory prices

<p>Please refer to the policies in (XI) of “III. Important accounting policies and accounting estimates” and Note (XXXVIII) of “V. Notes consolidated financial report items”</p> <p>On December 31st ,2023, the inventory amount in the</p>	<p>The audit procedures we performed were as follows:</p> <p>(1) Evaluating the design and operation of the internal control related to the inventory decline preparation of Bengang Steel Plates Co., Ltd.;</p>
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<p>consolidated financial statements of Bengang Steel Plate Co., Ltd. was RMB7,782,548,800, the inventory price reduction preparation was RMB74,175,900, and the book value was RMB7,708,372,900. Inventory is measured by the method of cost and net realizable value. Whether the provision for inventory depreciation is sufficient has a greater impact on financial statements.</p> <p>The net realizable value of Bengang Steel Plates Co., Ltd. is determined by subtracting the estimated sales price of inventory goods from the estimated sales expenses and related taxes and fees.</p> <p>The management estimates its expected selling price based on the state of the inventory goods, and the management needs to use major judgments in the process of estimation.</p> <p>The book value of the inventory as on December 31st , 2023 was significant and involved an estimate of the net realisable value, so we treated it as a key audit matter.</p>	<p>(2) Monitoring the inventory of Bengang Steel Plates Co., Ltd. Checking the quantity and condition of inventory, and check the inventory with longer storage age ;</p> <p>(3) Obtaining the calculation table of inventory price decline preparation of Bengang Steel Plates Co., Ltd. Checking whether the implementation of the relevant accounting policies according to the steel plate. Checking the changes in the current period of inventory depreciation reserves accrued in the previous year, and analyzing whether the inventory depreciation reserves are sufficient ;</p> <p>(4) Implementing the method of inventory net realizable value test and review the provision for inventory depreciation. Testing report and data integrity based.</p>
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IV. Other Information

The management of Bengang Steel Plates (hereinafter referred to as the Management) is responsible for the other information. Other

information includes the information covered in the 2023 Annual Report of Bengang Steel Plates, but excludes the financial statements and our auditor's report.

Our opinion on the financial statements does not cover the other information and we do not 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.

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

V. Responsibilities of the Management and those charged with governance for the financial statements

The Management is responsible for the preparation of the financial statements in accordance with the provisions of the Accounting Standards for Business Enterprises to achieve a fair presentation, and designing, implementing and maintaining the necessary internal controls so that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the ability of Bengang Steel Plates 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 Bengang Steel Plates or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of Bengang Steel Plates.

VI. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion. Although reasonable assurance is a high level of assurance, it is not a guarantee that an audit conducted in accordance

with auditing standards 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 that users of the financial statements make on the basis of the financial statements.

During the course of the audit in accordance with auditing standards, we exercise professional judgement and maintain professional skepticism. We also carry out the following works:

(I) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit. 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.

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

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

(IV) 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 ability of Bengang Steel Plates 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 in accordance with the auditing standards or, if such disclosures are inadequate, we shall modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Bengang Steel Plates to cease to continue as a going concern.

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

(VI) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Bengang

Steel Plates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance audit of the group. 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 etc., 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 those 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 related safeguards, where applicable.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation prohibited public disclosure about the matter or when, in 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.

Lixin Certified Public Accountants Co., Ltd.
(Special General Partnership)

Chinese Certified Public Accountant: Guo Shunxi
(Engagement partner)
Chinese Certified Public Accountant: Zhang Jiahui
Chinese Certified Public Accountant: Fu Yangyi

Shanghai·China

April 25th , 2024

Bengang Steel Plates Co., Ltd.
Consolidated Balance Sheet
December 31, 2023
(Unless otherwise specified, all amounts are in RMB Yuan)

Assets	Notes	Closing balance	Opening balance
Current assets			
Cash and cash equivalents	V. (I)	2,194,654,161.34	1,461,145,641.87
Settlement provisions			
Capital lent			
Financial assets held for trading			
Derivative financial assets			
Notes receivable	V. (II)	453,560,095.49	429,707,174.70
Accounts receivable	V. (III)	1,328,532,598.47	897,230,896.06
Accounts receivable financing	V. (IV)	806,822,622.43	137,591,996.02
Prepayments	V. (V)	674,872,999.29	1,247,177,748.33
Premium receivable			
Reinsurance accounts receivable			
Receivable deposit for reinsurance contract			
Other receivables	V. (VI)	318,793,157.58	127,198,692.92
Redemptory financial assets for sale			
Inventories	V. (VII)	7,708,372,894.81	8,463,728,475.18
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets	V. (VIII)	157,789,976.90	395,441,136.26
Total current assets		13,643,398,506.31	13,159,221,761.34
Non-current assets:			
Loan and advances issued			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	V. (IX)	46,910,346.41	51,030,777.18
Other equity instrument investments	V. (X)	974,463,039.83	1,020,418,482.31
Other non-current financial assets			
Investment property			
Fixed assets	V. (XI)	25,028,192,964.67	24,836,556,422.90
Construction in progress	V. (XII)	4,308,404,147.31	3,158,195,899.65
Productive biological assets			
Oil and gas assets			
Right-of-use assets	V. (XIII)	1,319,616,179.37	1,379,990,713.89
Intangible assets	V. (XIV)	256,020,436.13	262,784,937.41
Development expenditure			
Goodwill			
Long-term deferred expenses			
Deferred tax assets	V. (XV)	467,040,631.42	481,385,563.75
Other non-current assets	V. (XVI)	137,933,599.61	110,065,560.68
Total non-current assets		32,538,581,344.75	31,300,428,357.77
Total assets		46,181,979,851.06	44,459,650,119.11

The attached Notes of Financial Report is a part of the Financial Report.

Legal representative: Chief Financial Officer: Chief Accountant:

Bengang Steel Plates Co., Ltd.
Consolidated Balance Sheet (Continued)
December 31, 2023

(Unless otherwise specified, all amounts are in RMB Yuan)

Assets	Notes	Closing balance	Opening balance
Current liabilities:			
Short-term loans	V. (XVIII)	328,000,000.00	49,200,000.00
Loan from central bank			
Loan from other banks			
Financial liability held for trading			
Derivative financial liabilities			
Notes payable	V. (XIX)	10,364,993,998.89	4,389,336,619.36
Accounts payable	V. (XX)	2,809,435,260.77	3,696,420,463.85
Advance from customers			
Contract liabilities	V. (XXI)	3,303,108,592.38	3,794,115,592.29
Financial assets sold for repurchase			
Deposits from customers and interbank			
Receipt from vicariously traded securities			
Receipt from vicariously underwriting securities			
Employee benefits payable	V. (XXII)	1,175,970.83	10,046,363.27
Taxes payable	V. (XXIII)	55,402,959.11	44,392,920.78
Other payables	V. (XXIV)	1,659,284,531.06	1,247,722,165.47
Handling charges and commission payable			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	V. (XXV)	685,881,691.76	2,586,250,886.43
Other current liability	V. (XXVI)	392,122,093.59	493,235,027.03
Total current liabilities		19,599,405,098.39	16,310,720,038.48
Non-current liabilities:			
Provision for insurance contract			
Long-term loans	V. (XXVII)	1,723,726,700.80	1,726,938,302.30
Bonds payable	V. (XXVIII)	5,451,381,676.38	5,276,502,232.78
Including: Preferred stock			
Perpetual bond			
Leasing liabilities	V. (XXIX)	1,342,427,252.45	1,384,348,462.18
Long-term payables			
Long-term employee benefits payable			
Estimated liabilities			
Deferred income	V. (XXX)	136,084,955.18	42,377,015.51
Deferred tax liabilities	V. (XV)	329,914,385.19	345,024,987.48
Other non-current liabilities			
Total non-current liabilities		8,983,534,970.00	8,775,191,000.25
Total liabilities		28,582,940,068.39	25,085,911,038.73
Owners' equity:			
Share capital	V. (XXXI)	4,108,219,302.00	4,108,212,217.00
Other equity instruments	V. (XXXII)	947,858,134.16	947,863,834.02
Including: Preferred stock			
Perpetual bond			
Capital reserves	V. (XXXIII)	13,272,225,870.92	13,272,205,160.21
Less: Capital reserves			
Other comprehensive income	V. (XXXIV)	-50,371,341.88	-15,904,760.02
Special reserves	V. (XXXV)	54,843.15	2,217,913.77
Surplus reserves	V. (XXXVI)	1,195,116,522.37	1,195,116,522.37
General risk reserve			
Undistributed profits	V. (XXXVII)	-2,463,133,834.65	-720,559,670.73
Total equity attributable to owners of the parent company		17,009,969,496.07	18,789,151,216.62
Non-controlling interests		589,070,286.60	584,587,863.76
Total owners' equity		17,599,039,782.67	19,373,739,080.38
Total of liabilities and owners' equity		46,181,979,851.06	44,459,650,119.11

The attached Notes of Financial Report is a part of the Financial Report.

Legal representative: Chief Financial Officer: Chief Accountant:

Bengang Steel Plates Co., Ltd.
Statement of financial position of the parent company
December 31, 2023
(Unless otherwise specified, all amounts are in RMB Yuan)

Assets	Notes	Closing balance	Opening balance
Current assets:			
Cash and cash equivalents		2,084,382,077.60	585,125,555.12
Cash and cash equivalents			
Derivative financial assets			
Notes receivable		613,514,613.02	669,193,401.02
Notes receivable	XIV. (I)	1,243,326,802.56	931,035,796.58
Accounts receivable financing		664,669,952.97	127,468,835.80
Prepayments		735,940,974.41	1,247,084,271.88
Other receivables	XIV. (II)	604,535,173.18	150,724,545.56
Inventories		6,726,641,809.04	6,988,993,205.61
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Non-current assets due within one year		82,661,697.57	310,293,996.25
Total current assets		12,712,971,194.62	11,009,919,607.8 2
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	XIV. (III)	2,269,191,936.65	2,270,277,904.85
Other equity instrument investments		974,463,039.83	1,020,418,482.31
Other non-current financial assets			
Investment property			
Fixed assets		24,052,882,215.31	23,777,736,434.3 9
Construction in progress		4,275,801,115.73	3,127,247,793.98
Productive biological assets			
Oil and gas assets			
Right-of-use assets		1,319,616,179.37	1,379,990,713.89
Intangible assets		170,176,158.95	174,295,096.19
Development expenditure			
Goodwill			
Long-term deferred expenses			
Deferred tax assets		465,645,459.77	460,123,889.23
Other non-current assets		131,159,433.56	110,065,560.68
Total non-current assets		33,658,935,539.17	32,320,155,875.5 2
Total assets		46,371,906,733.79	43,330,075,483.3 4

The attached Notes of Financial Report is a part of the Financial Report.

Legal representative: Chief Financial Officer: Chief Accountant:

Bengang Steel Plates Co., Ltd.
Statement of financial position of the parent company (Continued)
December 31, 2023
(Unless otherwise specified, all amounts are in RMB Yuan)

Liabilities and owners' equity	Notes	Closing balance	Opening balance
Current liabilities:			
Short-term loans		328,000,000.00	49,200,000.00
Financial liability held for trading			
Derivative financial liabilities			
Notes payable		10,361,392,779.12	3,982,738,952.59
Accounts payable		3,190,842,780.56	3,821,848,200.25
Advance from customers			
Contract liabilities		4,903,008,138.37	4,805,281,178.80
Employee benefits payable			9,901,551.31
Taxes payable		30,105,183.40	22,518,649.65
Other payables		1,656,804,114.53	861,392,691.88
Liabilities held for sale			
Non-current liabilities due within one year		685,881,691.76	2,586,250,886.43
Other current liabilities		79,447,326.71	624,686,553.24
Total current liabilities		21,235,482,014.45	16,763,818,664.15
Non-current liabilities:			
Long term loans		1,723,726,700.80	1,726,938,302.30
Bonds payable		5,451,381,676.38	5,276,502,232.78
Including: Preferred stock			
Perpetual bond			
Lease liabilities		1,342,427,252.45	1,384,348,462.18
Long-term payables			
Long-term employee benefits payable			
Estimated liabilities			
Deferred income		136,084,955.18	42,377,015.51
Deferred tax liabilities		329,914,385.19	345,024,987.48
Other non-current liabilities			
Total non-current liabilities		8,983,534,970.00	8,775,191,000.25
Total liabilities		30,219,016,984.45	25,539,009,664.40
Shareholder' s equity:			
Share capital		4,108,219,302.00	4,108,212,217.00
Other equity instruments		947,858,134.16	947,863,834.02
Other equity instruments			
Perpetual bond			
Capital reserves		12,852,074,188.80	12,852,053,478.09
Less: Treasury shares			
Other comprehensive income		-50,371,341.88	-15,904,760.02
Special reserves		3,681.16	58,212.15
Surplus reserves		1,195,116,522.37	1,195,116,522.37
Undistributed profits		-2,900,010,737.27	-1,296,333,684.67
Total owners' equity		16,152,889,749.34	17,791,065,818.94
Total liabilities and owners' equity		46,371,906,733.79	43,330,075,483.3

Liabilities and owners' equity	Notes	Closing balance	Opening balance
			4

The attached Notes of Financial Report is a part of the Financial Report.

Legal representative: Chief Financial Officer: Chief Accountant:

Bengang Steel Plates Co., Ltd.
Consolidated income statement
FY2023

(Unless otherwise specified, all amounts are in RMB Yuan)

Item	Notes	Closing balance	Opening balance
I. Total operating income		57,814,969,351.65	62,616,621,627.60
Including: Operating income	V. (XXXVIII)	57,814,969,351.65	62,616,621,627.60
Interest income			
Premium earned			
Income from handling charges and commission			
II. Total operating cost		59,689,287,769.42	63,838,504,250.02
Including: Operating cost	V. (XXXVIII)	58,326,286,006.53	62,259,334,854.72
Interest expense			
Expenditure for handling charges and commission			
Surrender value			
Net expenditure for compensation			
Net provision for insurance contract appropriated			
Bonus payment for policy			
Reinsurance premium			
Tax and surcharges	V. (XXXIX)	211,561,623.25	206,440,870.56
Selling and distribution expenses	V. (XL)	159,034,136.51	128,489,696.80
General and administrative expenses	V. (XLI)	601,859,503.43	663,080,654.45
Research and development expenses	V. (XLII)	81,247,560.73	58,088,008.14
Financial expenses	V. (XLIII)	309,298,938.97	523,070,165.35
Including: Interest expense		415,219,929.72	599,359,597.96
Interest income		54,957,360.07	80,619,490.18
Add: Other income	V. (XLIV)	79,554,896.45	72,300,830.48
Income on investment ("-" for loss)	V. (XLV)	-2,827,424.32	89,589,183.44
Including: Income from associates and joint ventures		-1,085,968.20	-181,084.64
Income from derecognition of financial assets measured at amortized cost			
Exchange gains ("-" for loss)			
Net exposure hedge income ("-" for loss)			
Gains from change of fair value ("-" for loss)			
Credit impairment loss ("-" for loss)	V. (XLVI)	10,043,277.55	-4,366,027.94
Assets impairment loss ("-" for loss)	V. (XLVII)	-35,339,403.25	-33,475,219.25
Assets disposal gains ("-" for loss)	V. (XLVIII)	298,940,955.41	3,648,546.62
III. Operational profit("-" for loss)		-1,523,946,115.93	-1,094,185,309.07
Add: Non-operating income	V. (XLIX)	43,395,135.36	40,130,944.39
Less: Non-operating expenses	V. (L)	95,059,082.07	26,623,177.77
IV. Total profit ("-" for loss)		-1,575,610,062.64	-1,080,677,542.45
Less: Income tax expenses	V. (LI)	94,460,782.09	125,374,177.41
V. Net profit("-" for loss)		-1,670,070,844.73	-1,206,051,719.86
(I) Classification by continuing operating			
1. Net profit from continuing operation("-" for loss)		-1,670,070,844.73	-1,206,051,719.86
2. Net profit from discontinued operation("-" for loss)			
(II) Classification by ownership			
1. Net profit attributable to the owners of parent company		-1,742,574,163.92	-1,232,976,557.37
2. Net profit attributable to non-controlling shareholders		72,503,319.19	26,924,837.51
VI. Net after-tax amount of other comprehensive income		-34,466,581.86	-15,879,343.62
Other comprehensive income attributable to owners of the parent company after tax		-34,466,581.86	-15,879,343.62
(I) Other comprehensive income items that will not be reclassified into gains/losses		-34,466,581.86	-15,879,343.62
1. Re-measurement of defined benefit plans of changes in net debt or net assets			
2. Other comprehensive income under the equity method cannot be reclassified into profit or loss			
3. Changes in fair value of investments in other equity instruments		-34,466,581.86	-15,879,343.62
4. Changes in fair value of Company's credit risk			
(II) Other comprehensive income that will be reclassified into profit or loss			
1. Other comprehensive income under the equity method which can be reclassified into profit or loss			
2. Changes in fair value of other debt investments			
3. Amount of financial assets reclassified into other comprehensive income			
4. Credit impairment provision of other debt investments			
5. Cash flow hedge reserves			
6. Translation differences in foreign currency financial statements			
7. Others			
Other comprehensive income attributable to non-controlling shareholders' equity after tax			
VII. Total comprehensive income		-1,704,537,426.59	-1,221,931,063.48
Total comprehensive income attributable to the owner of the parent company		-1,777,040,745.78	-1,248,855,900.99
Total comprehensive income attributable to non-controlling shareholders		72,503,319.19	26,924,837.51
VIII. Earnings per share			
(I) Basic earnings per share		-0.42	-0.30
(II) Diluted earnings per share		-0.42	-0.30

The attached Notes of Financial Report is a part of the Financial Report.

Legal representative: Chief Financial Officer: Chief Accountant:

Bengang Steel Plates Co., Ltd.
Income statement of the parent company
FY2023
(Unless otherwise specified, all amounts are in RMB Yuan)

Item	Notes	Closing balance	Opening balance
I. Operating income	XIV. (IV)	58,186,982,131.76	63,081,757,089.14
Less: Operating cost	XIV. (IV)	59,293,494,660.13	63,165,254,867.80
Tax and surcharges		160,404,863.00	157,419,976.34
Selling and distribution expenses		143,971,980.36	162,072,670.40
General and administrative expenses		577,042,517.96	579,730,173.82
Research and development expenses		81,247,560.73	58,088,008.14
Financial expenses		320,034,306.92	523,903,605.28
Including: Interest expense		413,822,456.17	580,671,493.79
Interest income		40,683,621.30	59,532,341.41
Add: Other income		78,279,172.38	71,247,038.47
Income on investment ("-" for loss)	XIV. (V)	461,590,550.66	260,636,435.24
Including: Income from associates and joint ventures		-1,085,968.20	-580,788.56
Income from derecognition of financial assets measured at amortized cost			
Net exposure hedge income ("-" for loss)			
Gains from change of fair value ("-" for loss)			
Credit impairment loss ("-" for loss)		12,829,866.46	-4,244,546.20
Assets impairment loss ("-" for loss)		-35,339,403.25	-33,475,219.25
Assets disposal gains ("-" for loss)		298,940,955.41	3,669,258.68
II. Operational profit ("-" for loss)		-1,572,912,615.68	-1,266,879,245.70
Add: Non-operating income		42,653,931.69	32,814,019.52
Less: Non-operating expenses		94,106,015.35	26,463,198.79
III. Total profit ("-" for loss)		-1,624,364,699.34	-1,260,528,424.97
Less: Income tax expenses		-20,687,646.74	59,489,282.29
IV. Net profit ("-" for loss)		-1,603,677,052.60	-1,320,017,707.26
(I) Net profit from continuing operation ("-" for loss)		-1,603,677,052.60	-1,320,017,707.26
(II) Net profit from discontinued operation ("-" for loss)			
V. Net after-tax amount of other comprehensive income		-34,466,581.86	-15,904,760.02
(I) Other comprehensive income items that will not be reclassified into gains/losses		-34,466,581.86	-15,904,760.02
1. Re-measurement of defined benefit plans of changes			
2. Other comprehensive income under the equity method cannot be reclassified into profit or loss			
3. Changes in fair value of investments in other equity instruments		-34,466,581.86	-15,904,760.02
4. Changes in fair value of Company's credit risk			
(II) Other comprehensive income that will be reclassified into profit or loss			
1. Other comprehensive income under the equity method investee can be reclassified into profit or loss			
2. Changes in fair value of other debt investments			
3. Amount of financial assets reclassified into other comprehensive income			
4. Credit impairment provision of other debt investments			
5. Cash flow hedge reserves			
6. Translation differences in foreign currency financial statements			
7. Others			
VI. Total comprehensive income		-1,638,143,634.46	-1,335,922,467.28

Item	Notes	Closing balance	Opening balance
VII. Earnings per share			
(I) Basic earnings per share			
(II) Diluted earnings per share			

The attached Notes of Financial Report is a part of the Financial Report.

Legal representative: Chief Financial Officer: Chief Accountant:

Bengang Steel Plates Co., Ltd.
Consolidated cash flow statement
FY2023

(Unless otherwise specified, all amounts are in RMB Yuan)

Item	Notes	Amounts incurred in current period	Amounts incurred in prior period
I. Cash flow from operating activities			
Cash received from sale of goods or rendering of services		54,782,375,927.56	51,073,772,028.16
Net increase of customers' deposit and interbank deposit			
Net increase of loan from central bank			
Net increase of loans from other financial institutions			
Cash received for premium of original insurance contract			
Net cash received for reinsurance business			
Net increase of deposit and investment of the insured			
Cash from receiving interest, handling charge and commission			
Net increase of loans from borrowing funds			
Net increase of fund for repurchase business			
Net cash received from traded securities			
Tax rebate received		208,015,496.04	483,849,940.14
Other cash received relating to operating activities	V. (LII)	284,021,616.81	123,009,781.28
Subtotal of cash inflows from operating activities		55,274,413,040.41	51,680,631,749.58
Cash paid for goods and services		47,499,784,626.09	46,861,851,072.12
Net increase of customer's loan and advances			
Net increase of deposit in central bank and interbank deposit			
Cash for payment of compensation for original insurance contract			
Net increase in capital lent			
Cash for payment of interest, handling charge and commission			
Cash for payment of policy bonus			
Cash paid to and on behalf of employees		2,504,872,313.64	2,802,982,355.80
Cash paid for all types of taxes		521,328,876.71	651,109,945.61
Other cash paid relating to operating activities	V. (LII)	419,075,965.67	88,325,410.49
Subtotal of cash outflows from operating activities		50,945,061,782.11	50,404,268,784.02
Net cash flows from operating activities		4,329,351,258.30	1,276,362,965.56
II. Cash flows from investing activities			
Cash received from disposal of investments		1,843,800.00	422,818.29
Cash received from return on investments		896,200.00	2,879,850.07
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		85,057,599.66	4,752,720.71
Net cash received from disposal of subsidiary and other operating units			137,073,256.40
Other cash paid relating to investing activities			
Subtotal of cash inflows from investing activities		87,797,599.66	145,128,645.47
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		993,323,275.09	1,707,467,068.85
Cash paid for investments			
Net increase of mortgage loan			
Net cash received from subsidiary and other operating unit			
Other cash paid relating to investing activities			
Subtotal of cash outflows from investing activities		993,323,275.09	1,707,467,068.85
Net cash flows from investing activities		-905,525,675.43	-1,562,338,423.38
III. Cash flows from financing activities			
Proceeds from investment			
Including: Proceeds from the investment of non-controlling shareholders of the subsidiary			
Proceeds from borrowings		1,570,000,000.00	2,000,000,000.00
Other proceeds relating to financing activities	V. (LII)	1,128,377,111.10	2,759,751,595.78
Subtotal of cash inflows from financing activities		2,698,377,111.10	4,759,751,595.78
Cash repayments of borrowings		3,947,582,606.32	6,245,551,350.67
Cash payments for the distribution of dividends, profit or interest expenses		279,847,394.73	2,765,916,748.51
Including: Cash paid to non-controlling shareholders as dividends and profit by subsidiaries		68,041,170.80	
Other cash payments relating to financing activities	V. (LII)	2,040,131,865.19	485,930,596.70
Subtotal of cash outflows from financing activities		6,267,561,866.24	9,497,398,695.88

Item	Notes	Amounts incurred in current period	Amounts incurred in prior period
Net cash flows from financing activities		-3,569,184,755.14	-4,737,647,100.10
IV. Effect of foreign exchange rate changes on cash and cash equivalents		33,471,460.59	21,186,177.64
V. Net increase in cash and cash equivalents		-111,887,711.68	-5,002,436,380.28
Add: Cash and cash equivalents at the beginning of the period		1,296,662,683.20	6,299,099,063.48
VI. Cash and cash equivalents at the end of the period		1,184,774,971.52	1,296,662,683.20

The attached Notes of Financial Report is a part of the Financial Report.

Legal representative: Chief Financial Officer: Chief Accountant:

Bengang Steel Plates Co., Ltd.
Cash flow statement of parent company
FY2023

(Unless otherwise specified, all amounts are in RMB Yuan)

Item	Notes	Amounts incurred in current period	Amounts incurred in prior period
I. Cash flow from operating activities			
Cash received from the sale of goods or the rendering of services		54,729,135,209.16	52,566,695,245.11
Tax rebate received		182,654,395.44	446,252,731.21
Other cash received relating to operating activities		313,226,321.84	95,185,405.62
Subtotal of cash inflows from operating activities		55,225,015,926.44	53,108,133,381.94
Cash paid for goods and services		47,458,464,490.84	48,331,653,935.65
Cash paid to and on behalf of employees		2,350,688,837.49	2,666,197,042.40
Cash paid for all types of taxes		227,899,745.84	339,347,119.05
Other cash paid relating to operating activities		383,220,547.63	114,224,449.37
Subtotal of cash outflows from operating activities		50,420,273,621.80	51,451,422,546.47
Net cash flows from operating activities		4,804,742,304.64	1,656,710,835.47
II. Cash flows from investing activities			
Cash received from disposal of investments			
Cash received from return on investments		204,123,512.41	56,019,227.23
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		85,053,599.66	4,341,972.00
Net cash received from disposal of subsidiary and other operating units			205,076,325.08
Other cash received relating to investing activities			
Subtotal of cash inflows from investing activities		289,177,112.07	265,437,524.31
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		989,247,449.99	1,698,674,088.11
Cash paid for investments			850,000,000.00
Net cash paid for acquisition of subsidiary and other operating unit			
Other cash paid relating to investing activities			
Subtotal of cash outflows paid for investing activities		989,247,449.99	2,548,674,088.11
Net cash flows from investing activities		-700,070,337.92	-2,283,236,563.80
III. Cash flows from financing activities			
Cash flows from financing activities			
Cash received from borrowings		1,570,000,000.00	2,000,000,000.00
Other cash received relating to financing activities		1,128,377,111.10	2,759,751,595.78
Subtotal of cash inflows from financing activities		2,698,377,111.10	4,759,751,595.78
Cash repayments of borrowings		3,947,582,606.32	5,545,551,350.67
Cash payments for distribution of dividends, profit or interest		211,806,223.93	2,750,764,581.84
Other cash payments relating to financing activities		2,022,320,452.46	485,930,596.70
Subtotal of cash outflows from financing activities		6,181,709,282.71	8,782,246,529.21
Net cash flows from financing activities		-3,483,332,171.61	-4,022,494,933.43
IV. Effect of foreign exchange rate changes on cash and cash equivalents		32,520,496.22	20,787,925.20
V. Net increase in cash and cash equivalents		653,860,291.33	-4,628,232,736.56
Add: Cash and cash equivalents at the beginning of the period		420,642,596.45	5,048,875,333.01
VI. Cash and cash equivalents at the ending of the		1,074,502,887.78	420,642,596.45

Item	Notes	Amounts incurred in current period	Amounts incurred in prior period
period			

The attached Notes of Financial Report is a part of the Financial Report.

Legal representative: Chief Financial Officer: Chief Accountant:

Bengang Steel Plates Co., Ltd.
Consolidated statement of changes in owners' equity
FY2023
(Unless otherwise specified, all amounts are in RMB Yuan)

Item	FY2023													
	Equity attributable to owners of the parent company												Non-controlling interest	Total of owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserve	Undistributed profit	Subtotal		
	Preference shares	Perpetual bond	Others											
I. Closing balance of the prior year	4,108,212,217.00			947,863,834.02	13,272,205,160.21		-15,904,760.02	2,217,913.77	1,195,116,522.37		-720,559,670.73	18,789,151,216.62	584,587,863.76	19,373,739,080.38
Add: Change of accounting policies														
Correction of prior-period errors														
Business consolidation under common control														
Others														
II. Opening balance of the current year	4,108,212,217.00			947,863,834.02	13,272,205,160.21		-15,904,760.02	2,217,913.77	1,195,116,522.37		-720,559,670.73	18,789,151,216.62	584,587,863.76	19,373,739,080.38
III. Changes in current year ("-" for decrease)	7,085.00			-5,699.86	20,710.71		-34,466,581.86	-2,163,070.62			-1,742,574,163.92	-1,779,181,720.55	4,482,422.84	-1,774,699,297.71
(I) Total comprehensive income							-34,466,581.86				-1,742,574,163.92	-1,777,040,745.78	72,503,319.19	-1,704,537,426.59
(II) Capital increase and decrease by owners	7,085.00			-5,699.86	20,710.71							22,095.85		22,095.85
1. Common share invested by shareholders														
2. Capital input by the holder of other equity instruments	7,085.00			-5,699.86	20,710.71							22,095.85		22,095.85
3. Share-based payment attributable to shareholders' equity														
4. Others														
(III) Profit distribution													-68,041,170.80	-68,041,170.80
1. Appropriation to surplus reserves														
2. Appropriation to general risk reserve														
3. Profit distribution to owners (or shareholders)													-68,041,170.80	-68,041,170.80
4. Others														
(IV) Internal transfer of owners' equity														
1. Capital reserve converted into capital (or share capital)														
2. Surplus reserve converted														

Item	FY2023													
	Equity attributable to owners of the parent company											Non-controlling interest	Total of owners' equity	
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserve	Undistributed profit			Subtotal
	Preference shares	Perpetual bond	Others											
into capital (or share capital)														
3. Recover of loss by surplus reserve														
4. Changes in defined benefit plans carried forward to retained earnings														
5. Other comprehensive income carried forward to retained earnings														
6. Others														
(V) Special reserves								-2,163,070.62				-2,163,070.62	20,274.45	-2,142,796.17
1. Withdrawn in current period								77,964,469.55				77,964,469.55	4,945,238.85	82,909,708.40
2. Used in current period								80,127,540.17				80,127,540.17	4,924,964.40	85,052,504.57
(VI) Others														
IV. Closing balance of the current period	4,108,219,302.00			947,858,134.16	13,272,225,870.92		-50,371,341.88	54,843.15	1,195,116,522.37		-2,463,133,834.65	17,009,969,496.07	589,070,286.60	17,599,039,782.67

The attached Notes of Financial Report is a part of the Financial Report.

