

Beijing Shougang Company Limited

2024 Annual Report

16 April 2025

2024 Annual Report

SECTION I. IMPORTANT NOTICE, CONTENT, DEFINITIONS

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

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

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

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

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File directory for reference

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

Interpretation

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

SECTION II. COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

I. Company information

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

II. Contact information

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

III. Information disclosure and place for inspection

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

IV. Changes of registration

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

V. Other relevant information

Accounting firm engaged by the Company

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

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

Applicable Non-applicable

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

Applicable Non-applicable

VI. Major accounting data and financial indicators

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

YES NO

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

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

YES NO

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

YES NO

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

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

Applicable Non-applicable

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

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

Applicable Non-applicable

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

VIII. Major financial indicators by quarter in 2024

Unit: RMB Yuan

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

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

YES NO

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

Applicable Non-applicable

Unit: RMB Yuan

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

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

Applicable Non-applicable

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

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

Applicable Non-applicable

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

SECTION III. DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS

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

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

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

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

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

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

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

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

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

II. Main business of the Company during the reporting period

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

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

1. Zhixin Co.

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

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

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

2. Jingtang Co.

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

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

3. Qianshun Base

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

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

III. Analysis of core competitiveness

1. Leading level of technology

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

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

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

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

2. High-end products

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

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

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

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

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

3. Green and low-carbon

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

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

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

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

4. Intelligent manufacturing

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

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

5. Supply chain security

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

6. “Technology + Service” marketing

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

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

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

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

7. Talent thriving enterprise

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

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

IV. Analysis of principal business

1. Overview

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

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

(2) Highlights of the Company

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

① Continuous optimization of product structure

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

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

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

② Comprehensive promotion of technological innovation

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

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

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

③ Green and low-carbon benchmark leading

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

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

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

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

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

④ Digital intelligence empowerment continues to deepen

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

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

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

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

⑤ Continuous improvement in internal cost reduction

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

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

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

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

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

⑥ Significant improvement of the ESG management system

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

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

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

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

2. Revenue and cost

(1) Composition of operating revenue

Unit: RMB Yuan

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

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

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

√ Applicable □ Non-applicable

Unit: RMB Yuan

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

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

□ Applicable √ Non-applicable

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

√ YES □ NO

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

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

Applicable Non-applicable

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

Applicable Non-applicable

(5) Composition of costs of sales

Industry

Unit: RMB Yuan

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

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

YES NO

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

Applicable Non-applicable

(8) Major clients and suppliers

Major clients of the Company

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

Information for top five clients of the Company

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

Other information for The main customers of the Company

Applicable Non-applicable

Applicable Non-applicable Major suppliers

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

Information for the top five suppliers of the Company

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

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

Other information for The main suppliers of the Company

Applicable Non-applicable

3. Expenses

Unit: RMB Yuan

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

4. Research and development investment

Applicable Non-applicable

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

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

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

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

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

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

Research and development investment

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

Details about R&D investments:

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

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

Applicable Non-applicable

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

Applicable Non-applicable

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

Applicable Non-applicable

5. Analysis of cash flow

Unit: RMB Yuan

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

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

Applicable Non-applicable

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

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

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

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

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

Applicable Non-applicable

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

V. Non-principal business analysis

Applicable Non-applicable

VI. Assets and liabilities

1. Significant changes in the composition of assets

Unit: RMB Yuan

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

Foreign assets account for a relatively high proportion:

Applicable Non-applicable

2. Assets and liabilities measured at fair value

Applicable Non-applicable

Unit: RMB Yuan

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

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

Other changes

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

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

YES NO

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

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

VII. Investment analysis

1. Overall situation

Applicable Non-applicable

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

2. Significant equity investment during the reporting period

Applicable Non-applicable

3. Significant non-equity investment during the reporting period

Applicable Non-applicable

4. Financial assets investment

(1) Securities investment

Applicable Non-applicable

The Company has no securities investment during the reporting period.

(2) Derivatives investment

Applicable Non-applicable

The Company has no derivatives investment during the reporting period.

5. Use of raised funds

Applicable Non-applicable

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

VIII. Material disposal of assets and equity

1. Material disposal of assets

Applicable Non-applicable

2. Material disposal of equity

Applicable Non-applicable

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

Applicable Non-applicable

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

Unit: RMB Yuan

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

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

Acquisition and disposal of subsidiaries during the reporting period

- Applicable Non-applicable

X. Structured entity controlled by the Company

- Applicable Non-applicable

XI. Future development prospects

1. Industry pattern and development trend

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

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

2. Development strategy of the Company

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

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

3. Operating plans of 2025

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

(1) Output of products

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

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

(2) Budget arrangement for financial indicators

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

(3) Budget arrangement for cash flow

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

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

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

(4) Budget arrangement for fixed assets project capital expenditure

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

4. Potential risk

(1) Policy and industry risk

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

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

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

(2) Low-carbon environmental risks

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

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

(3) Horizontal competition risk

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

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

(5) Related transactions risk

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

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

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

√ Applicable □ Non-applicable

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

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

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

Whether the Company has formulated a market value management system.

YES NO

Whether the Company has disclosed a valuation improvement plan.

YES NO

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

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

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

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

YES NO

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

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

SECTION IV. CORPORATE GOVERNANCE

I. Information on corporate governance

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

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

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

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

YES NO

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

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

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

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

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

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

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

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

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

III. Horizontal competition

√ Applicable □ Non-applicable

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

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

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

1. Information on the general shareholders meeting

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

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

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

Applicable Non-applicable

V. Directors, Supervisors, Senior Management

I. General information

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

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

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

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

YES NO

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

Changes in directors, supervisors and senior manager

Applicable Non-applicable

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

II. Current position

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

A. Board members

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

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

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

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

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

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

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

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

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

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

(2) Supervisors

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

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

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

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

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

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

(3) Senior managers

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

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

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

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

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

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

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

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

Applicable Non-applicable

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

| | |
|--------------------------------|--|
| the shareholder of the Company | |
|--------------------------------|--|

Position in other entity

- Applicable Non-applicable

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

- Applicable Non-applicable

III. Remuneration of directors, supervisors and senior management

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

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

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

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

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

Unit: RMB 0,000

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

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

Other information

Applicable Non-applicable

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

VI. Performance of Directors during the reporting period

1. Board meetings during the reporting period

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

2. Attendance of Directors at Board meetings and general meetings

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

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

Note on failure to attend two consecutive Board meetings in person

N/A

3. Objections from Directors on related issues of the Company

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

 YES NO

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

4. Other details about the performance of duties by Directors

Whether the directors' suggestions on the Company have been adopted

 YES NO

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

N/A

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

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

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

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

VIII. Performance of duties by the supervisory committee

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

YES NO

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

IX. Personnel of the Company

1. Number of employees, professional composition and education background

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

2. Remuneration policies

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

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

3. Training program

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

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

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

4. Outsourcing of labor source

Applicable Non-applicable

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

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

Applicable Non-applicable

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

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

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

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

Applicable Non-applicable

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

Applicable Non-applicable

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

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

Applicable Non-applicable

1. Equity incentive

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

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

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

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

Applicable Non-applicable

Unit: share

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

Evaluation mechanism and incentive of senior management

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

2. Implementation of employee stock ownership plan

Applicable Non-applicable

3. Other employee incentive measures

Applicable Non-applicable

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

1. Construction and implementation of internal control system

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

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

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

YES NO

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

N/A

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

1. Appraisal Report of Internal Control

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

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

2. Audit report for internal control

Applicable Non-applicable

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

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

YES NO

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

YES NO

XV. Rectification of problems found in self-inspection under the special initiative on corporate governance of the listed company

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

SECTION V. ENVIRONMENT AND SOCIAL RESPONSIBILITY

I. Major environmental protection matters

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

√ YES □ NO

Environmental protection related policies and industry standards

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

Administrative license for environmental protection

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

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

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

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

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

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

Treatment of pollutants

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

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

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

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

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

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

Environmental self-monitoring programme

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

Emergency Response Plan for Environmental Emergencies

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

Environmental protection input and environmental protection tax

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

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

Applicable Non-applicable

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

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

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

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

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

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

Administrative penalties imposed due to environmental problems during the reporting period

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

Other environmental information that shall be disclosed

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

Other environmental protection related information

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

II. Social responsibility

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

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

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

SECTION VI. SIGNIFICANT EVENTS

I. Implementation of commitment

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

Applicable Non-applicable

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

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

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

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

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

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

Applicable Non-applicable

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

Applicable Non-applicable

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

III. External guarantees against the rules and regulations

Applicable Non-applicable

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

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

Applicable Non-applicable

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

Applicable Non-applicable

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

Applicable Non-applicable

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

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

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

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

Current accounting firm

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

Whether changed the accounting firm in current year

YES NO

Whether changed the accounting firm during the audit

YES NO

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

YES NO

Detailed explanation of the reappointment and change of accounting firms

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

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

Applicable Non-applicable

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

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

Applicable Non-applicable

X. Insolvency or restructuring related matters

Applicable Non-applicable

No insolvency or restructuring related matters during the reporting period

XI. Material litigation or arbitration cases

Applicable Non-applicable

No material litigation or arbitration cases during the reporting period.

XII. Punishment or rectification

Applicable Non-applicable

No punishment or rectification during the reporting period.

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

Applicable Non-applicable

XIV. Material related party transactions

1. Related transaction with routine operation concerned

Applicable Non-applicable

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

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

Applicable Non-applicable

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

3. Related transactions of joint external investment

Applicable Non-applicable

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

4. Related creditor's rights and debts

Applicable Non-applicable

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

YES NO

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

5. Transactions with related financial companies

Applicable Non-applicable

Deposit

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

Loan

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

Credit granting or other financial services

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

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

Applicable Non-applicable

The Company has no controlling finance companies.

7. Other significant related party transactions

Applicable Non-applicable

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

XV. Material contracts and implementation

1. Entrustment, contract and leasing

(1) Entrustment

Applicable Non-applicable

No entrustment during the reporting period.

(2) Contract

Applicable Non-applicable

No contract during the reporting period.

(3) Leasing

Applicable Non-applicable

No leasing during the reporting period.

2. Material guarantees

Applicable Non-applicable

Unit: RMB 0,000

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

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

3. Entrusted cash asset management

(1) Entrusted wealth management

Applicable Non-applicable

No entrusted wealth management during the reporting period.

(2) Entrusted loans

Applicable Non-applicable

No entrusted loans during the reporting period.

4. Other material contracts

Applicable Non-applicable

No other material contracts during the reporting period.

XVI. Explanation of other significant matters

Applicable Non-applicable

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

XVII. Significant matters of subsidiaries of the Company

Applicable Non-applicable

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

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

SECTION VII. MOVEMENTS IN SHARE CAPITAL AND SHAREHOLDERS

I. Share movement

1. Share movement

Unit: share

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

Reasons for shares movements

Applicable Non-applicable

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

Approval of share movements

Applicable Non-applicable

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

Transfer of shares arising from changes in shareholding

Applicable Non-applicable

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

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

Applicable Non-applicable

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

Applicable Non-applicable

2. Movements of restricted shares

Applicable Non-applicable

Unit: share

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

II. Securities issuance and listing

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

Applicable Non-applicable

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

Applicable Non-applicable

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

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

3. Current internal staff shares

Applicable Non-applicable

III. Shareholders and the actual controller

1. Amount of shareholders and shareholding

Unit: share

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

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

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

Applicable Non-applicable

Unit: share

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

| | | | | | | | | |
|-----------------|------------|--|--|--|--|--|--|--|
| Index | Securities | | | | | | | |
| Investment Fund | | | | | | | | |

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

Applicable Non-applicable

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

YES NO

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

2. Controlling shareholders

Nature of controlling shareholders: local state-owned holding

Type of controlling shareholders: legal person

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

Controlling shareholder turnover during the reporting period

Applicable Non-applicable

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

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

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

Type of actual controller:

Actual controller turnover during the reporting period

Applicable Non-applicable

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

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



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

Applicable Non-applicable

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

Applicable Non-applicable

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

Applicable Non-applicable

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

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

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

- Applicable Non-applicable

IV. The implementation of share repurchase during the reporting period

Progress of share repurchase

- Applicable Non-applicable

Implementation progress of reducing and repurchasing shares through centralized bidding

- Applicable Non-applicable

SECTION VIII. PREFERRED SHARES

- Applicable Non-applicable

SECTION IX. BONDS

Applicable Non-applicable

I. Enterprise bonds

Applicable Non-applicable

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

II. Corporate bonds

Applicable Non-applicable

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

III. Debt financing instruments for non-financial corporations

Applicable Non-applicable

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

Unit: RMB 0,000

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

Bonds overdue

Applicable Non-applicable

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

Applicable Non-applicable

3. Situation of intermediaries

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

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

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

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

YES NO

4. Use of raised funds

Unit: RMB 0,000

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

Funds raised for construction projects

Applicable Non-applicable

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

Applicable Non-applicable

5. Adjustments to credit rating results during the reporting period

Applicable Non-applicable

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

Applicable Non-applicable

IV. Convertible corporate bonds

Applicable Non-applicable

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

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

Applicable Non-applicable

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

Applicable Non-applicable

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

YES NO

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

Unit: RMB 0,000

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

SECTION X. FINANCIAL REPORT

I. Auditor's report

Main Body of Auditor's Report

XYZH/2025BJAA16B0514

To the Shareholders of Beijing Shougang Company Limited:

1. Opinion

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

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

2. Basis for Opinion

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

3. Key Audit Matters

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

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

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

4. Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ShineWing Certified Public Accountants (LLP)

Chinese Certified Public Accountant: Guo Yong
(Engagement partner)