Legal representative: Chief Financial Officer: Chief Accountant:

Bengang Steel Plates Co., Ltd.
Consolidated statement of changes in owners' equity (Continued)
FY2023
(Unless otherwise specified, all amounts are in RMB Yuan)

Item	FY2023													Non-controlling interest	Total of owners' equity
	Equity attributable to owners of the parent company											Subtotal			
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserve	Undistributed profit				
	Preference shares	Perpetual bond	Others												
I. Closing balance of the prior year	4,108,191,379.00			947,882,663.63	13,272,134,173.09			337,978.57	1,195,116,522.37		2,977,306,297.64	22,500,969,014.30	565,441,001.73	23,066,410,016.03	
Add: Change of accounting policies															
Correction of prior-period errors															
Business consolidation under common control															
Others															
II. Opening balance of the current year	4,108,191,379.00			947,882,663.63	13,272,134,173.09			337,978.57	1,195,116,522.37		2,977,306,297.64	22,500,969,014.30	565,441,001.73	23,066,410,016.03	
III. Changes in current year ("-" for decrease)	20,838.00			-18,829.61	70,987.12			1,879,935.20			-3,697,865,968.37	-3,711,817,797.68	19,146,862.03	-3,692,670,935.65	
(I) Total comprehensive income											-1,232,976,557.37	-1,248,855,900.99	26,924,837.51	-1,221,931,063.48	
(II) Capital increase and decrease by owners	20,838.00			-18,829.61	70,987.12							72,995.51	-7,777,975.48	-7,704,979.97	
1. Common share invested by shareholders															
2. Capital input by the holder of other equity instruments	20,838.00			-18,829.61	70,987.12							72,995.51		72,995.51	
3. Share-based payment attributable to shareholders' equity															
4. Others													-7,777,975.48	-7,777,975.48	
(III) Profit distribution												-2,464,914,827.40	-2,464,914,827.40	-2,464,914,827.40	
1. Appropriation to surplus reserves															
2. Appropriation to general risk reserve															
3. Profit distribution to owners (or shareholders)												-2,464,914,827.40	-2,464,914,827.40	-2,464,914,827.40	
4. Others															
(IV) Internal transfer of owners' equity															
1. Capital reserve converted into capital (or share capital)															
2. Surplus reserve converted into capital (or share capital)															
3. Recover of loss by surplus reserve															

Item	FY2023													
	Equity attributable to owners of the parent company											Non-controlling interest	Total of owners' equity	
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserve	Undistributed profit			Subtotal
	Preference shares	Perpetual bond	Others											
4. Changes in defined benefit plans carried forward to retained earnings														
5. Other comprehensive income carried forward to retained earnings							-25,416.40				25,416.40			
6. Others														
(V) Special reserves								1,879,935.20				1,879,935.20		
1. Withdrawn in current period								77,018,511.80				77,018,511.80	4,978,649.22	
2. Used in current period								75,138,576.60				75,138,576.60	4,978,649.22	
(VI) Others														
IV. Closing balance of the current period	4,108,212,217.00			947,863,834.02	13,272,205,160.21		-15,904,760.02	2,217,913.77	1,195,116,522.37		-720,559,670.73	18,789,151,216.62	584,587,863.76	19,373,739,080.38

The attached Notes of Financial Report is a part of the Financial Report.

Legal representative: Chief Financial Officer: Chief Accountant:

Bengang Steel Plates Co., Ltd.
Parent company's statement of changes in owners' equity
FY2023
(Unless otherwise specified, all amounts are in RMB Yuan)

Item	FY2023										
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Total of owners' equity
		Pref eren ce shar es	Perpe tual bond	Others							
I. Closing balance of the prior year	4,108,212,217.00			947,863,834.02	12,852,053,478.09		-15,904,760.02	58,212.15	1,195,116,522.37	-1,296,333,684.67	17,791,065,818.94
Add: Change of accounting policies											
Correction of prior-period errors											
Others											
II. Opening balance of the current year	4,108,212,217.00			947,863,834.02	12,852,053,478.09		-15,904,760.02	58,212.15	1,195,116,522.37	-1,296,333,684.67	17,791,065,818.94
III. Changes in current period ("-" for decrease)	7,085.00			-5,699.86	20,710.71		-34,466,581.86	-54,530.99		-1,603,677,052.60	-1,638,176,069.60
(I) Total comprehensive income							-34,466,581.86			-1,603,677,052.60	-1,638,143,634.46
(II) Capital increase and decrease by owners	7,085.00			-5,699.86	20,710.71						22,095.85
1. Common share invested by owners											
2. Capital input by the holder of other equity instruments	7,085.00			-5,699.86	20,710.71						22,095.85
3. Share-based payment attributable to owners' equity											
4. Others											
(III) Profit distribution											
1. Appropriation to surplus reserves											
2. Profit distribution to owners (or shareholders)											
3. Others											
(IV) Internal transfer of owners' equity											
1. Capital reserve converted into capital (or share capital)											
2. Surplus reserve converted into capital (or share capital)											
3. Recover of loss by surplus reserve											
4. Changes in defined benefit plans carried forward to retained earnings											
5. Other comprehensive income carried forward to retained earnings											
6. Others											
(V) Special reserves								-54,530.99			-54,530.99
1. Withdrawn in current period								63,360,278.27			63,360,278.27

Item	FY2023										
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Total of owners' equity
		Pref eren ce shar es	Perpe tual bond	Others							
2. Used in current period								63,414,809.26			63,414,809.26
(VI) Others											
IV. Closing balance of the current period	4,108,219,302.00			947,858,134.16	12,852,074,188.80		-50,371,341.88	3,681.16	1,195,116,522.37	-2,900,010,737.27	16,152,889,749.34

The attached Notes of Financial Report is a part of the Financial Report.

Legal representative: Chief Financial Officer: Chief Accountant:

Bengang Steel Plates Co., Ltd.
Parent company's statement of changes in owners' equity (Continued)
FY2023
(Unless otherwise specified, all amounts are in RMB Yuan)

Item	FY2022										
	Share capital	Other equity instruments			Capital reserves	Less: Treas ury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Total of owners' equity
		Preferen ce shares	Perpetu al bond	Others							
I. Closing balance of the prior year	4,108,191,379.0 0			947,882,663.63	12,851,982,490.97			155,469.58	1,195,116,522.37	2,491,021,746.82	21,594,350,272.37
Add: Change of accounting policies											
Correction of prior-period errors											
Others											
II. Opening balance of the current year	4,108,191,379.0 0			947,882,663.63	12,851,982,490.97			155,469.58	1,195,116,522.37	2,491,021,746.82	21,594,350,272.37
III. Changes in current period ("-" for decrease)	20,838.00			-18,829.61	70,987.12		-15,904,760.02	-97,257.43		-3,787,355,431.49	-3,803,284,453.43
(I) Total comprehensive income							-15,904,760.02			-1,320,017,707.26	-1,335,922,467.28
(II) Capital increase and decrease by owners	20,838.00			-18,829.61	70,987.12					-2,422,896.83	-2,349,901.32
1. Common share invested by owners											
2. Capital input by the holder of other equity instruments	20,838.00			-18,829.61	70,987.12						72,995.51
3. Share-based payment attributable to owners' equity											
4. Others										-2,422,896.83	-2,422,896.83
(III) Profit distribution										-2,464,914,827.40	-2,464,914,827.40
1. Appropriation to surplus reserves											
2. Profit distribution to owners (or shareholders)										-2,464,914,827.40	-2,464,914,827.40
3. Others											
(IV) Internal transfer of owners' equity											
1. Capital reserve converted into capital (or share capital)											
2. Surplus reserve converted into capital (or share capital)											
3. Recover of loss by surplus reserve											
4. Changes in defined benefit plans carried forward to retained earnings											

Item	FY2022										
	Share capital	Other equity instruments			Capital reserves	Less: Treas ury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Total of owners' equity
		Preferen ce shares	Perpetu al bond	Others							
5. Other comprehensive income carried forward to retained earnings											
6. Others											
(V) Special reserves								-97,257.43			-97,257.43
1. Withdrawn in current period								60,105,371.53			60,105,371.53
2. Used in current period								60,202,628.96			60,202,628.96
(VI) Others											
IV. Closing balance of the current period	4,108,212,217.0 0			947,863,834.02	12,852,053,478.09		-15,904,760.02	58,212.15	1,195,116,522.37	-1,296,333,684.67	17,791,065,818.94

The attached Notes of Financial Report is a part of the Financial Report.

Legal representative: Chief Financial Officer: Chief Accountant:

Bengang Steel Plates Co., Ltd.

FY 2023 Notes of Financial Report

(Unless otherwise specified, all amounts are in RMB Yuan)

I. Basic Information of the Company

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

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

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

According to the approval document “Zheng-Jian-Gong-Si-Zi [2006] No. 126” by China Securities Regulatory Commission on June 30th, 2006, the Company was approved to place 2 billion Renminbi common shares, particularly to Benxi Iron and Steel Group and

the proceeds would be used to purchase the related assets of the Benxi Iron and Steel Group. On the same day, Benxi Iron and Steel Group received circular Zheng-Jian-Gong-Si-Zi [2006] No. 127 issued by China Securities Regulatory Committee, On the same day, Benxi Iron and Steel Group obtained the document "Zheng Jian Company Zi (2006) No. 127" issued by the China Securities Regulatory Commission, which agreed to exempt Benxi Iron and Steel Group from the acquisition of 2 billion new shares issued by the Company, resulting in the number of shares held by the Company reaching 2.5752 billion shares (accounting for the Company's 82.12% of the total share capital) to fulfill the tender offer obligation. On August 28th, 2006, as approved by China Securities Depository & Clearing Corporation Ltd. Shenzhen Office, the registration and conditional placing procedures of the 2 billion new shares were completed. On September 28th, 2006, the listing procedure of the new shares of Bengang Steel Plates in this non-public offering was approved by Shenzhen Stock Exchange. The issue price of new shares: RMB 4.6733 per share.

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

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

As at December 31st, 2022, the capital shares totalled 4,108,212,217 shares. The Company's uniform social credit code: 91210000242690243E.

Company registered address: No. 16, Renmin Road Pingshan District Benxi, Liaoning

Province; Company legal representative: Li Yan.

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

These financial statements were presented as approved by the Board of Directors of the Company on April 25th, 2024.

II. Basis of preparation of financial report

(I) Basis of Preparation

The Company's financial statements have prepared in accordance with the Accounting Standards for Business Enterprises-Basic Standards promulgated by the Ministry of Finance and various specific accounting standards, guidelines for the application of accounting standards for business enterprises, explanations of accounting standards for business enterprises and other relevant provisions (hereinafter collectively referred to as "Accounting Standards for Business Enterprises"), as well as the relevant provisions of the China Securities Regulatory Commission's Rules for the Compilation and Reporting of Information Disclosure by Companies Offering Securities to the Public No.15-General Provisions for Financial Reports.

(II) Going concern

The Company is operating normally and in a good condition

III. Significant accounting policies and accounting estimates

The disclosed contents below consist of specific accounting policy and accounting estimation of this company in accordance with actual production and management features. For details, see Note "III (X) Financial Tools", "III (XI) Inventories", "III (XIV) Fixed Assets", "III (XVII) Intangible Assets" and "III (XXIII) Income".

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

The financial statements prepared by the Company comply with the requirements of Accounting Standards for Business Enterprises and give a true and complete picture of the financial position of the Company merger on December 31th, 2023 and the parent company and the operating results and cash flows of the merger company and parent company in 2023.

(II) Accounting year

The Accounting year is from January 1st to December 31st.

(III) Operating period

The operating period is 12 months

(IV) Functional currency

The Company's functional currency is RMB

(V) The accounting treatment for Business combinations under/not under common control

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

Business combination not under common control: The Company shall, on the acquisition date, measure the assets given and liabilities incurred or assumed by an enterprise for a business combination in light of their fair values, and shall record the balances between them and their carrying amounts into the profits and losses at the current period. The Company shall recognize the positive balance between the combination costs and the fair value of the identifiable net assets it obtains from the acquiree as goodwill. The Company shall treat the negative balance between the combination costs and the fair value of the identifiable net assets it obtains from the acquiree into the profits and losses of the current period.

The intermediary costs and relevant fees for the business combination paid by the acquirer, including the expenses for audit, assessment and legal services, shall be recorded into the profits and losses at the current period. The transaction expenses for the issuance of equity securities for the business combination shall be recorded into the initial recognition

amount of equity securities.

(VI) Judgement standards for control and compiling method for consolidated financial statements

1. Judgement standards for control

The scope of consolidation of consolidated financial statements is determined based on control. All the subsidiaries (including separable sections of the investees controlled by the Company) have been consolidated into the scope of consolidation for this period ended.

2. Procedure of consolidation

The consolidated financial statements shall be presented by the parent based on the financial statements of the parent and its subsidiaries and using other related information. When preparing consolidated financial statements, the parent shall consider the entire group as an accounting entity, adopt uniform accounting policies and apply the requirements of Accounting Standards for Business Enterprises related to recognition, measurement and presentation. The consolidated financial statements shall reflect the overall financial position, operating results and cash flows of the group. The accounting policy and accounting period of the subsidiaries within the consolidation scope shall be in accordance with those of the Company. If not, it is necessary to make the adjustment according to the Company's accounting policies and accounting period when preparing the consolidated financial statements. For subsidiaries through acquisition that are now under common control, the financial statements are adjusted according to the fair value of identifiable net assets on the acquisition date. For subsidiaries through acquisition that are under common control, the assets, and liabilities (as well as the goodwill arising from purchasing the subsidiary by the ultimate controller) are adjusted according to the book value of net assets in the financial statements of the ultimate controller.

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

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

(1) Increasing new subsidiaries and businesses

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

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

If it is now under common control, the Company shall not adjust the beginning balance in the consolidated statement of financial position when preparing the consolidated statement of financial position. The revenue, expenses and profits of the subsidiaries from the acquisition date to the end of the reporting period are included in the parent company's consolidated statement of comprehensive income. The cash flow of the subsidiaries from the acquisition date to the end of the

reporting period is included in the Company's consolidated statement of cash flows.

When the Company becomes capable of exercising control over an investee now under common control due to additional investment or other reasons, the acquirer shall remeasure its previously held equity interest in the acquiree to its fair value at the acquisition date. The difference between the fair value and the carrying amount shall be recognized as investment income for the period when the acquisition takes place. When the previously-held equity investment is accounted for under the equity method, any other comprehensive income previously recognized in relation to the acquiree's equity changes shall be transferred to profit or loss for the current period when the acquisition takes place. Other comprehensive income arising from the remeasurement of the defined benefit plan is excluded.

(2) Disposing subsidiaries or businesses

① General treatment

If the Company disposes of a subsidiary during the reporting period, the revenue, expenses and profits of the subsidiary from the beginning of the reporting period to the disposal date are included in the Company's consolidated statement of comprehensive income. The cash flow of the subsidiaries from the beginning of the reporting period to the disposal date is included in the Company's consolidated statement of cash flows.

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

acquiree. Other comprehensive income arising from re-measurement of the defined benefit plan is excluded. When the Company loses control over a subsidiary due to the increase of capital from other investors and thus the shareholding ratio of the Company declines, accounting treatment shall be in accordance with the above-mentioned principles.

② Disposing subsidiaries by multiple transactions

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

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

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

If each of the multiple transactions which eventually results in loss of control of the subsidiary does not form part of a bundled transaction, apply the treatment of disposing of partial long-term equity investments in a subsidiary without loss of control prior to the loss of control. After the loss of control, apply the treatment of disposing of the subsidiary in common cases.

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

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

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

(VII) Classification of joint venture arrangements and accounting treatment

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

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

The Company confirms the following items related to the share of interest in the joint operation

- (1). Confirm the assets held by the Company separately, and confirm the assets held jointly by the Company's share;
- (2). Recognize the liabilities assumed by the Company separately and the liabilities jointly assumed by the Company's share;
- (3). Recognize the income generated by the sale of the Company's share of common operating output;
- (4). Recognize the revenue generated from the sale of joint operations based on the Company's share;

(5). Confirm the expenses incurred separately and the expenses incurred in the joint operation according to the Company's share.

The Company uses equity method to calculate, for details, see Notes "III. (XIII) Long-term equity investment".

(VIII) Criteria for determining cash and cash equivalents

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

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

1. Foreign currency transaction

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

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

2. Translation of foreign currency financial statements

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

When disposing of an overseas business, the Company shall shift the balance, which

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

(X) Financial instruments

Financial instruments include financial assets, financial liabilities and equity instruments.

1. Classification of financial instruments

A financial asset shall be measured at amortized cost if both of the following conditions are met. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company classifies financial assets that meet the following conditions and are not designated as at fair value through profit or loss as financial assets measured at amortized cost:

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

The Company classifies financial assets that meet the following conditions and are not designated as at fair value through profit or loss as financial assets (debt instruments) at fair value through other comprehensive income:

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

The Company may make an election at initial recognition for non-trading equity

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

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

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

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

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

2. Recognition and measurement of financial instruments

(1) Financial assets measured at amortized cost

Financial assets measured at amortized cost include notes receivables, accounts receivables, other receivables, long-term receivables, debt investments, etc. At initial recognition, the Company shall measure a financial asset at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset. The Company shall measure account receivables at their transaction price if the account receivables do not contain a significant financing

component and account receivables that the Company has decided not to consider for a financing component of no more than one year.

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

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

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

Financial assets measured at fair value through other comprehensive income (debt instruments) include receivables financing, other debt investments, etc. At initial recognition, the Company shall measure a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition or issuance of the financial asset. The financial assets are subsequently measured at fair value. Changes in fair value are included in other comprehensive income except for interest calculated using the effective interest method, impairment losses or gains and exchange gains and losses. When the financial assets are derecognized, the accumulated gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income and recognized in profit or loss.

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

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

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

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

Financial assets at fair value through profit or loss include transactional financial assets, derivative financial assets, other non-current financial assets, etc.

The Company shall measure the financial assets at fair value at initial recognition. Transaction costs are recognized in profit or loss. Changes in fair value are included in profit or loss.

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

Financial liabilities at fair value through profit or loss include current financial liabilities, derivative financial liabilities, etc.

The Company shall measure the financial assets at fair value at initial recognition. Transaction costs are recognized in profit or loss. Changes in fair value are included in profit or loss.

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

(6) Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost include short-term borrowings, notes payables, accounts payables, other payables, long-term borrowings, bonds payables, and long-term payables.

At initial recognition, the Company shall measure a financial liability at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Interests calculated by using the effective interest method during the holding period

shall be recognized in profit or loss.

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

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

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

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

If the Company modifies or renegotiates the contract with the counterparty and constitutes a substantial modification, the original financial asset shall be terminated and a new financial asset shall be confirmed according to the modified terms.

When a financial assets are transferred, if almost all risks and rewards on the ownership of the financial asset are retained, the recognition of the financial asset will not be terminated.

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

Transfer of an entire financial asset can be divided into partial financial assets transfer and entire financial asset transfer. If the transfer of an entire financial asset satisfies the conditions for de-recognition, the difference between the amounts of the following 2 items shall be recorded in the profits and losses of the current period:

- (1) The book value of the transferred financial asset; and
- (2) The sum of the consideration received from the transfer, and the accumulative

amount of the changes of the fair value originally recorded in the owners' equities (in the event that the financial asset involved in the transfer is a financial asset Available-for-sale).

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

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

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

4. Termination of recognition of financial liabilities

Only when the prevailing obligations of a financial liability are relieved in all or in part may the recognition of the financial liability be terminated in all or partly.

Where the Company (the debtor) enters into an agreement with a creditor so as to substitute the existing financial liabilities by way of any new financial liability, and if the contractual stipulations regarding the new financial liability are substantially different from that regarding the existing financial liability, it shall terminate the recognition of the existing financial liability, and shall at the same time recognize the new financial liability.

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

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

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

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

If active markets for the financial instruments exist, the fair value shall be measured by quoted prices in the active markets. If active markets for the financial instruments do not exist, valuation techniques shall be applied for the measurement. The Company uses valuation techniques appropriate to the circumstances and for which sufficient data are available to measure fair value. The Company chooses relevant observable inputs for identical or similar assets or liabilities. Only when relevant observable inputs are unavailable or should the Company use unobservable inputs for the asset or liability.

6. Impairment provision of the financial assets

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

on an individual or portfolio basis.

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

For account receivables and contract assets recognized according to Accounting Standards for Business Enterprises No. 14 Revenue (2017), whether a significant financing component is contained or not, the Company shall always measure the loss allowance at an amount equal to lifetime expected credit losses.

For lease receivables arising from transactions regulated by *Accounting Standards for Business Enterprises No.21-Leases*, the Company chooses to measure its loss provision at all times at an amount equivalent to the expected credit loss during the whole life.

For other financial instruments, the Company assesses the changes in the credit risk of the relevant financial instruments since their initial recognition on each balance sheet date.

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

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

If the credit risk of the financial instrument has increased significantly since its initial recognition, the Company shall measure its loss reserve according to the amount equivalent to the expected credit loss of the financial instrument during its entire life; If the credit risk of the financial instrument has not increased significantly since its initial recognition, the Company shall measure its loss reserve at an amount equivalent to the expected credit loss of the financial instrument in the next 12 months. The resulting increase or reversal of loss reserves shall be recorded in current profits and losses as impairment losses or gains. For financial assets (debt instruments) measured at fair value and whose changes are included in other comprehensive income, their loss reserves are recognized in other comprehensive income, and impairment losses or gains are included in current profits and losses without reducing the book value of the financial assets listed in the balance sheet.

(XI) Inventory

1. Inventory classification

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

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

2. Valuation method for inventory dispatched

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

3. Inventory system

Adopt a perpetual inventory system.

4. Amortization method of low-value consumables and packaging materials

- (1) Adopt one-time resale method when dealing with low-value consumables
- (2) Adopt the method of one-time resale when dealing with the packaging

5. Confirmation standards and accrual method of provision for inventory impairment loss

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

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

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

(XII) Contract asset

1. Confirmation method and standard for contract asset

When either party to a contract has performed, the Company shall present the

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

2. Confirmation method and accounting treatment method of expected credit loss of contract assets

For the confirmation method and accounting treatment method of expected credit loss of contract assets, please refer to "(X) 6. Test method and accounting treatment method of impairment of financial instruments" in this note.

(XIII) Long-term equity investment

1. Criteria of joint control and significant influence

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

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

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

(1) Long-term equity investment from business acquisition

For a business combination under common control, if the consideration of the combination is satisfied by paying cash, transfer of non-cash assets or assumption of liabilities and the issue of equity securities, the initial investment cost of the long-

term equity investment shall be the absorbing party's share of the carrying amount of the owner's equity of the party being absorbed in the consolidated financial statements of the ultimate controlling party at combination date. When an investor becomes capable of exercising control over an investee under common control due to additional investment or other reasons, the initial investment cost shall be the absorbing party's share of the carrying amount of the owner's equity of the party being absorbed in the consolidated financial statements of the ultimate controlling party at combination date. The difference between the initial investment cost and the carrying amount of the previously held equity investment, together with the additional investment cost for new shares at the combination date, shall be adjusted to the capital reserve. If the balance of capital reserve is not sufficient, any excess shall be adjusted to retained earnings.

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

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

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

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

3. Subsequent measurement and profit or loss recognition

(1) Cost method for the long-term investment

The Company adopts the cost method for the long-term investment in a subsidiary company. Under the cost method, an investing enterprise shall, in accordance with

the attributable share of the net profits or losses of the invested entity, recognize the investment profits or losses except the dividend declared but unpaid, which is included in the payment when acquiring the investment.

(2) Equity method for the long-term investment

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

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

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

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

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

(3) Disposal of long-term equity investment

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

Partial disposal of long-term equity investments accounted for by the equity method, and the remaining equity is still accounted for by the equity method, the other comprehensive income recognized by the original equity method shall be carried forward according to the same basis as the direct disposal of related assets or liabilities by the investee. All other changes in the interests of the holders are carried forward to the current profit and loss on a pro-rata basis.

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

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

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

(XIV) Fixed assets

1. Recognition and Initial Measurement of Fixed Assets

The term "fixed assets" refers to the tangible assets held for the sake of producing commodities, rendering labor service, renting or business management and of which useful life is in excess of one fiscal year. No fixed asset may be recognized unless it simultaneously meets the conditions as follows:

(1) The economic benefits pertinent to the fixed asset are likely to flow into the enterprise; and

(2) The cost of the fixed asset can be measured reliably.

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

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

2. Depreciation Method

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

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

Category	Depreciation method	Depreciation life (year)	Residual value rate (%)	Residual value rate (%)
Plants and Buildings	Year average method	40	5.00	2.38
Machinery	Year average method	17-24	5.00	3.96-5.59
Transportation and other equipment	Year average method	5-12	5.00	7.92-19.00

3. Disposal of fixed assets

When a fixed asset is disposed of, or it is expected that no economic benefits will

be generated through use or disposal, the recognition of the fixed asset shall be determined. The amount of disposable income of fixed assets raised from sale, transfer, scrapping or damage shall be included in the current profit and loss after deducting its book value and related taxes.

(XV) Construction in progress

Construction in progress is measured at the actual cost incurred. The actual cost includes construction costs, installation costs, borrowing costs that meet the capitalization conditions, and other necessary expenditures incurred before the construction in progress reaches its intended use status.

Construction in progress is transferred to fixed asset when it has reached its working condition for its intended use and depreciation will be accrued from the next month.

(XVI) Borrowing costs

1. Principle of the recognition of capitalized borrowing costs

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

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

2. The capitalization period of borrowing costs

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

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

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

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

3. The suspension of capitalization of borrowing costs

Where the acquisition and construction or production of a qualified asset are interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended. If the interruption is a necessary step for making the qualified asset under acquisition and construction or production ready for the intended use or sale, the capitalization of the borrowing costs shall continue. The borrowing costs incurred during such period shall be recognized as expenses and shall be recorded into the profits and losses of the current period, till the acquisition and construction or production of the asset restarts.

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

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

at the incurred amount when they are incurred, and shall be recorded into the costs of the asset eligible for capitalization.

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

(XVII) Intangible assets

1. Measurement of intangible assets

(1) Initial measurement is based on cost upon acquisition

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

(2) Subsequent measurement

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

Intangible assets with finite beneficial periods shall be amortized under the straight-line method; during the period when the intangible asset can bring economic benefits to the enterprise. If it is unable to estimate the beneficial period of the intangible asset, it shall be regarded as an intangible asset with uncertain service life and shall not be amortized.

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

Item	Estimated useful life	Criteria of estimated useful life
Land use right	50 years	Land use right certificate

3. Classification criteria for the internal research phase and development phase:

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

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

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

4. Specific conditions for capitalization of development phase expenditures:

Research expenditures are recognized in profit or loss as incurred. Expenditures in the development phase are recognized as intangible assets if the following conditions are met, and expenditures in the development phase that do not meet the following conditions are recognized in profit or loss:

- (1) It is technically feasible to complete the intangible asset so that it can be used or sold;
- (2) There is an intent to complete the intangible asset and use or sell it;
- (3) The manner in which an intangible asset generates economic benefits, including being able to demonstrate that there is a market for the product produced from the intangible asset or that there is a market for the intangible asset itself and that the intangible asset will be used internally, should prove its usefulness;
- (4) There are sufficient technical, financial and other resources to support the completion of the development of the intangible asset and is capable of using or selling the intangible asset;
- (5) The expenditure attributable to the development phase of the intangible asset can be measured reliably.

If it is not possible to distinguish between research phase expenditures and development phase expenditures, all research and development expenditures incurred are charged to current profit or loss.

(XVIII) Impairment of long-term assets

Long-term equity investments, fixed assets, construction in progress, right-of-use assets, intangible assets with limited useful lives and other long-term assets shall be tested for impairment if there is an indication of impairment at the balance sheet date. If the result of the impairment test indicates that the recoverable amount of an asset is less than its book value, the difference shall be recognized as a provision for impairment and included in impairment loss. The recoverable amount is the higher of the fair value of assets, less costs of disposal, and the present value of estimated future cash flows from the assets. The provision for impairment of assets shall be calculated and recognized on an individual basis, and if it is difficult to estimate the recoverable amount of an individual asset, the Company shall recognize the recoverable amount of asset group to which the asset belongs. The term “assets group” refers to a minimum combination of assets by which the cash flows could be generated independently

Goodwill arising from business combinations, intangible assets with an indefinite useful life, and intangible assets that have not yet reached their intended useable state shall be tested for impairment at least at the end of each year, regardless of whether there is an indication of impairment.

In performing an impairment test on goodwill, the Company shall apportion the book value of goodwill arising from business combinations to the relevant asset group from the date of purchase in accordance with a reasonable method; for those that it is difficult to be apportioned to the relevant asset group, they shall be apportioned to the relevant portfolio of asset group. The relevant asset group or combination of asset groups are those that can benefit from the synergistic effects of the business combination.

In performing an impairment test on the relevant asset group or portfolio of asset group that contains goodwill, the Company shall conduct the impairment test first on the asset group or portfolio of asset group that does not contain goodwill if there is an indication of impairment on the asset group or portfolio of asset group relating to goodwill, and calculate its recoverable amount as well as compare it with the relevant book value to recognize the corresponding impairment loss. Then the impairment test shall be performed for the asset group or portfolio of asset group that contains goodwill,

comparing its book value and its recoverable amount. If the recoverable amount is less than the book value, the amount of impairment loss shall be offset and apportioned to the book value of goodwill contained in the asset group or portfolio of asset group, and then offset the book value of other assets in proportion to the proportion of book value of assets other than goodwill in the asset group or portfolio of asset group.

The impairment losses on assets mentioned above, once recognized, shall not be reversed in subsequent accounting periods.

(XIX) Long-term deferred expense

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

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

(XX) Contract liabilities

The Company shall present contract assets or contract liabilities in the statement of financial position in accordance with the relationship between the performance of an obligation and the payment of customers. The obligation of the Company to transfer goods or provide services to customers for consideration received or receivable from customers shall be presented as contract liabilities. Contract assets and contract liabilities under the same contract shall be shown on a net basis.

(XXI) Employee benefits

1. Accounting treatment for short-term employee benefits

The Company shall recognize the short-term benefits actually incurred as the liabilities, and recognize such liabilities into the current profit and loss or the costs of the related assets in the accounting period to which the employees render the services.

Payments made by the Company of social security contributions for employees, payments of housing provident funds, union funds and employee education costs provided in accordance with relevant requirements shall, in the accounting period in which employees provide services, be calculated according to prescribed bases

and percentages in determining the amount of employee benefits.

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

2. Accounting treatment for post-employment benefits

(1) Defined contribution plan

The Company shall recognize, in the accounting period in which an employee provides service, pension fund and unemployment fund for employees as liabilities according to the local government regulations. The amount shall be calculated according to local prescribed bases and percentages in determining the amount of employee benefits, with a corresponding charge to the profit or loss or cost of an asset for the current period.

The Company contributes to the basic pension insurance and unemployment insurance for its employees in accordance with the relevant local government regulations. The amount payable is calculated on the basis of the contribution base and at the rate prescribed by the local regulations and is recognized as a liability and charged to current profit and loss or the cost of related assets in the accounting period in which the employees provide services to the Company. In addition, the Company participates in an enterprise annuity plan/supplemental pension fund approved by the relevant state authorities. The Company contributes a certain percentage of the employees' gross salaries to the annuity plans/local social insurance institutions and the corresponding expenses are charged to current profit and loss or to the cost of related assets.

(2) Defined benefit plan

None.

3. Accounting treatment for termination benefits

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

restructuring that involves the payment of termination benefits.

(XXII) Estimated liabilities

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

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

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

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

If there is a continuous range of expenses required and the likelihood of various outcomes within that range is equal, the best estimate is determined by the mid-point of the range; in other cases, the best estimate is treated separately as follows:

- If a contingency relates to a single item, it shall be determined in the light of the most likely outcome.
- If the contingencies relate to more than one item, the best estimate shall be calculated and determined in accordance with all possible outcomes and the relevant probabilities.

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

The Company reviews the book value of the estimated liabilities on the balance sheet date. If there is conclusive evidence that the book value does not reflect the current best

estimate, the book value will be adjusted according to the current best estimate.

(XXIII) Revenue

1. Accounting policies used for revenue recognition and measurement

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

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

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to customers, excluding amounts collected on behalf of the third parties or amounts expected to be returned to customers. The Company shall consider the terms of the contract and its customary business practices to determine the transaction price. When determining the transaction price, the Company shall consider the effects of all of the following: variable consideration, the existence of a significant financing component in the contract, non-cash consideration, and consideration payable to customers. The Company determines the transaction price that includes variable consideration at an amount that does not exceed the amount of accumulated recognized revenue that is unlikely to be materially reversed when the relevant uncertainty is eliminated. If there is a significant financing component in the contract, the Company shall recognize revenue at an amount that reflects the price that a customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they transfer to the customer, and use the effective interest method to amortize the difference between the transaction price and the contract consideration during the contract period. When one of the following conditions is met, the Company is deemed to have undertaken

the performance obligation within a certain time; otherwise, it will be deemed as undertaking the performance obligation at a certain point in time:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;
- The customer has control over the goods in progress during the Company's performance.
- The goods produced in the course of the Company's performance are of irreplaceable use and the Company is entitled to receive payment for the portion of the performance that has been completed cumulatively to date during the entire term of the contract.

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

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

- The Company has a present right to payment for the promised goods or services and the customer is presently obliged to pay for that;
- The Company has transferred the legal ownership of the goods to the customer, that is, the customer has the legal ownership to the goods;
- The Company has transferred physical possession of the goods to the customer, that is, the customer has taken possession of the goods;
- The Company has transferred the main risks and rewards of ownership of the goods to the customer, that is, the customer has the main risks and rewards of

ownership of the goods;

- The customer has accepted the promised goods or services.

The Company determines whether it is the principal responsible person or agent at the time of the transaction according to whether it has control over the goods or services before transferring them to customers. If the Company can control the goods or services before transferring them to customers, the Company is the main responsible person and recognizes the income according to the total consideration received or receivable; Otherwise, the Company, acting as an agent, shall recognize revenue at the amount of commission or handling fee it is expected to be entitled to receive.

2. Disclosure of specific revenue recognition methods and measurement methods according to business types

Commodity sales contracts between companies and customers usually only contain performance obligations to transfer goods or services such as steel. Such performance obligations belong to performance obligations performed at a certain point in time, and the Company recognizes revenue at the point when customers obtain control over related goods or services. When judging whether customers have acquired control over goods or services, the company considers the following indications:

The Company obtains the right to collect money at present, the legal ownership of the commodity is transferred to the customer, the physical assets of the commodity are transferred to the customer, the Company transfers the main risks and rewards of the ownership of the commodity to the customer, and the customer has accepted the commodity.

(XXIV) Contract costs

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

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard, for example, Inventories, Property, Plant and Equipment or Intangible Assets, the Company shall recognize an asset from the costs incurred to fulfil a contract

only if those costs meet all of the following criteria:

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

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

An asset recognized in accordance with contract costs shall be amortized in consistence with the transfer to the customer of the goods or services to which the asset relates. The Company may recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset is one year or less.

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

1. the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which the asset relates; less
2. the costs that relate directly to providing those goods or services and that have not been recognized as expenses.

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

(XXV) Government grants

1. Types

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

Government grants related to assets are government grants acquired by the

Company for the acquisition or other formation of long-term assets. Government grants related to income are government grants other than those related to assets.

The specific criteria for the Company to classify government grants as asset-related are: government grants acquired by the enterprise and used to acquire or otherwise form long-term assets.

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

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

2. Time point of recognition

Government grants related to assets are recognized when the Company can fulfill the premises attached to it and the grants are actually received.

3. Accounting treatment

Government grants related to assets shall be used to offset the book value of the related assets or recognized as deferred income. The government grants recognized as deferred income shall be charged to current profit and loss (if they relate to ordinary activities, to other income; if do not, to non-operating income) in accordance with a reasonable and systematic method over the useful life of the related assets;

Government grants related to income that is used to compensate for the related costs and expenses or losses in subsequent periods shall be recognized as deferred income and charged to current profit and loss (if they relate to ordinary activities, to other income; if do not, to non-operating income) in the period in which the

related costs and expense or losses are recognized, or offset the related costs and expenses or losses; for those used to compensate for the related costs and expenses or losses that have been incurred, they shall be directly included in current profit and loss (if they relate to ordinary activities, to other income; if do not, to non-operating income) or offset the related costs and expenses or losses.

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

(1) If the government allocates discounted funds to the loan bank and the loan bank provides loans to the Company at a policy preferential interest rate, the Company will take the actual amount of the loan received as the entry value of the loan and calculate the relevant borrowing costs based on the loan principal and the policy preferential interest rate.

(2) If the government directly allocates the discounted funds to the Company, the Company will write-down the relevant borrowing costs with the corresponding discounts.

(XXVI) Deferred income tax assets/deferred income tax liabilities

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

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

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

amount of future taxable income to be offset by the deductible loss or tax deduction to be likely obtained.

Deferred income tax liabilities are recognized for taxable temporary differences, except in exceptional circumstances.

Special circumstances in which deferred income tax assets or deferred income tax liabilities are not recognized include:

- The initial recognition of goodwill.
- Transactions or events that are neither business combinations nor, when they occur, affect accounting profit and taxable income (or deductible losses).

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

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

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

When the Company has the statutory right to settle on a net basis and intends to settle on a net basis or to obtain assets and pay off liabilities simultaneously, the current income tax

assets and current income tax liabilities are presented at the net amount after offsetting.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities are stated at the net of offsetting amounts when the following conditions are also met:

- The taxable entity has the legal right to settle current income tax assets and current income tax liabilities on a net basis;
- Deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or on different taxable entities, but in each future period in which it is significant that the deferred income tax assets and liabilities reverse, the taxable entities involved intend to settle the current income tax assets and liabilities on a net basis or to acquire the assets and settle the liabilities simultaneously.

(XXVII) Leases

A lease is a contract whereby the lessor transfers the right of usage on an asset to the lessee for consideration within a certain period of time. On the contract commencement date, the Company evaluates whether the contract is a lease or includes a lease. If one party in the contract transfers the right to control the use of one or more identified assets within a certain period in exchange for consideration, the contract is a lease or includes a lease.

If the contract contains multiple separate leases at the same time, the Company will split the contract and conduct accounting treatment for each separate lease. If the contract includes both lease and non-lease parts, the Company, as the lessor and lessee, will split the lease and non-lease parts for accounting treatment

1. The Company as a lessee

(1) Right-of-use assets

On the beginning date of the lease term, the Company recognizes the right-of-use assets for leases other than short-term leases and low-value asset leases. The right-of-use assets are initially measured at cost. This cost includes:

- Initial measurement amount of lease liabilities;
- For the lease payment paid on or before the beginning of the lease term, if there is lease incentive, the relevant amount of lease incentive enjoyed shall

be deducted;

- The initial direct costs incurred by the Company;
- Costs expected to be incurred by the Company to dismantle and remove the leased asset, to restore the site on which the leased asset is located or to restore the leased asset to its agreed condition under the terms of the lease, but do not include costs that are part of the costs incurred to produce the inventory.

The Company subsequently depreciates right-of-use assets using the straight-line method. If it is reasonably certain that ownership of the leased asset will be obtained at the end of the lease term, the Company depreciates the leased asset over its remaining useful life; otherwise, the leased asset is depreciated over the shorter of the lease term or the remaining useful life of the leased asset.

For the principles by which the Company determines whether the right-of-use asset has been impaired, please refer to Note “III. (XVIII) Impairment of long-term assets”.

(2) Lease liabilities

At the beginning of the lease term, the Company recognizes lease liabilities for leases other than short-term leases and leases of low-value assets. The lease liability is initially measured at the present value of outstanding lease payments.

Lease payments include:

- Fixed payments (including actual fixed payments), if there is a lease incentive, deduct the relevant amount of the lease incentive;
- Variable lease payments that depend on an index or ratio;
- The expected payment according to the residual value of the guarantee provided by the Company;
- The exercise price of the purchase option, provided that the Company is reasonably certain that the option will be exercised;
- Payments for exercising the option to terminate the lease, provided that the lease term reflects that the Company will exercise the option to terminate the lease.

The Company uses the interest rate implicit in the lease as the discount rate, but if the interest rate implicit in the lease cannot be reasonably determined, the

Company's incremental borrowing rate is used as the discount rate.

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

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

After the commencement date of the lease term, the Company shall re-measure the lease liabilities and adjust the corresponding right-of-use assets under the following circumstances. If the book value of the right-of-use assets has been reduced to zero, but the lease liabilities still need to be further reduced, the difference is included in the current profit and loss:

- When there is a change in the evaluation results of the purchase option, lease renewal option or termination option, or when the actual exercise of the aforementioned options is inconsistent with the original evaluation result, the Company shall calculate the lease payment amount after the change and the revised discounted value. Remeasure the lease liability at the present value of the rate calculation;
- When the actual fixed payment changes, the estimated payable amount of the guaranteed residual value changes, or the index or ratio used to determine the lease payment changes, the Company re-measures the lease liability at the present value of the changed lease payments and the original discount rate. However, where changes in lease payments resulting from changes in floating interest rates, a revised discount rate is used to calculate the present value.

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

The Company chooses not to recognize right-of-use assets and lease liabilities for short-term leases and low-value asset leases, and includes the relevant lease payments in the current profit and loss or related asset costs on a straight-line basis over each period of the lease term. Short-term leases refer to leases with a lease term of not more than 12 months and excluding purchase options on the

commencement date of the lease term. A low-value asset lease refers to a lease with a lower value when a single-leased asset is a brand-new asset. If the Company subleases or expects to sublease the leased assets, the original lease is not a low-value asset lease.

(4) Lease changes

If the lease changes and the following conditions are met at the same time, the Company will account for the lease change as a separate lease:

- The lease modification expands the scope of the lease by adding the right to use one or more leased assets;
- The increased consideration is equivalent to the amount adjusted by the individual price of the expanded part of the lease scope according to the contract.

If the lease modification is not accounted for as a separate lease, on the effective date of the lease modification, the Company re-allocates the consideration of the modified contract, re-determines the lease term, and re-calculates the lease liability based on the present value of the modified lease payments and the revised discount rate.

If the lease modification leads to the narrowing of the lease scope or the shortening of the lease term, the Company will reduce the book value of the right-of-use assets accordingly, and include the relevant gains or losses on partial or complete termination of the lease into the current profit and loss. If other lease changes result in re-measurement of lease liabilities, the Company adjusts the book value of the right-of-use assets accordingly.

2. The Company as a lessor

On the lease commencement date, the Company classifies leases into financial leases and operating leases. A financial lease is a lease that essentially transfers almost all the risks and rewards associated with the ownership of the leased asset, regardless of whether ownership is ultimately transferred. Operating leases refer to leases other than financial leases. When the Company acts as a sublease lessor, it classifies the sublease based on the right-of-use asset arising from the original lease.

(1) Accounting treatment of operating leases

The Company recognizes lease receipts from operating leases as rental income using the straight-line method for each period of the lease term. Initial direct costs capitalized in connection with operating leases are amortized over the lease term on the same basis as rental income is recognized and are recognized in current profit and loss. Variable lease payments not included in the amount of lease receipts are recognized in current profit and loss when they are actually incurred. When there is a change in operating leases, 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 relation to the lease prior to the change is treated as a receipt under the new lease.

(2) Accounting treatment of financial lease

On the lease commencement date, the Company recognizes the financial lease receivables for the financial lease and derecognizes the financial lease assets. When the Company initially measures the financial lease receivables, the net investment in the lease is regarded as the entry value of the financial lease receivables. The net lease investment is the sum of the unguaranteed residual value and the present value of the lease receipts 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 over the lease term at a fixed periodic rate. Derecognition and impairment of finance lease receivables are accounted for in accordance with Note "V. 10. Financial assets and financial liabilities".

Variable lease payments not included in the measurement of net investment in leases are charged to current profit and loss when actually incurred.

If the financial lease is changed and the following conditions are met at the same time, the Company will account for the change as a separate lease:

- The change expands the scope of the lease by increasing the right to use one or more of the leased assets;

- The increased consideration is equivalent to the amount adjusted by the individual price of the expanded part of the lease scope according to the contract.

If the modification of a financial lease is not accounted for as a separate lease, the Company shall deal with the modified lease under the following circumstances:

- If the change had been effective on the inception date of the lease and the lease would have been classified as an operating lease, the Company shall account for it as a new lease from the effective date of the lease change and use the net investment in the lease prior to the effective date as the book value of the leased asset;
- If the change had been effective at the inception date of the lease and the lease would have been classified as a finance lease, the Company shall account for it in accordance with the policy on modification or renegotiation of contracts as described in Note "III. (X) Financial tools".

(XXVIII) Debt restructuring

1. The Company as creditor

The Company shall terminate the recognition of creditor's rights when the contractual right to receive cash flow from creditor's rights terminates. If debt restructuring is carried out by means of paying off debts with assets or converting debts into equity instruments, the Company shall recognize the relevant assets when they meet their definition and recognition conditions.

When debt restructuring is carried out by means of liquidating debts with assets, the Company shall measure the transferred non-financial assets at cost when initially recognizing them. The cost of inventory includes the fair value of the waiver of creditor's rights and other costs directly attributable to the asset, such as taxes, transportation fees, loading and unloading fees, insurance premiums, etc., which are incurred to bring the asset to its current position and state. The cost of investing in an associate or joint venture includes the fair value of the waiver of claims and other costs such as taxes directly attributable to the asset. The cost of investment real estate includes the fair value of abandoned creditor's rights and other costs such as taxes directly attributable to the asset. The cost of fixed assets includes the

fair value of waiving creditor's rights and other costs that can be directly attributed to the assets, such as taxes, transportation fees, loading and unloading fees, installation fees, professional service fees, etc. The cost of biological assets includes the fair value of waived creditor's rights and other costs such as taxes, transportation fees and insurance premiums that can be directly attributed to the assets. The cost of intangible assets includes the fair value of the waiver of claims and other costs that can be directly attributable to taxes and other costs incurred in making the assets achieve their intended purposes. If debt restructuring by converting debt into equity instruments causes creditors to convert their creditor's rights into equity investment in joint ventures or joint ventures, the Company shall measure its initial investment cost according to the fair value of abandoned creditor's rights and other costs such as taxes directly attributable to the assets. The difference between the fair value and the book value of the abandoned creditor's rights is included in the current profits and losses. In case of debt restructuring by modifying other clauses, the Company shall recognize and measure the restructured creditor's rights according to "III, (X) Financial tools" in this note.

In case of debt restructuring by means of paying off debts or combining multiple assets, the Company first recognizes and measures the transferred financial assets and restructured creditor's rights according to "III. (X) Financial Instruments" in this note, and then distributes the net amount of the fair value of the abandoned creditor's rights after deducting the confirmed amount of the transferred financial assets and restructured creditor's rights according to the fair value ratio of various assets other than the transferred financial assets, and determines the cost of each asset according to the aforesaid method. The difference between the fair value and the book value of the abandoned creditor's rights shall be included in the profits and losses of the current period.

2. The Company as debtor

The Company shall terminate the recognition of the debt when the current obligation of the debt is discharged.

If debt restructuring is carried out by means of paying off debts with assets, the

Company shall derecognize the relevant assets and the paid-off debts when they meet the conditions for derecognition, and the difference between the book value of the paid-off debts and the book value of the transferred assets shall be included in the profits and losses of the current period.

In case of debt restructuring by converting debts into equity instruments, the Company shall derecognize the debts paid off when they meet the conditions for derecognition. When the Company initially recognizes equity instruments, it shall measure them according to the fair value of equity instruments. If the fair value of equity instruments cannot be reliably measured, it shall be measured according to the fair value of debts paid off. The difference between the book value of the debt paid off and the amount recognized by the equity instrument shall be included in the profits and losses of the current period.

In case of debt restructuring by modifying other terms, the Company shall recognize and measure the restructured debt according to "III. (X) Financial Instruments" in this note.

If debt restructuring is carried out by means of paying off debts or combining multiple assets, the Company shall recognize and measure equity instruments and restructured debts according to the aforesaid methods, and the difference between the book value of the paid-off debts and the book value of the transferred assets and the sum of the recognized amounts of equity instruments and restructured debts shall be included in the profits and losses of the current period.

(XXIX) Other significant accounting policies and accounting estimates

Major accounting estimates and judgements

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

The main uncertainties in the estimated amount are as follows:

1. Measurement of expected credit losses

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

2. Provision for decline in value of inventories

As mentioned in Note "III. (XI) Inventory" , the Company regularly estimates the net realizable value of the inventory, and recognizes the difference in inventory cost higher than the net realizable value. When estimating the net realizable value of inventory, the Company considers the purpose of holding the inventory and uses the available information as the basis for estimation, including the market price of the inventory and the Company's past operating costs. The actual selling price, completion cost, sales expenses and taxes of the inventory may change according to changes in market sales conditions, production technology, or the actual use of the inventory. Therefore, the amount of inventory depreciation reserve may change according to the above reasons. Adjustments to the inventory impairment will affect the current profit and loss.

3. Impairment of other assets except inventory and financial assets

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

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

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

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

5. Deferred income tax assets

When it is estimated that sufficient taxable income will be available in future periods to utilize the unrecovered tax losses and deductible temporary differences, the Company calculates and recognizes the related deferred income tax asset to the extent that it is probable that taxable income will be available against which the unrecovered tax losses and deductible temporary differences can be utilized, and on the basis of the income tax rate applicable to the period in which the asset is expected to be recovered. The Company is required to use judgment to estimate the timing and amount of future taxable income and to make reasonable estimates and judgments about the applicable future income tax rates in accordance with current tax policies and other relevant policies to determine the amount of deferred income tax assets to be recognized. If the timing and amount of actual

profits to be generated in future periods or the actual applicable income tax rate differs from the Management's estimates, such differences will have an impact on the amount of deferred income tax assets.

(XXX) Changes in significant accounting policies and accounting estimates

1. Changes in significant accounting policies

(1) Implementation of the regulation that "Accounting treatment for deferred income tax relating to assets and liabilities arising from a single transaction for which no exemption from initial recognition applies" in *Accounting Standards for Business Enterprises No. 16*.

On November 30th, 2022, the Ministry of Finance issued Interpretation of Accounting Standard for Business Enterprises No. 16 (Cai Kuai [2022] No. 31, hereinafter referred to as "Interpretation No. 16"), in which "Accounting treatment for deferred income tax relating to assets and liabilities arising from a single transaction for which no exemption from initial recognition applies" is effective from January 1st, 2023; "Accounting treatment for the income tax effect of dividends related to financial instruments classified as equity instruments by the issuer" and "Accounting treatment for an enterprise that modifies a cash-settled share-based payment to an equity-settled share-based payment" is effective from the date of publication.

Interpretation No. 16 on single transactions (including lease transactions in which the lessee initially recognizes a lease liability at the inception date of the lease and records it in the right-of-use asset, and transactions in which an estimated liability is recognized and recorded in the cost of the related asset because of the existence of an abandonment obligation, such as a fixed asset, etc., hereinafter referred to as single transactions to which this interpretation applies) that are not business combinations, that affect neither accounting profit nor taxable income (or deductible loss) at the time of the transaction and where the initial recognition of assets and liabilities results in taxable temporary differences and deductible temporary differences in equal amounts, and the provisions in Articles 11 (2) and 13 of Accounting Standards for Business Enterprises No. 18 - Income Tax concerning the exemption of deferred income tax liabilities and deferred income tax assets for

initial recognition are not applicable. The enterprise should recognize the corresponding deferred income tax liabilities and deferred income tax assets for the taxable temporary differences and deductible temporary differences arising from the initial recognition of assets and liabilities for the transaction when the transaction occurs, in accordance with the relevant provisions of *Accounting Standards for Business Enterprises No. 18 - Income Tax* and other relevant regulations, respectively.

In case of taxable temporary differences and deductible temporary differences arising from individual transactions applicable to the provisions between the beginning of the earliest period reported in the financial statements for the first time and the implementation date, as well as lease liabilities and right-to-use assets recognized due to the individual transactions applicable to the provisions at the beginning of the earliest period reported in the financial statements, and estimated liabilities related to disposal obligations and corresponding related assets recognized, the enterprise shall make adjustments in accordance with the provisions.

The Company has conducted this Regulation since January 1st, 2023, the main effects of this Regulation are as below:

The content and reasons for changes in accounting estimates	Report items influenced	Accounts affected to the balance on January 1 st , 2022	
		Consolidated	Parent company
The adjustment of the operating lease existing before the first execution date by the company as the lessee.	Deferred income tax assets	360,091,312.08	360,091,312.08
	Deferred income tax liabilities	360,091,312.08	360,091,312.08

The content and reasons for changes in accounting estimates	Statement items affected	Consolidated		Parent company	
		December 31 st , 2023/FY2023	December 31 st , 2022/FY2022	December 31 st , 2023/FY2023	December 31 st , 2022/FY2022
The adjustment of the operating lease	Deferred income tax assets	340,687,848.63	344,997,678.47	340,687,848.63	344,997,678.47
	Deferred income tax	329,904,044.87	344,997,678.47	329,904,044.87	344,997,678.47

The content and reasons for changes in accounting estimates existing before the first execution date by the company as the lessee.	Statement items affected	Consolidated		Parent company	
		December 31 st , 2023/FY2023	December 31 st , 2022/FY2022	December 31 st , 2023/FY2023	December 31 st , 2022/FY2022
	liabilities				

2. Changes in significant accounting estimates

There were no changes in main accounting estimates in the reporting period.

IV. Taxes

(I) Main tax categories and tax rates

Type of tax	Tax base	Tax rate (%)
Value-added tax (VAT)	Output VAT is calculated on the basis of the income from the sale of goods and taxable services in accordance with the provisions of the tax law, and after subtracting the deductible input VAT for the current period, the difference is VAT payable	6, 9, 13
City maintenance and construction tax	Based on VAT actually paid	7
Corporate income tax	For details, see the table below	

Disclosure of information if there are taxable entities with different corporate income tax rates:

Name of taxpayer	Income tax rate (%)
Bengang Steel Plates Co.,Ltd.	25
Shanghai Bengang Metallurgy Technology Co., Ltd.	25
Benxi Bengang Steel Sales Co., Ltd.	25
BX Steel Posco Cold Rolled Sheet Co., Ltd.	15

Name of taxpayer	Income tax rate (%)
Tianjin Bengang Special Steel Sales Co., Ltd.	25
Changchun Bengang Steel & Iron Sales Co., Ltd.	25
Changchun Bengang Steel & Iron Trading Co., Ltd.	25
Guangzhou Bengang Steel & Iron Trading Co., Ltd	25
Dalian Benruitong Automobile Material Technology Co., Ltd	25
Shenyang Bengang Metallurgy Science and Technology Co., Ltd	25

(II) Tax incentives

1. Subsidiary company of the Company, BX Steel Posco Cold Rolled Sheet Co., Ltd., has gained high-tech enterprise certificate. Certificate number is GR202321001624; The validity is from December 20th, 2023 to December 20th, 2026. Enterprise income tax of BX Steel Posco Cold Rolled Sheet Co., Ltd shall be paid at a reduced rate of 15%.

2. On December 30th, 2021, the Ministry of Finance and the State Administration of Taxation issued the Announcement on Improving the Value-added Tax Policy for Comprehensive Utilization of Resources (Announcement No.40 of the Ministry of Finance and the State Administration of Taxation of the Ministry of Finance, 2021), which will be implemented from March 1st, 2022. The original Notice of the Ministry of Finance and the State Administration of Taxation on Printing and Distributing the Preferential Catalogue of Value-added Tax on Products and Services for Comprehensive Utilization of Resources (Caishui [2015] No.78) Electricity and heat produced and sold by Energy Development Branch of Benxi Iron and Steel Co., Ltd., a branch of the Company, belong to the items listed in the *Preferential Catalogue of Value-added Tax on Products and Services for Comprehensive Utilization of Resources*, and the immediate VAT refund policy is applicable.

V. Notes to the items of the consolidated financial statements

(I) Cash and cash equivalent

Item	Closing balance	Opening balance
Cash on hand		
Cash in bank	1,184,774,971.52	1,296,662,683.20
Other cash and cash equivalents	1,009,879,189.82	164,482,958.67
Total	2,194,654,161.34	1,461,145,641.87
Including: Total money deposited overseas		
Money deposited overseas and remittance of the money is constrained		

Other notes: Among the monetary funds at the end of the period, cash and cash equivalents not included in the cash flow statement mainly include bank acceptance bill deposit of RMB909,879,189.82 and letter of credit deposit of RMB100,000,000.00 .

(II) Notes receivable

1. Notes receivable listed by categories

Item	Closing balance	Opeing balance
Bank acceptance bill	367,402,376.67	139,442,122.88
Commercial acceptance bill	86,157,718.82	290,265,051.82
Total	453,560,095.49	429,707,174.70

2. Notes receivable classified and disclosed by the bad debt accrual method

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book balance	Book balance		Bad debt provision		Book balance
	Amount	Ratio (%)	Amount	Accrual ratio (%)		Amout	Ratio (%)	Amount	Accrual ratio (%)	
Provision for bad debts on individual basis										
Provision for bad debts by the combination of credit risk characteristics	453,560,095.49	100.00			453,560,095.49	429,707,174.70	100.00			429,707,174.70
Total	453,560,095.49	100.00			453,560,095.49	429,707,174.70	100.00			429,707,174.70

Provision for bad debts by the combination of credit risk characteristics:

Accrual items combined:

Name	Closing balance		Accrual ratio (%)
	Notes receivable	Bad debt provision	
Commercial acceptance bill	86,157,718.82		
Bank acceptance bill	367,402,376.67		
Total	453,560,095.49		

3. Notes receivable pledged by the Company at the end of the period

Item	Amount pledged at the end of the period
Bank acceptance bill	218,427,117.76
Commercial acceptance bill	
Total	218,427,117.76

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

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance bill	3,449,086,820.87	262,875,431.13
Commercial acceptance bill		
Total	3,449,086,820.87	262,875,431.13

(III) Accounts receivable

1. Accounts receivable disclosed by aging

Aging	Closing balance	Opening balance
Within 1 year	1,047,842,246.01	892,035,646.81
1 to 2 years	322,945,580.33	14,717,227.92
2 to 3 years	647,190.77	5,931,757.76
3 to 4 years	5,690,114.98	304,038,419.97
4 to 5 years	300,882,005.30	16,776,684.51
Over 5 years	98,724,184.94	135,333,377.50
Subtotal	1,776,731,322.33	1,368,833,114.47
Less: Bad debt provision	448,198,723.86	471,602,218.41
Total	1,328,532,598.47	897,230,896.06

2. Accounts receivable classified and disclosed by the bad debt accrual method

Category	Closing balance				Book value	Opening balance				
	Book balance		Bad debt provision			Book value		Bad debt provision		
	Amount	Ratio (%)	Amount	Accrual ratio (%)		Amount	Ratio (%)	Amount	Accrual ratio (%)	Book value
Provision for bad debts made on an individual basis	353,419,325.80	19.89	353,419,325.80	100.00		353,419,325.80	25.82	353,419,325.80	100.00	
Provision for bad debts by the portfolio of credit risk characteristics:										
Including										
Aging portfolio	1,423,311,996.53	80.11	94,779,398.06	6.66	1,328,532,598.47	1,015,413,788.67	74.18	118,182,892.61	11.64	897,230,896.06
Total	1,776,731,322.33	100.00	448,198,723.86		1,328,532,598.47	1,368,833,114.47	100.00	471,602,218.41		897,230,896.06

Important accounts receivable whose provision for bad debts was made on an individual basis:

Name	Closing balance			Accrual basis	Opening balance	
	Book balance	Provision for bad debt	Accrual ratio (%)		Book balance	Provision for bad debt
Benxi Nanfen Xinhe Metallurgical Furnace Material Co., Ltd.	48,196,244.68	48,196,244.68	100.00	It has been discontinued and is not expected to be recovered	48,196,244.68	48,196,244.68
Brilliance Auto Group Holding Co., Ltd.	305,223,081.12	305,223,081.12	100.00	It has been discontinued and is not expected to be recovered	305,223,081.12	305,223,081.12
Total	353,419,325.80	353,419,325.80			353,419,325.80	353,419,325.80

Provision for bad debt by portfolio of credit risk characteristics:

Portfolio accrual item: Aging portfolio

Item	Closing balance		
	Accounts receivable	Bad debt provision	Accrual (%)
Within 1 year (inclusive)	1,047,842,246.01	10,478,422.46	1.00
1 to 2 years (inclusive)	322,945,580.33	32,294,558.03	10.00
2 to 3 years (inclusive)	647,190.77	129,438.15	20.00
3 to 4 years (inclusive)	845,982.97	845,982.97	100.00
4 to 5 years (inclusive)	503,056.19	503,056.19	100.00
Over 5 years	50,527,940.26	50,527,940.26	100.00
Total	1,423,311,996.53	94,779,398.06	

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

Category	Opening balance	Amount of change in the current period				Closing balance
		Accrual	Recovery or reversal	Write-off	Others	
Provision for bad debts on accounts receivable	471,602,218.41	21,955,575.63	-	1,447,918.92		448,198,723.86
Total	471,602,218.41	21,955,575.63	-	1,447,918.92		448,198,723.86

Of which the amount of provision for bad debts recovered or reversed in the current period is material: Non.