Chinese Certified Public Accountant: Lu Min

Beijing, China

16 April 2025

II. Financial statements

1. Consolidated Statement of Financial Position

Prepared by: Beijing Shougang Company Limited

Unit: RMB Yuan

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

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

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

Legal Representative: Qiu Yinfu

Chief Accountant: Liu Tonghe

Accounting Officer: Cui Xiumei

2. Parent Company Statement of Financial Position

Unit: RMB Yuan

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

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

3. Consolidated Income Statement

Unit: RMB Yuan

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

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

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

Legal Representative: Qiu Yinfu

Chief Accountant: Liu Tonghe

Accounting Officer: Cui Xiumei

4. Parent Company Income Statement

Unit: RMB Yuan

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

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

5. Consolidated Statement of Cash Flows

Unit: RMB Yuan

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

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

6. Parent Company Statement of Cash Flows

Unit: RMB Yuan

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

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

7. Consolidated Statement of Changes in Equity

Current period amount

Unit: RMB Yuan

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

| | | | | | | | | | | | | | | | |
|---|------------------|--|--|--|-------------------|----------------|----------------|---------------|------------------|--|------------------|-------------------|------------------|-------------------|--|
| corrections of prior periods | | | | | | | | | | | | | | | |
| others | | | | | | | | | | | | 0.00 | | | |
| II. Balance at the beginning of the year | 7,794,611,605.00 | | | | 30,359,081,190.35 | 130,627,194.09 | 249,573,973.65 | 32,813,410.14 | 1,944,190,492.65 | | 9,224,145,934.95 | 49,473,789,412.65 | 4,946,474,686.53 | 54,420,264,099.18 | |
| III. Increase/(decrease) during the period | -20,630,585.00 | | | | -89,410,837.29 | -64,932,432.85 | -61,021,333.66 | 12,327,109.13 | 17,036,721.15 | | 220,217,979.74 | 143,451,486.92 | 37,876,038.49 | 181,327,525.41 | |
| 1. Total comprehensive income | | | | | | | -61,021,333.66 | | | | 471,093,049.04 | 410,071,715.38 | 124,059,813.28 | 534,131,528.66 | |
| 2. Shareholders' contributions and reduction | -20,630,585.00 | | | | -89,410,837.29 | -64,932,432.85 | | | | | | -45,108,989.44 | -23,705,704.53 | -68,814,693.97 | |
| (1) Shareholders' contributions in ordinary share | -20,630,585.00 | | | | -44,301,847.85 | -64,932,432.85 | | | | | | 0.00 | | | |
| (2) Capital | | | | | | | | | | | | 0.00 | | | |

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

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

| | | | | | | | | | | | | | | |
|--|------------------|--|--|--|-------------------|----------------|----------------|---------------|------------------|--|------------------|-------------------|------------------|-------------------|
| the end of previous year | | | | | 0 | | | | | | | 2 | | 7 |
| A Add: Changes in accounting policies | | | | | | | | | | | | 0.00 | | |
| Corrections of prior period errors | | | | | | | | | | | | 0.00 | | |
| Others | | | | | | | | | | | | 0.00 | | |
| II. Balance at the beginning of the year | 7,819,869,170.00 | | | | 29,644,048,551.50 | 210,930,850.00 | 158,251,774.94 | 31,852,310.79 | 1,908,883,208.67 | | 8,595,698,699.52 | 47,947,672,865.42 | 2,124,406,569.55 | 50,072,079,434.97 |
| III. Increase/(decrease) during the period | -25,257,565.00 | | | | 715,032,638.85 | -80,303,655.91 | 91,322,198.71 | 961,099.35 | 35,307,283.98 | | 628,447,235.43 | 1,526,116,547.23 | 2,822,068,116.98 | 4,348,184,664.21 |
| 1. Total comprehensive income | | | | | | | 91,322,198.71 | | | | 663,754,519.41 | 755,076,718.12 | 90,050,324.80 | 845,127,042.92 |
| 2. Shareholders' contributions | -25,257,565.00 | | | | 714,657,637.11 | -80,303,655.91 | | | | | | 769,703,728.02 | 2,969,269,451.03 | 3,738,973,179.05 |

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

| | | | | | | | | | | | | | | | |
|---|------------------------------|--|--|--|-----------------------------------|----------------------------|----------------------------|---------------------------|------------------------------|--|------------------------------|--|-----------------------------------|------------------------------|-----------------------------------|
| (4) Changes in defin ed bene fit plan s trans ferre d to retai ned earn ings | | | | | | | | | | | | | 0.00 | | |
| (5) Othe r com preh ensiv e inco me trans ferre d to retai ned earn ings | | | | | | | | | | | | | 0.00 | | |
| (6) Othe rs | | | | | | | | | | | | | 0.00 | | |
| 5. Speci al reser ve | | | | | 375, 001. 74 | | | 961, 099. 35 | | | | | 1,33 6,10 1.09 | - 3,17 0,76 2.08 | - 1,83 4,66 0.99 |
| (1) Addi tions | | | | | 375, 001. 74 | | | 961, 099. 35 | | | | | 1,33 6,10 1.09 | - 3,17 0,76 2.08 | - 1,83 4,66 0.99 |
| (2) Utilis ation | | | | | | | | 0.00 | | | | | 0.00 | 0.00 | 0.00 |
| 6. Othe rs | | | | | | | | | | | | | 0.00 | | |
| IV. Bala nce at the end of the perio d | 7,79 4,61 1,60 5.00 | | | | 30,3 59,0 81,1 90.3 5 | 130, 627, 194. 09 | 249, 573, 973. 65 | 32,8 13,4 10.1 4 | 1,94 4,19 0,49 2.65 | | 9,22 4,14 5,93 4.95 | | 49,4 73,7 89,4 12.6 5 | 4,94 6,47 4,68 6.53 | 54,4 20,2 64,0 99.1 8 |

8. Parent Company Statement of Changes in Equity

Current period amount

Unit: RMB Yuan

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

| | | | | | | | | | | | | |
|--|--------------------|--|--|--|--------------------|--------------------|--|---------------|---------------------|------|--|---------------------|
| and reduction | | | | | | | | | | | | |
| (1) Shareholders' contributions in ordinary share | - 20,630,585.00 | | | | - 44,301,847.85 | - 64,932,432.85 | | | | | | |
| (2) Capital contributions of other equity instrument holders | | | | | | | | | | | | |
| (3) Amount of share-based payments recognized in equity | | | | | | | | | | | | |
| (4) Others | | | | | - 37,992,492.22 | | | | | | | - 37,992,492.22 |
| 3. Profit distribution | | | | | | | | 17,036,721.15 | - 250,875,069.30 | 0.00 | | - 233,838,348.15 |
| (1) Transfer to surplus reserve | | | | | | | | 17,036,721.15 | - 17,036,721.15 | 0.00 | | 0.00 |
| (2) Distribution to owners (shareholders) | | | | | | | | | - 233,838,348.15 | | | - 233,838,348.15 |
| (3) Others | | | | | | | | | | | | |
| 4. Transfer within | | | | | | | | | | | | |

| | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|---------------|--|--|--|---------------|
| equity | | | | | | | | | | | | |
| (1) Capital reserves converted to share capital | | | | | | | | | | | | |
| (2) Surplus reserves converted to share capital | | | | | | | | | | | | |
| (3) Loss made up by surplus reserves | | | | | | | | | | | | |
| (4) Changes in defined benefit plans transferred to retained earnings | | | | | | | | | | | | |
| (5) Other comprehensive income transferred to retained earnings | | | | | | | | | | | | |
| (6) Others | | | | | | | | | | | | |
| 5. Special reserve | | | | | | | | | | | | |
| (1) Additions | | | | | | | | 74,028,758.95 | | | | 74,028,758.95 |
| (2) | | | | | | | | | | | | |

| | | | | | | | | | | | | |
|--------------------------------------|--------------|--|--|--|-------------------|---------------|----------------|---------------|------------------|------------------|------|-------------------|
| Utilisation | | | | | | | | 74,028,758.95 | | | | 74,028,758.95 |
| 6. Others | | | | | | | | | | | | |
| IV. Balance at the end of the period | 7,773,981.02 | | | | 22,026,550.938.69 | 65,694,761.24 | 188,544,504.02 | 0.00 | 1,961,227.213.80 | 7,698,141.218.06 | 0.00 | 39,582,750.133.33 |

Prior period amount

Unit: RMB Yuan

| Item | 2023 | | | | | | | | | | | |
|--|----------------|--------------------------|------------------|--------|-------------------|-----------------------|----------------------------|-----------------|------------------|-----------------------|--------|----------------------------|
| | Share capital | Other equity instruments | | | Capital reserve | Less: Treasury shares | Other comprehensive income | Special reserve | Surplus reserve | Undistributed profits | Others | Total shareholders' equity |
| | | Preferr ed shares | Perpet ual bonds | Others | | | | | | | | |
| I. Balance at the end of previous year | 7,819,869.17 | | | | 22,176,353.536.77 | 210,930,850.00 | 158,251,774.94 | 0.00 | 1,908,883.208.67 | 7,460,883.520.03 | 0.00 | 39,313,310.360.41 |
| A | | | | | | | | | | | | |
| Changes in accounting policies | | | | | | | | | | | | |
| Corrections of prior period errors | | | | | | | | | | | | |
| Others | | | | | | | | | | | | |
| II. Balance at the beginning of the year | 7,819,869.17 | | | | 22,176,353.536.77 | 210,930,850.00 | 158,251,774.94 | 0.00 | 1,908,883.208.67 | 7,460,883.520.03 | 0.00 | 39,313,310.360.41 |
| III. Increase/(decrease) during the period | -25,257,565.00 | | | | -67,508,258.01 | -80,303,655.91 | 91,322,264.62 | 0.00 | 35,307,283.98 | 317,765,555.82 | 0.00 | 431,932,937.32 |
| 1. Total | 0.00 | | | | 0.00 | 0.00 | 91,322,264.6 | 0.00 | 0.00 | 353,072,839. | 0.00 | 444,395,104. |

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

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

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

III. General Information of the Company

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

Unified social credit code: 911100007002343182

Form of organization: other joint stock limited company

Legal representative: Qiu Yinfu

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

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

IV. Basis of preparation of the financial statements

1. Basis of preparation

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

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

2. Going concern

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

V. Significant accounting policies and estimates

Specific accounting policies and accounting estimates are set out below:

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

1. Statement of compliance with the ASBE

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

2. Accounting period

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

3. Operating cycle

The operating cycle of the Company is 12 months.

4. Functional currency

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

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

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

Applicable Non-applicable

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

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

(1) Business combinations involving entities under common control

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

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

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

(2) Business combinations involving entities not under common control

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9. Criteria for determining cash and cash equivalents

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

10. Foreign currency operations and foreign currency statement translation

(1) Foreign currency transactions

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

(2) Foreign currency statement translation

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

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

11. Financial instruments

(1) Recognition and derecognition of financial instruments

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

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

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

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

(2) Classification and measurement of financial assets

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

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

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

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

1) Financial assets measured at amortized cost

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

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

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

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

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

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

4) Financial assets at fair value through profit or loss

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

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

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

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

1) Financial liabilities measured at amortized cost

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

2) Financial liabilities at fair value through profit or loss

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

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

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

(4) Impairment of financial instruments

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

1) Measurement of expected credit loss

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

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

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

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

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

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

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

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

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

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

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

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

② Combination categories and determination basis of notes receivable

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

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

③ Combination categories and determination basis of other receivables

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

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

3) Write-offs of impairment provision

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

5) Recognition and measurement of transfer of financial assets

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

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

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

(7) Offsetting of financial assets and financial liabilities

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

12. Fair value measurement

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

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

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

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

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

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

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

13. Inventories

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

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

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

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

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

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

14. Long-term equity investments

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

(1) Determination of significant influence and joint control

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

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

(2) Accounting treatment

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15. Fixed assets

(1) Recognition of fixed assets

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

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

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

(2) Depreciation of fixed assets

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

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

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

16. Construction in progress

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

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

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

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

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

17. Borrowing costs

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

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

18. Intangible assets

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

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

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

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

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

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

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

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

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

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

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

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

19. Impairment of long-term assets

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

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

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

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

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

(2) Impairment of goodwill

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

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

20. Long-term prepaid expenses

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

21. Employee benefits

(1) Accounting treatment of short-term employee benefits

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

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

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

(2) Accounting treatment of post-employment benefits

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

22. Provisions

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

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

23. Share-based payments

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

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

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

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

24. Revenue

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

(1) General principle

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

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

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

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

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

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

(2) Specific methods

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

① Revenue from sale of goods

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

② Revenue from rendering of services

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

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

None

25. Government grants

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

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

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

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

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

26. Deferred tax assets and deferred tax liabilities

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

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

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

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

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

27. Lease

A. Accounting for leases as a lessee

(1) Identification of lease

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

(2) The Company as lessee

1) Lease recognition

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

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

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

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

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

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

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

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

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

B. Accounting for leases as a lessor

The Company as lessor

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

Finance leases

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

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

Operating lease

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

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

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

28. Safety fund and maintenance fee

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

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

29. Share repurchase

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

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

30. Significant accounting judgments and estimates

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

Classification of financial assets

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

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

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

Measurement of expected credit loss of account receivables

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

Deferred tax assets

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

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

Determination of unlisted equity investment fair value

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

31. Changes in significant accounting policies and estimates

(1) Changes in significant accounting policies

Applicable Non-applicable

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

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

(2) Changes in significant accounting estimates

Applicable Non-applicable

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

Applicable Non-applicable

VI. Tax

1. Main types of taxes and corresponding tax rates

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

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

2. Tax preferential benefits and approvals

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

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

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

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

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

VII. Notes to consolidated financial statements

1. Cash at bank and on hand

Unit: RMB Yuan

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

Other notes:

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

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

2. Notes receivable

(1) Presentation of notes receivable by category

Unit: RMB Yuan

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

(2) Classified by bad debt provision method

Unit: RMB Yuan

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

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

Assessed bad debt provision in portfolios: Portfolio 2

Unit: RMB Yuan

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

Description of the basis for determining the portfolio:

Bank acceptance notes and commercial acceptance notes with lower credit ratings

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

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

Provision for bad debts in the current period:

Unit: RMB Yuan

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

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

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

Unit: RMB Yuan

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

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

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

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

3. Accounts receivable

(1) Disclosed by the aging

Unit: RMB Yuan

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

(2) Classified by bad debt provision method

Unit: RMB Yuan

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

Assessed bad debt provision individually: Assessed bad debt provision individually

Unit: RMB Yuan

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

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

Unit: RMB Yuan

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

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

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

Applicable Non-applicable

(3) Provision, recovery or reversal of bad debt

Provision for bad debts in the current period:

Unit: RMB Yuan

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

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

Unit: RMB Yuan

Unit: RMB Yuan

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

4. Financing receivable

(1) Classification of financing receivable

Unit: RMB Yuan

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

(2) Classified by bad debt provision method

Unit: RMB Yuan

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

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

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

Unit: RMB Yuan

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

(3) Provision, recovery or reversal of bad debt

Unit: RMB Yuan

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

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

Unit: RMB Yuan

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

(5) Financing receivable actually written off during the period

Applicable Non-applicable

5. Other receivables

Unit: RMB Yuan

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

(1) Dividends receivable

1) Classification of dividends receivable

Unit: RMB Yuan

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

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

Unit: RMB Yuan

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

2) Disclosed by the aging

Unit: RMB Yuan

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

3) Classified by bad debt provision methodApplicable Non-applicable

Unit: RMB Yuan

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

Assessed bad debt provision individually: Assessed bad debt provision individually

Unit: RMB Yuan

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

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

Unit: RMB Yuan

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

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

Unit: RMB Yuan

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

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

 Applicable Non-applicable

4) Provision, recovery or reversal of bad debt

Provision for bad debts in the current period:

Unit: RMB Yuan

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

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

Unit: RMB Yuan

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

6. Prepayments

(1) Disclosed by the aging of prepayments

Unit: RMB Yuan

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

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

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

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

7. Inventories

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

No

(1) Classification of inventories

Unit: RMB Yuan

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

(2) Impairment provision for inventories or performance costs

Unit: RMB Yuan

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

(3) Other debt investments maturing within one year

Applicable Non-applicable

8. Other current assets

Unit: RMB Yuan

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

9. Other equity instrument investments

Unit: RMB Yuan

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

10. Long-term equity investments

Unit: RMB Yuan

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

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

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

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

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

Applicable Non-applicable

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

Applicable Non-applicable

11. Other non-current financial assets

Unit: RMB Yuan

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

Other notes:

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

12. Fixed assets

Unit: RMB Yuan

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

(1) Details of fixed assets

Unit: RMB Yuan

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

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

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

(2) Fixed assets leased through operating leases

Unit: RMB Yuan

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

13. Construction in progress

Unit: RMB Yuan

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

(1) Details of construction in progress

Unit: RMB Yuan

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

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

Unit: RMB Yuan

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

| | | | | | | | | | | | | |
|--|----------------------|----------------------|----------------|----------------|--|------------------|---------|-----|--|--|--|--------|
| orient ed phase II project | 0.00 | 6 | 91 | 68 | | 9 | | | | | | |
| Zhixin Co. high-end heat treatment engineering project | 1,948,560.00 0.00 | 1,315,631.74 0.70 | 281,269,502.35 | 486,189,653.43 | | 1,110,711,589.62 | 89.00 % | 95% | | | | Others |
| Total | 3,631,760.00 0.00 | 1,387,185.76 4.56 | 454,464,940.26 | 690,809,357.11 | | 1,150,841,347.71 | | | | | | |

(3) Details of impairment tests on construction in progress

Applicable Non-applicable

(4) Construction materials

Unit: RMB Yuan

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

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

Unit: RMB Yuan

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

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

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

Applicable Non-applicable

15. Intangible assets

(1) Details of intangible assets

Unit: RMB Yuan

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

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

(2) Data resources recognized as intangible assets

- Applicable Non-applicable

(3) Details of impairment tests on intangible assets

- Applicable Non-applicable

16. Long-term prepaid expenses

Unit: RMB Yuan

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

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

Unit: RMB Yuan

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

(2) Deferred tax liabilities without offsetting

Unit: RMB Yuan

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

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

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

Unit: RMB Yuan

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

(4) Details of unrecognized deferred tax assets

Unit: RMB Yuan

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

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

Unit: RMB Yuan

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

18. Restricted assets

Unit: RMB Yuan

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

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

Unit: RMB Yuan

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

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

20. Notes payable

Unit: RMB Yuan

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

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

Unit: RMB Yuan

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

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

Unit: RMB Yuan

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

22. Other payables

Unit: RMB Yuan

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

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

Unit: RMB Yuan

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

23. Contract liabilities

Unit: RMB Yuan

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

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

Unit: RMB Yuan

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

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

(2) Presentation of short-term employee benefits

Unit: RMB Yuan

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

(3) Presentation of defined contribution plans

Unit: RMB Yuan

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

Other notes:

Termination benefits

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

25. Taxes payable

Unit: RMB Yuan

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

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

26. Current portion of non-current liabilities

Unit: RMB Yuan

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

27. Other current liabilities

Unit: RMB Yuan

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

Increase or decrease in short-term bonds payable:

Unit: RMB Yuan

| Bond name | Nominal value | Coupon rate | Issue date | Maturity of bond | Issue amount | Opening balance | Issued during current period | Interest accrued per nominal value | Amortization of premium and discount | Repaid in the current period | | Closing balance | Breached or not |
|--------------|---------------|-------------|------------------|------------------|--------------|------------------|------------------------------|------------------------------------|--------------------------------------|------------------------------|------|-----------------|-----------------|
| SCP1 | 1,000,000.00 | 2.56% | 16 November 2023 | 155 days | 1,000,000.00 | 1,003,296.438.41 | 0.00 | 7,545,091.64 | | 1,010,841.530.05 | | 0.00 | No |
| SCP2 | 1,000,000.00 | 2.12% | 20 March 2024 | 161 days | 1,000,000.00 | | 1,000,000.00 | 9,351,232.88 | | 1,009,351.232.88 | | 0.00 | |
| SCP3 | 300,000.00 | 2.01% | 22 August 2024 | 120 days | 300,000.00 | | 300,000.00 | 1,982,465.75 | | 301,982.465.75 | | 0.00 | |
| SCP4 | 700,000.00 | 2.04% | 22 August 2024 | 210 days | 700,000.00 | | 700,000.00 | 5,150,163.98 | | | | 705,150.163.98 | No |
| Total | | | | | 3,000,000.00 | 1,003,296.438.41 | 2,000,000.00 | 24,028,954.25 | 0.00 | 2,322,175.228.68 | 0.00 | 705,150.163.98 | |

28. Long-term loans

(1) Classification of long-term loans

Unit: RMB Yuan

| Item | Closing balance | Opening balance |
|---|--------------------------|--------------------------|
| Guaranteed loans | 8,497,451,736.11 | 8,811,562,222.22 |
| Credit loans | 6,026,481,514.01 | 5,293,350,801.81 |
| Less: Long-term loans due within one year | -2,659,863,250.12 | -1,315,853,024.03 |
| Total | 11,864,070,000.00 | 12,789,060,000.00 |

29. Lease liabilities

Unit: RMB Yuan

| Item | Closing balance | Opening balance |
|---|-----------------------|-----------------------|
| Lease payment amount | 725,384,558.67 | 667,991,018.95 |
| Less: Unrecognized financing costs | -239,484,366.70 | -174,411,522.13 |
| Reclassified to non-current liabilities due within one year | -20,709,352.32 | -21,833,736.47 |
| Total | 465,190,839.65 | 471,745,760.35 |

30. Long-term payables

Unit: RMB Yuan

| Item | Closing balance | Opening balance |
|------------------|---------------------|---------------------|
| Special payables | 2,100,000.00 | 2,300,000.00 |
| Total | 2,100,000.00 | 2,300,000.00 |

(1) Presentation of long-term payables by nature of amount

Applicable Non-applicable

(2) Special payables

Unit: RMB Yuan

| Item | Opening balance | Increase | Decrease | Closing balance | Reasons for formation |
|--------------|---------------------|----------|-------------------|---------------------|-----------------------|
| R&D funding | 2,300,000.00 | | 200,000.00 | 2,100,000.00 | |
| Total | 2,300,000.00 | | 200,000.00 | 2,100,000.00 | |

31. Long-term employee benefits payables**(1) Statement of long-term employee benefits payables**

Unit: RMB Yuan

| Item | Closing balance | Opening balance |
|--|----------------------|----------------------|
| II. Termination benefits | 17,183,594.32 | 19,620,436.48 |
| III. Other long-term benefits | 61,426,762.09 | 63,319,844.40 |
| Less: Long-term employee benefits payables due within one year | -5,890,000.00 | -5,890,000.00 |
| Total | 72,720,356.41 | 77,050,280.88 |

32. Provisions

Unit: RMB Yuan

| Item | Closing balance | Opening balance | Reasons for formation |
|--------------------|---------------------|-----------------|-----------------------|
| Pending litigation | 1,000,000.00 | | |
| Total | 1,000,000.00 | | |

33. Deferred revenue

Unit: RMB Yuan

| Item | Opening balance | Increase | Decrease | Closing balance | Reasons for formation |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Government grant | 507,674,156.49 | 96,251,900.00 | 40,296,257.21 | 563,629,799.28 | |
| Value added tax additional deduction | 344,710,144.87 | 558,293,858.12 | 903,004,002.99 | | |
| Total | 852,384,301.36 | 654,545,758.12 | 943,300,260.20 | 563,629,799.28 | -- |

34. Other non-current liabilities

Unit: RMB Yuan

| Item | Closing balance | Opening balance |
|---|-------------------------|-------------------------|
| Shougang Group advance payment for construction | 2,364,112,304.97 | 3,899,674,951.80 |
| Total | 2,364,112,304.97 | 3,899,674,951.80 |

35. Share capital

Unit: RMB Yuan

| | Opening balance | Changes in current (+/-) | | | | | Closing balance |
|------------------------|------------------|--------------------------|-------------|----------------------------------|---------------|---------------|------------------|
| | | Shares issued | Bonus issue | Shares transferred from reserves | Others | Sub-total | |
| Total amount of shares | 7,794,611,605.00 | | | | 20,630,585.00 | 20,630,585.00 | 7,773,981,020.00 |

36. Capital reserve

Unit: RMB Yuan

| Item | Opening balance | Increase | Decrease | Closing balance |
|-----------------------|-------------------|----------|---------------|-------------------|
| Share premium | 29,540,123,611.84 | | 44,301,847.85 | 29,495,821,763.99 |
| Other capital reserve | 818,957,578.51 | | 45,108,989.44 | 773,848,589.07 |
| Total | 30,359,081,190.35 | | 89,410,837.29 | 30,269,670,353.06 |

Other notes, including increases or decreases during the period and explanations of the reasons for the changes:

① The change in share capital premium refers to the repurchase and cancellation of restricted stocks granted in 2021 by the Company; ② Other changes in capital reserves refer to changes in equity of joint ventures and associates recognized by the company based on shareholding ratios, amortization expenses for equity incentives.

37. Treasury shares

Unit: RMB Yuan

| Item | Opening balance | Increase | Decrease | Closing balance |
|---------------------------------|-----------------|----------|---------------|-----------------|
| Restricted stock incentive plan | 130,627,194.09 | | 64,932,432.85 | 65,694,761.24 |
| Total | 130,627,194.09 | | 64,932,432.85 | 65,694,761.24 |

Other notes, including increases or decreases during the period and explanations of the reasons for the changes:

Due to the failure of the performance evaluation indicators for the 2023 fiscal year to meet the Company level of performance evaluation conditions for the first period of lifting restrictions as stipulated in the Incentive Plan, changes in some incentive objects due to organizational or personal reasons that do not meet the incentive conditions, the Company repurchased and cancelled a total of 20,630,585 shares of restricted stocks that have been granted but have not yet been released, and paid RMB 64,932,432.85 for equity incentive repurchase.