4. Actual write-off of accounts receivable in the current period

Item	Write-off amount
Actual write-off of accounts receivable	1,447,918.92

Of which significant write-offs of accounts receivable:

Name of the company	Nature of payment receivable	Write-off amount	Reasons for write-off	Write-off procedures performed	Whether the amount arises from related transactions
Jining Forging Center	Payment for goods	461,229.33	Cancelled	Legal advice and working conference minute	No
Xuzhou Jinshanqiao Development Zone Yong'an Metal Material Corporation	Payment for goods	200,265.48	A suspended company that is unreachable for a long time without business transactions and included in the management of account write-offs	Legal advice and working conference minute	No
Shanghai Bengang Industry and Trade Company	Payment for goods	193,625.29	Cancellation	Legal advice and working conference minute	No
ORDINS Northeast Company Fushun Technology and Trade Center	Payment for goods	155,616.74	A suspended company that is unreachable for a long time without business transactions and included in the management of account write-	Legal advice and working conference minute	No

Name of the company	Nature of payment receivable	Write-off amount	Reasons for write-off	Write-off procedures performed	Whether the amount arises from related transactions
			offs		
Tonghua Machinery Factory for Grain and Oils	Payment for goods	141,139.39	Cancelled	Legal advice and working conference minute	No
Bengang Yantai Marketing Co., Ltd	Payment for goods	138,378.96	Cancelled	Legal advice and working conference minute	No
Shandong Zhucheng Industrial Supply and Marketing Company	Payment for goods	87,085.43	A suspended company that is unreachable for a long time without business transactions and included in the management of account write-offs	Legal advice and working conference minute	No
Tieling Jinlong Sale Agency for Petroleum Pipeline Mechanical Products	Payment for goods	24,608.99	Cancelled	Legal advice and working conference minute	No
Shenzhen Zhongtianda Product Industry and Trade Co., Ltd.	Payment for goods	20,441.96	Cancelled	Legal advice and working conference minute	No
Benxi Steel Material Sale Agency	Payment for goods	7,167.87	A suspended company that is unreachable for a long time without business transactions and included in the management of account write-offs	Legal advice and working conference minute	No
Shunde Xiqiangsheng Mould Co., Ltd.	Payment for goods	6,997.93	Cancelled	Legal advice and working conference minute	No
Heilongjiang Hua'an Industry Group Corporation	Payment for goods	5,637.27	Cancelled	Legal advice and working conference minute	No
Guangdong Zhaoqing Construction Materials and Mineral Product Company for Township Enterprises	Payment for goods	5,566.44	Cancelled	Legal advice and working conference minute	No

Name of the company	Nature of payment receivable	Write-off amount	Reasons for write-off	Write-off procedures performed	Whether the amount arises from related transactions
Ningbo Hongkai Iron and Steel Co., Ltd.	Payment for goods	157.82	Irrecoverable	No	No
Shanghai Honghou Trade Co., Ltd.	Payment for goods	0.02	Irrecoverable	No	No
Total		1,447,918.92			

5. Accounts receivable of the top five closing balances collected by arrears

Name of the company	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Percentage of total closing balance of accounts receivable and contract assets (%)	Closing balance of bad debt provision
Bengang Group International Economy and Trade Co., Ltd.	854,482,902.28		854,482,902.28	48.09	33,128,484.15
Brilliance Auto Group Holding Co., Ltd.	305,223,081.12		305,223,081.12	17.18	305,223,081.12
Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd.	162,404,481.01		162,404,481.01	9.14	1,637,032.46
Liaoning North Coal Chemical Industry (Group) Co., Ltd.	79,511,150.05		79,511,150.05	4.48	795,111.50
Benxi North Iron Industry Co., Ltd.	52,161,339.98		52,161,339.98	2.94	519,656.39
Total	1,453,782,954.44		1,453,782,954.44	81.82	341,303,365.62

(IV) Receivables financing

1. Receivables financing listed by categories

Item	Closing balance	Opening balance
Notes receivable	806,822,622.43	137,591,996.02
Accounts receivable	-	-

Item	Closing balance	Opening balance
Total	806,822,622.43	137,591,996.02

2. Receivables financing increase and decrease at current period and changes of fair values

Item	Closing balance	Increase in current period	Current period derecognition	Other changes	Closing balance	Accumulated loss reserves recognized in other comprehensive income
Notes receivable	137,591,996.02	4,000,009,820.29	3,330,779,193.88	-	806,822,622.43	-
Accounts receivable	-	-	-	-	-	-
Total	137,591,996.02	4,000,009,820.29	3,330,779,193.88	-	806,822,622.43	-

3. Receivables financing endorsed or discounted by the Company at the end of the period and not yet due at the balance sheet date

Item	Amount derecognized the end of the period	Amount not derecognized the end of the period
Bank acceptance bill	2,583,907.68	
Commercial acceptance bill		
Total	2,583,907.68	

(V) Prepayments

1. Prepayments are presented by aging

Aging	Closing balance		Opening balance	
	Amount	Percentage(%)	Amount	Percentage(%)
Within 1 year	647,043,310.27	95.88	1,235,907,044.32	99.10
1 to 2 years	22,062,469.17	3.27	8,892,828.10	0.71
2 to 3 years	3,389,343.94	0.50	2,301,638.78	0.18
Over 3 years	2,377,875.91	0.35	76,237.13	0.01
Total	674,872,999.29	100.00	1,247,177,748.33	100.00

As at the end of the reporting period, there was no significant prepayment aged more than one year.

2. Top five prepayments with closing balances, grouped by prepaid objects

Prepaid objective	Closing balance	Percentage of total closing balance of prepayments (%)
Shanxi Coking Coal Group Co., Ltd.	122,350,040.34	16.40
Shanxi Coking Coal Energy Group Co., Ltd.	97,774,410.87	13.10
Shanxi Coking Coal Saling Co., Ltd.	97,556,387.16	13.07
China Railway Shenyang Group Co.,Ltd. Shenyang Freight Center	78,832,178.99	10.57
Shanxi Coking Co., Ltd.	41,000,000.00	6.08
Total	437,513,017.36	64.84

(VI) Other receivables

Item	Closing balance	Opening balance
Interest receivable		
Deividends receivable		
Other receivables	318,793,157.58	127,198,692.92
Total	318,793,157.58	127,198,692.92

1. Other receivables

(1) Disclosure by aging

Aging	Closing balance	Opeing balance
Within 1 year	288,095,370.24	85,596,605.22
1 to 2 years	35,231,832.41	38,267,869.02
2 to 3 years	6,078,775.88	3,519,908.21
3 to 4 years	3,125,628.24	573,902.12
4 to 5 years	229,028.24	10,653,923.17
Over 5 years	61,270,101.82	52,719,681.94
Subtotal	394,030,736.83	191,331,889.68
Less: Provision for bad debt	75,237,579.25	64,133,196.76
Total	318,793,157.58	127,198,692.92

(2) Classification of other receivables by nature of payment

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Percentage (%)	Amount	Accrual ratio (%)		Amount	Percentage (%)	Amount	Accrual ratio (%)	
Bad debt provision is made on an individual basis	18,245,545.94	4.63	18,245,545.94	100.00		15,031,598.34	7.86	15,031,598.34	100.00	
Bad debt provision is made on a portfolio basis	375,785,190.89	95.37	56,992,033.31	15.17	318,793,157.58	176,300,291.34	92.14	49,101,598.42	27.85	127,198,692.92
Including:										
Aging portfolio	375,513,463.19	95.30	56,992,033.31	15.18	318,521,429.88	141,980,250.55	74.21	49,101,598.42	34.58	92,878,652.13
Other portfolio	271,727.70	0.07			271,727.70	34,320,040.79	17.94			34,320,040.79
Total	394,030,736.83	100.00	75,237,579.25		318,793,157.58	191,331,889.68	100.00	64,133,196.76		127,198,692.92

Significant other receivables whose provision for bad debts was made on an individual basis:

Name	Closing balance			
	Book balance	Provision for bad debt	Accrual ratio (%)	Accrual basis
Benxi Iron and Steel (Group) No. 3 Architectural Engineering Co., Ltd.	12,504,978.59	12,504,978.59	100.00	Bankruptcy liquidation
Benxi Iron and Steel (Group) No. 1 Architectural Engineering Co., Ltd.	3,247,307.07	3,247,307.07	100.00	Bankruptcy liquidation
Xuzhou Jinshanqiao Development Zone Metal Material Corporation	5,670.77	5,670.77	100.00	Irrecoverable
Xuzhou Railway Material Factory	6,567.20	6,567.20	100.00	Irrecoverable
Harbin Xuda Company	10,644.72	10,644.72	100.00	Irrecoverable
Jining Economy and Trade Joint Development Corporation	12,831.81	12,831.81	100.00	Irrecoverable
Zhangdian Iron and Steel Headquarter Factory	15,167.78	15,167.78	100.00	Irrecoverable
Zibo Zhouchun Welfare Spring Factory	15,666.59	15,666.59	100.00	Irrecoverable
Weifang Head Office of Constructive Materials	25,179.84	25,179.84	100.00	Irrecoverable
Jiaozhou Zhenxing Metal Product Plant (Weifang)	411,891.80	411,891.80	100.00	Irrecoverable
Historical debts	158,680.98	158,680.98	100.00	Irrecoverable
Jiaozhou Zhenxing Metal Product Plant	32,989.12	32,989.12	100.00	Irrecoverable
Tai'an Taishan Metal Constructive Material Company	41,145.75	41,145.75	100.00	Irrecoverable
Xuzhou Guanghuan Steel Pipeline Company	49,016.73	49,016.73	100.00	Irrecoverable
Guan County Cold Rolling Plate and Strip Headquarter Factory	52,602.25	52,602.25	100.00	Irrecoverable
Weifang Nonggao Industry and Trade Center	68,000.00	68,000.00	100.00	Irrecoverable
Benxi Fangyuan Provision Management Agent	80,000.00	80,000.00	100.00	Irrecoverable
Weifang Sanfeng Steel Pipeline Co., Ltd.	81,657.46	81,657.46	100.00	Irrecoverable
Qingdao Liduo Economy and Trade Co., Ltd.	133,163.36	133,163.36	100.00	Irrecoverable
Weifang Mingxin Trading and Supply Company	197,900.80	197,900.80	100.00	Irrecoverable
Gao Pengquan	204,294.00	204,294.00	100.00	Irrecoverable
Zhangdian Jinkun Steel Plate Management Agent	231,910.95	231,910.95	100.00	Irrecoverable
Harbin Band Steel Factory	403,559.70	403,559.70	100.00	Irrecoverable
Bengang Group International Economy	6,617.52	6,617.52	100.00	Irrecoverable

Name	Closing balance			Accrual basis
	Book balance	Provision for bad debt	Accrual ratio (%)	
and Trade Co., Ltd.				
Changchun Kanghong Metal Material Co., Ltd.	85,277.50	85,277.50	100.00	Irrecoverable
Historical debt	84,164.75	84,164.75	100.00	Irrecoverable payment
China Railway Shenyang Bureau Group Co., Ltd. Benxi Freight Center	53,712.42	53,712.42	100.00	Irrecoverable payment
FAW Jiefang Automobile Co., Ltd. Procurement Department	24,648.73	24,648.73	100.00	Irrecoverable payment
Jilin Province Jinghai Material Distribution Co., Ltd	297.75	297.75	100.00	Irrecoverable payment
Total	18,245,545.94	18,245,545.94		

Provision for bad debt by portfolio of credit risk characteristics:

Portfolio accrual item: Aging portfolio

Item	Closing balance		
	Other receivables	Bad debt provision	Accrual ratio (%)
Within 1 year (inclusive)	285,331,382.26	2,864,723.85	1.00
1 to 2 years (inclusive)	35,230,832.41	3,523,083.24	10.00
2 to 3 years (inclusive)	5,433,777.88	1,086,755.58	20.00
3 to 4 years (inclusive)	3,125,628.24	3,125,628.24	100.00
4 to 5 years (inclusive)	229,028.24	229,028.24	100.00
Over 5 years	46,162,814.16	46,162,814.16	100.00
Total	375,513,463.19	56,992,033.31	

(3) Provision for bad debts

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses for the next 12 months	Expected credit losses over the entire life (Not credit-impaired)	Expected credit losses over the entire life (Credit-impaired)	
Opening balance	850,661.71	1,353,672.38	61,928,862.67	64,133,196.76
Opening balance in the current period	-3,523,083.24	397,455.00	3,125,628.24	
-- Transfer to stage 2	-3,523,083.24	3,523,083.24		
-- Transfer to stage 3		-3,125,628.24	3,125,628.24	
-- Reverse to stage 2				
-- Reverse to stage 1				
Accrual in the current	5,537,145.38	2,858,711.44	3,516,441.26	11,912,298.08

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses for the next 12 months	Expected credit losses over the entire life (Not credit-impaired)	Expected credit losses over the entire life (Credit-impaired)	
period				
Reversal in the current period				
Carry-forward in the current period				
Write-off in the current period			-807,915.59	-807,915.59
Other changes				
Closing balance	2,864,723.85	4,609,838.82	67,763,016.58	75,237,579.25

(4) Provision for bad debts accrued, recovered or reversed in the current period

Category	Opening balance	Amount of change in the current period				Closing balance
		Accrual	Recovery or reversal	Charge off or write off	Other changes	
Bad debt provision for other receivables	64,133,196.76	11,912,298.08		807,915.59		75,237,579.25
Total	64,133,196.76	11,912,298.08		807,915.59		75,237,579.25

(5) Actual write-off of other receivables in the current period

Item	Write-off amount
Write-off of other receivables	807,915.59

Of which significant write-offs of other receivables:

Name of the company	Nature of other receivables	Write-off amount	Reasons for write-off	Write-off procedures performed	Whether the amount arises from related transactions
Beijing Bengang materials sales center	Remained payment to be cleared	807,915.59	A suspended company that is unreachable for a long time without business transactions and included in the management of account write-offs	Legal advice and minute of office conference	No
Total		807,915.59			

(6) Classification of other receivables by nature of payment

Nature of payment	Closing book balance	Opening book balance
Compensation of "Life show belt" Project	212,242,400.00	
Amount current	176,055,536.99	181,771,075.61
Others	5,732,799.84	9,560,814.07
Total	394,030,736.83	191,331,889.68

(7) Other receivables of the top five closing balances collected by arrears

Name of the company	Nature of the payment	Closing balance	Aging	Percentage of total closing balance of prepayments (%)	Closing balance of bad debt provision
Benxi Xihu District Government	Compensation of "Life show belt" Project	212,242,400.00	Within 1 year	53.86	2,122,424.00
Benxi Iron and Steel (Group) Third construction Engineering Co., Ltd	Amount current	12,504,978.59	2 to 3 years; Over 5 years	3.17	12,504,978.59
Benxi Iron and Steel (Group) Co., Ltd.	Amount current	7,413,860.80	Within 1 year; Over 5 years	1.88	4,561,714.36
Liaoning Hengtai Heavy Machinery Co., Ltd.	Amount current	3,545,583.40	Within 1 year	0.90	35,455.83
Liaoning Huawei Coal Preparation Co., Ltd.	Amount current	2,261,360.00	Over 5 years	0.57	2,261,360.00
Total		237,968,182.79		60.38	21,485,932.78

(VII) Inventories

1. Classification of inventories

Item	Closing balance			Opening balance		
	Book balance	Provision for decline in value of inventories or impairment of contract performance costs	Book value	Book balance	Provision for decline in value of inventories or impairment of contract performance costs	Book value
Raw material	4,596,538,313.45	56,931,870.40	4,539,606,443.05	4,215,260,584.25	24,954,852.46	4,190,305,731.79
Work-in-process	1,627,187,498.35	12,076,074.97	1,615,111,423.38	2,070,182,298.44	18,271,254.09	2,051,911,044.35
Goods in stock	1,558,823,023.16	5,167,994.78	1,553,655,028.38	2,236,715,664.20	15,203,965.16	2,221,511,699.04
Total	7,782,548,834.96	74,175,940.15	7,708,372,894.81	8,522,158,546.89	58,430,071.71	8,463,728,475.18

2. Provision for the decline in value of inventories and provision for impairment of contract performance costs

Item	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Accrual	Others	Reversal or carry-forward	Others	
Raw materials	24,954,852.46	31,977,017.94				56,931,870.40
Work-in-process	18,271,254.09	-6,195,179.12		16,239,572.86		12,076,074.97
Goods in stock	15,203,965.16	-10,035,970.38		15,203,965.16		5,167,994.78
Total	58,430,071.71	15,745,868.44		31,443,538.02		74,175,940.15

(VIII) Other current assets

Item	Closing balance	Opening balance
VAT input tax	88,281,138.57	228,449,995.81
Prepaid taxes	17,220,232.46	166,991,140.45
Others	52,288,605.87	
Total	157,789,976.90	395,441,136.26

(IX) Long-term equity investments

1. Details of long-term equity investment

Investee	Opening balance	Opening balance for impairment provision	Increase/decrease in the current period								Closing balance	Closing balance of provision for impairment
			Increase in investment	Decrease in investment	Gains and losses on investments recognized under the equity method	Other comprehensive income adjustments	Other changes in equity	Cash dividends and profits declared	Impairment provision	Others		
1. Joint ventures												
Subtotal												
2. Associates												
Benxi Iron and Steel Baojin (Shenyang) Automobile New Material Technology Co., Ltd.	47,996,314.61		-	-	-1,085,968.20	-	-	-	-	-	46,910,346.41	-
CIMC Tongchuang (Zhejiang) Steel Chain Co., Ltd.	3,034,462.57		-	3,034,462.57	-	-	-	-	-	-	-	-
Subtotal	51,030,777.18			3,034,462.57	-1,085,968.20						46,910,346.41	
Total	51,030,777.18			3,034,462.57	-1,085,968.20						46,910,346.41	

(X) Other equity instrument investments

1. Details of other equity instrument investment

Item	Closing balance	Opening balance	Gains included in other comprehensive income in the current period	Losses included in other comprehensive income in the current period	Accumulated gains included in other comprehensive income at the end of this period	Accumulated losses included in other comprehensive income at the end of the current period	Income gain confirmed in the current period	Reasons for designation as at fair value through other comprehensive income
Equity of Suzhou Longben Metal Material Co., Ltd.	3,930,341.27	3,998,216.04		67,874.77	41,361.27	-		-
Equity of Northeast Special Steel Group Co., Ltd.	970,532,698.56	1,016,420,266.27		45,887,567.71		67,203,150.44		-
Equity of Sinosteel Shanghai Steel Service Co., Ltd.						14,414,693.00		-
Total	974,463,039.83	1,020,418,482.31		45,955,442.48		81,617,843.44		

(XI) Fixed assets

1. Fixed assets and liquidation of fixed assets

Item	Closing balance	Opening balance
Fixed assets	25,028,192,964.67	24,836,556,422.90
Liquidation of fixed assets		
Total	25,028,192,964.67	24,836,556,422.90

2. Details of fixed assets

Item	Houses and buildings	Machinery and equipment	Transportation equipment	Office equipment	Total
1. Original book value:					
(1) Opening balance	13,266,511,262.90	50,537,244,878.62	410,563,105.73	164,083,906.71	64,378,403,153.96
(2) Increase in the current period	2,242,576.95	1,980,138,535.66	2,719,825.19	45,427,950.83	2,030,528,888.63
—Purchase		13,307,071.26	468,938.05		13,776,009.31
—Transferred from construction in progress	2,242,576.95	1,966,831,464.40	2,116,587.14	45,427,950.83	2,016,618,579.32
—Increase from business combinations					
—Transferred from rent after sales					
—Others			134,300.00		134,300.00
(3) Decrease in the current period	237,332,092.50	1,004,470,654.25	14,245,607.37	10,830,236.33	1,266,878,590.45
—Disposal or scrapping	36,817,120.71	337,023,205.63	4,114,364.98	2,172,187.99	380,126,879.31
—Transferred out of rent after sales					
—Others	200,514,971.79	667,447,448.62	10,131,242.39	8,658,048.34	886,751,711.14
(4) Closing balance	13,031,421,747.35	51,512,912,760.03	399,037,323.55	198,681,621.21	65,142,053,452.14
2. Accumulated depreciation					
(1) Opening balance	6,561,764,169.95	32,469,694,729.23	325,097,328.13	91,812,407.79	39,448,368,635.10
(2) Increase in the current period	202,210,097.57	1,391,526,294.80	12,453,684.31	22,219,549.95	1,628,409,626.63
—Accrual	202,210,097.57	1,391,526,294.80	12,453,684.31	22,219,549.95	1,628,409,626.63
—Increase from business combinations					
—Others					
(3) Decrease in the current period	126,211,639.18	933,156,257.47	13,752,165.08	1,106,972.35	1,074,227,034.08
—Disposal or scrapping	24,756,831.54	270,629,993.67	3,999,411.88	1,106,972.35	300,493,209.44

Item	Houses and buildings	Machinery and equipment	Transportation equipment	Office equipment	Total
— Transferred out of rent after sales					
— Others	101,454,807.64	662,526,263.80	9,752,753.20		773,733,824.64
(4) Closing balance	6,637,762,628.34	32,928,064,766.56	323,798,847.36	112,924,985.39	40,002,551,227.65
3. Provision for impairment					
(1) Opening balance	84,098,414.32	9,379,681.64			93,478,095.96
(2) Increase in the current period		19,593,534.81			19,593,534.81
— Accrual		19,593,534.81			19,593,534.81
— Others					
(3) Decrease in the current period	849,152.24	913,218.71			1,762,370.95
— Disposal or scrapping	849,152.24	913,218.71			1,762,370.95
— Others					
(4) Closing balance	83,249,262.08	28,059,997.74			111,309,259.82
4. Book value					
(1) Closing book value	6,310,409,856.93	18,556,787,995.73	75,238,476.19	85,756,635.82	25,028,192,964.67
(2) Opening book value	6,620,648,678.63	18,058,170,467.75	85,465,777.60	72,271,498.92	24,836,556,422.90

3. Temporarily idle fixed assets

Item	Original book value	Accumulated depreciation	Provision for impairment	Book value	Notes
Houses and buildings	112,751,517.87	68,153,743.49	41,943,853.74	2,653,920.64	
Machinery and equipment	3,034,473.01	2,366,013.66	75,666.43	592,792.92	
Total	115,785,990.88	70,519,757.15	42,019,520.17	3,246,713.56	

4. Fixed assets leased out through operating leases

Item	Closing book value
Houses and buildings	963,913.41

5. Fixed assets without proper title certificate

Item	Book value	Reasons for non-completion of title certificates
Houses and buildings	2,461,140,033.39	In process

(XII) Construction in progress

1. Construction in progress and construction materials

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Construction	4,307,646,942.37	-	4,307,646,942.37	3,158,195,899.65	-	3,158,195,899.65
Construction materials	757,204.94	-	757,204.94	-	-	-
Total	4,308,404,147.31	-	4,308,404,147.31	3,158,195,899.65	-	3,158,195,899.65

2. Details of construction in progress

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Special Steel Electric Furnace	1,195,585,747.24	-	1,195,585,747.24	1,437,078,751.92	-	1,437,078,751.92

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Upgrading and Renovation Project			47.24			
First Cold Rolling Transformation Project	578,301,217.76	-	578,301,217.76	90,087,329.61	-	90,087,329.61
Environmental Protection Renovation of Sheet Raw Material Plant	452,296,692.77	-	452,296,692.77	165,792,014.40	-	165,792,014.40
Special Steel Rolling Mill Renovation Project	367,831,655.88	-	367,831,655.88	470,182,411.88	-	470,182,411.88
Environmental Protection Renovation in No. 2 Coal Storage Field of Plates Raw Material Plant	256,434,251.91	-	256,434,251.91	19,266.06	-	19,266.06
Integration Construction of Informatization System for Ansteel and Bengang Recombination	112,748,748.06	-	112,748,748.06	-	-	-
Blocking of ABC and DEF Stockyard in Plates Iron Making General Plant	99,129,674.71	-	99,129,674.71	150,000.00	-	150,000.00
Desulphurization Waste Liquor Acid Making Project in Plates Iron Making Plant	78,562,923.84	-	78,562,923.84	30,000.00	-	30,000.00
Plate No.1 Dry Quenching System Boosting Modification and Unit No.34 New Construction	76,994,180.14	-	76,994,180.14	20,249,501.21	-	20,249,501.21
Steelmaking 1#2#3#7#Converter New Three Times Dust Removal System	76,798,979.91	-	76,798,979.91	42,834,455.31	-	42,834,455.31
Centralized Control Project before Ironmaking of	61,969,240.03	-	61,969,240.03	-	-	-

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Plates Iron Making General Plant						
1780 Production Line Upgrading	58,044,160.54	-	58,044,160.54	-	-	-
Flue Gas Desulfurization and Denitrification Project of 4B and 5 Furnance Group in Bengang Plates and Iron Making General Plant	54,553,821.01	-	54,553,821.01	-	-	-
Plates Energy Centralized Control Project	50,276,243.36	-	50,276,243.36	-	-	-
Supporting Projects for Outward Transportation of Nanfen Pipeline Transported Mineral Concentrate in Bengang Plates and Iron Making General Plant	37,857,546.59	-	37,857,546.59	-	-	-
Steelmaking 4#5#6#Converter New Three Times Dust Removal System	36,885,526.75	-	36,885,526.75	40,000.00	-	40,000.00
Improvement of Quality and Efficiency of 2300 Line in Hot Continuous Rolling Plant of Benxi Iron and Steel Co., Ltd. (First Phase) - Layer Cooling and Upgrading of Secondary System	32,327,295.12	-	32,327,295.12	646,287.44	-	646,287.44
Centralized Control Center before Ironmaking of Plates Iron Making General Plant	31,573,183.16	-	31,573,183.16	-	-	-

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Benxi Iron and Steel Plate Co., Ltd. Ironmaking Plant No.5 Blast Furnace Capacity Replacement Project (Plate Ironmaking Plant No.5 Blast Furnace Energy Saving and Environmental Protection Reconstruction)	31,033,533.06	-	31,033,533.06	-	-	-
Blocking Project for Second and Third Burning Mixing Warehouse Recycling Operation Area	26,589,400.00	-	26,589,400.00	-	-	-
New Construction of 40,000 m ³ /h Nitrogen Compressors in Energy General Plant	25,842,342.61	-	25,842,342.61	6,763,230.39	-	6,763,230.39
Renovation of No. 5 RH Refining in Plates Steel Making General Plant	25,772,677.77	-	25,772,677.77	-	-	-
Outage for 2300 Line Heating Furnace in Plates Hot Continuous Rolling Plant	22,388,923.72	-	22,388,923.72	-	-	-
Capitalized Outage for Roads in Plates Plant	22,004,500.00	-	22,004,500.00	12,000,000.00	-	12,000,000.00
566 Square Meters Sintering Waste Heat Utilization Project	-	-	-	92,259,450.24	-	92,259,450.24
Waste Heat Power Generation Project of 360 Square Meters Sintering Machine in Bengang Power Plant	-	-	-	82,730,000.00	-	82,730,000.00

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Supply Station of Caixi Special Steel in Plates Waste Steel Plant	-	-	-	51,959,719.57	-	51,959,719.57
Overall Upgrading of Bengang Manufacturing and Management	-	-	-	39,756,485.12	-	39,756,485.12
Renovation Project for Energy Conservation and Environment Protection of 4#, 5# and 6# Converter	-	-	-	24,470,633.70	-	24,470,633.70
Pyrogenation Process Purification No. 1 Desulfurization System Renovation in Plates Iron Making General Plant	23,436,618.10	-	23,436,618.10	23,070,618.10	-	23,070,618.10
Informatization Construction in the Iron Area of Bengang Plates	-	-	-	18,023,984.15	-	18,023,984.15
Cold Rolling Quality Improvement and Renovation Project	29,808,246.51	-	29,808,246.51	27,093,496.08	-	27,093,496.08
Other projects	442,599,611.82	-	442,599,611.82	552,958,264.47	-	552,958,264.47
Total	4,307,646,942.37	-	4,307,646,942.37	3,158,195,899.65	-	3,158,195,899.65

3. Changes in significant construction in progress projects in the current period

Name of project	Budget	Opening balance	Amount increased in the current period	Amount transferred to fixed assets in the current period	Other decreases in the current period	Closing balance	Percentage of cumulative investment in projects to budget	Progress	Accumulated amount of capitalized interest	Including: Amount of interest capitalized in the current period	Capitalization rate of interest in the current period(%)	Source of funds
Upgrading and Renovation Project for Special Steel Electric Furnance	1,732,481,000.00	1,437,078,751.92	72,462,574.36	313,955,579.04	-	1,195,585,747.24	87.13	87.13	75,371,612.93	14,953,108.09	4.35	Fund raising
Renovation Project for Evironment Protection in Raw Material Yard	1,286,370,000.00	165,792,014.40	286,504,678.37	-	-	452,296,692.77	35.16	35.16	71,404,216.75	14,679,596.72	4.35	Loans from financial institutio
No.1 Cold Roll Renovation Project	843,640,000.00	90,087,329.61	488,213,888.15	-	-	578,301,217.76	75.33	75.33	59,719,040.93	12,683,066.41	4.35	Loans from financial institutio
Special Steel Rolling Mill Renovation Project	734,730,000.00	470,182,411.88	51,604,170.91	153,954,926.91	-	367,831,655.88	84.92	84.92	54,315,536.22	8,918,454.24	3.12	Loans from financial institutio
Environmental Protection Renovation in No. 2 Coal Storage Field of Plates Raw Material Plant	310,000,000.00	19,266.06	256,414,985.85	-	-	256,434,251.91	82.72	82.72	-	-	-	Others
Blocking of ABC and DEF Stockyard in Plates Iron Making General Plant	125,000,000.00	150,000.00	98,979,674.71	-	-	99,129,674.71	79.30	79.30	-	-	-	Others
Steelmaking 1#2#3#7#Converter New Three Times Dust Removal System	111,310,000.00	42,834,455.31	45,535,317.22	11,570,792.62	-	76,798,979.91	79.91	79.91	15,545,892.66	3,170,804.73	4.35	Loans from financial institutio
Desulphurization Waste Liquor Acid Making Project in	99,760,000.00	30,000.00	78,532,923.84	-	-	78,562,923.84	78.75	78.75	-	-	-	Others

Name of project	Budget	Opening balance	Amount increased in the current period	Amount transferred to fixed assets in the current period	Other decreases in the current period	Closing balance	Percentage of cumulative investment in projects to budget	Progress	Accumulated amount of capitalized interest	Including: Amount of interest capitalized in the current period	Capitalization rate of interest in the current period(%)	Source of funds
Plates Iron Making Plant												
Plate No.1 Dry Quenching System Boosting Modification and Unit No.34 New Construction	93,270,000.00	20,249,501.21	56,744,678.93	-	-	76,994,180.14	82.55	82.55	-	-	-	Others
Integration Construction of Informatization System for Ansteel and Bengang Recombination	232,100,000.00	-	112,748,748.06	-	-	112,748,748.06	80.77	80.77	22,854,471.47	4,533,748.06	4.35	Loans from financial institution
Total		2,226,423,730.39	1,547,741,640.40	479,481,298.57	-	3,294,684,072.22			299,210,770.96	58,938,778.25		

(XIII) Right-of-use assets

1. Right-of-use asset condition

Item	Land	Houses and buildings	Total
1. Original book value			
(1) Opening balance	1,132,274,415.17	368,465,367.56	1,500,739,782.73
(2) Increase in the current period			
— Increased lease			
— Enterprise consolidated increase			
(3) Decrease in the current period			
— Transfer out to fixed assets			
— Disposal			
(4) Closing balance	1,132,274,415.17	368,465,367.56	1,500,739,782.73
2. Accumulated depreciation			
(1) Opening balance	79,808,472.44	40,940,596.40	120,749,068.84
(2) Increase in the current period	39,904,236.24	20,470,298.28	60,374,534.52
— Accrual	39,904,236.24	20,470,298.28	60,374,534.52
(3) Decrease in the current period			
— Transfer out to fixed assets			
— Disposal			
(4) Closing balance	119,712,708.68	61,410,894.68	181,123,603.36
3. Provision for impairment			
(1) Opening balance			
(2) Increase in the current period			
— Accrual			
(3) Decrease in the current period			
— Transfer out to fixed assets			
— Disposal			
(4) Closing balance			
4. Book value			
(1) Closing book value	1,012,561,706.49	307,054,472.88	1,319,616,179.37
(2) Opening book value	1,052,465,942.73	327,524,771.16	1,379,990,713.89

(XIV) Intangible assets

1. Details of intangible assets

Item	Land use right	Software and others	Total
1. Original book value			
(1) Opening balance	336,885,314.76	267,948.72	337,153,263.48
(2) Increase in the current period			

Item	Land use right	Software and others	Total
—Purchase			
—Internal research and development			
—Increase from business combinations			
(3) Decrease in the current period			
—Disposal			
—Parts that are invalid and derecognised			
(4) Closing balance	336,885,314.76	267,948.72	337,153,263.48
2. Accumulated amortization			
(1) Opening balance	74,208,486.41	159,839.66	74,368,326.07
(2) Increase in the current period	6,737,706.36	26,794.92	6,764,501.28
—Accrual	6,737,706.36	26,794.92	6,764,501.28
(3) Decrease in the current period			
—Disposal			
—Parts that are invalid and derecognised			
(4) Closing balance	80,946,192.77	186,634.58	81,132,827.35
3. Provision for impairment			
(1) Opening balance			
(2) Increase in the current period			
—Accrual			
(3) Decrease in the current period			
—Disposal			
—Parts that are invalid and derecognised			
(4) Closing balance			
4. Book value			
(1) Closing book value	255,939,121.99	81,314.14	256,020,436.13
(2) Opening book value	262,676,828.35	108,109.06	262,784,937.41

2. Land use right without proper title certificate

Item	Book value	Reasons for non-completion of title certificates
Land use right	37,930,667.39	正在办理
Total	37,930,667.39	

(XV) Deferred income tax assets/deferred income tax liabilities

1. Deferred income tax assets not offset

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Impairment of assets	403,698,019.09	100,549,055.02	396,834,109.83	99,208,527.46
Internal unrealized profit			80,751,325.52	20,187,831.38
Deductible losses				

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Changes in fair value of other financial assets included in other comprehensive income	81,617,843.44	20,404,460.86	21,315,582.73	5,328,895.68
Lease liabilities	1,384,348,462.17	346,087,115.54	1,424,667,169.16	356,166,792.29
Others			1,974,067.76	493,516.94
Total	1,869,664,324.70	467,040,631.42	1,925,542,255.00	481,385,563.75

2. Deferred income tax liabilities not offset

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Changes in fair value of other financial assets included in other comprehensive income	41,361.27	10,340.32	109,236.04	27,309.01
Right-of-use assets	1,319,616,179.47	329,904,044.87	1,379,990,713.89	344,997,678.47
Total	1,319,657,540.74	329,914,385.19	1,380,099,949.93	345,024,987.48

3. Unrecognized deferred tax assets

Item	Closing balance	Opening balance
Deductible temporary differences	305,223,483.99	305,224,166.01
Deductible losses	4,213,758,736.79	1,349,817,349.12
Total	4,518,982,220.78	1,655,041,515.13

4. The deductible loss of unrecognized deferred tax assets due in the following years

Year	Amount at end of period	Amount at beginning of period
Year 2023	-	6,836,473.11
Year 2024	12,164,389.35	12,164,389.35
Year 2025	8,257,832.98	8,257,832.98
Year 2026	6,799,314.77	6,799,314.77
Year 2027	1,919,832,999.81	1,315,759,338.91
Year 2028	2,266,704,199.88	-
Total	4,213,758,736.79	1,349,817,349.12

(XVI) Other non-current assets

Item	Closing balance		Opening balance			
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Prepaid long-term assets	137,933,599.61		137,933,599.61	110,065,560.68		110,065,560.68
Total	137,933,599.61		137,933,599.61	110,065,560.68		110,065,560.68

(XVII) Assets with restricted ownership and use rights

Item	The end of the period	
	Book balance	Reason for retrictions
Cash and cash equivalents	1,009,879,189.82	Margin on bills, Margin on L/Cs
Notes receivable	218,427,117.76	Pledge
Total	1,228,306,307.58	

(XVIII) Short-term borrowings

1. Classification of short-term borrowings

Item	Closing balance	Opening balance
Secured borrowings		
Credit borrowings		
Guaranteed borrowings		
Credit borrowings	300,000,000.00	
Discounted undue notes	28,000,000.00	49,200,000.00
Total	328,000,000.00	49,200,000.00

(XIX) Note payable

Item	Closing balance	Opening balance
Bank acceptance bill	8,601,590,577.15	2,242,219,356.03
Commercial acceptance bill	463,403,421.74	1,407,117,263.33
Letter of credit	1,300,000,000.00	740,000,000.00
Total	10,364,993,998.89	4,389,336,619.36

The total amount of notes payable due and unpaid at the end of the current period was RMB 0.

(XX) Accounts payable

1. Presentation of accounts payable

Item	Closing balance	Opening balance
Within 1 year (Inclusive)	2,782,628,881.51	3,603,291,359.95
1 to 2 years (Inclusive)	9,101,689.71	43,865,650.21
2 to 3 years (Inclusive)	7,414,901.65	49,263,453.69

Item	Closing balance	Opening balance
Over 3 years	10,289,787.90	-
Total	2,809,435,260.77	3,696,420,463.85

2. Significant accounts payable aged over 1 year

Item	Closing balance	Reason of no repayment or carrying over
Primetals Technologies (China) Co., Ltd.	3,963,017.01	Settlement conditions not yet met
Henan Weihua Heavy Machinery Co., Ltd.	6,829,683.84	Settlement conditions not yet met
Total	10,792,700.85	

(XXI) Contract liabilities

1. Details of contract liabilities

Item	Closing balance	Opening balance
Deposits of product and service received	3,302,218,364.90	3,794,115,592.29
Others	890,227.48	-
Total	3,303,108,592.38	3,794,115,592.29

As of the end of this report, there were no significant contractual liabilities older than one year.

2. Amount and reasons for significant changes in the book value during the reporting period.

Item	Amount of change	Reasons for change
Payment for goods	-491,897,227.39	Mainly due to lower steel prices in current year
Total	-491,897,227.39	

(XXII) Employee benefits payable

1. Presentation of employee benefits

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Short-term benefits	10,046,363.27	2,158,007,835.86	2,166,878,228.30	1,175,970.83
Post-employment benefits - defined contribution plan		277,797,572.66	277,797,572.66	
Termination benefits		64,829,767.83	64,829,767.83	
Other benefits due within a year				

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Other				
Total	10,046,363.27	2,500,635,176.35	2,509,505,568.79	1,175,970.83

2. Presentation of short-term benefits

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
(1) Salaries, bonuses, allowances and subsidies		1,534,680,493.02	1,534,680,493.02	
(2) Employee welfare		197,958,867.96	197,958,867.96	
(3) Social insurance		178,330,772.45	178,330,772.45	
Including: Medical insurance and maternity insurance		134,817,423.74	134,817,423.74	
Work injury insurance		41,299,564.71	41,299,564.71	
Others		2,213,784.00	2,213,784.00	
(4) Housing provident fund	6,622,309.00	177,278,089.00	183,900,398.00	
(5) Union funds and staff education fee	3,424,054.27	36,502,456.55	38,750,539.99	1,175,970.83
(6) Paid short-term absence				
(7) Short-term profit sharing plan				
(8) Other short-term benefits (e.g. healthcare, labor protection and temporary employment, etc.)		33,257,156.88	33,257,156.88	
Total	10,046,363.27	2,158,007,835.86	2,166,878,228.30	1,175,970.83

3. Presentation of defined contribution plan

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Basic pension fund		255,263,426.42	255,263,426.42	
Unemployment insurance		8,011,770.20	8,011,770.20	
Enterprise annuity		14,522,376.04	14,522,376.04	
Total		277,797,572.66	277,797,572.66	

(XXIII) Taxes payable

Item of tax and due	Closing balance	Opening balance
Value-added tax (VAT)	7,969,729.86	5,168,511.13
Corporate income tax	16,637,900.58	11,469,020.92

Item of tax and due	Closing balance	Opening balance
City maintenance and construction tax	526,991.99	175,567.61
Property tax	3,997,351.10	3,785,986.96
Land use tax	1,088,809.99	1,051,651.99
Personal income tax	2,427,153.14	2,546,699.73
Education surcharge (including local education surcharge)	376,422.86	125,405.40
Others	22,378,599.59	20,070,077.04
Total	55,402,959.11	44,392,920.78

(XXIV) Other payables

Item	Closing balance	Opening balance
Interest payable		
Dividends payable		
Other payables	1,659,284,531.06	1,247,722,165.47
Tota;	1,659,284,531.06	1,247,722,165.47

1. Other payables**(1) Presentation of other payables by nature of payment**

Item	Closing balance	Opening balance
Deposit	679,292.00	2,303,050.00
Margin	328,420,047.69	290,353,044.56
Current money	1,317,921,724.74	941,440,196.32
Others	12,263,466.63	13,625,874.59
Total	1,659,284,531.06	1,247,722,165.47

(2) Significant other payables aged over 1 year

Item	Closing balance	Reasons for non-reimbursement or carry-over
The First Taxation Branch of Benxi Taxation Bureau of the State Administration of Taxation	40,357,710.00	non carry over

(XXV) Non-current liabilities due within one year

Item	Closing balance	Opening balance
Long-term borrowings due within one year	562,310,473.60	2,501,169,854.72
Bonds payable due within one year	81,650,008.44	44,762,324.73
Long-term account payable due within one year		
Lease liabilities due within one year	41,921,209.72	40,318,706.98
Total	685,881,691.76	2,586,250,886.43

(XXVI) Other current liabilities

Item	Closing balance	Opening balance
Output tax to be transferred	392,122,093.59	493,235,027.03
Total	392,122,093.59	493,235,027.03

(XXVII) Long-term borrowings

Item	Closing balance	Opening balance
Secured borrowings		
Pledged borrowings		
Credit borrowings		360,780,612.70
Credit borrowings	1,723,726,700.80	1,366,157,689.60
Total	1,723,726,700.80	1,726,938,302.30

Notes: Interest rates on long-term borrowings ranged from 2.10% to 3.283%

(XXVIII) Bonds payable

1. Details of bonds payable

Item	Closing balance	Opening balance
Convertible corporate bonds	5,451,381,676.38	5,276,502,232.78
Total	5,451,381,676.38	5,276,502,232.78

2. Increase or decrease in bonds payable (Excluding other financial instruments such as preference shares and perpetual debt classified as financial liabilities)

Name	Nominal value	Issue date	Term to maturity	Amount issued	Opening balance	Issued in the current period	Interest accrues at nominal value	Amortization of premium and discount	Current period reimbursement	Transfer of shares in the current year	Closing balance	Default or not
Bengang Convertible Bond (Bond code:127018)	6,800,000,000.00	June 29th, 2020	6 years	6,800,000,000.00	5,276,502,232.78	-	123,882,899.20	174,907,443.60	42,232,890.76	28,000.00	5,533,031,684.82	No
Less: Bonds payable due within one year							81,650,008.44				81,650,023.45	No
Total	6,800,000,000.00			6,800,000,000.00	5,276,502,232.78		42,232,890.76	174,907,443.60	42,232,890.76	28,000.00	5,451,381,676.38	

3. Illustration for the Company's convertible bond

Approved by Shenzhen Stock Exchange "Shen Zheng Shang [2020] No. 656", the Company's RMB 6.80 billion convertible corporate bonds were listed on the Shenzhen Stock Exchange on August 4th, 2020, and the abbreviation is "Bengang Convertible Bond". The bond code is "127018". The conversion period of the convertible corporate bonds issued this time is from the first trading day after six months of the issuance of the convertible corporate bonds (July 3rd, 2020) to the maturity date of the convertible corporate bonds, that is, from January 4th, 2021 to June 28th, 2026. The initial conversion price of the convertible bonds is RMB 5.03 per share. During the period from January 1st, 2022 to December 31st, 2022, the Company's A-share convertible bonds of RMB 92,500.00 were converted into the Company's A-share ordinary shares, and the number of converted shares was 20,838.00 shares. Of which:

In the first quarter of 2023, Bengang's convertible bonds decreased by RMB 4,000 (40 bonds) due to share conversion, the number of shares converted was 1,012.00 shares, and the conversion price was RMB 3.95 per share;

In the second quarter of 2023, Bengang's convertible bonds decreased by RMB 6,000 (60 bonds) due to share conversion, the number of shares converted was 1,518.00 shares, and the conversion price was RMB 3.95 per share;

In the third quarter of 2023, Bengang's convertible bonds decreased by RMB 12,000.00 (120 bonds) due to share conversion, the number of shares converted was 3,037.00 shares, and the conversion price was RMB 3.95 per share;

In the fourth quarter of 2023, Bengang's convertible bonds decreased by RMB 6,000.00 (60 bonds) due to share conversion, the number of shares converted was 1,518.00 shares, and the conversion price was RMB 3.95 per share; As at December 31st, 2021, the Company's face value balance of convertible bonds was RMB 5,631,024,100.00 (56,310,241.00 bonds).

(XXIX) Lease liabilities

Item	Closing balance	Opening balance
Lease payments	2,098,254,018.65	2,191,946,735.27
Less: Unrecognized financing expenses	713,905,556.48	767,279,566.11
Reclassification to non-current liabilities due within one year	41,921,209.72	40,318,706.98
Total	1,342,427,252.45	1,384,348,462.18

(XXX) Deferred income

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Causes of formation
Government grants	42,377,015.51	144,266,000.00	50,558,060.33	136,084,955.18	
Total	42,377,015.51	144,266,000.00	50,558,060.33	136,084,955.18	

Items involving government grants:

Liabilities items	Opening balance	Amount of new grants in the current period	Amount charged to non-operating income in the current period	Amount charged to other gains in the current period	Amount of current period's elimination of costs and expenses	Other changes	Closing balance	Asset-related / income-related
Research and Development of High-strength Steel for the Third Generation of Automobiles	1,160,000.00			580,000.00			580,000.00	Asset
Desulfurization and Denitrification Project of Coal-fired Boiler in High-pressure Workshop of Bengang Power Plant	2,400,000.00			600,000.00			1,800,000.00	Asset
Advanced Treatment Project of Carbon Fiber Wastewater in Dongfeng Plant Area of Plate Coking Plant	5,700,000.00			1,900,000.00			3,800,000.00	Asset
Second Sintering Finishing Dust Removal Ultra-low Emission Reconstruction Project	1,230,000.00			410,000.00			820,000.00	Asset
Converter Gas Recovery Efficiency Improvement Project for Plate Material Area	1,500,000.00	10,600,000.00		2,420,000.00			9,680,000.00	Asset
Central environmental protection award fund		105,440,000.00		21,088,000.00			84,352,000.00	Asset
2021 Intellectual Manufacturing Strong Province Special Fund		4,800,000.00		960,000.00			3,840,000.00	Asset

Liabilities items	Opening balance	Amount of new grants in the current period	Amount charged to non-operating income in the current period	Amount charged to other gains in the current period	Amount of current period's elimination of costs and expenses	Other changes	Closing balance	Asset-related / income-related
2020 Ecological Civilization Construction Special Project (Special Steel Electric Furnace Upgrading Project)	20,000,000.00						20,000,000.00	Asset
2021 Manufacturing Strong Province Special Fund Project	8,100,000.00						8,100,000.00	Asset
Government grant for "Liaoning Revitalization Talent Plan"		350,000.00		113,500.00			236,500.00	Asset
2022 Provincial Science and Technology Department Liaoning Provincial Natural Science Foundation Program Project Section	30,000.00			1,600.00			28,400.00	Asset
Design of Rare Earth Steel Metallurgical Slag System and Research on Its Physicochemical Properties	340,000.00			22,651.00			317,349.00	Asset
2021 Municipal Skilled Master Workstation Fee	77,300.48			81.03			77,219.45	Income
Study on the Mechanism and Control of the Effect of Rare Earth Oxysulfides on the Plasticizability of Automotive Steel	334,448.50			212,228.30			122,220.20	Income
2021 Benxi Experts and Talents Interaction with Enterprises Project	5,000.00						5,000.00	Income

Liabilities items	Opening balance	Amount of new grants in the current period	Amount charged to non-operating income in the current period	Amount charged to other gains in the current period	Amount of current period's elimination of costs and expenses	Other changes	Closing balance	Asset-related / income-related
2019 Municipal Master Skill Workstation Fee	69,500.19						69,500.19	Income
2018 Municipal Master Skill Workstation Fee	58,766.34						58,766.34	Income
Liaoning Province "Hundred, Thousand, Thousand, Thousand Talents Project" funding project in 2018	220,000.00						220,000.00	Income
2023 Instant Allowance Without Application Special Fund		500,000.00		500,000.00			-	Income
2022 Digital Liaoning and Intellectual Manufacturing Strong Province Special Fund		20,000,000.00		20,000,000.00			-	Income
2021 Intellectual Manufacturing Strong Province Direction		1,700,000.00		1,700,000.00			-	Income
Provincial Science and Technology Department National Natural Science Foundation Committee	334,000.00						334,000.00	Income
2019 Provincial Skilled Master Workstation Fee	200,000.00						200,000.00	Income
2020 Provincial Skilled Master Workstation Fee	100,000.00						100,000.00	Income
Fundamental Research on New Technology of Composite Iron Coke Low	168,000.00						168,000.00	Income

Liabilities items	Opening balance	Amount of new grants in the current period	Amount charged to non-operating income in the current period	Amount charged to other gains in the current period	Amount of current period's elimination of costs and expenses	Other changes	Closing balance	Asset-related / income-related
Carbon Ironmaking Furnace Charge								
The Second Batch of 2021 Liaoning Funds on Central Government Guiding the Development of Local Science and Technology	300,000.00						300,000.00	Income
Liaoning Province "BaiQianWan Talents Program" Funded Project in 2020	50,000.00			50,000.00			-	Income
2022 Digital Liaoning Intellectual Manufacturing Strong Province		300,000.00					300,000.00	Income
Municipal Enterprise Operation Class Patent Navigation Project Funding Grant		200,000.00					200,000.00	Income
Genetic Engineering and Artificial Intelligence Design of Aviation Critical Materials (Research Institute)		376,000.00					376,000.00	Income
Total	42,377,015.51	144,266,000.00	-	50,558,060.33	-	-	136,084,955.18	

(XXXI) Share capital

Item	Opening balance	Increase/decrease (+, -)					Closing balance
		Issue of new shares	Bonus issue	Transfer from provident fund	Others	Subtotal	
Total shares	4,108,212,217.00				7,085.00	7,085.00	4,108,219,302.00

Other notes: The decrease in the current period is due to the conversion of the A-share convertible bonds issued by the company into 7,085.00 bonds A-share ordinary shares in the current period. As of December 31th , 2023, the company 's remaining convertible bond balance is RMB 5,631,024,100.00 (56,310,241.00 bonds). See note 5, bonds. For details, see Notes V. (XXVIII) Bonds payable.

(XXXII) Other equity instruments

1. Information of other financial instruments such as preferred stocks and perpetual bonds issued at the end of the period

Issued financial tools	Opening balance		Increase in the current period		Decrease in the current period		End of the period	
	Number	Book value	Number	Book value	Number	Book value	Number	Book value
Convertible bonds	56,310,521.00	947,863,834.02	-	-	280.00	5,699.86	56,310,241.00	947,858,134.16
Total	56,310,521.00	947,863,834.02	-	-	280.00	5,699.86	56,310,241.00	947,858,134.16

Other notes: The decrease in the current period is due to the conversion of the A-share convertible bonds issued by the company into RMB28,000.00 (280 bonds) A-share ordinary shares in the current period. As of December 31th , 2023, the company 's remaining convertible bond face value balance is RMB 5,631,024,100.00 (56,310,241.00 bonds). See note 5, bonds. For details, see Notes V. (XXVIII) Bonds payable.

(XXXIII) Capital reserve

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Capital premium (share capital premium)	13,156,287,691.39	20,710.71		13,156,308,402.10
Other capital reserve	115,917,468.82			115,917,468.82
Total	13,272,205,160.21	20,710.71		13,272,225,870.92

Other notes, including notes on changes in the current period and reasons for changes:

The increase in the current period is due to the conversion of A-share convertible bonds issued by the Company into A-share ordinary shares. For details, please refer to note “VI. 27. Bonds payable”.

(XXXIV) Other comprehensive income

Item	Opening balance	Amount incurred in the current period						Closing balance
		Amount incurred before income tax in the current period	Less: Transfer to profit or loss in the current period from prior periods charged to other comprehensive income	Less: Transfer to retained earnings in the current period from prior periods charged to other comprehensive income	Less: Income tax expense	Attributable to the parent company after tax	Attributable to minority shareholders after tax	
1. Other comprehensive income that cannot be reclassified to profit or loss	-15,904,760.02	-45,955,442.48		-11,488,860.62	-			-
Including: Remeasurement and setting benefit plan changes								
Changes in fair value of investments in other equity instruments	-15,904,760.02	-45,955,442.48		-11,488,860.62	-			-
2. Other comprehensive income reclassified in profit and loss								
Including: Other comprehensive income of convertible profit and loss under the equity method								
Total other comprehensive income	-15,904,760.02	-45,955,442.48		-11,488,860.62	-			-

(XXXV) Special reserve

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Safety production cost	2,217,913.77	77,964,469.55	80,127,540.17	54,843.15
Total	2,217,913.77	77,964,469.55	80,127,540.17	54,843.15

(XXXVI) Surplus reserve

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Legal surplus reserve	1,195,116,522.37			1,195,116,522.37
Free surplus reserve				
Reserve funds				
Enterprise development funds				
Others				
Total	1,195,116,522.37			1,195,116,522.37

(XXXVII) Undistributed profits

Item	Current period	Prior period
Adjustments of the beginning distributed profits	-720,559,670.73	2,977,306,297.64
Adjustments of the beginning undistributed profits total amount (increase +, decrease -)		
The beginning undistributed profits after adjustment	-720,559,670.73	2,977,306,297.64
Add: Net profit for the period attributable to owners of the parent company	-1,742,574,163.92	-1,232,976,557.37
Other factors		25,416.40
Less: Withdrawal of statutory surplus reserve		
Withdrawal of discretionary surplus reserve		
Withdrawal of general risk provision		
Cash dividends distributed in the current period		2,464,914,827.40
Dividends on ordinary shares converting to capital		
Cash dividends distributed in the current period		
Undistributed profit at the end of the period	-2,463,133,834.65	-720,559,670.73

(XXXVIII) Business income and business cost

1. Details of business income and business cost

Item	Current period		Prior period	
	Income	Cost	Income	Cost
Main business	56,674,968,934.42	57,214,004,924.40	59,395,642,984.38	59,110,682,153.73
Other business	1,140,000,417.23	1,112,281,082.13	3,220,978,643.22	3,148,652,700.99
Total	57,814,969,351.65	58,326,286,006.53	62,616,621,627.60	62,259,334,854.72

2. Details of business income

Category	Income from main business	Cost from main business	Income from other business	Cost from other business
Classification by business regions				
Including: Domestic	49,193,720,937.80	49,793,865,920.91	1,140,000,417.23	1,112,281,082.13
Oversea	7,481,247,996.62	7,420,139,003.49		
Total	56,674,968,934.42	57,214,004,924.40	1,140,000,417.23	1,112,281,082.13
Classification by commodity alienation time:				
Confirmation at some point	56,674,968,934.42	57,214,004,924.40	1,135,127,056.62	1,109,906,049.33
Confirmation in some period			4,873,360.61	2,375,032.80
Total	56,674,968,934.42	57,214,004,924.40	1,140,000,417.23	1,112,281,082.13

(XXXIX) Taxes and surcharges

Item	Amount incurred in the current period	Amount incurred in the prior period
Environmental tax	38,630,331.48	37,955,614.65
City maintenance and construction tax	11,150,706.61	8,247,520.23
Education surcharge	8,100,823.33	6,202,547.48
Property tax	82,175,453.10	81,251,574.97
Land use tax	12,189,312.63	13,148,324.89
Vehicle and vessel use tax	219,332.32	182,560.36
Stamp duty	58,612,006.24	59,436,033.58
Others	483,657.54	16,694.40
Total	211,561,623.25	206,440,870.56

(XL) Selling expenses

Item	Amount incurred in the current period	Amount incurred in the prior period
Import and export agency fee	41,843,829.87	62,722,202.78
Employee benefits	79,109,440.68	37,325,748.94
Package fee	6,434,329.15	9,716,348.12
Others	31,646,536.81	18,725,396.96
Total	159,034,136.51	128,489,696.80

(XLI) Administrative expenses

Item	Amount incurred in the current period	Amount incurred in the prior period
Employee benefits	335,026,348.30	319,515,626.55
Insurance expense	12,422,253.82	12,672,429.74
Depreciation	40,772,552.53	40,266,699.01
Repair expense	2,051,321.51	159,772,788.05
Intermediary expense	11,046,116.76	4,454,794.80
Office expense	1,191,120.82	1,491,585.53
Travel expense	2,450,942.89	2,599,480.20
Afforestation fee	9,035,946.93	8,074,706.58
Other	187,624,701.34	114,232,543.99
Total	601,859,503.43	663,080,654.45

(XLII) Research and development expenses

Item	Amount incurred in the current period	Amount incurred in the prior period
Depreciation, materials and benefits, etc.	81,247,560.73	58,088,008.14
Total	81,247,560.73	58,088,008.14

(XLIII) Financial expenses

Item	Amount incurred in the current period	Amount incurred in the prior period
Interest expenses	415,219,929.72	599,359,597.96
Less: Interest income	54,957,360.07	80,619,490.18
Exchange net income		
Add: Exchange income and loss	-59,468,641.72	-3,956,001.44
Other expenditure	8,505,011.04	8,286,059.01
Total	309,298,938.97	523,070,165.35

(XLIV) Other income

Item	Amount incurred in the current period	Amount incurred in the prior period
Research and Development of High-strength Steel for the Third Generation of Automobiles	580,000.00	580,000.00
Desulfurization and Denitrification Project of Coal-fired Boiler in High-pressure Workshop of Bengang Power Plant	600,000.00	600,000.00
Advanced Treatment Project of Carbon Fiber Wastewater in Dongfeng Plant Area of Plate Coking Plant	1,900,000.00	1,900,000.00
Municipal Allocated Oil Tank Special Passivation Project for Millions of Talents	50,000.00	
Second Sintering Finishing Dust Removal Ultra-low Emission Reconstruction Project	410,000.00	410,000.00
Recovery Efficiency Improvement Project for Plate Material Area	2,420,000.00	
Central Government Environmental Protection Award Fund	21,088,000.00	
2021 Intellectual Manufacturing Strong Province Special Fund (Upgrading and renovation of information and network)	960,000.00	
2023 Instant Allowance Without Application Special Fund (2022 National Green Design Products Hot-Rolled High Strength Steel Plate and Steel Strip for Automobile)	500,000.00	
2022 Digital Liaoning and Intellectual Manufacturing Strong Province Special Fund	20,000,000.00	
“Liaoning Rejuvenation Talent Plan” Government Grants	113,500.00	
Study on the Mechanism and Control of the Effect of Rare Earth Oxysulfides on the Plasticizability of Automotive Steel	212,228.30	
2022 Provincial Science and Technology Department Liaoning Provincial Natural Science Foundation Program Project Fund	1,600.00	
Design of Rare Earth Steel Metallurgical Slag System and Research on Its Physicochemical Properties	22,651.00	
2023 Intellectual Manufacturing Strong Province Direction (Bengang Technical Center Innovation Capacity Improvement)	1,700,000.00	
2021 Municipal Skilled Master Workstation Fee	81.03	2,702.49
Job Retention Training of Labor Employment Subsidies	2,358.49	
Cold-rolled High-strength Steel Renovation Project		50,000,000.00
7 Sets of 130 Tons Combustion Boiler Flue Gas Desulfurization Project in Power Plant		4,800,000.00
Power Plant Three Power Plant Cogeneration Reform Project		2,000,000.00
2021 Benxi Experts and Talents Interaction with Enterprises Project		5,000.00
2019 Municipal Skilled Master Workstation Fee		28,583.97
Liaoning Province Craftmen Subsidies		18.92
Study on the mechanism and control of the effect of rare-earth oxysulfides on the plasticizability of automotive steel		122,965.00
Dalian Jinpu New District Employment and Social Insurance Business Service Centre Skills Upgrading Special Account – Work-for-Training Grants		4,510.00
Additional tax relief for retired soldiers in 2022		1,080,000.00
Benxi Human Resources Service Centre Unemployment Insurance Fund		6,308,848.00
Tax returns	27,685,686.22	771,262.00
Withholding and remitting tax income	913,893.41	3,686,940.10
Value-added tax exemption	394,898.00	-

Item	Amount incurred in the current period	Amount incurred in the prior period
Total	79,554,896.45	72,300,830.48

(XLV) Investment income

Item	Amount incurred in the current period	Amount incurred in the prior period
Investment income from long-term equity investments accounted for under the equity method	-1,085,968.20	-181,084.64
Investment income from the disposal of long-term equity investments	-294,462.57	88,020,044.39
Investment income from the holding of financial assets held for trading		
Investment income from the disposal of financial assets held for trading		-6,558,780.75
Gain from remeasurement of remaining equity at fair value after loss of control		4,154,883.39
Gain from debt restructuring	5,179,346.89	1,274,270.98
Others	-6,626,340.44	2,879,850.07
Total	-2,827,424.32	89,589,183.44

(XLVI) Credit impairment losses

Item	Amount incurred in the current period	Amount incurred in the prior period
Bad debt losses on accounts receivable	-21,955,575.63	9,155,504.25
Bad debt losses on other receivables	11,912,298.08	-4,789,476.31
Total	-10,043,277.55	4,366,027.94

(XLVII) Assets impairment losses

Item	Amount incurred in the period	Amount incurred in the prior period
Loss on decline in value of inventories and impairment loss on contract performance costs	15,745,868.44	33,475,219.25
Impairment loss on fixed assets	19,593,534.81	
Total	35,339,403.25	33,475,219.25

(XLVIII) Assets disposal gains

Item	Amount incurred in the period	Amount incurred in the prior period	Amounts included in non-recurring gains and losses for the current period
Gains of disposal of fixed assets	298,940,955.41	3,648,546.62	298,940,955.41

Item	Amount incurred in the period	Amount incurred in the prior period	Amounts included in non-recurring gains and losses for the current period
Total	298,940,955.41	3,648,546.62	298,940,955.41

(XLIX) Non-operating income

Item	Amount incurred in the period	Amount incurred in the prior period	Amount recorded in non-recurring gains and losses during the current period
Incomes of destruction and retirement of non-current assets	22,695,633.31	19,686,518.10	22,695,633.31
Donation accepted	116,390.00		116,390.00
Liquidated damages	2,795,340.47	82,285.55	2,795,340.47
Unpayable accounts payable (Debt liquidation income)	10,136,697.80	17,144,884.54	10,136,697.80
Others	7,651,073.78	3,217,256.20	7,651,073.78
Total	43,395,135.36	40,130,944.39	43,395,135.36

(L) Non-operating expenses

Item	Amount incurred in the period	Amount incurred in the prior period	Amount recorded in non-recurring gains and losses during the current period
Losses on destruction and retirement of non-current assets	88,675,217.02	26,618,184.57	88,675,217.02
Penalty expenses	5,867,021.85	4,993.20	5,867,021.85
Others	516,843.20		516,843.20
Total	95,059,082.07	26,623,177.77	95,059,082.07