38. Other comprehensive income

Unit: RMB Yuan

| Item | Opening balance | Current amount | | | | | | Closing balance |
|-------------------------------------|-----------------|--|--|---|--------------------------|--|---|-----------------|
| | | Incurring before income tax for the period | Less: Transferred from other comprehensive income in prior periods to profit or loss during the period | Less: Transferred from other comprehensive income in prior periods to retained earnings during the period | Less: Income tax expense | Attributable to the parent company after tax | Attributable to minority shareholders after tax | |
| I. Other comprehensive income which | 249,574,039.56 | 71,799,453.62 | | | 10,769,918.08 | 61,029,535.54 | | 188,544,504.02 |

| | | | | | | | | |
|--|----------------|----------------|--|--|----------------|----------------|--|----------------|
| h cannot be reclassified into profits or losses | | | | | | | | |
| Changes in fair value of investments in other equity instruments | 249,574,039.56 | -71,799,453.62 | | | -10,769,918.08 | -61,029,535.54 | | 188,544,504.02 |
| II. Other comprehensive income to be reclassified into profits or losses | -65.91 | 8,201.88 | | | | 8,201.88 | | 8,135.97 |
| Translation difference of foreign currency financial statements | -65.91 | 8,201.88 | | | | 8,201.88 | | 8,135.97 |
| Total other comprehensive income | 249,573,973.65 | -71,791,251.74 | | | -10,769,918.08 | -61,021,333.66 | | 188,552,639.99 |

39. Special reserve

Unit: RMB Yuan

| Item | Opening balance | Increase | Decrease | Closing balance |
|-------------|-----------------|----------------|----------------|-----------------|
| Safety fund | 32,813,410.14 | 141,176,626.65 | 128,849,517.52 | 45,140,519.27 |
| Total | 32,813,410.14 | 141,176,626.65 | 128,849,517.52 | 45,140,519.27 |

40. Surplus reserve

Unit: RMB Yuan

| Item | Opening balance | Increase | Decrease | Closing balance |
|-------------------|------------------|---------------|----------|------------------|
| Statutory reserve | 1,944,190,492.65 | 17,036,721.15 | | 1,961,227,213.80 |
| Total | 1,944,190,492.65 | 17,036,721.15 | | 1,961,227,213.80 |

41. Undistributed profits

Unit: RMB Yuan

| Item | 2024 | 2023 |
|---|------------------|------------------|
| Undistributed profits at previous year before adjustment | 9,224,145,934.95 | 8,595,698,699.52 |
| Undistributed profits at previous year after adjustment | 9,224,145,934.95 | 8,595,698,699.52 |
| Add: Current period net profit attributable to owners of the parent company | 471,093,049.04 | 663,754,519.41 |
| Less: Transfer to statutory surplus reserve | 17,036,721.15 | 35,307,283.98 |
| Common stock dividends payable | 233,838,348.15 | |
| Undistributed profit at the end of the period | 9,444,363,914.69 | 9,224,145,934.95 |

42. Operating revenue and cost of sales

| Item | Current amount | | 2023 | |
|------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | Revenue | Cost of sales | Revenue | Cost of sales |
| Main business | 105,024,513,695.40 | 100,879,037,047.09 | 110,360,385,867.79 | 105,336,679,879.43 |
| Other businesses | 3,286,282,771.12 | 3,044,116,490.63 | 3,401,057,765.64 | 3,114,259,348.92 |
| Total | 108,310,796,466.52 | 103,923,153,537.72 | 113,761,443,633.43 | 108,450,939,228.35 |

43. Revenue and cost of sales by product type

| Item | 2024 | | 2023 | |
|-------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | Revenue | Cost of sales | Revenue | Cost of sales |
| Main business | | | | |
| Billet | 329,725,948.36 | 321,610,684.42 | 420,010,787.22 | 419,214,964.92 |
| Hot-rolled steel | 43,490,893,729.26 | 42,525,424,736.87 | 47,572,138,080.78 | 45,948,593,124.43 |
| Cold-rolled steel | 59,429,232,318.97 | 56,695,132,627.18 | 60,288,367,715.32 | 57,068,321,706.00 |
| Other steels | 1,774,661,698.81 | 1,336,868,998.62 | 2,079,869,284.47 | 1,900,550,084.08 |
| Sub-total | 105,024,513,695.40 | 100,879,037,047.09 | 110,360,385,867.79 | 105,336,679,879.43 |
| Other businesses | | | | |
| Power | 1,259,432,629.39 | 1,324,041,223.72 | 1,438,721,205.53 | 1,548,462,791.82 |
| Solid waste | 1,402,954,634.74 | 1,289,159,218.25 | 1,254,710,199.53 | 1,092,896,195.57 |
| Others | 623,895,506.99 | 430,916,048.66 | 707,626,360.58 | 472,900,361.53 |
| Sub-total | 3,286,282,771.12 | 3,044,116,490.63 | 3,401,057,765.64 | 3,114,259,348.92 |
| Total | 108,310,796,466.52 | 103,923,153,537.72 | 113,761,443,633.43 | 108,450,939,228.35 |

Revenue and cost of sales by timing of goods transfer

Unit: RMB Yuan

| Item | 2024 | 2023 |
|--|---------------------------|---------------------------|
| Revenue from main business | 105,024,513,695.40 | 110,360,385,867.79 |
| Including: recognised at a certain point in time | 105,024,513,695.40 | 110,360,385,867.79 |
| recognised during a certain period of time | | |
| Revenue from other business | 3,286,282,771.12 | 3,401,057,765.64 |
| Total | 108,310,796,466.52 | 113,761,443,633.43 |

Revenue from trial sales

| Item | 2024 | | 2023 | |
|---------------|----------------|----------------|----------------|----------------|
| | Revenue | Cost of sales | Revenue | Cost of sales |
| Pilot sale of | 419,353,740.71 | 378,381,897.07 | 727,577,085.52 | 570,215,586.70 |

44. Taxes and surcharges

Unit: RMB Yuan

| Item | Current amount | 2023 |
|---------------------------------------|-----------------------|-----------------------|
| City construction and maintenance tax | 39,132,598.85 | 82,829,113.41 |
| Education surcharge | 16,955,990.62 | 36,370,626.34 |
| Resource tax | 37,622,775.40 | 42,514,815.04 |
| Property tax | 206,822,239.08 | 200,940,588.26 |
| Land use tax | 227,504,159.18 | 222,030,070.11 |
| Vehicle and vessel use tax | 288,888.97 | 339,296.12 |
| Stamp duty | 129,563,183.91 | 135,239,940.90 |
| Environmental protection tax | 95,499,714.51 | 29,378,169.09 |
| Local education surcharge | 11,124,401.48 | 23,861,858.53 |
| Others | 172,161.66 | 283,799.72 |
| Total | 764,686,113.66 | 773,788,277.52 |

45. General and administrative expenses

Unit: RMB Yuan

| Item | Current amount | 2023 |
|-------------------------------|-------------------------|-------------------------|
| Staff costs | 616,652,562.44 | 662,496,839.12 |
| Depreciation and amortization | 290,040,139.70 | 336,502,316.28 |
| Other regular expenses | 353,743,610.66 | 290,613,854.13 |
| Total | 1,260,436,312.80 | 1,289,613,009.53 |

46. Selling expenses

Unit: RMB Yuan

| Item | Current amount | 2023 |
|-------------------------------|-----------------------|-----------------------|
| Staff costs | 162,047,686.26 | 177,495,001.31 |
| Depreciation and amortization | 96,669.26 | 101,427.85 |
| Other regular expenses | 68,212,610.81 | 70,382,183.96 |
| Total | 230,356,966.33 | 247,978,613.12 |

47. R&D expenses

Unit: RMB Yuan

| Item | Current amount | 2023 |
|-------------------------------|-----------------------|-----------------------|
| Staff costs | 478,207,259.12 | 418,054,111.94 |
| Depreciation and amortization | | |
| Other regular expenses | 54,491,496.36 | 73,024,683.39 |
| Total | 532,698,755.48 | 491,078,795.33 |

48. Financial expenses

Unit: RMB Yuan

| Item | Current amount | 2023 |
|------------------------------|-------------------------|-------------------------|
| Interest expenses | 1,176,723,369.76 | 1,459,986,955.71 |
| Interest income | -87,667,107.03 | -107,859,174.95 |
| Discount on notes acceptance | 32,358,001.80 | 69,038,764.98 |
| Exchange losses and gains | -20,979,873.31 | -11,596,478.72 |
| Bank charges and others | 1,189,383.23 | -56,359,813.15 |
| Total | 1,101,623,774.45 | 1,353,210,253.87 |

49. Other income

Unit: RMB Yuan

| Source of other income | Current amount | 2023 |
|--|-------------------------|-----------------------|
| Asset-related government grants | 40,296,257.21 | 35,422,925.41 |
| Revenue-related government grants | 150,195,417.92 | 102,064,691.25 |
| Value added tax deduction | 881,359,599.43 | 358,107,596.53 |
| Refund of personal income tax commission | 829,144.87 | 1,570,586.42 |
| Others | 2,250.00 | |
| Total | 1,072,682,669.43 | 497,165,799.61 |

50. Gains from changes in fair value

Unit: RMB Yuan

| Sources of gains from changes in fair value | Current amount | 2023 |
|---|----------------|---------------|
| Other non-current financial assets | -4,790,547.26 | -4,224,788.99 |
| Total | -4,790,547.26 | -4,224,788.99 |

51. Investment gain

Unit: RMB Yuan

| Item | Current amount | 2023 |
|---|-----------------|-----------------|
| Long-term equity investment income measured under equity method | -317,194,130.31 | -192,776,595.40 |
| Gain on disposal of long-term equity investments | | -1,083,074.06 |
| Dividend from other equity instruments investments | 7,928,839.58 | 7,412,132.80 |
| Investment gain from entrusted loans | | 8,990,991.36 |
| Others | 2,537,679.85 | 3,816,230.52 |
| Total | -306,727,610.88 | -173,640,314.78 |

52. Credit impairment losses

Unit: RMB Yuan

| Item | Current amount | 2023 |
|---|----------------|---------------|
| Provision for bad debts of notes receivable | -306,499.62 | 2,735,686.54 |
| Provision for bad debts of accounts receivable | -19,652,624.31 | 11,362,839.02 |
| Provision for bad debts of other receivables | 1,251,493.89 | 718,309.36 |
| Provision for bad debts of financing receivable | -274,627.34 | 253,191.32 |
| Others | | 33,127,315.83 |
| Total | -18,982,257.38 | 48,197,342.07 |

53. Impairment losses on assets

Unit: RMB Yuan

| Item | Current amount | 2023 |
|--|-----------------|-----------------|
| I. Loss on decline in value of inventories and impairment loss of contract performance costs | -575,389,035.63 | -600,099,065.24 |
| Total | -575,389,035.63 | -600,099,065.24 |

54. Gains on disposal of assets

Unit: RMB Yuan

| Sources of proceeds from the disposal of assets | Current amount | 2023 |
|---|----------------|------------|
| Gains and losses on disposal of fixed assets | 97,353.54 | 567,839.38 |
| Gains and losses on disposal of right-of-use assets | 694,020.11 | |
| Total | 791,373.65 | 567,839.38 |

55. Non-operating income

Unit: RMB Yuan

| Item | Current amount | 2023 | Recognised as non-recurring gains or losses in 2024 |
|-----------------------------|----------------|--------------|---|
| Gains on assets scrapping | 179,820.54 | 908,690.98 | 179,820.54 |
| Income from penalty | 2,591,052.13 | 1,861,990.05 | 2,591,052.13 |
| Revenue from carbon credits | 140,795,603.84 | | 140,795,603.84 |
| Others | 4,312,639.60 | 4,204,805.41 | 4,312,639.60 |
| Total | 147,879,116.11 | 6,975,486.44 | 147,879,116.11 |

56. Non-operating expenses

Unit: RMB Yuan

| Item | Current amount | 2023 | Recognised as non-recurring gains or losses in 2024 |
|--|----------------------|----------------------|---|
| Loss on retirement of non-current assets | 51,551,673.87 | 23,542,645.85 | 51,551,673.87 |
| Provisions | 1,000,000.00 | | 1,000,000.00 |
| Fines and late fees | 7,939,068.02 | 1,493,872.04 | 7,939,068.02 |
| Liquidated damages | 2,263,140.95 | 4,006,315.70 | 2,263,140.95 |
| Carbon Emission Allowance Trading | 4,878,686.28 | | 4,878,686.28 |
| Others | 66,909.94 | 415,021.11 | 66,909.94 |
| Total | 67,699,479.06 | 29,457,854.70 | 67,699,479.06 |

57. Income tax expenses

(1) Income tax expense statement

Unit: RMB Yuan

| Item | Current amount | 2023 |
|------------------------------|-----------------------|-----------------------|
| Current income tax expenses | 171,052,132.98 | 112,909,545.39 |
| Deferred income tax expenses | -20,599,760.24 | 33,605,509.90 |
| Total | 150,452,372.74 | 146,515,055.29 |

(2) Process of adjusting accounting profit and income tax expenses

Unit: RMB Yuan

| Item | Current amount |
|---|-----------------------|
| Total profits | 745,605,235.06 |
| Income tax expense at the statutory/applicable tax rate | 111,840,785.27 |
| Effect of different tax rates applicable to subsidiaries | -958,833.05 |
| Effect of adjustments to income taxes of prior periods | 8,531,204.98 |
| Effect of non-taxable income | -1,189,325.94 |
| Effect of non-deductible costs, expenses and losses | 24,895,553.51 |
| Effect of using deductible losses not recognized as deferred tax assets in prior periods | -37,846,131.43 |
| Effect of deductible temporary differences or deductible losses not recognized as deferred tax assets in the current period | 12,715,291.34 |
| Gains and losses on joint ventures and associates accounted for under the equity method of accounting | 41,344,436.75 |
| Effect of tax rate changes on opening deferred income tax balances | 34,647.22 |
| Tax implications of the markup deduction for research and development expenses | -6,769,979.28 |
| Others | -2,145,276.63 |
| Income tax expense | 150,452,372.74 |

58. Other comprehensive income

See "Note VII.38. Other comprehensive income" in this section for details.