(LI) Income tax expenses

1. Table of income tax expenses

Item	Amount incurred in the period	Amount incurred in the prior period
Current income tax expenses	83,737,591.43	108,153,891.06
Deferred income tax expenses	10,723,190.66	17,220,286.35
Total	94,460,782.09	125,374,177.41

2. Reconciliation between income tax expense and accounting profit

Item	Amount incurred in the current period
Total profit	-1,575,610,062.64

Item	Amount incurred in the current period
Income tax expense calculated at statutory [or applicable] tax rate	-393,902,515.66
Effect of different tax ratios used by subsidiaries	32,462,151.19
Effect of the adjustment on prior-period income tax	14,392,495.72
Effect of non-taxable income	587,418.51
Effect of non-deductible costs, expenditures and losses	13,199,477.94
Effect of deductible losses for using deferred income tax assets not confirmed in the early period	-20,412,569.67
Effect of deductible temporary differences or deductible losses of deferred income tax assets not confirmed in the current period.	501,737,365.06
Changes led by tax rate adjustment in the balance of deferred income tax assets / liabilities at the beginning of the period.	117,428.09
Others	-53,720,469.08
Income tax expenses	94,460,782.09

(LII) Cash flow statement items

1. Other cash in relation to operating activities

(1) Other cash received in relation to operating activities

Item	Amount incurred in the period	Amount incurred in the prior period
Current accounts, advances received	14,699,541.48	5,681,740.65
Interest income	54,957,360.07	80,619,490.18
Special subsidies, grants	149,050,517.00	9,720,381.00
Non-operating income	8,470,709.79	1,853,285.67
Others	56,843,488.47	25,134,883.78
Total	284,021,616.81	123,009,781.28

(2) Other cash paid in relation to operating activities

Item	Amount incurred in the period	Amount incurred in the prior period
Intercompany current accounts	20,254,516.96	15,076,408.22
Administration expenses	87,569,406.75	45,010,167.69
Selling expenses	9,993,368.25	19,555,768.39
Service charges	4,755,565.60	8,286,059.01
Others	296,503,108.11	397,007.18
Total	419,075,965.67	88,325,410.49

2. Other cash in relation to financing activities

(1) Other cash received in relation to financing activities

Item	Amount incurred in the period	Amount incurred in the prior period
Notes, letter of guarantee, and letter of credit	1,128,377,111.10	1,845,751,595.78

Item	Amount incurred in the period	Amount incurred in the prior period
margins		
Recovery of time deposits	-	174,000,000.00
Recovery of short-term borrowing funds used for targeted payments	-	740,000,000.00
Total	1,128,377,111.10	2,759,751,595.78

(2) Other cash paid in relation to financing activities

Item	Amount incurred in the period	Amount incurred in the prior period
Notes, letter of guarantee, and letter of credit margins	1,981,675,071.06	391,052,880.08
Short-term borrowing funds used for targeted payments	17,811,412.73	-
Lease payments	40,645,381.40	93,692,716.62
Restricted deposits	-	1,185,000.00
Total	2,040,131,865.19	485,930,596.70

(LIII) Supplementary information of cash flow statement

1. Supplementary information of cash flow statement

Supplementary information	Current period amount	Prior period amount
1. Reconciliation of net profit to cash flows from operating activities		
Net profit	-1,670,070,844.73	-1,206,051,719.86
Add: Credit impairment losses	35,339,403.25	33,475,219.25
Provision for impairment of assets	-10,043,277.55	4,366,027.94
Depreciation of fixed assets	1,628,409,626.63	1,941,797,897.36
Depreciation of productive biological assets		
Depreciation of oil and gas assets		
Depreciation of right-of-use assets	60,374,534.52	60,374,534.42
Amortisation of intangible assets	6,764,501.28	7,072,335.72
Amortisation of long-term deferred expenses		
Loss on disposal of fixed assets, intangible assets and other long-term assets (gain listed with "-")	-298,940,955.41	-3,648,546.62
Loss on damaged and retired non-current assets (gain listed with "-")	65,979,583.71	6,931,666.47
Loss on changes in fair value (gain listed with "-")		
Financial expenses (gain listed with "-")	355,751,288.00	595,403,596.52
Investment losses (gain listed with "-")	2,827,424.32	-89,589,183.44
Decrease in deferred tax assets (increase listed with "-")	25,816,824.26	22,697,558.71
Decrease in deferred tax assets (increase listed with "-")	-15,093,633.60	
Decrease in inventories (increase listed with "-")	739,609,711.93	1,692,962,444.55
Decrease in receivables from operating activities (increase listed with "-")	-62,145,226.76	2,034,468,353.22
Increase in payables from operating activities (decrease listed with "-")	3,466,935,369.07	-3,825,777,153.88

Supplementary information	Current period amount	Prior period amount
Others	-2,163,070.62	1,879,935.20
Net cash flows from operating activities	4,329,351,258.30	1,276,362,965.56
2. Significant non-cash investing and financing activities:		
Conversion of debts into capital		
Convertible bonds due within 1 year		
Fixed assets under financing leases		
3. Changes in cash and cash equivalents:		
Closing balance of cash	1,184,774,971.52	1,296,662,683.20
Less: Opening balance of cash	1,296,662,683.20	6,299,099,063.48
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-111,887,711.68	-5,002,436,380.28

2. Composition of cash and cash equivalents

Item	Closing balance	Opening balance
I. Cash	1,184,774,971.52	1,296,662,683.20
Including: Cash on hand		
Bank deposits readily available for payment	1,184,774,971.52	1,296,662,683.20
Other monetary funds readily available for payment		
Deposits of Central Bank funds available for payment		
Deposits from interbanks		
Deposits from loan trades		
II. Cash equivalents		
Including: Bond investment due within three months		
III. Balance of cash and cash equivalents at the end of the period	1,184,774,971.52	1,296,662,683.20
Including: Cash and cash equivalents held but can not be used by parent company or other subsidiaries within the Group		

(LIV) Foreign currency monetary items

1. Foreign currency monetary items

Item	Foreign currency balance at the end of the period	Cross rate	Converted RMB balance at the end of the period
Cash and cash equivalents			589,077,898.20
Including: USD	81,951,964.90	7.0827	580,441,181.80
EUR	408,004.95	7.8592	3,206,592.51
HKD	5,992,191.45	0.9062	5,430,123.89
Non-current liabilities due within one year			1,163,435.20
Including: JPY	23,176,000.00	0.0502	1,163,435.20
Long-term loan			3,490,305.60
Including: JPY	69,528,000.00	0.0502	3,490,305.60

VI. Equity in other entities

(I) Equity in subsidiaries

1. Constitution of enterprise group

Name of subsidiary	Main place of business	Registration place	Nature of business	Shareholding ratio (%)		Acquiring method
				Direct	Indirect	
Guangzhou Bengang Steel & Iron Trading Co., Ltd	Guangzhou	Guangzhou	Sale	100.00		Establishment
Shanghai Bengang Metallurgy Science and Technology Co., Ltd	Shanghai	Shanghai	Sale	100.00		Establishment
Dalian Benruitong Automobile Material Technology Co., Ltd	Dalian	Dalian	Production	65.00		Establishment
Bengang POSCO Cold-rolled Sheet Co., Ltd.	Benxi	Benxi	Production	75.00		Business combination under common control
Changchun Bengang Steel & Iron Trading Co., Ltd.	Changchun	Changchun	Sale	100.00		Business combination under common control
Yantai Bengang Steel Sales Co., Ltd.	Yantai	Yantai	Sale	100.00		Business combination under common control
Tianjin Bengang Steel Trading Co., Ltd.	Tianjin	Tianjin	Sale	100.00		Business combination under common control
Benxi Bengang Steel & Iron Sales Co., Ltd.	Benxi	Benxi	Sale	100.00		Establishment
Shenyang Bengang Metallurgy Science and Technology Co., Ltd	Shenyang	Shenyang	Sale	100.00		Establishment

2. Significant non-wholly owned subsidiaries

Name of subsidiary	Minority shareholding ratio	Profit or loss for the period attributable to minority shareholders	Dividends declared to minority shareholders during the period	Balance of minority interests at the end of the period
Bengang POSCO Cold-rolled Sheet Co., Ltd.	25.00%	68,290,993.31	68,041,170.80	576,089,336.09

3. Key financial information on significant non-wholly owned subsidiaries

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
Bengang POSCO Cold-rolled Sheet Co., Ltd.	3,314,945,506.13	958,741,994.50	4,273,687,500.63	1,969,330,156.26		1,969,330,156.26	2,642,318,664.91	1,031,753,449.22	3,674,072,114.13	1,370,714,059.80		1,370,714,059.80

Name of subsidiary	Amount incurred in the period				Amount incurred in the prior period			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
Bengang POSCO Cold-rolled Sheet Co., Ltd.	8,939,304,737.19	273,163,973.25	273,163,973.25	492,826,903.06	9,820,616,858.86	135,690,857.38	135,690,857.38	368,340,695.62

(II) Equity in joint venture arrangements or associated enterprises

1. Significant joint ventures or associates

The Company has no significant joint ventures or associates.

2. Collected financial information in insignificant joint ventures or associates

	Closing balance / Amount incurred in the year	Opening balance / Amount incurred in the prior year
Joint ventures:		
Total book value of investment		
The total amount of the following items calculated in proportion to shareholding		
—Net profit		
—Other comprehensive income		
—Total comprehensive income		
Associates:		
Total book value of investment	46,910,346.41	51,030,777.18
The total amount of the following items calculated in proportion to shareholding	-1,085,968.20	-181,084.64
—Net profit	-1,085,968.20	-181,084.64
—Other comprehensive income		
—Total comprehensive income	-1,085,968.20	-181,084.64

VII. Government grants

(I) Category, amount and listed item of government grants

1. Government grants incurred in the current profit and loss

Account title	Amount incurred in the period	Amount incurred in the prior period
Other income	78,246,105.04	68,613,890.38

VIII. Risks associated with financial instruments

The Company's principal financial instruments include investments in other equity instruments, borrowings, receivables and payables, and a detailed description of each financial instrument is set out in Note VI. The risks associated with these financial instruments, and the risk management policies adopted by the Company to mitigate these risks, are described below. These risk exposures are managed and monitored by the Company's management to ensure that the above risks are kept within limits.

The Company's objectives in engaging in risk management are to strike an appropriate balance between risk and return, to minimise the negative impact of risk on the Company's operating performance and to maximise the interests of shareholders and other equity investors. Based on these risk management objectives, the Company's basic strategy for risk management is to identify and analyse the various risks to which the Company is exposed, establish appropriate risk tolerance limits and manage the risks, as well as monitor the various risks in a timely and reliable manner to keep the risks within the limits.

1. Credit risk

At December 31st, 2023, the largest exposure to credit risk that could give rise to financial losses for the Company arises primarily from losses incurred on the Company's financial assets as a result of the failure of the other party to the contract to perform its obligations, specifically:

The book value of financial assets is recognised in the consolidated balance sheet; for financial instruments measured at fair value, the book value reflects the risk exposure but is not the maximum exposure and its maximum exposure will change with future changes in fair value.

In order to mitigate credit risk, the Company has established a dedicated department to determine credit limits, perform credit approvals and implement other monitoring procedures to ensure that the necessary measures are taken to collect overdue claims. In addition, the Company reviews the collection of each individual receivable at each balance sheet date to ensure that adequate provisions for bad debts are made for uncollectible amounts. As a result, the Company's management believes that the Company's exposure to credit risk has been significantly reduced.

The Company's working fund is placed with financial institutions with high credit ratings and therefore it is a low-credit risk working fund.

2. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk by ensuring that it has sufficient financial liquidity to meet its obligations as they fall due without incurring unacceptable losses or causing damage to its corporate reputation, and it

regularly analyses the structure and maturity of its liabilities to ensure that sufficient funds are available. The Company's management monitors the use of bank borrowings and ensures compliance with borrowing agreements. At the same time, the Company negotiates financing with financial institutions to maintain a certain credit limit and mitigate liquidity risk.

3. Market risk

The market risk of financial instruments refers to the risk that the fair value or future cash flow of financial instruments fluctuates due to market price changes, including exchange rate risk, interest rate risk and other price risks.

(1) Interest rate risk

Interest rate risk refers to fluctuations of fair value or future cash flows of a financial instrument due to market rate changes.

The Company's exposure to interest rate risk is cash flow interest risk primarily arising from variable-rate bank balances and variable-rate borrowings. Currently, the Company does not have a specific policy to manage its interest rate risk. The management will carefully choose financing methods, and combine fixed interest rates with variable interest rates, and short-term obligations with long-term obligations. By using effective interest rate risk management methods, the Company closely monitors interest rate risk, controls the size of variable-rate borrowings and will consider interest-rate swaps to acquire an expected structure of interest rates shall the need arise.

(2) Exchange rate risk

Exchange rate risk refers to the risk of fluctuations in the fair value of financial instruments or future cash flows due to changes in foreign exchange rates.

The Company's exposure to exchange rate risk relates primarily to USD, HKD, JPY and EUR. Except for a small amount of purchases of raw materials and sales of finished goods which are settled in USD, HKD, JPY and EUR, the Company's other major business activities are settled in RMB. As at December 31st, 2023, the assets or liabilities described in the table below are the balances of items expressed in USD, HKD, JPY and EUR.

Item	December 31 st , 2023	December 31 st , 2022
Cash and cash equivalents - USD	81,951,964.90	6,358,482.45
Cash and cash equivalents - HKD	5,992,191.45	5,518,749.45
Cash and cash equivalents - EUR	408,004.95	2,866.74
Non-current liabilities due within one year - USD		4,700,000.00
Non-current liabilities due within one year - EUR		9,460,158.74
Non-current liabilities due within one year - JPY	23,176,000.00	23,176,000.00
Long-term borrowings - USD		2,450,000.00
Long-term borrowings - EUR		18,714,699.47
Long-term borrowings - JPY	69,528,000.00	92,704,000.00

IX. Disclosure of fair value

The values input of fair value measurement are divided into three layers:

The first layer input value is the unadjusted quotation of the same assets or liabilities that can be obtained on the measurement day in the active market.

The second layer input value is the directly or indirectly observable input value of the related assets or liabilities in addition to the first layer input value.

The third layer input value is the unobservable input value of the related assets or liabilities.

The layer of fair value measurement results is determined by the lowest level of the input value which is of great significance to the fair value measurement as a whole.

(I) Period-end fair value of assets and liabilities measured at fair value

Item	Fair value at end of the period			Total
	Fair value measurement in the first level	Fair value measurement in the second level	Fair value measurement in the third level	
I. Continuous fair value measurement				
◆ Financing of accounts receivable			806,822,622.43	806,822,622.43
◆ Investments in other equity instruments			974,463,039.83	974,463,039.83
Total amount of assets with continuous fair value measurement			1,781,285,662.26	1,781,285,662.26

X. Related parties and related transactions

(I) The parent company of the Company

Name of the Company	Place of registration	Nature of business	Registered capital	Shareholding ratio (%)	Voting power ratio (%)
Benxi Steel & Iron (Group) Co., Ltd.	Benxi, Liaoning	Production	8 billion RMB	58.65	58.65

The ultimate controlling party of the Company is Ansteel Group Co., Ltd.

(II) Details of subsidiaries

For details of subsidiaries of the Company please refer to Note “VI. Entities in other subjects”.

(III) The Company’s joint ventures and associates

For details of the Company’s joint ventures and associates please refer to Note “VI. Entities in other subjects”.

Other joint ventures or joint ventures that have related party transactions with the Company in the current period or have related party transactions with the Company in the previous period to form a balance are as follows :

Name of the Company's joint ventures and associates	Relationship with the Company
Benxi Iron and Steel Baojin (Shenyang) Automobile New Material Technology Co., Ltd.	Associates

(IV) Details of other related parties

Name of other related parties	Relationship
Benxi Iron and Steel (Group) Co., Ltd.	Parent company
Bengang Group Co., Ltd.	Parent company & controlling shareholder
Benxi Iron and Steel (Group) Chint Building Materials Co., Ltd.	Same parent company
Benxi Steel Stainless Steel Cold Rolling Dandong Co., Ltd	Same parent company
Benxi Iron and Steel (Group) Real Estate Development Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Engineering Construction Supervision Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Construction Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Mining Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Equipment Engineering Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Design and Research Institute	Same parent company
Benxi Iron and Steel (Group) Industrial Development Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Information Automation Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Construction Co., Ltd.	Same parent company
Benxi Iron and Steel (Group) Metallurgical Slag Co., Ltd.	Same parent company
Benxi New Cause development Co., Ltd	Same parent company
Dalian Boluole steel pipe Co., Ltd	Same parent company
Guangzhou Free Trade Zone Benxi Steel Sales Co., Ltd	Same parent company
Liaoning hengtai heavy machinery Co., Ltd	Same parent company
Liaoning Metallurgical Technician College	Same parent company
Liaoning Metallurgical Vocational and Technical College	Same parent company
Benxi Iron and Steel Electric Co., Ltd	Associates of parent company
Suzhou Longben metal material Co., Ltd	Joint-stock company
Wuhan Yuanhong trading Co., Ltd	Joint-stock company
Zhejiang Jingrui steel processing Co., Ltd	Joint-stock company
North Hengda logistics Co., Ltd	Both belong to Bengangl Group
Benxi Iron and Steel Group Finance Co., Ltd	Both belong to Bengangl Group
Benxi Iron and Steel Group International Economic Trade Co., Ltd.	Both belong to Bengangl Group
Benxi Steel Tendering Co., Ltd	Both belong to Bengangl Group
Benxi Beitai Casting Pipe Co., Ltd	Both belong to Bengangl Group
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Both belong to Bengangl Group
Benxi High-Tech Drilling Tool Manufacturing Co., Ltd	Both belong to Bengangl Group
Liaoning Hengyi Steel Trading Co., Ltd	Both belong to Bengangl Group
Ansteel Electric Co., Ltd.	Both belong to Ansteel Group
Ansteel Scrap Resources (Anshan) Co., Ltd.	Both belong to Ansteel Group
Ansteel Scrap Resources (Anshan) Co., Ltd. Chaoyang Branch	Both belong to Ansteel Group
Ansteel Steel Processing&Distribution (Dalian) Co., Ltd.	Both belong to Ansteel Group
Ansteel Steel Processing&Distribution (Changchun) Co., Ltd.	Both belong to Ansteel Group
Ansteel Steel Processing&Distribution (Zhengzhou) Co., Ltd.	Both belong to Ansteel Group
Ansteel Steel Distribution (Hefei) Co., Ltd.	Both belong to Ansteel Group

Name of other related parties	Relationship
Ansteel Steel Distribution (Wuhan) Co., Ltd.	Both belong to Ansteel Group
Ansteel Steel Rope Co., Ltd	Both belong to Ansteel Group
Ansteel Co., Ltd	Both belong to Ansteel Group
Ansteel Chemical Technology Co., Ltd	Both belong to Ansteel Group
Ansteel Group (Anshan) Railway Transportation Equipment Manufacturing Co., Ltd.	Both belong to Ansteel Group
Ansteel Group Finance Co., Ltd.	Both belong to Ansteel Group
Ansteel Group Engineering Technology Development Co., Ltd.	Both belong to Ansteel Group
Ansteel Group International Economic Trade Co., Ltd.	Both belong to Ansteel Group
Ansteel Group Mining Gongchangling Co., Ltd	Both belong to Ansteel Group
Ansteel Group Mining Co., Ltd	Both belong to Ansteel Group
Ansteel group Co., Ltd	Both belong to Ansteel Group
Ansteel Group Automation Co., Ltd	Both belong to Ansteel Group
Ansteel Construction Group Co., Ltd	Both belong to Ansteel Group
Ansteel Metal Structure Co., Ltd	Both belong to Ansteel Group
Ansteel Science and Technology Development Co., Ltd	Both belong to Ansteel Group
Ansteel Mining Machinery Manufacturing Co., Ltd	Both belong to Ansteel Group
Ansteel Green Resources Technology Co., Ltd	Both belong to Ansteel Group
Ansteel Energy Technology Co., Ltd	Both belong to Ansteel Group
Ansteel Industrial Group (Anshan) Equipment Operation and Maintenance Co., Ltd.	Both belong to Ansteel Group
Anshan Iron and Steel Industry Group Metallurgical Machinery Co., Ltd	Both belong to Ansteel Group
Ansteel Shuangsheng (Anshan) Fan Co., Ltd.	Both belong to Ansteel Group
Ansteel Modern City Service (Anshan) Co., Ltd.	Both belong to Ansteel Group
Ansteel roll Co., Ltd	Both belong to Ansteel Group
Anshan Iron and Steel Heavy Machinery Design and Research Institute Co., Ltd	Both belong to Ansteel Group
Ansteel heavy machinery Co., Ltd	Both belong to Ansteel Group
Ansteel cast steel Co., Ltd	Both belong to Ansteel Group
Chengdu Pansteel Hotel Co., Ltd	Both belong to Ansteel Group
Delin industrial products Co., Ltd	Both belong to Ansteel Group
Delin dry port supply chain service Co., Ltd	Both belong to Ansteel Group
Guangzhou Ansteel steel processing Co., Ltd	Both belong to Ansteel Group
Pansteel and Steel Group Xichang Steel Vanadium Co., Ltd	Both belong to Ansteel Group
Panzhong Yihong Metal Products (Chongqing) Co., Ltd	Both belong to Ansteel Group
Tianjin Ansteel steel processing and distribution Co., Ltd	Both belong to Ansteel Group
Tianjin Ansteel International North Trading Co., Ltd	Both belong to Ansteel Group
Changchun FAW Ansteel Steel Processing and Distribution Co., Ltd	Both belong to Ansteel Group
Ansteel tendering Co., Ltd	Both belong to Ansteel Group
Ansteel Group Engineering Technology Co., Ltd	Associates of Ansteel Group

(V) Details of related party transaction

1. Related party transaction of purchase and sale of goods and providing and receiving services

Table of purchase of goods/receiving services

Related party	Related party transaction	Amount incurred in the period	Amount incurred in the prior period
Ansteel Electric Co., Ltd.	Repair charge	988,649.97	985,900.00
Ansteel Steel Scrap Resources (Anshan) Co., Ltd.	Raw material	655,692,228.69	501,264,827.39
Ansteel Steel Processing and Distribution (Dalian) Co., Ltd.	Processing charge		532,674.24
Ansteel Steel Processing and Distribution (Changchun) Co., Ltd.	Storage fee	37,433.12	
Ansteel Steel Processing and Distribution (Changchun) Co., Ltd.	Processing charge	1,430,380.27	101,089.62
Ansteel Steel Rope Co., Ltd.	Raw material	402,320.80	
Ansteel Co., Ltd.	Steel	1,526,698.42	
Ansteel Co., Ltd.	Raw material	937,641.12	75,504,413.81
Ansteel Group (Anshan) Railway Transportation Equipment Manufacturing Co., Ltd.	Raw material		541,592.84
Ansteel Group Finance Co., Ltd.	Financial service	843,849.85	509,257.61
Ansteel Group Engineering Technology Co., Ltd.	Engineering cost	495,812,040.18	63,375,792.47
Ansteel Group Engineering Technology Co., Ltd.	Repair charge	663,800.00	
Ansteel Group International Economic Trade Co., Ltd.	Raw fuels	369,490,000.25	58,292,035.42
Ansteel Group Mining Gongchangling Co., Ltd.	Raw materials	375,015,701.56	362,137,279.01
Ansteel Group Mining Co., Ltd	Raw materials		99,573,714.25
Ansteel Group Co., Ltd.	Technical service		559,822.74
Ansteel Group Automation Co., Ltd	Engineering cost	108,215,000.00	72,873,000.00
Ansteel Construction Group Co., Ltd.	Engineering cost	101,060,733.94	34,442,304.94
Ansteel Construction Group Co., Ltd.	Repair service		3,727,071.28
Ansteel Science and Technology Development Co., Ltd.	Testing fee		4,182.00
Ansteel Energy Technology Co., Ltd.	Raw auxiliary materials	116,947.24	
Ansteel Industrial Group (Anshan) Equipment Operation and Maintenance Co., Ltd.	Repair service		14,317,414.23
Anshan Iron and Steel Industry Group Metallurgical Machinery Co., Ltd.	Spare parts	9,254,415.92	
Anshan Iron and Steel Industry Group Metallurgical Machinery Co., Ltd.	Repair charge	1,093,480.00	2,511,630.02
Ansteel Shuangsheng (Anshan) Fan Co., Ltd.	Raw auxiliary materials		149,000.00
Anshan Iron and Steel Heavy Machinery Design and Research Institute Co., Ltd	Engineering cost	1,478,000.00	6,200,000.00
Ansteel Heavy Machinery Co., Ltd	Spare	4,130,873.60	3,000,690.00

Related party	Related party transaction	Amount incurred in the period	Amount incurred in the prior period
	parts		
Ansteel Heavy Machinery Co., Ltd	Engineering cost	3,627,700.00	
Anshan Ansteel International Travel Agency Co., Ltd.	Conference expenses	3,771,073.93	
Anshan Iron and Steel Metallurgy Furnace Material Technology Co., Ltd	Raw auxiliary materials	20,592,124.94	
North Hengda Logistics Co., Ltd	Storage charges	5,485,245.27	4,261,203.22
North Hengda Logistics Co., Ltd	Processing charge	731,028.05	1,401.77
North Hengda Logistics Co., Ltd	Sales service fee	4,243,472.90	
North Hengda Logistics Co., Ltd	Raw auxiliary materials and spare parts	5,619,710.89	25,720,478.21
North Hengda Logistics Co., Ltd	Testing fee	91,261,108.54	21,267,471.20
Benxi Steel Stainless Steel Cold Rolling Dandong Co., Ltd	Raw materials and auxiliary materials	348,937.34	
Benxi Iron and Steel Electric Co., Ltd	Spare parts	181,875.00	
Benxi Iron and Steel Electric Co., Ltd	Engineering cost	4,899,146.41	
Benxi Iron and Steel Electric Co., Ltd	Repair charge	10,918,383.89	13,542,063.00
Benxi Iron and Steel Electric Co., Ltd	Raw auxiliary materials	134,365,349.92	121,219,826.14
Benxi Iron and Steel Gaoyuan Industrial Development Co., Ltd	Engineering cost	4,631,760.00	
Benxi Iron and Steel Gaoyuan Industrial Development Co., Ltd	Repair charge	2,328,495.00	
Benxi Iron and Steel Gaoyuan Industrial Development Co., Ltd	Raw auxiliary materials	929,311.04	
Benxi Iron and Steel Group International Economic Trade Co., Ltd.	Agency fee	61,290,890.44	60,892,920.39
Benxi Iron and Steel Group Co., Ltd	Repair service		3,804,811.13
Benxi Aike Hydraulic Seal Co., Ltd	Spare parts	6,297,816.12	
Benxi Aike Hydraulic Seal Co., Ltd	Engineering cost	117,514.00	
Benxi North Iron Industry Co., Ltd	Raw materials and auxiliary materials	303,625,003.05	

Related party	Related party transaction	Amount incurred in the period	Amount incurred in the prior period
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Storage charges	9,016.26	
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Service fee	73,782,240.24	
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Energy and power	619,907,820.37	779,110,506.13
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Heating costs	13,310,207.04	
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Repair charge	8,807,530.29	97,016,086.32
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Raw materials, auxiliary materials and fuels	10,862,670,931.26	14,015,404,775.69
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Testing fee	8,032,969.35	6,238,586.40
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Spare parts		237,598,626.48
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Agency fee		169,853.96
Benxi Dongfeng Lake Iron and Steel Resources Utilization Co., Ltd	Raw materials, auxiliary materials and fuels	44,370,758.10	
Benxi Iron and Steel (Group) Engineering Construction Supervision Co., Ltd.	Engineering cost	2,893,311.49	1,767,865.81
Benxi Iron and Steel (Group) Guomao Tengda Co., Ltd.	Port surcharge	636,896,070.98	843,578,220.03
Benxi Iron and Steel (Group) Electromechanical Installation Engineering Co., Ltd.	Engineering cost	43,034,800.02	
Benxi Iron and Steel (Group) Electromechanical Installation Engineering Co., Ltd.	Raw materials and spare parts	1,153,388.60	
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Raw materials, auxiliary materials and spare parts	73,747,200.55	154,332,860.09
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Engineering cost	48,057,147.53	
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Service fee	11,036,444.38	
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Repair charge	9,039,082.00	63,956,264.17
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Rental fee	717,737.14	
Benxi Iron and Steel (Group) Inspection and Testing Co., Ltd.	Engineering cost	114,000.00	
Benxi Iron and Steel (Group) Construction Advanced Decoration Co.,	Engineering cost	554,873.39	

Related party	Related party transaction	Amount incurred in the period	Amount incurred in the prior period
Ltd.			
Benxi Iron and Steel (Group) Construction Co., Ltd.	Engineering cost	364,430,836.36	520,498,816.97
Benxi Iron and Steel (Group) Construction Co., Ltd.	Service fee	7,247,447.63	
Benxi Iron and Steel (Group) Construction Co., Ltd.	Equipment calibration	4,008,300.00	
Benxi Iron and Steel (Group) Construction Co., Ltd.	Repair charge	34,709,635.27	254,504,020.71
Benxi Iron and Steel (Group) Construction Co., Ltd.	Raw materials and spare parts	4,049,388.78	35,884,838.98
Benxi Iron and Steel (Group) Construction Co., Ltd.	Testing fee	88,934.45	785,478.54
Benxi Iron and Steel (Group) Mine Construction Engineering Co., Ltd.	Engineering cost	43,916,148.59	
Benxi Iron and Steel (Group) Mine Construction Engineering Co., Ltd.	Repair charge	12,066,104.00	
Benxi Iron and Steel (Group) Mine Construction Engineering Co., Ltd.	Raw auxiliary materials	140,320.00	
Benxi Iron and Steel (Group) Mining Co., Ltd.	Spare parts	2,248,751.72	
Benxi Iron and Steel (Group) Mining Co., Ltd.	Service fee	150,042.14	
Benxi Iron and Steel (Group) Mining Co., Ltd.	Energy and power	7,476,859.63	
Benxi Iron and Steel (Group) Mining Co., Ltd.	Raw materials and auxiliary materials	6,088,009,996.57	6,526,348,389.47
Benxi Iron and Steel (Group) Mining Co., Ltd.	Repair service		33,111,773.58
Benxi Iron and Steel (Group) Road and Bridge Construction Engineering Co., Ltd.	Engineering cost	1,596,283.35	
Benxi Iron and Steel (Group) Road and Bridge Construction Engineering Co., Ltd.	Raw materials	790,211.60	
Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	Heating costs	797,049.85	3,243,574.57
Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	Raw materials and auxiliary materials	373,267.40	397,091.33
Benxi Iron and Steel (Group) Equipment Engineering Co., Ltd.	Spare parts	7,015,595.48	
Benxi Iron and Steel (Group) Equipment Engineering Co., Ltd.	Engineering cost	449,295,500.86	26,575,682.85
Benxi Iron and Steel (Group) Equipment Engineering Co., Ltd.	Repair charge	142,853,909.52	103,244,339.53