59. Items in statement of cash flows

(1) Cash related to operating activities

Other cash received related to operating activities

Unit: RMB Yuan

| Item | Current amount | 2023 |
|---------------------------------------|-----------------------|-------------------------|
| Receipt of government subsidies | 232,212,716.55 | 173,870,477.67 |
| Receipt of deposits | 106,545,651.83 | 1,714,500.00 |
| Receipt of other non-operating income | 146,160,258.38 | 5,610,435.02 |
| Receipt of due from other companies | 121,157,357.11 | 366,102.15 |
| Restricted cash at bank and on hand | 20,000,000.00 | 894,038,447.29 |
| Interest income | 87,667,107.03 | |
| Total | 713,743,090.90 | 1,075,599,962.13 |

Other cash paid related to operating activities

Unit: RMB Yuan

| Item | Current amount | 2023 |
|-------------------------------|-----------------------|-----------------------|
| Expenditures of a cost nature | 667,795,129.17 | 469,828,037.02 |
| Non-operating expenses | 14,838,595.07 | 5,914,076.77 |
| Payment of deposits | 17,227,321.75 | 6,500,000.00 |
| Handling fee expenses | 1,189,383.23 | |
| Total | 701,050,429.22 | 482,242,113.79 |

(2) Cash related to investing activities

Significant cash received from investing activities

Unit: RMB Yuan

| Item | Current amount | 2023 |
|---|----------------|-------------------------|
| Proceeds from disposal of equity of Zhixin Co. by New-E Co. | | 1,260,401,500.00 |
| Total | | 1,260,401,500.00 |

Significant cash paid for investing activities

Unit: RMB Yuan

| Item | Current amount | 2023 |
|-------------------------------------|----------------|-----------------------|
| Entrusted loan payment to Zhonghong | | 12,311,109.00 |
| Purchase payment for ball burning | | 650,162,899.68 |
| Total | | 662,474,008.68 |

(3) Cash related to financing activities

Other cash paid for financing activities

Unit: RMB Yuan

| Item | Current amount | 2023 |
|---|-----------------------|-------------------------|
| Handling fee expenses | | 1,203,876.70 |
| Paying back the borrowings from Shougang Group | 765,796,082.92 | 590,000,000.00 |
| Lease payments | 24,683,792.05 | 51,873,444.07 |
| Investment funds payment to minority shareholders | | 364,349,130.58 |
| Payment for equity incentive repurchasement | 64,932,121.43 | 80,303,655.91 |
| Others | 2,703,574.01 | 887,314.66 |
| Total | 858,115,570.41 | 1,088,617,421.92 |

Changes in liabilities arising from financing activities

Applicable Non-applicable

Unit: RMB Yuan

| Item | Opening balance | Increase | | Decrease | | Closing balance |
|---|--------------------------|--------------------------|-------------------------|--------------------------|------------------|--------------------------|
| | | Cash changes | Non-cash changes | Cash changes | Non-cash changes | |
| Short-term borrowings | 26,661,355,641.29 | 24,337,000,000.00 | 638,158,424.94 | 29,385,229,274.49 | | 22,251,284,791.74 |
| Long-term borrowings | 14,104,913,024.03 | 4,653,240,000.00 | 465,979,776.12 | 4,700,199,550.03 | | 14,523,933,250.12 |
| Super & Short-Term Commercial Paper (SCP) | 1,003,296,438.41 | 2,000,000,000.00 | 24,028,954.25 | 2,322,175,228.68 | | 705,150,163.98 |
| Lease liabilities | 493,579,496.82 | | 33,871,922.31 | 41,551,227.16 | | 485,900,191.97 |
| Total | 42,263,144,600.55 | 30,990,240,000.00 | 1,162,039,077.62 | 36,449,155,280.36 | | 37,966,268,397.81 |

60. Supplements to statement of cash flows**(1) Supplementary information**

Unit: RMB Yuan

| Supplementary information | Current period amount | Prior period amount |
|---|-----------------------|---------------------|
| 1. Reconciliation of net profit to net cash flows from operating activities | | |
| Net profit | 595,152,862.32 | 753,804,844.21 |
| Add: Impairment losses on assets | 594,371,293.01 | 551,901,723.17 |
| Depreciation of fixed assets, depletion of oil and gas assets, depreciation of bearer biological assets | 7,809,004,384.55 | 7,735,539,138.64 |
| Depreciation of right-of-use assets | 35,495,158.68 | 33,163,882.30 |
| Amortization of intangible assets | 191,283,872.17 | 184,816,598.20 |
| Amortization of long-term deferred expenses | 685,795.53 | 973,269.04 |
| Losses on disposal of fixed assets, intangible assets and other long-term assets (Gains as in "-") | -791,373.65 | -567,839.38 |
| Losses on written-off fixed assets (Gains as in "-") | 51,371,853.33 | 22,633,954.87 |
| Losses on fair value changes (Gain as in "-") | 4,790,547.26 | 4,224,788.99 |
| Financial expenses (Income as in "-") | 1,188,101,498.25 | 1,353,210,253.87 |
| Investment losses (Income as in "-") | 306,727,610.88 | 173,640,314.78 |
| Decrease in deferred tax assets (Increase as in "-") | 27,296,810.74 | -38,714,829.81 |
| Increase in deferred tax liabilities (Decrease as in "-") | -47,896,570.98 | 56,941,878.24 |
| Decrease in inventories (Increase as in "-") | 794,789,435.56 | -764,110,188.47 |
| Decrease in receivables from operating activities (Increase as in "-") | -1,118,617,495.84 | -551,504,080.80 |
| Increase in payables from operating activities (Decrease as in "-") | -4,196,673,814.42 | -4,243,063,771.00 |
| Others | 93,637,129.30 | 881,416,134.97 |
| Net cash flows from operating activities | 6,328,728,996.69 | 6,154,306,071.82 |
| 2. Significant non-cash payments for investing and financing activities | | |
| Conversion of debt into capital | | |
| Convertible bonds due within one year | | |
| Finance leased fixed assets | | |
| Right-of-use assets newly added during the period | 45,307.77 | 436,316,890.81 |
| 3. Net changes in cash and cash equivalents: | | |
| Closing balance of cash | 8,697,374,851.04 | 8,904,660,678.08 |
| Less: Opening balance of cash | 8,904,660,678.08 | 8,329,215,003.68 |
| Add: Closing balance of cash equivalents | | |
| Less: Opening balance of cash equivalents | | |
| Net increase in cash and cash equivalents | -207,285,827.04 | 575,445,674.40 |

(2) Components of cash and cash equivalents

Unit: RMB Yuan

| Item | Closing balance | Opening balance |
|---|------------------|------------------|
| I. Cash | 8,697,374,851.04 | 8,904,660,678.08 |
| Including: Cash on hand | 50,977.80 | 33,669.68 |
| Balances in banks without restriction | 8,697,323,860.50 | 8,904,626,995.66 |
| Other monetary funds without restriction | 12.74 | 12.74 |
| III. Closing balance of cash and cash equivalents | 8,697,374,851.04 | 8,904,660,678.08 |

(3) Monetary funds not belong to cash and cash equivalents

Unit: RMB Yuan

| Item | Current period amount | Prior period amount | Reasons for monetary funds not belong to cash and cash equivalents |
|-----------------------|-----------------------|---------------------|--|
| Other monetary assets | 78,435,686.58 | 246,369,301.95 | Security fund |
| Accrued interest | 1,463,088.39 | 2,175,646.34 | Accruing interest based on actual interest rate |
| Total | 79,898,774.97 | 248,544,948.29 | |

61. Notes to Statement of Changes in Shareholders' Equity

Indicate the name of the "Other" item and the amount of adjustment to the closing balance of the prior year:

Item “6. Others” in the Statement of Changes in Equity has no amount for the period.

62. Foreign currency monetary items

(1) Foreign currency monetary items

Unit: RMB Yuan

| Item | Closing balance for foreign currency | Exchange rate | Closing balance converted to RMB |
|--------------------------|--------------------------------------|---------------|----------------------------------|
| Cash at bank and on hand | | | |
| Including: USD | 32,220,075.48 | 7.1884 | 231,610,790.58 |
| EUR | 3,668,604.27 | 7.5257 | 27,608,815.16 |
| HKD | 607,777.61 | 0.9260 | 562,826.37 |
| Accounts receivable | | | |
| Including: USD | 7,300,603.29 | 7.1884 | 52,479,656.69 |
| EUR | 1,106,811.16 | 7.5257 | 8,329,530.18 |
| HKD | | | |
| Long-term borrowings | | | |
| Including: USD | | | |
| EUR | | | |
| HKD | | | |
| Accounts payable | | | |
| Including: USD | 851,111.57 | 7.1884 | 6,118,130.41 |
| EUR | | | |
| HKD | | | |

(2) Description of the overseas operating entities, including, in the case of a significant overseas operating entity, a disclosure of the principal place of business outside the country, the local currency of account and the basis of selection, and the reasons for any change in the local currency of account.

Applicable Non-applicable

Subsidiary of the Company: Zhixin Electromagnetic (Hong Kong) Trading Co., Ltd. is a wholly-owned subsidiary of Shougang Zhixin Electromagnetic Materials (Qian'an) Co., Ltd., a subsidiary held by the Company, established in Hong Kong. In 2024, the main business of this subsidiary was overseas sales of metallic soft magnetic materials, and the sales settlement method was mainly in U.S. dollars. Based on the Company's actual operation and future development plan, the bookkeeping local currency in 2024 was U.S. dollars.

63. Lease

(1) The Company as a lessee

| Item | 2024 | 2023 |
|---|---------------|---------------|
| Interest expenses on lease liabilities | 19,970,899.60 | 19,884,783.97 |
| Short-term lease expenses under simplified treatment included in current profit or loss | 6,630,979.13 | 2,949,195.71 |
| Lease expenses for low-value assets (other than short-term leases) recognized in profit or loss using the simplified approach | | |
| Variable lease payments not included in the measurement of the lease liabilities | | |
| Income from sublease of right-of-use assets | | |

| | | |
|---------------------------------------|---------------|---------------|
| Total cash outflows related to leases | 41,551,227.16 | 51,873,444.07 |
|---------------------------------------|---------------|---------------|

(2) The Company as a lessor

Operating leases with the Company as a lessor

| Item | Current amount | Including: Income related to variable lease payments not included in lease receipts |
|---------------|----------------------|---|
| lease revenue | 46,527,327.96 | |
| Total | 46,527,327.96 | |

VIII. R&D expenses

Unit: RMB Yuan

| Item | Current amount | 2023 |
|----------------------------|-----------------------|-----------------------|
| Staff costs | 478,207,259.12 | 418,054,111.94 |
| Other regular expenses | 54,491,496.36 | 73,024,683.39 |
| Total | 532,698,755.48 | 491,078,795.33 |
| Including: Expensed amount | 532,698,755.48 | 491,078,795.33 |

IX. Interests in other entities**1. Interests in subsidiaries****(1) Composition of the Company**

Unit: RMB Yuan

| Name of subsidiary | Registered capital | Main place of operation | Place of registration | Business nature | Shareholding ratio (%) | | Acquisition method |
|--|--------------------|-------------------------|-----------------------|----------------------|------------------------|----------|---|
| | | | | | Direct | Indirect | |
| Shougang Jingtang United Iron & Steel Co., Ltd. | 35,821,676,294.00 | Tangshan, PRC | Tangshan, PRC | Production and sales | 70.18% | 29.82% | Business combinations involving entities under common control |
| Beijing Shougang Cold Rolling Co., Ltd. | 2,600,000,000.00 | Beijing, PRC | Beijing, PRC | Production and sales | 70.28% | | Establishment or investment, etc. |
| Qian'an Shougang Metallurgical Technology Co., Ltd. | 1,900,000.00 | Qian'an, PRC | Qian'an, PRC | Consulting service | 100.00% | | Business combinations involving entities under common control |
| Shougang Zhixin Electromagnetic Materials (Qian'an) Co., Ltd. | 3,000,000,000.00 | Qian'an, PRC | Qian'an, PRC | Production and sales | 66.23% | | Establishment or investment, etc. |
| Beijing Shougang Steel Trading Investment Management Co., Ltd. | 1,136,798,235.00 | Beijing, PRC | Beijing, PRC | Production and sales | 100.00% | | Business combinations involving entities under common control |

(2) Significant non-wholly owned subsidiaries

Unit: RMB Yuan

| Name of subsidiary | Shareholding ratio of non-controlling interests | Profit or loss attributable to non-controlling interests in the current period | Dividends declared and distributed to non-controlling interests in the current period | Balance of non-controlling interests at the end of the period |
|--------------------|---|--|---|---|
|--------------------|---|--|---|---|

| | | | | |
|---|--------|----------------|---------------|------------------|
| Beijing Shougang Cold Rolling Co., Ltd. | 29.72% | 1,839,109.80 | | -305,909,180.50 |
| Shougang Zhixin Electromagnetic Materials (Qian'an) Co., Ltd. | 33.77% | 117,465,789.01 | 62,007,325.33 | 4,962,625,525.18 |

(3) Major financial information of significant non-wholly owned subsidiaries

Unit: RMB Yuan

| Name of subsidiary | Closing balance | | | | | | Opening balance | | | | | |
|---|------------------|--------------------|-------------------|---------------------|-------------------------|-------------------|------------------|--------------------|-------------------|---------------------|-------------------------|-------------------|
| | Current assets | Non-current assets | Total assets | Current liabilities | Non-current liabilities | Total liabilities | Current assets | Non-current assets | Total assets | Current liabilities | Non-current liabilities | Total liabilities |
| Beijing Shougang Cold Rolling Co., Ltd. | 1,449,998,245.00 | 3,049,116,907.36 | 4,499,115,152.36 | 3,134,495,872.82 | 2,390,093,197.52 | 5,524,589,070.34 | 1,523,555,615.93 | 3,650,902,283.79 | 5,174,457,899.72 | 2,216,553,392.64 | 3,993,850,445.05 | 6,210,403,837.69 |
| Shougang Zhixin Electromagnetic Materials (Qian'an) Co., Ltd. | 6,192,348,706.35 | 15,524,842,346.46 | 21,717,191,052.81 | 5,693,074,749.47 | 1,390,783,109.09 | 7,083,857,858.56 | 5,315,471,057.37 | 15,796,111,190.51 | 21,111,582,247.88 | 5,228,317,348.03 | 1,401,485,982.54 | 6,629,803,330.57 |

Unit: RMB Yuan

| Name of subsidiary | 2024 | | | | 2023 | | | |
|---|-------------------|----------------|----------------------------|--------------------------------------|-------------------|----------------|----------------------------|--------------------------------------|
| | Operating revenue | Net profit | Total comprehensive income | Cash flows from operating activities | Operating revenue | Net profit | Total comprehensive income | Cash flows from operating activities |
| Beijing Shougang Cold Rolling Co., Ltd. | 9,768,261,391.98 | 6,188,121.79 | 6,188,121.79 | 912,441,874.23 | 10,222,499,759.89 | 25,644,278.95 | 25,644,278.95 | 490,942,970.07 |
| Shougang Zhixin Electromagnetic Materials (Qian'an) Co., Ltd. | 14,342,270,942.98 | 333,031,890.51 | 333,044,274.26 | 620,426,601.19 | 14,317,006,979.29 | 308,135,956.50 | 308,135,856.97 | 1,097,996,701.35 |