Related party	Related party transaction	Amount incurred in the period	Amount incurred in the prior period
Benxi Iron and Steel (Group) Equipment Engineering Co., Ltd.	Raw materials and auxiliary materials	5,844,867.44	3,258,197.53
Benxi Iron and Steel (Group) Equipment Engineering Co., Ltd.	Testing fee	2,174,824.48	
Benxi Iron and Steel (Group) Industrial Development Co., Ltd.	Engineering cost	316,333.57	1,974,511.01
Benxi Iron and Steel (Group) Industrial Development Co., Ltd.	Service fee	362,000.00	
Benxi Iron and Steel (Group) Industrial Development Co., Ltd.	Repair charge	1,155,049.00	3,445,388.98
Benxi Iron and Steel (Group) Industrial Development Co., Ltd.	Raw materials and auxiliary materials	37,503,759.27	407,371,792.39
Benxi Iron and Steel (Group) Industrial Development Co., Ltd.	Testing fee	5,862,435.57	4,953,917.35
Benxi Iron and Steel (Group) Industrial Development Co., Ltd.	Spare parts		46,331,491.99
Benxi Iron and Steel (Group) Information Automation Co., Ltd.	Testing fee	14,500,000.00	
Benxi Iron and Steel (Group) Information Automation Co., Ltd.	Engineering cost		89,244,708.98
Benxi Iron and Steel (Group) Information Automation Co., Ltd.	Repair service		15,339,461.49
Benxi Iron and Steel (Group) Information Automation Co., Ltd.	Raw auxiliary materials and spare parts	3,068,409.30	8,171,621.28
Benxi Iron and Steel (Group) Metallurgical Slag Co., Ltd.	Raw materials and auxiliary materials	239,884,805.78	289,543,277.06
Benxi Iron and Steel (Group) Co., Ltd.	Engineering cost	46,971.56	
Benxi Iron and Steel (Group) Co., Ltd.	Financial service	1,397,473.55	
Benxi Iron and Steel (Group) Co., Ltd.	Energy and power	73,134.75	
Benxi Iron and Steel (Group) Co., Ltd.	Heating costs	328,521.69	
Benxi Iron and Steel (Group) Co., Ltd.	Equipment calibration	3,321,904.00	
Benxi Iron and Steel (Group) Co., Ltd.	Repair charge	320,657,100.00	292,771,749.19
Benxi Iron and Steel (Group) Co., Ltd.	Raw materials and auxiliary	181,824.33	

Related party	Related party transaction	Amount incurred in the period	Amount incurred in the prior period
	materials		
Benxi Iron and Steel (Group) Co., Ltd.	Testing fee	278,654.36	
Benxi Iron and Steel (Group) Co., Ltd.	Testing fee		29,476.75
Benxi High-Tech Drilling Tool Manufacturing Co., Ltd	Spare parts		33,451.50
Benxi Xihu Metallurgical Burden Co., Ltd	Raw auxiliary materials	207,529,292.47	
Benxi New Business Development Co., Ltd	Engineering cost	24,369.91	
Benxi New Business Development Co., Ltd	Service fee	574,417.10	
Benxi New Business Development Co., Ltd	Rental fee	2,920,353.98	
Benxi New Business Development Co., Ltd	Raw auxiliary materials and meal fee		12,217,302.64
Dalian Boluole Steel Pipe Co., Ltd	Spare parts		693,726.32
Delin Industrial Products Co., Ltd	Engineering cost	834,704.34	
Delin Industrial Products Co., Ltd	Raw auxiliary materials and spare parts	74,741,575.57	10,765,203.78
Delin Land Port Supply Chain Service Co., Ltd	Storage charges	246,824.45	
Delin Land Port Supply Chain Service Co., Ltd	Testing fee	568,487.64	911,910.76
Liaoning Hengtai Heavy Machinery Co., Ltd	Engineering cost	37,188,300.00	13,781,211.87
Liaoning Hengtai Heavy Machinery Co., Ltd	Service fee	350,800.00	
Liaoning Hengtai Heavy Machinery Co., Ltd	Repair charge	18,645,700.00	15,853,592.59
Liaoning Hengtai Heavy Machinery Co., Ltd	Raw auxiliary materials and spare parts	10,665,788.41	18,919,911.07
Liaoning Hengtai Heavy Machinery Co., Ltd	Testing fee	78,037.61	147,379.53
Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd	Spare parts	133,050,407.42	135,689,377.05
Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd	Repair charge	4,914,275.00	5,984,428.81
Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd	Engineering cost		2,070,000.00
Liaoning Hengyi Steel Trading Co., Ltd	Spare parts		410,585,327.20
Liaoning Lide IOT Co., Ltd	Service fee	35,512,505.43	

Related party	Related party transaction	Amount incurred in the period	Amount incurred in the prior period
Liaoning Metallurgical Technician College	Spare parts		13,181,606.66
Liaoning Metallurgical Technician College	Training expense		1,180,127.18
Liaoning Metallurgical Vocational and Technical College	Training expense		239,175.22
Liaoning Metallurgical Vocational and Technical College	Repair service		14,450,747.87
Liaoning Yitong Machinery Manufacturing Co., Ltd	Spare parts	8,183,307.29	
Liaoning Yitong Machinery Manufacturing Co., Ltd	Engineering cost	18,050.00	
Liaoning Yitong Machinery Manufacturing Co., Ltd	Repair charge	15,272.60	
Pansteel Group Chengdu Vanadium and Titanium Resources Development Co., Ltd	Raw auxiliary materials	3,573,383.68	
Panzhuhua Iron and Steel Group Engineering Engineering Consulting Co., Ltd	Engineering cost	3,535,680.02	
Shanxi Products International Energy Co., Ltd	Raw fuels	43,561,493.05	
Tianjin Ansteel Steel Processing and Distribution Co., Ltd	Processing charge		1,448,165.59
Total		23,646,547,348.47	27,075,669,758.18

Table of selling products/providing services

Related party	Related party transaction	Amount incurred in the period	Amount incurred in the prior period
Ansteel (Hangzhou) Automobile Material Technology Co., Ltd.	Steel and Steel products	2,034,371.33	
Ansteel Steel Processing and Distribution (Dalian) Co., Ltd.	Steel and Steel products, processing income and logistic services	72,575,160.26	22,445,530.77
Ansteel Steel Processing and Distribution (Changchun) Co., Ltd.	Steel and Steel products	24,513,902.53	15,877,239.25
Ansteel Steel Processing and Distribution (Zhengzhou) Co., Ltd.	Steel and Steel products	10,469,864.30	6,664,609.41
Ansteel Steel Distribution (Hefei) Co., Ltd.	Steel and Steel products	9,172,909.61	41,250,074.07
Ansteel Steel Distribution (Wuhan) Co., Ltd.	Steel and Steel products	55,103,512.47	18,120,370.66
Ansteel Co., Ltd	Steel and Steel products and information technology services	1,317,394.48	61,069,908.45
Ansteel Chemical Technology Co., Ltd	Chemical and by products	156,801,931.63	142,937,378.90
Ansteel Group Engineering Technology Co., Ltd	Energy and power	39,419.63	81,276.69
Ansteel Group Energy Saving	Energy and power,	10,778,642.31	

Related party	Related party transaction	Amount incurred in the period	Amount incurred in the prior period
Technology Service Co., Ltd	detectionized test		
Ansteel Group Mining Co., Ltd	detectionized test	6,415.09	
Ansteel Construction Group Co., Ltd	Energy and power	197,984.99	119,001.02
Ansteel Green Resources Technology Co., Ltd	Chemical and by products, raw auxiliary materials and spare parts	133,922,761.19	92,587,078.07
Ansteel Energy Technology Co., Ltd	Energy and power	23,183,781.78	124,582.55
Anshan Iron and Steel Heavy Machinery Design and Research Institute Co., Ltd	Energy and power	4,853.78	
North Hengda Logistics Co., Ltd	Steel and Steel products, detectionized test	3,931,414,139.80	1,575,318,242.55
Benxi Iron and Steel Electric Co., Ltd	Energy and power	621,817.77	875,626.86
Benxi Iron and Steel Gaoyuan Industrial Development Co., Ltd	Energy and power, detectionized test	11,039.01	
Benxi Iron and Steel Group Co., Ltd	Energy and power	208,112.60	135,434.69
Benxi North Iron Industry Co., Ltd	Raw auxiliary materials and spare parts	192,687,665.61	
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	Energy and power, detectionized test, chemical and by-products, raw auxiliary materials and spare parts	282,002,512.53	59,612,037.69
Benxi Dongfeng Lake Iron and Steel Resources Utilization Co., Ltd	Energy and power, detectionized test, chemical and by-products, raw auxiliary materials and spare parts	27,512,145.34	
Benxi Iron and Steel (Group) Real Estate Development Co., Ltd.	Energy and power	74,559.84	110,785.80
Benxi Iron and Steel (Group) Engineering Construction Supervision Co., Ltd.	Energy and power	2,245.04	2,229.09
Benxi Iron and Steel (Group) Electromechanical Installation Engineering Co., Ltd.	Energy and power	272,525.36	
Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd.	Steel and Steel products, energy and power, detectionized test, raw auxiliary materials and spare parts	12,911,322.91	18,448,720.59
Benxi Iron and Steel (Group) Construction Advanced Decoration Co., Ltd.	Energy and power	527.01	
Benxi Iron and Steel (Group) Construction Co., Ltd.	Energy and power, information technology services and detectionized test	4,299,873.92	68,247,810.64

Related party	Related party transaction	Amount incurred in the period	Amount incurred in the prior period
Benxi Iron and Steel (Group) Mine Construction Engineering Co., Ltd.	Energy and power	595,139.57	
Benxi Iron and Steel (Group) Mining Liaoyang Jiajiabao Iron Mine Co., Ltd.	Energy and power and detectionized test	55,244,352.50	
Benxi Iron and Steel (Group) Mining Liaoyang Maerling Pellet Co., Ltd.	Energy and power, detectionized test, raw auxiliary materials and spare parts	83,205,175.45	
Benxi Iron and Steel (Group) Mining Yanjiagou Limestone Mine Co., Ltd.	Energy and power and detectionized test	2,052,313.28	
Benxi Iron and Steel (Group) Mining Co., Ltd.	Energy and power, chemical and by-products, logistic transportation, detectionized test, raw auxiliary materials and spare parts	559,201,878.94	956,298,497.17
Benxi Iron and Steel (Group) Road and Bridge Construction Engineering Co., Ltd.	Detectionized test	4,695.28	
Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd.	Energy and power, detectionized test, raw auxiliary materials and spare parts	66,722,210.85	27,593,537.32
Benxi Iron and Steel (Group) Equipment Engineering Co., Ltd.	Energy and power, detectionized test, raw auxiliary materials, spare parts and lease of fixed assets	10,477,308.55	1,066,969.43
Benxi Iron and Steel (Group) Industrial Development Co., Ltd.	Energy and power, detectionized test, logistic transportaiton, raw auxiliary materials and spare parts	11,699,668.02	40,159,705.27
Benxi Iron and Steel (Group) Information Automation Co., Ltd.	Energy and power, detectionized test, raw auxiliary materials and spare parts	943,413.65	153,773.87
Benxi Iron and Steel (Group) Metallurgical Slag Co., Ltd.	raw auxiliary materials and spare parts	94,191,190.98	5,533,038.14
Benxi Iron and Steel (Group) Co., Ltd.	Energy and power, detectionized test, raw auxiliary materials and spare parts	6,966,540.85	15,283,844.12
Benxi Xihu Metallurgical Burden Co., Ltd	Energy and power, detectionized test	51,845.77	
Benxi Weier Surfacing Manufacturing Co., Ltd	Energy and power	39,029.56	

Related party	Related party transaction	Amount incurred in the period	Amount incurred in the prior period
Benxi New Business Development Co., Ltd	Energy and power and detectionized test	51,788.65	44,469.48
Dalian Boluole Steel Pipe Co., Ltd	Steel and Steel products, logistic transportation	16,114,335.27	3,396.23
Delin Land Port Supply Chain Service Co., Ltd	Steel and Steel products	816,321,523.81	68,534,296.17
Guangzhou Ansteel Steel Processing Co., Ltd	Steel and Steel products	12,510,453.69	1,608,574.50
Liaoning Hengtai Heavy Machinery Co., Ltd	Energy and power, detectionized test	12,194.90	8,558.44
Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd	detectionized test, raw auxiliary materials and spare parts	174,388,966.12	35,333,688.31
Liaoning Slag Micropowder Co., Ltd	detectionized test	12,120.75	
Liaoning Yitong Machinery Manufacturing Co., Ltd	Energy and power, detectionized test	9,874.53	
Pansteel Group Jiangyou Great Wall Special Steel Co., Ltd	Steel and Steel products	14,852,323.92	
Tianjin Ansteel Steel Processing and Distribution Co., Ltd	Steel and Steel products	1,415,942.58	1,607,469.03
Tianjin Ansteel International North Trade Co., Ltd	Steel and Steel products	249,512,844.48	
Yantai Ansteel International Trade Co., Ltd	Steel and Steel products	509,560.40	
Changchun FAW Ansteel Steel Processing and Distribution Co., Ltd	Steel and Steel products	1,969,914.22	9,768,207.73
Total		7,131,217,998.69	3,287,025,962.96

2. Lease information of related parties

The Company as the lessor:

Lessee	Type of leased assets	Lease income recognized in the period	Lease income recognized in the prior period
Ansteel Tendering Co., Ltd.	Warehouse and ancillary facilities		255,045.87
Benxi Iron and Steel Tendering Co., Ltd.	Warehouse and ancillary facilities		250,917.43
Benxi Steel and Iron (Group) Equipment Project Co., Ltd.	Warehouse and ancillary facilities	217,960.00	

The Company as the lessee:

Lessor	Type of leased assets	Amount incurred in the period					Amount incurred in the prior period				
		Rental expense on short term leases and leases of low value assets with a simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities assumed	Increase in right-of-use assets	Rental expense on short term leases and leases of low value assets with a simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities assumed	Increase in right-of-use assets
Benxi Steel & Iron (Group) Co., Ltd.	Land use right 7,669,068.17 square meter, land use right 42,920.00 square meter			27,716,930.88	39,000,108.00				55,251,233.39	39,600,209.28	
Benxi Steel & Iron (Group) Co., Ltd.	2300 hot rolling product line, related real estate			8,042,372.92	7,740,688.68				16,098,161.06	7,982,648.96	
Benxi Beiyong Iron and Steel (Group) Co., Ltd.	1780 hot rolling product line, related real estate				5,961,443.40				12,397,899.09	6,147,787.68	

Lessor	Type of leased assets	Amount incurred in the period					Amount incurred in the prior period				
		Rental expense on short term leases and leases of low value assets with a simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities assumed	Increase in right-of-use assets	Rental expense on short term leases and leases of low value assets with a simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities assumed	Increase in right-of-use assets
Bengang Group Co., Ltd.	Land use right 728,282.30 square meter			4,886,077.60	2,449,918.80				9,945,423.08	2,666,923.92	
North Hengda Logistics Co., Ltd.	Office room property						120,596.33				

3. Remuneration of key management personnel

Unit: RMB10,000		
Item	Amount incurred in the period	Amount incurred in the prior period
Remuneration of key management personnel	427.09	335.63

(VI) Receivables and payables of related party

1. Receivables

Item	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Ansteel Steel Processing and Distribution (Dalian) Co., Ltd	27,279,295.84	272,792.96		
Accounts receivable	Ansteel Steel Company Limited.			30,314,005.82	303,140.06
Accounts receivable	Ansteel Group Engineering Technology Co., Ltd	30,509.40	305.09		
Accounts receivable	Ansteel Group Mining Co., Ltd				
Accounts receivable	Anshan Steel Construction Group Co., Ltd	4,154.16	41.54		
Accounts receivable	Ansteel Green Resources Technology Co., Ltd			4,667,550.15	46,675.50
Accounts receivable	Ansteel Energy Technology Co., Ltd	283.53	2.84		
Accounts receivable	Bensteel Group International economic trading Co., Ltd	854,482,902.28	29,419,309.19	663,311,074.79	6,633,110.75
Accounts receivable	Bensteel Group Co., Ltd	1,246.09	12.46		
Accounts receivable	Benxi North iron industry Co., Ltd	52,161,339.98	539,226.50		
Accounts receivable	Benxi Dongfeng Lake iron and steel resources utilization Co., Ltd	1,129,130.33	11,291.30		
Accounts receivable	Benxi Iron and Steel (Group) Real Estate Development Co., Ltd	269,832.53	244,698.20		
Accounts	Benxi Iron and	5,954,675.29	10,700.06		

Item	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
receivable	Steel (Group) Construction Co., Ltd				
Accounts receivable	Benxi Iron and Steel (Group) Mine Construction Engineering Co., Ltd	662,998.24	11,004.96		
Accounts receivable	Benxi Iron and Steel (Group) Mining mineral Resources Development Co., Ltd	88,983.85	889.84		
Accounts receivable	Benxi Iron and Steel (Group) Mining Liaoyang Jiajiapu Iron Ore Co., Ltd	303,609.00	3,036.09		
Accounts receivable	Benxi Iron and Steel (Group) mining Liaoyang Ma 'er Ling Pellet Co., Ltd	1,602,237.39	16,022.37		
Accounts receivable	Benxi Iron and Steel (Group) Mining Co., Ltd	43,742,238.95	437,422.39	500,000.00	
Accounts receivable	Benxi Iron and Steel (Group) thermal development Co., Ltd	14,206,508.48	122,217.47	840,398.67	8,403.99
Accounts receivable	Benxi Iron and Steel (Group) Equipment Engineering Co., Ltd	11,642,752.56	256,914.89		
Accounts receivable	Benxi Iron and Steel (Group) Industrial development Co., Ltd	20,496,130.86	2,727.99		
Accounts receivable	Benxi Iron and Steel (Group) information automation Co., Ltd	14,700.00	147.00		
Accounts receivable	Benxi Iron and Steel (Group) Co., Ltd	19,025,699.80	681,571.55		
Accounts receivable	Benxi Xihu Metallurgical Charge Co., Ltd	13,216.40	132.16		
Accounts receivable	Benxi Well Surfacing Welding Manufacturing Co., Ltd	191,720.22	16,994.63		
Accounts receivable	Benxi New Business	49,497.48	55.28		

Item	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Development Co., Ltd				
Accounts receivable	Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd	162,404,481.01	1,637,032.46	144,307.22	1,443.07
Accounts receivable	Liaoning Slag Powder Co., Ltd	12,848.00	128.48		
Accounts receivable	Ansteel Steel Processing and Distribution (Zhengzhou) Co., Ltd			4,477,814.06	44,778.14
Accounts receivable	Ansteel Steel Distribution (Hefei) Co., Ltd			248,775.35	2,487.75
Accounts receivable	Benxi Iron and Steel (Group) Thermal Development Co., Ltd	1,984,761.29	19,847.61		
Accounts receivable	Ansteel Steel Distribution (Wuhan) Co., Ltd			8,113,115.19	81,131.15
Other receivables	Ansteel Co., Ltd	95,781.27	46,061.89	421,142.66	421,142.66
Other receivables	Ansteel Group Co., Ltd	6,706.00	67.06		
Other receivables	Saddle Capital (Tianjin) Financial Leasing Co., Ltd	8,064,427.98	80,644.28		
Other receivables	North Hengda Logistics Co., Ltd	1,000.00	-	65,563.55	
Other receivables	Bensteel Group International economic trading Co., Ltd	6,617.52	6,617.52	6,617.52	
Other receivables	Bensteel Group Co., Ltd	7,305.59	73.06		
Other receivables	Benxi Dongfeng Lake iron and steel resources utilization Co., Ltd	3,478,250.07	23,340.75		
Other receivables	Benxi Iron and Steel (Group) Electromechanical Installation Engineering Co., Ltd				
Other receivables	Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd	1,061,981.67	106,198.17		
Other	Benxi Iron and	250,679.61	250,679.61	13,028,492.10	433,910.93

Item	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
receivables	Steel (Group) Construction Co., Ltd				
Other receivables	Benxi Iron and Steel (Group) Mining Co., Ltd			1,193,997.66	11,939.98
Other receivables	Benxi Iron and Steel (Group) Thermal Development Co., Ltd				
Other receivables	Benxi Iron and Steel (Group) equipment Engineering Co., Ltd			4,760,949.45	47,609.49
Other receivables	Benxi Iron and Steel (Group) Industrial development Co., Ltd	431,639.87	43,163.99		
Other receivables	Benxi Iron and Steel (Group) Co., Ltd	7,413,860.80	4,561,714.36		
Other receivables	Benxi New Business Development Co., Ltd	2,280,942.73	2,280,942.73		
Other receivables	Liaoning Hengtai heavy machine Co., Ltd	3,545,583.40	35,455.83		
Other receivables	Benxi Iron and Steel (Group) Real Estate Development Co., Ltd			1,097,290.88	991,268.28
Other receivables	Ansteel Heavy Machinery Design and Research Institute Co., Ltd			5,176,720.00	51,767.20
Other receivables	Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd			144,307.22	1,443.07
Other receivables	Bengang Electric Co., Ltd			36,455.28	364.55
Other receivables	Ansteel Group Engineering Technology Co., Ltd			73,908.67	739.09
Other non-current assets	Ansteel Co. Ltd	7,305.45			
Other non-current assets	Ansteel Group Engineering Technology Co., Ltd	14,517,451.17			
Other non-	Ansteel Heavy	3,506,580.00			

Item	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
current assets	Machinery Design and Research Institute Co., Ltd				
Other non-current assets	Bensteel Gaoyuan Industrial Development Co., Ltd	542,400.00			
Other non-current assets	Benxi Iron and Steel (Group) Machinery manufacturing Co., Ltd	4,176.00			
Other non-current assets	Benxi Iron and Steel (Group) construction Co., Ltd	22,094,076.34			
Other non-current assets	Benxi Iron and Steel (Group) Mine construction Engineering Co., Ltd	3,155,429.08			
Other non-current assets	Benxi Iron and Steel (Group) Equipment Engineering Co., Ltd	22,915,336.04			
Other non-current assets	Benxi Iron and Steel (Group) Industrial Development Co., Ltd	833,139.38			
Other non-current assets	Benxi Iron and Steel (Group) information automation Co., Ltd	16,042,420.95			
Other non-current assets	Liaoning Hengtai heavy machine Co., Ltd	263,473.40			
Other non-current assets	Anshan Steel Construction Group Co., Ltd			132,687.84	
Prepayments	Ansteel Steel Company Limited.	882,482.46			
Prepayments	Ansteel Group Engineering Technology Co., Ltd	6,774,166.05			
Prepayments	Ansteel Group International Economic trading Co., Ltd	0.01		0.01	
Prepayments	North Hengda Logistics Co., Ltd	874,210.39			
Prepayments	Bensteel Group International economic trading Co., Ltd	10,176,164.50		398,341,075.40	
Prepayments	Benxi Beiyong	1,119,904.00			

Item	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Iron and Steel Group Import and export Co., Ltd				
Prepayments	Benxi Iron and Steel (Group) Machinery manufacturing Co., Ltd			49,429,296.57	
Prepayments	Benxi Iron and Steel (Group) equipment Engineering Co., Ltd	3,162,173.15			
Prepayments	Benxi Iron and Steel (Group) information automation Co., Ltd	1,075,365.83			
Prepayments	Benxi New Business Development Co., Ltd	8,122,937.94		2,324,912.22	

2. Payables

Item name	Related party	Closing balance	Opening balance
Accounts payable	Ansteel Electric Co., Ltd	170,418.08	
Accounts payable	Ansteel Scrap Resources (Anshan) Co., Ltd .	66,774,511.99	52,203,765.63
Accounts payable	Ansteel Steel Processing and Distribution (Changchun) Co., Ltd .	208,377.96	
Accounts payable	Ansteel Steel Rope Co., Ltd	263,044.11	894,924.67
Accounts payable	Ansteel Co., Ltd	145,476.64	
Accounts payable	Ansteel Group Engineering Technology Co., Ltd	170,708.00	
Accounts payable	Ansteel Group International Economic Trade Co., Ltd .	38,512,770.27	
Accounts payable	Ansteel Group Mining Gongchangling Co., Ltd	6,637,769.40	
Accounts payable	Ansteel energy technology Co., Ltd	132,150.38	
Accounts payable	Ansteel Industrial Group (Anshan) Equipment Operation and Maintenance Co., Ltd .	3,063,464.44	
Accounts payable	Anshan Iron and Steel	2,198,235.32	2,265,928.00

Item name	Related party	Closing balance	Opening balance
	Industry Group Metallurgical Machinery Co., Ltd		
Accounts payable	Ansteel heavy machinery Co., Ltd	864,614.53	2,873,047.05
Accounts payable	Anshan iron and steel metallurgy furnace material technology Co., Ltd	5,954,131.61	
Accounts payable	North Hengda logistics Co., Ltd	4,962,246.27	
Accounts payable	Benxi Steel Stainless Steel Cold Rolling Dandong Co., Ltd	42,982.27	
Accounts payable	Benxi Iron and Steel Electric Co., Ltd	2,903,896.45	1,893,516.67
Accounts payable	Benxi Iron and Steel Gaoyuan Industrial Development Co., Ltd	1,125,249.71	
Accounts payable	Benxi Iron and Steel Group International Economic Trade Co., Ltd .	47,218,526.77	51,306,166.70
Accounts payable	Benxi Iron and Steel Group Co., Ltd	4,688,315.28	50,000.00
Accounts payable	Benxi Aike hydraulic seal Co., Ltd	1,646,773.75	
Accounts payable	Benxi North Iron Industry Co., Ltd	4,486,925.32	
Accounts payable	Benxi Beiyong Iron and Steel (Group) Co., Ltd .	152,926,015.01	131,248,293.37
Accounts payable	Benxi Beiyong Iron and Steel Group Import and Export Co., Ltd	225,141.59	
Accounts payable	Benxi Dongfeng Lake Iron and Steel Resources Utilization Co., Ltd	11,255,094.10	
Accounts payable	Benxi Iron and Steel (Group) First architectural engineering Co., Ltd .	108.90	
Accounts payable	Benxi Iron and Steel (Group) Real Estate Development Co., Ltd .	130,815.00	372,520.06
Accounts payable	Benxi Iron and Steel (Group) Guomao Tengda Co., Ltd .	42,667,716.38	
Accounts payable	Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd .	2,228,869.19	2,874,934.49
Accounts payable	Benxi Iron and Steel (Group) Construction Advanced Decoration Co., Ltd .	264,705.62	
Accounts payable	Benxi Iron and Steel (Group) Construction Co., Ltd .	35,954,925.98	240,928,491.19

Item name	Related party	Closing balance	Opening balance
Accounts payable	Benxi Iron and Steel (Group) Mine Construction Engineering Co., Ltd .	7,069,202.17	
Accounts payable	Benxi Iron and Steel (Group) Mining Liaoyang Maerling Pellet Co., Ltd .	55,297,876.79	
Accounts payable	Benxi Iron and Steel (Group) Mining Co., Ltd .	71,864,074.04	45,768,605.27
Accounts payable	Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd .	281,092.78	413,463.33
Accounts payable	Benxi Iron and Steel (Group) Equipment Engineering Co., Ltd .	47,480,851.11	87,111,368.27
Accounts payable	Benxi Iron and Steel (Group) Industrial Development Co., Ltd .	99,026,848.37	75,043,780.30
Accounts payable	Benxi Iron and Steel (Group) Information Automation Co., Ltd .	18,762,233.66	88,684,293.06
Accounts payable	Benxi Iron and Steel (Group) Metallurgical Slag Co., Ltd .	250,593.53	47,468,411.05
Accounts payable	Benxi Iron and Steel (Group) Co., Ltd .	32,174,626.26	39,872,070.78
Accounts payable	Benxi Xihu metallurgical burden Co., Ltd	25,620,902.35	
Accounts payable	Benxi Weier surfacing manufacturing Co., Ltd	234,112.13	
Accounts payable	Benxi new cause development Co., Ltd	3,357,637.09	18,937.09
Accounts payable	Delin industrial products Co., Ltd	9,685,683.68	9,556,739.82
Accounts payable	Delin dry port supply chain service Co., Ltd	58,351.28	
Accounts payable	Liaoning hengtai heavy machinery Co., Ltd	18,098,769.50	
Accounts payable	Liaoning hengtong metallurgical equipment manufacturing Co., Ltd	1,409,071.37	30,626,084.39
Accounts payable	Liaoning Lide IOT Co., Ltd	4,170,770.16	
Accounts payable	Liaoning Metallurgical Vocational and Technical College	48,048.00	513,779.95
Accounts payable	Liaoning yitong machinery manufacturing Co., Ltd	2,127,118.28	

Item name	Related party	Closing balance	Opening balance
Accounts payable	Shanxi products international energy Co., Ltd	91,859.97	
Accounts payable	Tianjin Bengang Plate Processing and Distribution Co., Ltd	7.25	
Contract liabilities	Ansteel (Hangzhou) Automobile Material Technology Co., Ltd .	299,035.59	
Contract liabilities	Ansteel Steel Processing and Distribution (Changchun) Co., Ltd .	5,370,495.95	695,012.13
Contract liabilities	Ansteel Steel Distribution (Hefei) Co., Ltd .	3,050,349.68	4,731,954.99
Contract liabilities	Ansteel steel Co., Ltd	130,744.73	
Contract liabilities	Ansteel chemical technology Co., Ltd	6,485,543.83	3,631,726.76
Contract liabilities	Ansteel green resources technology Co., Ltd	1,484,311.95	
Contract liabilities	Ansteel energy technology Co., Ltd	283.55	12,048.13
Contract liabilities	Anshan Iron and Steel Heavy Machinery Design and Research Institute Co., Ltd	23,079.79	
Contract liabilities	North Hengda logistics Co., Ltd	54,423,037.31	53,109,140.37
Contract liabilities	Benxi Beiyong Iron and Steel (Group) Co., Ltd .	1,579,294.00	
Contract liabilities	Benxi Dongfeng Lake Iron and Steel Resources Utilization Co., Ltd	2,470,669.23	
Contract liabilities	Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd .	177,026.55	
Contract liabilities	Benxi Iron and Steel (Group) Construction Co., Ltd .	5,898.81	
Contract liabilities	Benxi Iron and Steel (Group) Mining Co., Ltd .	4,862,723.19	
Contract liabilities	Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd .	4,487,918.73	
Contract liabilities	Benxi Iron and Steel (Group) Industrial Development Co., Ltd .	1,587,538.32	535,124.96
Contract liabilities	Benxi Iron and Steel (Group) Information Automation Co., Ltd .		
Contract liabilities	Benxi Iron and Steel (Group) Metallurgical Slag Co., Ltd .	0.02	1,044,047.73
Contract liabilities	Benxi Xihu	20,000.00	