2. Interests in joint ventures and associates**(1) Significant joint ventures and associates**

| Name of joint venture or associate | Main place of operation | Place of registration | Business nature | Shareholding ratio (%) | | Accounting method |
|---|-------------------------|-----------------------|--------------------|------------------------|----------|-------------------|
| | | | | Direct | Indirect | |
| I. Joint ventures | | | | | | |
| Tangshan Guoxing Industry Co., Ltd. | Tangshan, PRC | Tangshan, PRC | Manufacturing | 50.00% | | Equity method |
| Tangshan Shougang Jingtang Xishan Coking Co., Ltd. | Tangshan, PRC | Tangshan, PRC | Coking | 50.00% | | Equity method |
| II. Associates | | | | | | |
| Tangshan Tangcao Railway Co., Ltd. | Tangshan, PRC | Tangshan, PRC | Transportation | 16.19% | | Equity method |
| Tangshan Caofeidian Dunshi New Building Materials Co., Ltd. | Tangshan, PRC | Tangshan, PRC | Building materials | 25.00% | | Equity method |
| Qian'an Sinochem Coal Chemical Industrial Co., Ltd. | Qian'an, PRC | Qian'an, PRC | Coking | 49.82% | | Equity method |

| | | | | | | |
|--|-------------------|-------------------|--------------------|--------|--|---------------|
| Beijing Shouxin Jinyuan Management Consulting Center (Limited Partnership) | Beijing, PRC | Beijing, PRC | Investment | 20.00% | | Equity method |
| Beijing Dingshengcheng Packaging Materials Co., Ltd. | Beijing, PRC | Beijing, PRC | Manufacturing | 45.00% | | Equity method |
| Ningbo Shougang Zhejin Steel Materials Co., Ltd. | Ningbo, PRC | Ningbo, PRC | Manufacturing | 40.00% | | Equity method |
| Guangzhou Jinghai Shipping Co., Ltd. | Guangzhou, PRC | Guangzhou, PRC | Transportation | 20.00% | | Equity method |
| Shougang (Qingdao) Steel Industry Co., Ltd. | Qingdao, PRC | Qingdao, PRC | Manufacturing | 35.00% | | Equity method |
| Tianjin Wuchan Shougang Steel Processing and Distribution Co., Ltd. | Tianjin, PRC | Tianjin, PRC | Manufacturing | 35.00% | | Equity method |
| Hebei Jingji Industrial Trading Co., Ltd. | Shijiazhuang, PRC | Shijiazhuang, PRC | Manufacturing | 35.71% | | Equity method |
| Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd. | Qian'an, PRC | Qian'an, PRC | Building materials | 35.00% | | Equity method |

(2) Major financial information of significant joint ventures

| Item | Closing balance/2024 | | Opening balance/2023 | |
|--------------------------------------|-------------------------------------|--|-------------------------------------|--|
| | Tangshan Guoxing Industry Co., Ltd. | Tangshan Shougang Jingtang Xishan Coking Co., Ltd. | Tangshan Guoxing Industry Co., Ltd. | Tangshan Shougang Jingtang Xishan Coking Co., Ltd. |
| Current assets | 69,987,990.52 | 2,589,154,143.35 | 87,762,250.00 | 2,416,667,328.21 |
| Including: Cash and cash equivalents | 6,426,493.84 | 19,204,043.19 | 11,831,560.37 | 921,218,575.78 |
| Non-current assets | 81,435,831.50 | 923,965,805.48 | 67,486,657.73 | 1,124,868,967.63 |
| Total assets | 151,423,822.02 | 3,513,119,948.83 | 155,248,907.73 | 3,541,536,295.84 |
| Current liabilities | 56,592,687.16 | 1,307,120,876.10 | 64,953,492.81 | 1,341,411,421.87 |
| Non-current liabilities | 8,049,100.30 | 28,898,200.00 | 4,929,259.45 | 14,286,600.00 |
| Total liabilities | 64,641,787.46 | 1,336,019,076.10 | 69,882,752.26 | 1,355,698,021.87 |
| Total net assets | 86,782,034.56 | 2,177,100,872.73 | 85,366,155.47 | 2,185,838,273.97 |

| | | | | |
|---|----------------|-------------------|----------------|-------------------|
| Including: Non-controlling interests | | | | |
| Equity attributable to shareholders of the parent company | 86,782,034.56 | 2,177,100,872.73 | 85,366,155.47 | 2,185,838,273.97 |
| Net assets calculated by shareholding ratio | 43,391,017.27 | 1,088,550,436.38 | 42,683,077.74 | 1,092,919,136.99 |
| Adjustment | | | | |
| --Goodwill | | | | |
| --Unrealized profit of internal transaction | | | | |
| --Others | | | | |
| Book value of equity investments in joint ventures | 43,391,017.27 | 1,088,550,436.38 | 42,683,077.74 | 1,092,919,136.99 |
| Fair value of equity investment with quoted market price | | | | |
| Operating revenue | 142,182,164.30 | 11,074,278,709.42 | 152,846,388.61 | 11,913,406,274.48 |
| Financial expenses | -6,413.14 | 24,000,484.29 | 67.65 | 18,636,499.11 |
| Income tax expense | 1,473,020.35 | 13,193,720.07 | 4,299,552.60 | 21,449,766.52 |
| Net profit | 4,419,060.99 | 37,305,654.47 | 11,993,957.13 | 28,813,025.73 |
| Net profit from discontinued operations | | | | |
| Other comprehensive income | | | | |
| Total comprehensive income | 4,419,060.99 | 37,305,654.47 | 11,993,957.13 | 28,813,025.73 |
| Dividends received from joint ventures | 1,500,000.00 | 20,000,000.00 | 1,500,000.00 | 20,000,000.00 |

(3) Major financial information of significant associates

| Item | Closing balance/2024 | | | Opening balance/2023 | | |
|--------------------------------------|------------------------------------|---|---|------------------------------------|---|---|
| | Tangshan Tangcao Railway Co., Ltd. | Tangshan Caofeidian Dunshi New Building Materials Co., Ltd. | Qian'an Sinochem Coal Chemical Industrial Co., Ltd. | Tangshan Tangcao Railway Co., Ltd. | Tangshan Caofeidian Dunshi New Building Materials Co., Ltd. | Qian'an Sinochem Coal Chemical Industrial Co., Ltd. |
| Current assets | 52,440,010.15 | 42,846,381.54 | 1,570,885,238.75 | 11,997,404.09 | 57,009,150.19 | 1,684,760,023.03 |
| Including: Cash and cash equivalents | 46,641,489.82 | 16,951,890.26 | 12,534,818.62 | 5,922,814.07 | 40,829,184.60 | 146,638,014.89 |
| Non-current assets | 7,726,049,346.20 | 197,536,973.90 | 2,389,287,838.85 | 7,954,587,079.21 | 210,901,577.81 | 2,454,695,383.56 |
| Total assets | 7,778,489,356.35 | 240,383,355.44 | 3,960,173,077.60 | 7,966,584,483.30 | 267,910,728.00 | 4,139,455,406.59 |
| Current liabilities | 2,946,802,229.28 | 22,871,084.46 | 3,059,030,465.56 | 2,276,603,433.89 | 23,294,131.49 | 2,778,212,894.87 |
| Non-current liabilities | 3,737,829,314.29 | 13,244,377.28 | 17,115,900.12 | 4,194,211,225.00 | 15,659,291.41 | 18,781,936.85 |

| | | | | | | |
|--|------------------|----------------|------------------|------------------|----------------|------------------|
| Total liabilities | 6,684,631,543.57 | 36,115,461.74 | 3,076,146,365.68 | 6,470,814,658.89 | 38,953,422.90 | 2,796,994,831.72 |
| Total net assets | 1,093,857,812.78 | 204,267,893.70 | 884,026,711.92 | 1,495,769,824.41 | 228,957,305.10 | 1,342,460,574.87 |
| Including: Non-controlling interests | | | | | | |
| Equity attributable to shareholders of the parent company | 1,093,857,812.78 | 204,267,893.70 | 884,026,711.92 | 1,495,769,824.41 | 228,957,305.10 | 1,342,460,574.87 |
| Net assets calculated by shareholding ratio | 177,095,579.89 | 51,066,973.43 | 440,465,441.06 | 242,165,134.57 | 57,239,326.28 | 668,873,969.41 |
| Adjustment | | | | | | |
| --Goodwill | | | 4,147,420.21 | | | 4,147,420.21 |
| --Unrealized profit of internal transaction | | | | | | |
| --Others | | | | | | |
| Book value of equity investments in associates | 177,095,579.89 | 51,066,973.43 | 444,612,861.27 | 242,165,134.57 | 57,239,326.28 | 673,021,389.62 |
| Fair value of equity investments in associates with quoted market prices | | | | | | |
| Operating revenue | 164,997,004.73 | 241,162,895.99 | 6,924,184,652.71 | 95,540,290.94 | 298,428,204.39 | 7,607,961,864.64 |
| Financial expenses | 211,257,810.68 | 55,809.88 | 50,637,409.78 | 208,633,656.87 | -370,248.37 | 25,553,298.95 |
| Income tax expense | | 38,980.23 | -1,433,111.60 | | 21,593.07 | -1,435,787.78 |
| Net profit | -402,240,238.93 | -24,689,411.40 | -458,433,862.95 | -436,239,033.71 | -20,910,692.67 | -438,524,832.41 |
| Net profit from discontinued operations | | | | | | |
| Other comprehensive income | | | | | | |
| Total comprehensive income | -402,240,238.93 | -24,689,411.40 | -458,433,862.95 | -436,239,033.71 | -20,910,692.67 | -438,524,832.41 |
| Dividends received from associates | | | | | 5,000,000.00 | |

(Continued)

| Item | Closing balance/2024 | | | Opening balance/2023 | | |
|------|--|--|--|--|--|--|
| | Beijing Shouxin Jinyuan Management Consulting Center (Limited Partnership) | Beijing Dingshengcheng Packaging Materials Co., Ltd. | Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd. | Beijing Shouxin Jinyuan Management Consulting Center (Limited Partnership) | Beijing Dingshengcheng Packaging Materials Co., Ltd. | Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd. |
| | | | | | | |

| | | | | | | |
|--|-----------------|----------------|----------------|----------------|----------------|----------------|
| Current assets | 2,272,966.16 | 74,699,002.05 | 23,021,292.55 | 49,953,014.72 | 71,276,041.71 | 38,020,972.68 |
| Including: Cash and equivalents | 1,772,966.16 | 37,922,666.16 | 3,390,262.50 | | 35,099,487.50 | 18,058,114.94 |
| Non-current assets | 535,864,735.00 | 438,504.67 | 231,727,402.31 | 748,940,871.51 | 503,489.11 | 243,292,858.01 |
| Total assets | 538,137,701.16 | 75,137,506.72 | 254,748,694.86 | 798,893,886.23 | 71,779,530.82 | 281,313,830.69 |
| Current liabilities | 8,075,000.00 | 24,169,691.51 | 40,178,753.87 | 159,846,777.25 | 24,261,639.55 | 27,238,639.49 |
| Non-current liabilities | 120,366,283.39 | | 136,373,833.34 | | | 159,041,166.67 |
| Total liabilities | 128,441,283.39 | 24,169,691.51 | 176,552,587.21 | 159,846,777.25 | 24,261,639.55 | 186,279,806.16 |
| Total net assets | 409,696,417.77 | 50,967,815.21 | 78,196,107.65 | 639,047,108.98 | 47,517,891.27 | 95,034,024.53 |
| Including: Non-controlling interests | | | | | | |
| Equity attributable to shareholders of the parent company | 409,696,417.77 | 50,967,815.21 | 78,196,107.65 | 639,047,108.98 | 47,517,891.27 | 95,034,024.53 |
| Net assets calculated by shareholding ratio | 82,766,953.08 | 22,935,516.84 | 27,368,637.68 | 129,100,426.06 | 21,383,051.07 | 33,261,908.60 |
| Adjustment | | | | | | |
| --Goodwill | | 44,544.87 | | | 44,544.87 | |
| --Unrealized profit of internal transaction | | | | | | |
| --Others | | | | | | |
| Book value of equity investments in associates | 82,766,953.08 | 22,980,061.71 | 27,368,637.68 | 129,100,426.06 | 21,427,595.94 | 33,261,908.60 |
| Fair value of equity investments in associates with quoted market prices | | | | | | |
| Operating revenue | -204,154,628.40 | 172,336,510.30 | 99,197,118.71 | 534,343,438.59 | 183,268,726.98 | 83,963,345.96 |
| Financial expenses | 691.40 | -525,440.35 | 5,051,064.25 | | -340,306.32 | 1,822,256.58 |
| Income tax expense | | 1,687,365.47 | 2,301,714.80 | | 3,003,176.09 | -2,288,976.32 |
| Net profit | -168,724,805.63 | 3,449,923.94 | -16,837,916.88 | 416,836,070.09 | 10,215,638.25 | -7,064,743.58 |
| Net profit from discontinued operations | | | | | | |
| Other comprehensive income | | | | | | |

| | | | | | | |
|------------------------------------|-----------------|--------------|----------------|----------------|---------------|---------------|
| Total comprehensive income | -168,724,805.63 | 3,449,923.94 | -16,837,916.88 | 416,836,070.09 | 10,215,638.25 | -7,064,743.58 |
| Dividends received from associates | 7,789,898.99 | | | 77,539,284.02 | | |

(4) Summary financial information for no significant joint ventures and associates

Unit: RMB Yuan

| | Closing balance/2024 | Opening balance/2023 |
|--|----------------------|----------------------|
| Joint ventures: | | |
| Items calculated according to the shareholding ratio | | |
| Associates: | | |
| Total book value of investment | 132,880,902.81 | 128,957,100.56 |
| Items calculated according to the shareholding ratio | | |
| --Net profit | 4,531,464.94 | 3,387,350.67 |
| --Total comprehensive income | 4,531,464.94 | 3,387,350.67 |

3. Interests in unconsolidated structured entities

Relevant notes on unconsolidated structured entities

(1) Basic information of unconsolidated structured entities

The unconsolidated structured entities are the Limited Partnerships initiated by the Company, including Beijing Shouxin Jinyuan Management Consulting Center (Limited Partnership) (Hereinafter referred to as Shouxin Jinyuan Fund or the Partnership) and Beijing Shouxin Jin'an Equity Investment Partnership (Limited Partnership) (Hereinafter referred to as Shouxin Jin'an Fund or the Partnership). In accordance with the provisions of the limited partnership agreement, the Company has no control over the Partnership.