Item name	Related party	Closing balance	Opening balance
	metallurgical burden Co., Ltd		
Contract liabilities	Dalian Boluole Steel Pipe Co., Ltd	3,221,292.56	1,776,832.88
Contract liabilities	Delin Dry Port Supply Chain Service Co., Ltd	188,703,584.97	14,902,176.11
Contract liabilities	Guangzhou Ansteel Steel Processing Co., Ltd	1,067.17	644,213.74
Contract liabilities	Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd	3,588,934.12	
Contract liabilities	Liaoning Metallurgical Vocational and Technical College	0.01	
Contract liabilities	Panzhuhua Iron and Steel Group Jiangyou Great Wall Special Steel Co., Ltd	1,779,438.17	
Contract liabilities	Tianjin Ansteel steel processing and distribution Co., Ltd	374,664.00	
Contract liabilities	Tianjin Ansteel International North Trading Co., Ltd		32,000,000.00
Contract liabilities	Changchun FAW Ansteel Steel Processing and Distribution Co., Ltd	589,358.32	69,561.39
Contract liabilities	Ansteel Steel Processing and Distribution (Dalian) Co., Ltd .		2,468,274.66
Contract liabilities	CIMC Tongchuang (Zhejiang) Steel Chain Co., Ltd .		80,484,269.96
Contract liabilities	Wuhan yuanhong trading Co., Ltd		4,736,783.67
Other payables	Ansteel (Liaoning) Material Technology Co., Ltd .	390,000.00	
Other payables	Ansteel Scrap Resources (Anshan) Co., Ltd .	500,000.00	52,203,765.63
Other payables	Ansteel Group Engineering Technology Co., Ltd	183,423,813.04	73,908.67
Other payables	Ansteel group Co., Ltd	1,635.00	
Other payables	Ansteel Group Automation Co., Ltd	1,283,900.00	3,565,330.00
Other payables	Ansteel construction group Co., Ltd	6,676,229.55	132,687.84
Other payables	Ansteel metal structure Co., Ltd	10,000.00	10,000.00
Other payables	Anshan Iron and Steel Heavy Machinery Design and Research Institute Co., Ltd	50,000.00	5,176,720.00

Item name	Related party	Closing balance	Opening balance
Other payables	Ansteel heavy machinery Co., Ltd	409,930.10	189,621.75
Other payables	Anshan Ansteel international travel agency Co., Ltd	245,460.00	
Other payables	Anshan iron and steel metallurgy furnace material technology Co., Ltd	50,000.00	
Other payables	North Hengda logistics Co., Ltd	5,522,865.33	65,563.55
Other payables	Benxi Iron and Steel Electric Co., Ltd	5,768,826.24	36,455.28
Other payables	Benxi Iron and Steel Gaoyuan Industrial Development Co., Ltd	3,058,404.54	
Other payables	Benxi Iron and Steel Group International Economic Trade Co., Ltd .	44,960,728.47	663,311,074.79
Other payables	Benxi Iron and Steel Group Co., Ltd	903,375.93	
Other payables	Benxi aike hydraulic seal Co., Ltd	142,790.82	
Other payables	Benxi Beiyong Iron and Steel (Group) Co., Ltd .	40,103,767.22	3,100,000.00
Other payables	Benxi Steel (Group) and Beijing Steel Co., Ltd .	210,000.00	
Other payables	Benxi Dongfeng Lake Iron and Steel Resources Utilization Co., Ltd	950,878.70	
Other payables	Benxi Iron and Steel (Group) No.3 architectural engineering Co., Ltd .	381,280.45	
Other payables	Benxi Iron and Steel (Group) First architectural engineering Co., Ltd .	1,999,087.29	
Other payables	Benxi Iron and Steel (Group) Engineering Construction Supervision Co., Ltd .		49,429,296.57
Other payables	Benxi Iron and Steel (Group) Machinery Manufacturing Co., Ltd .	75,000.00	
Other payables	Benxi Iron and Steel (Group) Inspection and Testing Co., Ltd .	265,274.55	
Other payables	Benxi Iron and Steel (Group) Construction Advanced Decoration Co., Ltd .	186,939,097.90	13,028,492.10
Other payables	Benxi Iron and Steel (Group) Construction Co., Ltd .	36,371,606.19	
Other payables	Benxi Iron and Steel (Group) Mine Construction	318.66	

Item name	Related party	Closing balance	Opening balance
	Engineering Co., Ltd .		
Other payables	Benxi Iron and Steel (Group) Road and Bridge Construction Engineering Co., Ltd .	2,070,400.72	840,398.67
Other payables	Benxi Iron and Steel (Group) Thermal Power Development Co., Ltd .	293,195,637.86	4,760,949.45
Other payables	Benxi Iron and Steel (Group) Equipment Engineering Co., Ltd .	4,078,753.90	10,191,802.55
Other payables	Benxi Iron and Steel (Group) Industrial Development Co., Ltd .	54,062,361.00	1,150,225.42
Other payables	Benxi Iron and Steel (Group) Information Automation Co., Ltd .	13,372,608.70	
Other payables	Benxi Iron and Steel (Group) Co., Ltd .	200,000.00	
Other payables	Benxi Xihu metallurgical burden Co., Ltd	15,131,176.03	2,324,912.22
Other payables	Benxi New Cause Development Co., Ltd	20,000.00	450,952.17
Other payables	Dalian Boluole steel pipe Co., Ltd	943,215.92	9,556,739.82
Other payables	Delin industrial products Co., Ltd	6,941,075.21	13,619,388.23
Other payables	Liaoning hengtai heavy machinery Co., Ltd	20,000.00	144,307.22
Other payables	Liaoning hengtong metallurgical equipment manufacturing Co., Ltd	2,229,204.00	
Other payables	Liaoning Metallurgical Technician College	707,260.00	528,854.07
Other payables	Liaoning Metallurgical Vocational and Technical College	30,396.50	
Other payables	Liaoning Yitong Machinery Manufacturing Co., Ltd	1,001,991.58	
Other payables	Pansteel Group Engineering Engineering Consulting Co., Ltd		523,642.00
Other payables	Ansteel Electric Co., Ltd		345,269.90
Other payables	Liaoning Jinsuoju Material Technology Co., Ltd		543,412.47

(VII) Centralized management of funds

1. The main contents of the centralized management of funds that the Company participates in and implements are as follows:

In December 2021, after negotiation with Ansteel Group Finance Co., Ltd. (hereinafter referred to as Ansteel Finance Company), the Financial Services Agreement (2022-2024) was signed to stipulate the relevant financial business terms and the upper limit of the relevant transaction amount between the Company and its subsidiaries and Ansteel Finance Company in 2022, 2023 and 2024. According to the agreement, in the next 12 months, the maximum daily deposit balance of the Company and its holding subsidiaries in Ansteel Finance Company is 4.5 billion yuan, the maximum credit limit for loans, bills and other forms is 5 billion yuan, and the maximum entrusted loan provided by Ansteel Finance Company to the Company is RMB2 billion .

In December 2021, after negotiation with Ansteel Group Finance Co., Ltd. (hereinafter referred to as Ansteel Finance Company), the Financial Services Agreement (2022-2024) was signed to agree on the relevant financial business terms and amount cap of related transactions between the Company and its subsidiaries and Ansteel Finance Company in 2022, 2023, and 2024. The agreement stipulates that the maximum daily deposit balance of the Company and its holding subsidiaries in Ansteel Finance Company in the next twelve months is RMB 4.5 billion, the maximum credit limit of loans, bills and other forms is RMB 5 billion, and Ansteel Finance Company provides entrusted loans to the Company. The maximum limit is RMB 2 billion.

2. Funds of the Company centralized to the Group

Funds that are not centralized to Group parent company and directly deposited into financial company.

Item name	Closing balance		Opening balance	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Cash and cash equivalents (Deposited)	391,377,566.87		1,074,918,531.75	

Item name	Closing balance		Opening balance	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
into Ansteel Group Financial Co., Ltd.)				
Total	391,377,566.87		1,074,918,531.75	
Including: Funds with restricted withdrawal due to fund centralized management				

XI. Commitments and Contingencies

(I) Significant commitments

1. Significant commitments at the balance sheet date

(1) According to the Land Use Right Leasing Contract and subsequent supplementary agreements signed by the Company and Benxi Steel (Group) on April 7th, 1997, and December 30th, 2005, the Company leased land from Benxi Steel (Group). The monthly rent is RMB 0.594 per square meter, the leased land area is 7,669,068.17 square meters, and the annual rent is RMB 54,665,100.

(2) On August 14th, 2019, the Company signed the *House Lease Agreement* with Benxi Steel (Group) and Beiying Steel respectively, leasing the houses and auxiliary facilities occupied by 2300 and 1780 hot rolling mill production lines, and the lease term ends on December 31st, 2038. The rental fee is based on the depreciation of the original rent value and the national additional tax, plus reasonable profit negotiation. The estimated annual rent is not more than RMB 20 million and RMB 18 million respectively. The rental fee is settled and paid monthly. This related party transaction has been reviewed and approved at the fourth meeting of the eighth Board of Directors of the Company.

(3) On July 15th, 2019, the Company signed *Land Lease Agreement* with Bengang Group and Benxi Steel (Group) respectively, and leased and used a total of 8 pieces of land of the two companies. The lease areas are 42,920.00 square meters and 728,282.30 square meters respectively, with a lease term of 20 years, and a rental price of RMB 1.138 per square meter per month. After the agreement comes into effect, considering the national law and policy adjustments every five years, both parties should determine whether the rent needs to be adjusted according to the pricing basis stipulated in Article 2 of this agreement. This related party transaction

has been reviewed and approved at the third meeting of the eighth Board of Directors of the Company.

(4) As at December 31st, 2023, the amount of irrevocable letter of credit that was not fulfilled was RMB 1.3 billion.

(II) Contingencies

As at December 31st, 2023, it also should be stated that the Company has no significant contingencies that are required to be disclosed

XII. Events after the balance sheet date

On April 20th, 2024, the Company published *Bengang Steel Plates Co., Ltd. Process Announcement on Great Assets Replacement and Related Transactions*. The Company intends to conduct assets replacement with the controlling shareholder—Benxi Iron&Steel (Group) Co., Ltd. (hereinafter referred to as Benxi Iron&Steel). The assets intended to be purchased is 100% stock rights of Benxi Iron&Steel (Group) Mining Industry Co., Ltd; The assets intended to be sold are all assets and liabilities other than retained assets and liabilities of listed company. The difference between assets intended to be purchased and assets intended to be sold shall be compensated in cash by one party to the other. Currently, elements such as the scope of specific underlying assets and trading prices still need further argument and communication. Essential decisions and approval procedures shall be conducted according to relevant laws, regulations and articles of associations. Significant uncertainties of relevant events still remain.

XIII. Other significant events

(I) Significant prior error correction

None.

(II) Significant debt restructuring

Item	Way of debt restructuring	Book value of the original restructuring debt	Confirmed gain/loss from debt restructuring	Capital stock increase caused by debt turning into capital	Investment increase caused by debt turning into stock	Ratio of the investment in total share of the debtor (%)	Contingent payable/Contingent receivable	Confirmation measure and source for fair value during debt restructuring
Accounts payable	Settlement of debts by cash the value is less than the book value of the debts	15,944,424.62	5,179,346.89					
Total		15,944,424.62	5,179,346.89					

(III) Segment information

Since the Company's main product is steel, other products have a small proportion of sales, the main production base is in Liaoning, and the disclosure of the segment report is not applicable.

XIV. Notes to the financial statements of parent company

(I) Accounts receivable

1. Accounts receivable disclosed by aging

Aging	Closing balance	Year end balance for last year
Within 1 year	719,865,861.39	924,570,849.45
1-2 years	561,695,759.42	14,717,227.92
2-3 years	647,190.77	1,087,625.52
3-4 years	845,982.97	1,579,610.23
4-5 years	503,056.19	16,776,684.51
Over 5 years	98,702,147.96	135,116,794.18
Subtotal	1,382,259,998.70	1,093,848,791.81
Less: Provision for bad debts	138,933,196.14	162,812,995.23
Total	1243,326,802.56	931,035,796.58

2. Accounts receivable disclosed by bad debt provision

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion accrued (%)		Account	Proportion (%)	Account	Proportion accrued (%)	
Provision for bad debts made on an individual basis	48,196,244.68	3.49	48,196,244.68	100.00		48,196,244.68	4.41	48,196,244.68	100.00	
Provision for bad debts by the portfolio of credit risk characteristics:	1,334,063,754.02	96.51	90,736,951.46	6.80	1,243,326,802.56	1,045,652,547.13	95.59	114,616,750.55	10.96	931,035,796.58
Including:										
Aging portfolio	1,021,248,997.51	73.88	90,736,951.46	8.88	930,512,046.05	886,147,539.07	81.01	114,616,750.55		771,530,788.52
Associates portfolio	312,814,756.51	22.63			312,814,756.51	159,505,008.06				159,505,008.06
Total	1,382,259,998.70	100.00	138,933,196.14		1,243,326,802.56	1,093,848,791.81	100.00	162,812,995.23		931,035,796.58

Significant accounts receivable whose provision for bad debts was made on an individual basis:

Name	Closing balance			Opening balance		
	Book balance	Provision for bad debt	Accrual basis (%)	Accrual basis	Book balance	Provision for bad debt
Benxi Nanfen Xinhe Metallurgical Furnace Material Co., Ltd.	48,196,244.68	48,196,244.68	100.00		48,196,244.68	48,196,244.68
Total	48,196,244.68	48,196,244.68			48,196,244.68	48,196,244.68

Provision for bad debt by portfolio of credit risk characteristics:

Portfolio accrual item: Aging portfolio

Item	Closing balance		
	Accounts receivable	Provision for bad debt	Accrual ratio (%)
Within 1 year (inclusive)	645,801,283.97	6,458,012.84	1.00
1 to 2 years (inclusive)	322,945,580.33	32,294,558.03	10.00
2 to 3 years (inclusive)	647,190.77	129,438.15	20.00
3 to 4 years (inclusive)	845,982.97	845,982.97	100.00
4 to 5 years (inclusive)	503,056.19	503,056.19	100.00
Over 5 years	50,505,903.28	50,505,903.28	100.00
Total	1,021,248,997.51	90,736,951.46	

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

Category	Opening balance	Amount of change in the current period			Closing balance
		Accrual	Recovery or reversal	Write-off Other changes	
Provision for bad debts on accounts receivable	162,812,995.23	- 22,432,038.01		1,447,761.08	138,933,196.14
Total	162,812,995.23	- 22,432,038.01		1,447,761.08	138,933,196.14

Of which the amount of provision for bad debts recovered or reversed in the current period is material: None.

4. Actual write-off of accounts receivable in the current period

Item	Write-off amount
Actual write-off of accounts receivable	1,447,761.08

Of which significant write-offs of accounts receivable:

Name of the company	Nature of payment receivable	Write-off amount	Reasons for write-off	Write-off procedures performed	Whether the amount arises from related transactions
Jining Forging Center	Payment for good	461,229.33	Cancelled	Legal advice and working conference minute	No
Xuzhou Jinshanjiao Development Zone Yong'an Metal Material Corporation	Payment for goods	200,265.48	A suspended company that is unreachable for a long time without business transactions and included in the management of account write-offs	Legal advice and working conference minute	否
Shanghai Bengang Industry and Trade Company	Payment for goods	193,625.29	Cancelled	Legal advice and working conference minute	No
ORDINS Northeast Company Fushun Technology and Trade Center	Payment for goods	155,616.74	A suspended company that is unreachable for a long time without business transactions and included in the management of account write-offs	Legal advice and working conference minute	No
Tonghua Machinery Factory for Grain and Oils	Payment for goods	141,139.39	Cancelled	Legal advice and working conference minute	No
Bengang Yantai Marketing Co., Ltd	Payment for goods	138,378.96	Cancelled	Legal advice and working conference minute	No
Shandong Zhucheng Industrial	Payment for goods	87,085.43	A suspended company that is unreachable	Legal advice and working conference	No

Name of the company	Nature of payment receivable	Write-off amount	Reasons for write-off	Write-off procedures performed	Whether the amount arises from related transactions
Supply and Marketing Company			for a long time without business transactions and included in the management of account write-offs	minute	
Tieling Jinlong Sale Agency for Petroleum Pipeline Mechanical Products	Payment for goods	24,608.99	Cancelled	legal advice and working conference minute	No
Shenzhen Zhongtianda Product Industry and Trade Co., Ltd.	Payment for goods	20,441.96	Cancelled	legal advice and working conference minute	No
Benxi Steel Material Sale Agency	Payment for goods	7,167.87	A suspended company that is unreachable for a long time without business transactions and included in the management of account write-offs	Legal advice and working conference minute	No
Shunde Xiqiangsheng Mould Co., Ltd.	Payment for goods	6,997.93	Cancelled	Legal advice and working conference minute	No
Heilongjiang Hua'an Industry Group Corporation	Payment for goods	5,637.27	Cancelled	Legal advice and working conference minute	No
Guagdong Zhaoqing Construction Materials and Mineral Product Company for Township Enterprises	Payment for goods	5,566.44	Cancelled	Legal advice and working conference minute	No
Total		1,447,761.08			

5. Accounts receivable of the top five closing balances collected by arrears and contract assets

Name of the company	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Percentage of total closing balance of accounts receivable and contract assets (%)	Closing balance of bad debt provision for accounts receivable and provision for impairment for contract assets
Bengang Group International Economy and Trade Co., Ltd	483,565,406.67		483,565,406.67	34.98	29,419,309.19
Liaoning Hengtong Metallurgical Equipment Manufacturing Co., Ltd	162,404,481.01		162,404,481.01	11.75	1,637,032.46
Liaoning Benxi North Coal Chemical Co., Ltd.	79,511,150.05		79,511,150.05	5.75	795,111.50
Benxi North Iron Industry Co., Ltd.	52,161,339.98		52,161,339.98	3.77	519,656.39
Bengang Refractory Materials Co., Ltd.	48,494,971.80		48,494,971.80	3.51	2,928,250.41
Total	826,137,349.51		826,137,349.51	59.77	35,299,359.95

(II) Other receivables

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable	260,000,000.00	
Other receivables	344,535,173.18	150,724,545.56
Total	604,535,173.18	150,724,545.56

1. Dividends receivable

(1) Details of dividends receivable

Item (Or investees)	Closing balance	Opening balance
Changchun Bengang Steel Sales Co., Ltd.	43,000,000.00	
Shenyang Bengang Metallurgical Technology Co., Ltd.	30,000,000.00	

Item (Or investees)	Closing balance	Opening balance
Tianjin Bengang Steel Trading Co., Ltd.	47,000,000.00	
Shanghai Bengang Metallurgical Technology Co., Ltd.	15,000,000.00	
Yantai Bengang Steel Sales Co., Ltd.	25,000,000.00	
Guangzhou Bengang Steel Trading Co., Ltd.	100,000,000.00	
Subtotal	260,000,000.00	
Less: Provision for bad debts		
Total	260,000,000.00	

(2) Aging of significant dividends receivable over one year

None.

2. Other receivables

(1) Disclosure by aging

Aging	Closing balance	Opening balance
Within 1 year	284,052,848.38	89,160,291.73
1 to 2 years	35,230,832.41	58,187,051.40
2 to 3 years	33,345,904.56	3,519,908.21
3 to 4 years	3,125,628.24	573,902.12
4 to 5 years	229,028.24	10,488,624.67
Over 5 years	60,748,068.66	52,197,648.78
Subtotal	416,732,310.49	214,127,426.91
Less: Provision for bad debts	72,197,137.31	63,402,881.35
Total	344,535,173.18	150,724,545.56

(2) Classification and disclosure of other receivables by nature of payment

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Percentage (%)	Amount	Accrual ratio (%)		Amount	Percentage (%)	Amount	Accrual ratio (%)	
Bad debt provision is made on an individual basis	15,752,285.66	3.78	15,752,285.66	100.00		15,031,598.34	7.02	15,031,598.34	100.00	
Bad debt provision is made on a portfolio basis	400,980,024.83	96.22	56,444,851.65	14.08	344,535,173.18	199,095,828.57	92.98	48,371,283.01	24.30	150,724,545.56
Including:										
Aging portfolio	373,617,582.97	89.65	56,444,851.65	15.11	317,172,731.32	136,339,409.35	63.67	48,371,283.01	35.48	87,968,126.34
Other portfolio	27,362,441.86	6.57			27,362,441.86	62,756,419.22	29.31			62,756,419.22
Total	416,732,310.49	100.00	72,197,137.31		344,535,173.18	214,127,426.91	100.00	63,402,881.35		150,724,545.56

Significant other receivables whose provision for bad debts was made on an individual basis:

Name	Closing balance			Accrual basis
	Book value	Provision for bad debt	Accrual ratio (%)	
Benxi Iron and Steel (Group) No. 3 Architectural Engineering Co., Ltd.	12,504,978.59	12,504,978.59	100.00	Off production
Benxi Iron and Steel (Group) No. 1 Architectural Engineering Co., Ltd.	3,247,307.07	3,247,307.07	100.00	Bankruptcy reorganization
Total	15,752,285.66	15,752,285.66		

Provision for bad debt by portfolio of credit risk characteristics:

Portfolio accrual item: Aging portfolio

Item	Closing balance		
	Other receivables	Bad debt provision	Accrual ratio (%)
Within 1 year (inclusive)	283,957,535.20	2,839,575.35	1.00
1 to 2 years (inclusive)	35,230,832.41	3,523,083.24	10.00
2 to 3 years (inclusive)	5,433,777.88	1,086,755.58	20.00
3 to 4 years (inclusive)	3,125,628.24	3,125,628.24	100.00
4 to 5 years (inclusive)	229,028.24	229,028.24	100.00
Over 5 years	45,640,781.00	45,640,781.00	100.00
Total	373,617,582.97	56,444,851.65	

(3) Provision for bad debts

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses for the next 12 months	Expected credit losses over the entire life (Not credit-impaired)	Expected credit losses over the entire life (Credit-impaired)	
Opening balance	801,060.44	1,353,672.38	61,248,148.53	63,402,881.35
Opening balance in the current period	-3,523,083.24	397,455.00	3,125,628.24	
--Transfer to stage 2	-3,523,083.24	3,523,083.24		
--Transfer to stage 3		-3,125,628.24	3,125,628.24	
--Transfer back to stage 2				
--Transfer back to stage 1				
Accrual in the current period	5,561,598.15	2,858,711.44	1,181,861.96	9,602,171.55
Transferring back in the current period				
Charge-off in the current period				
Write-off in the current			-807,915.59	-807,915.59

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses for the next 12 months	Expected credit losses over the entire life (Not credit-impaired)	Expected credit losses over the entire life (Credit-impaired)	
period				
Other changes				
Ckosing balance	2,839,575.35	4,609,838.82	64,747,723.14	72,197,137.31

(4) Provision for bad debts accrued, recovered or reversed in the current period

Category	Opening balance	Amount of change in the current period			Closing balance
		Accrual	Recovery or reversal	Charge off or write off	
Bad debt provision for other receivables	63,402,881.35	9,602,171.55		807,915.59	72,197,137.31
Total	63,402,881.35	9,602,171.55		807,915.59	72,197,137.31

Of which conversion of bad debt provision or significant amounts recovered: None.

(5) Actual write-off of other receivables in the current period

Item	Write-off amount
Write-off of other receivables	807,915.59

Of which significant write-offs of other receivables:

Name of the company	Nature of other receivables	Write-off amount	Reasons for write-off	Write-off procedures performed	Whether the amount arises from related transactions
Beijing Bengang materials sales center	Remained payment to be cleared	807,915.59	A suspended company that is unreachable for a long time without business transactions and included in the management of account write-offs	Legal advice and minute of office conference	No
Total		807,915.59			

(6) Classification of other receivables by nature of payment

Nature of payment	Closing book balance	Opening book balance
Compensation of "Life show belt" Project	212,242,400.00	
Amount current	198,934,209.00	205,620,987.47
Others	5,555,701.49	8,506,439.44
Total	416,732,310.49	214,127,426.91

(7) Other receivables of the top five closing balances collected by arrears

Name of the company	Nature of the payment	Closing balance	Aging	Percentage of total closing balance of prepayments (%)	Closing balance of bad debt provision
Benxi Xihu District Government	Compensation of "Life show belt" Project	212,242,400.00	Within 1 year	50.93	2,122,424.00
Benxi Iron and Steel (Group) Third construction Engineering Co., Ltd	Amount current	12,504,978.59	2 to 3 years; Over 5 years	3.17	12,504,978.59
Benxi Iron and Steel (Group) Co., Ltd.	Amount current	5,466,371.64	Within 1 year; Over 5 years	1.31	4,025,426.64
Liaoning Hengtai Heavy Machinery Co., Ltd.	Amount current	3,545,583.40	Within 1 year	0.85	35,455.83
Liaoning Huawei Coal Preparation Co., Ltd.	Amount current	2,261,360.00	Over 5 years	0.54	2,261,360.00
Total		236,020,693.63		56.63	20,949,645.06

(III) Long-term equity investments

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investments in subsidiaries	2,222,281,590.24		2,222,281,590.24	2,222,281,590.24		2,222,281,590.24
Investments in joint ventures and associates	46,910,346.41		46,910,346.41	47,996,314.61		47,996,314.61
Total	2,269,191,936.65		2,269,191,936.65	2,270,277,904.85		2,270,277,904.85

1. Investments in subsidiaries

Investee	Opening balance	Opening balance of provision for impairment	Changes in the period				Closing balance	Closing balance of provision for impairment
			Additional investments	Reduced investments	Accrual of provision for impairment in the current period	others		
Shanghai Bengang Metallurgical Technology Co., Ltd.	229,936,718.57						229,936,718.57	
Benxi Bengang Steel & Iron Sales Co., Ltd.	30,000,000.00						30,000,000.00	
Bengang POSCO Cold-rolled Sheet Co., Ltd.	1,019,781,571.10						1,019,781,571.10	
Tianjin Bengang Steel Trade Co., Ltd.	230,318,095.80						230,318,095.80	
Changchun Bengang Steel Sales Co., Ltd.	28,144,875.36						28,144,875.36	
Yantai Bengang Steel Sales Co., Ltd.	219,100,329.41						219,100,329.41	
Guangzhou Bengang Steel & Iron Trading Co., Ltd.	200,000,000.00						200,000,000.00	
Dalian Benruitong Automobile Material Technology Co., Ltd	65,000,000.00						65,000,000.00	
Shenyang Bengang Metallurgy Science and Technology Co., Ltd	200,000,000.00						200,000,000.00	
Total	2,222,281,590.24						2,222,281,590.24	

2. Investments in joint ventures and associates

Investee	Opening balance	Opening balance of provision for impairment	Changes in the period								Closing balance	Closing balance of provision for impairment
			Additional investments	Reduced investments	Investment income recognized under equity method	Adjustment to other comprehensive income	Other equity changes	Declaration of cash dividend or profit	Accrual of provision for impairment	Others		
1. Joint ventures												
Subtotal												
2. Associates												
Benxi Iron and Steel Baojin (Shenyang) Automobile New Material Technology Co., Ltd.	47,996,314.61				-1,085,968.20						46,910,346.41	
Subtotal	47,996,314.61				-1,085,968.20						46,910,346.41	
Total	47,996,314.61				-1,085,968.20						46,910,346.41	

(IV) Operating income and operating cost

1. Details of business income and business cost

Item	Amount incurred in the period		Amount incurred in the prior period	
	Income	Cost	Income	Cost
Main business	56,614,035,827.20	57,748,112,204.90	58,937,350,684.09	59,090,024,551.87
Other businesses	1,572,946,304.56	1,545,382,455.23	4,144,406,405.05	4,075,230,315.93
Total	58,186,982,131.76	59,293,494,660.13	63,081,757,089.14	63,165,254,867.80

2. Information relating to income

Category	Income from main business	Cost from main business	Income from other business	Cost from other business
Classification by business regions				
Including: Domestic	50,055,418,101.64	51,194,812,008.07	1,572,946,304.56	1,545,382,455.23
Oversea	6,558,617,725.56	6,553,300,196.83		
Total	56,614,035,827.20	57,748,112,204.90	1,572,946,304.56	1,545,382,455.23
Classification by commodity alienation time:				
Confirmation at some point	56,614,035,827.20	57,748,112,204.90	1,570,447,976.75	1,545,382,455.23
Confirmation in some period			2,498,327.81	
Total	56,614,035,827.20	57,748,112,204.90	1,572,946,304.56	1,545,382,455.23

(V) Investment income

Item	Amount incurred in the period	Amount incurred in the prior period
Long-term equity investment income calculated by cost method	464,123,512.41	
Long-term equity investment income calculated by equity method/dividends receivable	-1,085,968.20	-580,788.56
Investment income from disposal of long-term equity investment		263,652,271.12
Investment income from disposal of transactional financial assets		-6,558,780.75
Investment income from debt restructuring	5,179,346.89	1,243,883.36
Others	-6,626,340.44	2,879,850.07
Total	461,590,550.66	260,636,435.24

XV. Supplementary information**(I) Details of non-recurring profit and loss for the period**

Item	Amount	Note
Profit or loss on the disposal of non-current assets, including the write-off part of the provision for impairment of assets	298,940,955.41	
Government grants included to current profit or loss (except those closely related to the Company's normal business operations, which are in line with national policies and are enjoyed on an ongoing basis at a fixed or quantitative rate in accordance with certain standards)	79,554,896.45	
Except for the effective hedging business related to the normal operation of the Company, the gains and losses from changes in fair value arising from the holding of financial assets and financial liabilities by non-financial enterprises and the gains and losses arising from the disposal of financial assets and financial liabilities		
Capital occupation expense charged to non-financial enterprises included in current profits and losses		
Profit and loss of entrusting others to invest or manage assets	-6,626,340.44	
Profits and losses from entrusted loans to foreign countries		
Loss of assets due to force majeure factors, such as natural disasters		
Reversal of impairment provision for receivables separately tested for impairment		
The cost of acquiring investment in subsidiaries, joint ventures and joint ventures is less than the income generated by the fair value of the identifiable net Assets of the invested entity when the enterprise acquires the investment		
Current net profit and loss of subsidiaries from the beginning of the period to the merger date arising from the merger of enterprises under the same control		
Exchange gains and losses of non-monetary assets		
Profit and loss of debt restructuring	5,179,346.89	
One-time expenses incurred by an enterprise due to the non-continuation of related business activities, such as expenses for resettling employees, etc.		
One-time impact on current profits and losses due to the adjustment of laws and regulations such as taxation and accounting		
Share-based payment fees confirmed at one time due to cancellation or modification of equity incentive plan		
For cash-settled share-based payment, the profit and loss arising from the change of fair value of salary payable to employees after the feasible right date		
Profit and loss arising from changes in fair value of investment real estate measured by fair value model		
Income from transactions where the transaction price is obviously unfair		
Profit and loss arising from contingencies unrelated to the normal operation of the company		
Custody fee income obtained from entrusted operation		
Other non-operating income and expenses other than the above items	-51,663,946.71	
Other profit and loss items that meet the definition of non-recurring profit and loss		
Subtotal	325,384,911.60	

Item	Amount	Note
Income tax impact	327,320.42	
Impact amount of minority shareholders' equity (after tax)	-143,533.59	
Total	325,201,124.77	

(II) Return on equity and earnings per share

Profit for the reporting period	Weighted average return on equity (%)	Earnings per share (RMB)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	-9.73	-0.424	-0.424
Net profit after non-recurring profit and loss attributable to ordinary shareholders of the Company	-11.65	-0.503	-0.503

Note: Assuming that the convertible bonds of the Company are converted into ordinary shares, the number of ordinary shares issued in the current period will increase by 1,425,575,721.52 shares, and the net profit will increase by 224,088,328.99 yuan, thus increasing the earnings per share by 0.157 yuan/share, indicating that the potential ordinary shares are not diluted, but anti-diluted, so they will not be considered in calculating diluted earnings per share. Diluted earnings per share is determined according to basic earnings per share.

Bengang Steel Plates Co., Ltd.
(Official Seal)
April 25th, 2024