① The purpose of establishing the Shouxin Jinyuan Fund is to combine the relevant policies of Beijing on the development of high-end, precision, and advanced industry with the market-oriented operation of M&A investment, actively responding to the strategic goal of Beijing to build a high-end, precision and advanced industrial structure, promoting the upgrading and development of Beijing's high-end, precision and advanced industry, contributing to the local economic development and industrial structure adjustment of Beijing, and creating satisfactory return on investment for investors.

The total subscribed capital of all partners to Shouxin Jinyuan Fund is no less than RMB 1 billion. The Fund partners are divided into general partners and limited partners. The contribution agreement is as follows: Beijing Shouyuan New Energy Investment Management Co., Ltd., the general partner, contributes RMB 10 million; and among the limited partners, the Company agrees to contribute RMB 200 million, and the other limited partners agree to contribute RMB 790 million in total.

As of 31 December 2024, Shouxin Jinyuan Fund has conducted investment activities and five external investment projects have been invested with the amount of RMB 829,432.10 thousand. A total of 2 project exits have been realized, with accumulated funds recovered amounting to RMB 2,567,021,200, including a project investment principal of 600 million and an investment gain of RMB 1,967,021,200. No financing activity has been conducted by the Fund.

② The purpose of establishing the Shouxin Jin'an Fund is to focus on investing in leading enterprises within the Shougang Group system, thereby expanding and strengthening the Shougang Group's new material industry. Leveraging platforms such as Zhixin Electromagnetic, Beiye, Guigang, and other advanced metal materials enterprises, the Fund will concentrate on advanced metal new material areas where the Shougang Group has competitive advantages, including advanced electrical steel materials, casting superalloys, precision alloys, and high-performance special steels.

The total subscribed capital of all partners to Shouxin Jin'an Fund is no less than RMB 2,070.5455 million. The Fund partners are divided into general partners and limited partners. The contribution agreement is as follows: Beijing Shouyuan Xinneng Investment Management Co., Ltd., the general partner, contributes RMB 20.7055 million; and among the limited partners, the Company agrees to contribute RMB 200 million, and the other limited partners agree to contribute RMB 1,849.84 million in total.

As of 31 December 2024, Shouxin Jin'an Fund has completed fund raising and registered with the Asset Management Association of China and two external investment projects have been invested with RMB 230 million. No financing activity has been conducted by the Fund.

(2) Book value and maximum loss exposure of interests related assets and liabilities

As of 31 December 2024, the maximum loss exposure of the Company's interests in Shouxin Jinyuan Fund is RMB 45.8864 million. The maximum loss exposure of the Company's interests in Shouxin Jin'an Fund is RMB 22.2164 million.

(3) The support provided to the unconsolidated structured entities

As of 31 December 2024, the Company had no intention of providing financial or other support for Shouxin Jinyuan Fund and Shouxin Jin'an Fund.

(4) Additional information disclosure of unconsolidated structured entities

As of 31 December 2024, no additional information related to Shouxin Jinyuan Fund and Shouxin Jin'an Fund should be disclosed by the Company.

X. Government grants

1. Government grants based on the amount receivable at the end of the reporting period

Applicable Not applicable

Reasons for not receiving the expected amount of government grants at the expected point in time

Applicable Not applicable

2. Liability items related to government grants

Applicable Non-applicable

Unit: RMB Yuan

| Accounting item | Opening balance | Amount of new grants during the period | Amount recognized as non-operating income during the period | Amount transferred to other income during the period | Other changes | Closing balance | Related to assets/income |
|-----------------|-----------------|--|---|--|---------------|-----------------|--------------------------|
| Deferred income | 507,674,156.49 | 96,251,900.00 | | 40,296,257.21 | | 563,629,799.28 | Related to assets |
| Total | 507,674,156.49 | 96,251,900.00 | | 40,296,257.21 | | 563,629,799.28 | |

3. Government grants recognized in current profit or loss

Applicable Non-applicable

Unit: RMB Yuan

| Accounting item | 2024 | 2023 |
|--|----------------|----------------|
| Government grants included in other income | 150,195,417.92 | 101,824,691.25 |
| Total | 150,195,417.92 | 101,824,691.25 |

XI. Risks related to financial instruments

1. Various risks arising from financial instruments

The main financial instruments of the Company include cash at bank and on hand, notes receivable, accounts receivable, financing receivables, other receivables, current portion of non-current assets, other current assets, other equity instrument investments, other non-current financial assets, long-term

receivables, notes payable, accounts payable, other payables, short-term borrowings, financial liabilities held for trading, current portion of non-current liabilities, long-term borrowings and bond payables, lease liabilities and long-term payables. The details of financial instruments are disclosed in the respective notes. Risks related to these financial instruments and the risk management policies used by the Company to minimize the risks are disclosed as below. Management of the Company manages and monitors the risk exposures to ensure the risks are controlled in the limited range.

Objectives and policies of risk management

The objective of the Company in risk management is to obtain an appropriate equilibrium between risk and return, and also focuses on minimizing potential adverse effects on the financial performance of the Company brought by the financial risk. Based on the objectives of risk management, certain policies are established to recognize and analyze the risk. Also, in order to monitor the risk position of the Company, internal control procedures are designed according to an acceptable level of risk. Both the policies and internal control procedures are reviewed and revised regularly to adapt to the changes in the market and business activities of the Company.

The primary risks caused by the financial instruments of the Company are credit risk and liquidity risk.

Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Company.

The Company manages the credit risk on a portfolio basis. Credit risks are mainly caused by bank deposits, notes receivable, accounts receivable, and other receivables.

The Company's bank deposits are placed mainly with financial institutions with good reputations and high credit ratings. Therefore, no significant credit risk associated with bank deposits is expected.

In addition, for notes receivable, accounts receivable and other receivables, the Company sets policies to control credit risk exposure. The Company evaluates credit qualifications and sets credit periods based on the customer's financial position, credit records and other factors such as current market conditions. The credit records of the customers are regularly monitored by the Company. In respect of customers with poor credit records, the Company will use written payment reminders, or shorten or cancel credit periods, to ensure the overall credit risk of the Company is limited to a controllable extent

The highest credit risk exposure to the Company is limited to the book value of each financial instrument illustrated in the balance sheet. The Company has not provided any guarantee that might cause credit risk to the Company.

Among the accounts receivable of the Company, the accounts receivable of the top five customers accounted for 49.38% (2023: 51.55%); among the other receivables of the Company, the other receivables of the top five customers accounted for 46.48% (2023: 42.85%).

Liquidity risk

Liquidity risk refers to the risk of the Company facing a shortage of funds when fulfilling obligations to settle with cash or other financial assets.

In managing liquidity risk, the Company maintains and monitors an adequate level of cash and cash equivalents, as considered by the management, to meet its operational needs and mitigate the impact of fluctuating cash flows. The management of the Company monitors the usage of bank borrowings and ensures compliance with the borrowing agreements. Meanwhile, the primary financial institution

commits to providing sufficient reserve funds to satisfy the short-term and long-term fund requirements of the Company.

XII. Disclosure of fair value

1. Closing fair value of assets and liabilities measured at fair value

Unit: RMB Yuan

| Item | Closing fair value | | | |
|--|--------------------------------|--------------------------------|--------------------------------|------------------|
| | Level 1 fair value measurement | Level 2 fair value measurement | Level 3 fair value measurement | Total |
| I. Recurring fair value measurement | -- | -- | -- | -- |
| Financing receivables | | | 3,596,293,493.59 | 3,596,293,493.59 |
| Other equity instruments investments | 238,829,008.00 | | 29,575,630.58 | 268,404,638.58 |
| Other non-current financial assets | | | 70,218,671.35 | 70,218,671.35 |
| Total assets measured at fair value on a recurring basis | 238,829,008.00 | | 3,696,087,795.52 | 3,934,916,803.52 |
| II. Non-recurring fair value measurement | -- | -- | -- | -- |

2. Basis for determining the market value of recurring and non-recurring Level 1 fair value measurement items

The Company's Level 1 fair value measurement items consist of listed stocks purchased on the STAR Market of the Shanghai Stock Exchange. Gains and losses on changes in fair value are derived from the observed public market trading prices of these financial products.

3. Qualitative and quantitative information on the valuation techniques and significant parameters used for the recurring and non-recurring Level 2 fair value measurement items

None.

4. Qualitative and quantitative information on the valuation techniques and significant parameters used for the recurring and non-recurring Level 3 fair value measurement items

Financial instruments included in Level 3 are bank acceptances receivable and equity in unlisted companies held under the management of the Company, which are valued by the Company based on future cash inflows and other factors. Under limited circumstances, if the recent information used to determine the fair value is insufficient, or the possible estimates of the fair value are widely distributed, and the cost represents the best estimate of the fair value within the range, the cost could represent the appropriate estimate of the fair value within the distribution range.

XIII. Related parties and related party transactions

1. Information about the parent company of the Company

| Parent company | Place of registration | Business nature | Registered capital (RMB 0,000) | Shareholding ratio (%) | Ratio of voting rights (%) |
|--------------------------|-----------------------|---|--------------------------------|------------------------|----------------------------|
| Shougang Group Co., Ltd. | Beijing, PRC | Ferrous metal smelting and rolling industry | 2,875,502.50 | 56.72 | 56.72 |

The ultimate controlling party of the Company is the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality.

2. Information about the subsidiaries of the Company

For details of the Company's subsidiaries, please refer to "Note IX. 1. Interests in subsidiaries" in this Section.

3. Information about joint ventures and associates of the Company

For details of the Company's significant joint ventures or associates, please refer to "Note IX.2 Interests in joint arrangements or associates" in this Section.

Other joint ventures or associates that had related party transactions with the Company during the current period or had balances arising from related party transactions with the Company in prior periods were as follows

| Name of joint venture or associate | Relationship with the Company |
|--|-------------------------------|
| Tangshan Shougang Jingtang Xishan Coking Co., Ltd. | Joint ventures of the Company |
| Tangshan Guoxing Industry Co., Ltd. | Joint ventures of the Company |
| Tangshan Tangcao Railway Co., Ltd. | Associates of the Company |
| Qian'an Sinochem Coal Chemical Industrial Co., Ltd. | Associates of the Company |
| Beijing Dingshengcheng Packaging Materials Co., Ltd. | Associates of the Company |
| Guangzhou Jinghai Shipping Co., Ltd. | Associates of the Company |
| Tianjin Wuchan Shougang Steel Processing and Distribution Co., Ltd. | Associates of the Company |
| Ningbo Shougang Zhejin Steel Materials Co., Ltd. | Associates of the Company |
| Tangshan Caofeidian Dunshi New Building Materials Co., Ltd. | Associates of the Company |
| Hebei Jingji Industrial Trading Co., Ltd. | Associates of the Company |
| Shougang (Qingdao) Steel Industry Co., Ltd. | Associates of the Company |
| Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd. | Associates of the Company |

4. Information about other related parties

| Names of other related parties | Relationship with the Company |
|---|--|
| Beijing Aidi Geological Engineering Technology Co., Ltd. | Under the control of the same parent company |
| Beijing Beiye Functional Materials Co., Ltd. | Under the control of the same parent company |
| Beijing Chengxin Project Supervision Co., Ltd. | Under the control of the same parent company |
| Peking University Shougang Hospital | Under the control of the same parent company |
| Beijing Dongzhimen International Apartment Co., Ltd. | Under the control of the same parent company |
| Beijing Huaxia Shouke Technology Co., Ltd. | Under the control of the same parent company |
| Beijing Jin'anyuan Auto Transportation Co., Ltd. | Under the control of the same parent company |
| Beijing Shouao Real Estate Co., Ltd. | Under the control of the same parent company |
| Beijing Shoucheng Packaging Service Co., Ltd. | Under the control of the same parent company |
| Beijing Shoufang Commercial Management Co., Ltd. | Under the control of the same parent company |
| Beijing Shougang City Transportation Holdings Co., Ltd. | Under the control of the same parent company |
| Beijing Shougang Futong Elevator Co., Ltd. | Under the control of the same parent company |
| Beijing Shougang International Engineering Technology Co., Ltd. | Under the control of the same parent company |
| Beijing Shougang Huaxia Engineering Technology Co., Ltd. | Under the control of the same parent company |
| Beijing Shougang Environmental Engineering Technology Co., Ltd. | Under the control of the same parent company |
| Beijing Shougang Machinery & Electric Co., Ltd. | Under the control of the same parent company |
| Beijing Shougang Gitane New Materials Co., Ltd. | Under the control of the same parent company |
| Beijing Shougang Testing Technology Co., Ltd. | Under the control of the same parent company |
| Beijing Shougang Construction Group Co., Ltd. | Under the control of the same parent company |
| Beijing Shougang Construction Investment Co., Ltd. | Under the control of the same parent company |
| Beijing Shougang Metal Co., Ltd. | Under the control of the same parent company |
| Beijing Shougang Mining Construction Co., Ltd. | Under the control of the same parent company |
| Beijing Shougang Industry Co., Ltd. | Under the control of the same parent company |
| Beijing Shougang Lanzatech Co., Ltd. | Under the control of the same parent company |
| Beijing Shougang Lujiaoshan Limestone Mine Co., Ltd. | Under the control of the same parent company |
| Beijing Shougang Gas Co., Ltd. | Under the control of the same parent company |
| Beijing Shougang Ferroalloy Co., Ltd. | Under the control of the same parent company |
| Beijing Shougang Property Management Co., Ltd. | Under the control of the same parent company |
| Beijing Shougang Material Trade Co., Ltd. | Under the control of the same parent company |
| Beijing Shougang 1919 Catering Management Co., Ltd. | Under the control of the same parent company |
| Beijing Shougang Catering Co., Ltd. | Under the control of the same parent company |
| Beijing Shougang Park Green Co., Ltd. | Under the control of the same parent company |

| | |
|---|--|
| Beijing Shougang Park Comprehensive Service Co., Ltd. | Under the control of the same parent company |
| Beijing Shougang Yunxiang Industrial Technology Co., Ltd. | Under the control of the same parent company |
| Beijing Shougang Automation Information Technology Co., Ltd. | Under the control of the same parent company |
| Beijing Shoujia Steel Structure Co., Ltd. | Under the control of the same parent company |
| Beijing Shoujian Hengji Construction Engineering Co., Ltd. | Under the control of the same parent company |
| Beijing Shoujian Hengxin Labor Service Co., Ltd. | Under the control of the same parent company |
| Beijing Shoujian Equipment Maintenance Co., Ltd. | Under the control of the same parent company |
| Beijing Shouke Xingye Engineering Technology Co., Ltd. | Under the control of the same parent company |
| Beijing Shouronghui Science and Technology Development Co., Ltd. | Under the control of the same parent company |
| Beijing Shoushi Xinye Labor Service Co., Ltd. | Under the control of the same parent company |
| Beijing Shouye Instruments & Meters Co., Ltd. | Under the control of the same parent company |
| Beijing Shouyi Mining Hospital Co., Ltd. | Under the control of the same parent company |
| Beijing Soly Technology Co., Ltd. | Under the control of the same parent company |
| Bohai International Conference Center Co., Ltd. | Under the control of the same parent company |
| Dachang Shougang Machinery & Electric Co., Ltd. | Under the control of the same parent company |
| Guizhou Bohong Industry Co., Ltd. | Under the control of the same parent company |
| Guizhou Guigang Drilling Tool Manufacturing Co., Ltd. | Under the control of the same parent company |
| Guizhou Liupanshui Shenghongda Mechanical Equipment Manufacturing Co., Ltd. | Under the control of the same parent company |
| Guizhou Shuigang Logistics Co., Ltd. | Under the control of the same parent company |
| Hebei Shenzhou Yuanda Real Estate Development Co., Ltd. | Under the control of the same parent company |
| Hebei Shougang Jingtang Machinery Co., Ltd. | Under the control of the same parent company |
| Hebei Wangqin Life Service Co., Ltd. | Under the control of the same parent company |
| Jilin Tonggang International Trade Co., Ltd. | Under the control of the same parent company |
| South China International Leasing Co., Ltd. | Under the control of the same parent company |
| Ningbo Metallurgical Survey and Design Research Co., Ltd. | Under the control of the same parent company |
| Qian'an Shougang Qiangang Hotel Co., Ltd. | Under the control of the same parent company |
| Qian'an Shougang Equipment Structure Co., Ltd. | Under the control of the same parent company |
| Qian'an Shougang Xingkuang Industrial Co., Ltd. | Under the control of the same parent company |
| Qian'an Shoushi Packaging Service Co., Ltd. | Under the control of the same parent company |
| Qian'an Shouxin Automation Information Technology Co., Ltd. | Under the control of the same parent company |
| Qinhuangdao Shounai New Materials Co., Ltd. | Under the control of the same parent company |
| Qinhuangdao Shougang Machinery Co., Ltd. | Under the control of the same parent company |
| Qinhuangdao Shougang Racing Valley Development Co., Ltd. | Under the control of the same parent company |
| Qinhuangdao Shouqin Steel Machining & Delivery Co., Ltd. | Under the control of the same parent company |
| Qinhuangdao Shouqin Metal Materials Co., Ltd. | Under the control of the same parent company |
| Geological Research Institute of Shougang Geological Exploration Institute | Under the control of the same parent company |
| Shougang International (Austria) Co., Ltd. | Under the control of the same parent company |
| Shougang International (Germany) GmbH | Under the control of the same parent company |
| Shougang Environmental Industry Co., Ltd. | Under the control of the same parent company |
| Shougang Group Finance Co., Ltd. | Under the control of the same parent company |
| Shougang Mining Corporation | Under the control of the same parent company |
| Shougang Casey Steel Co., Ltd. | Under the control of the same parent company |
| Shougang Mine Labor Service Company | Under the control of the same parent company |
| Shougang Luannan Macheng Mining Co., Ltd. | Under the control of the same parent company |
| Shougang Gas Tangshan Co., Ltd. | Under the control of the same parent company |
| Shougang Commercial Factoring Co., Ltd. | Under the control of the same parent company |
| Shougang Shuicheng Iron & Steel (Group) Saide Construction Co., Ltd. | Under the control of the same parent company |
| Shougang Shuicheng Iron & Steel (Group) Co., Ltd. | Under the control of the same parent company |
| Shougang Yili Steel Co., Ltd. | Under the control of the same parent company |
| Shougang Changzhi Steel & Iron Co., Ltd. | Under the control of the same parent company |
| Shoushi Fengyang International Logistics Services (Tangshan Caofeidian) Co., Ltd. | Under the control of the same parent company |
| Tangshan Caofeidian Industrial District Shouhanxin Industrial Co., Ltd. | Under the control of the same parent company |

| | |
|---|--|
| Tangshan Caofeidian Shoushi Industrial Co., Ltd. | Under the control of the same parent company |
| Tangshan Caofeidian Industrial Zone Jingtang Industry Co., Ltd. | Under the control of the same parent company |
| Tangshan Shougang Malanzhuang Iron Ore Co., Ltd. | Under the control of the same parent company |
| Tianjin Shougang Electrical Equipment Co., Ltd. | Under the control of the same parent company |
| Tonghua Iron and Steel Co., Ltd. | Under the control of the same parent company |
| Yantai Shougang Mining Industry Three-dimensional Co., Ltd. | Under the control of the same parent company |
| China Shougang International Trade & Engineering Corporation | Under the control of the same parent company |
| YASKAWA Shougang Robot Co., Ltd. | Joint ventures or associates of the Company's parent company |
| Cockerill Engineering (Beijing) Co., Ltd. | Joint ventures or associates of the Company's parent company |
| Beijing Relizhongda Heat Exchange Equipment Co., Ltd. | Joint ventures or associates of the Company's parent company |
| Beijing Shougang New Materials Co., Ltd. | Joint ventures or associates of the Company's parent company |
| Beijing Shougang Resources Comprehensive Utilization Technology Development Co., Ltd. | Joint ventures or associates of the Company's parent company |
| Beijing Shoushe Metallurgical Technology Co., Ltd. | Joint ventures or associates of the Company's parent company |
| Beijing Shoutaizhongxin Science & Technology Co., Ltd. | Joint ventures or associates of the Company's parent company |
| Beijing Shouyu Industry and Trade Co., Ltd. | Joint ventures or associates of the Company's parent company |
| Beijing Shouyun Logistics Co., Ltd. | Joint ventures or associates of the Company's parent company |
| Beijing Xingyeda Machinery & Electric Equipment Manufacture Co., Ltd. | Joint ventures or associates of the Company's parent company |
| Chaoyang Shougang Beifang Machinery Co., Ltd. | Joint ventures or associates of the Company's parent company |
| Hebei Shoulang New Energy Technology Co., Ltd. | Joint ventures or associates of the Company's parent company |
| Hua Xia Bank Co., Ltd. | Joint ventures or associates of the Company's parent company |
| Jingtang Port Shougang Terminal Co., Ltd. | Joint ventures or associates of the Company's parent company |
| Jingxi Shoutang Supply Chain Management Co., Ltd. | Joint ventures or associates of the Company's parent company |
| Longnan City Xiong Wei Wan Li New Material Co., Ltd. | Joint ventures or associates of the Company's parent company |
| POSCO-TISCO (Jilin) Processing Center Co., Ltd. | Joint ventures or associates of the Company's parent company |
| Qianan Shougang K.wah Construction MATERIALS Company Limited | Joint ventures or associates of the Company's parent company |
| Shoujia Huanke (Qian'an) Co., Ltd. | Joint ventures or associates of the Company's parent company |
| Tangshan Caofeidian Ganglian Logistics Co., Ltd. | Joint ventures or associates of the Company's parent company |
| Tangshan Caofeidian Shiye Port Co., Ltd. | Joint ventures or associates of the Company's parent company |
| Tangshan Zhonghong Carbon Chemical Co., Ltd. | Joint ventures or associates of the Company's parent company |
| PetroChina Shougang (Beijing) Petroleumsales Co., Ltd. | Joint ventures or associates of the Company's parent company |

5. Information about related party transactions

(1) Related transactions involving the purchase and sale of goods, rendering and receipt of services

Purchase of goods/receipt of services

Unit: RMB Yuan

| Related party | Contents of related transactions | 2024 | 2023 |
|---|----------------------------------|----------------|----------------|
| PetroChina Shougang (Beijing) Petroleumsales Co., Ltd. | Purchase of goods | 51,288,195.75 | 53,721,366.22 |
| PetroChina Shougang (Beijing) Petroleumsales Co., Ltd. | Receipt of services/labor | 785,850.00 | 757,558.65 |
| China Shougang International Trade & Engineering Corporation | Purchase of goods | 89,291,552.06 | 6,657,720.00 |
| China Shougang International Trade & Engineering Corporation | Receipt of services/labor | 122,116,942.95 | 102,569,506.84 |
| Tonghua Iron and Steel Co., Ltd. | Purchase of goods | 44,568,228.31 | 3,802,885.87 |
| Tonghua Iron and Steel Co., Ltd. | Receipt of services/labor | 281.13 | |
| Tianjin Wuchan Shougang Steel Processing and Distribution Co., Ltd. | Purchase of goods | 477,374,931.41 | 439,639,719.08 |
| Tianjin Wuchan Shougang Steel Processing and Distribution Co., Ltd. | Receipt of services/labor | 2,598,855.95 | 3,193,694.14 |
| Tianjin Shougang Electrical Equipment Co., Ltd. | Purchase of goods | 24,808,285.29 | 27,540,466.00 |
| Tianjin Shougang Electrical Equipment Co., Ltd. | Receipt of services/labor | | 750,000.00 |
| Tangshan Shougang Malanzhuang Iron Ore Co., Ltd. | Purchase of goods | 151,619,434.00 | 215,116,886.67 |

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|---|---------------------------|-------------------|-------------------|
| Tangshan Shougang Jingtang Xishan Coking Co., Ltd. | Purchase of goods | 14,908,232,906.30 | 16,327,534,330.01 |
| Tangshan Shougang Jingtang Xishan Coking Co., Ltd. | Receipt of services/labor | 113,670,781.81 | 121,400,910.06 |
| Tangshan Caofeidian District Bohai Kindergarten | Receipt of services/labor | 846,800.00 | |
| Tangshan Guoxing Industry Co., Ltd. | Receipt of services/labor | 132,795,465.44 | 143,852,579.14 |
| Tangshan Caofeidian Shoushi Industrial Co., Ltd. | Purchase of goods | 2,175,919.00 | 899,038.00 |
| Tangshan Caofeidian Shoushi Industrial Co., Ltd. | Receipt of services/labor | 82,773,664.41 | 92,796,533.86 |
| Tangshan Caofeidian Shiye Port Co., Ltd. | Receipt of services/labor | 484,985,567.40 | 484,456,068.34 |
| Tangshan Caofeidian Industrial District Shouhanxin Industrial Co., Ltd. | Receipt of services/labor | 275,346,945.52 | 365,061,060.71 |
| Tangshan Caofeidian Ganglian Logistics Co., Ltd. | Receipt of services/labor | 275,377,372.23 | 224,986,462.57 |
| Tangshan Caofeidian Dunshi New Building Materials Co., Ltd. | Receipt of services/labor | | 2,918,833.30 |
| Shougang Qianjin Machinery Factory Beijing Maintenance Branch | Purchase of goods | 334,632.00 | |
| Shougang Qianjin Machinery Factory Beijing Maintenance Branch | Receipt of services/labor | 4,146,927.55 | |
| Shougang Casey Steel Co., Ltd. | Receipt of services/labor | 101,767,584.73 | 89,931,464.45 |
| Shougang Technician College | Receipt of services/labor | 35,940.59 | |
| Shougang Mining Corporation | Purchase of goods | 3,746,222,472.24 | 4,021,937,390.46 |
| Shougang Mining Corporation | Receipt of services/labor | 225,630,737.97 | 281,362,511.82 |
| Shougang Mining Corporation | Fund usage charges | | 910,228.06 |
| Shougang Group Co., Ltd. | Purchase of goods | 21,149,861,018.39 | 21,965,590,264.80 |
| Shougang Group Co., Ltd. | Receipt of services/labor | 10,185,182.30 | 4,971,874.94 |
| Shougang Group Co., Ltd. | Fund usage charges | 28,585,314.85 | 63,104,733.91 |
| Shougang Group Finance Co., Ltd. | Fund usage charges | 297,381,188.15 | 363,628,875.86 |
| Shougang Environmental Industry Co., Ltd. | Receipt of services/labor | 282,000.00 | 5,359,304.37 |
| Shougang Institute of Technology | Receipt of services/labor | 2,164,803.04 | |
| Shougang (Qingdao) Steel Industry Co., Ltd. | Purchase of goods | 10,928,506.40 | 4,013,015.40 |
| Shougang (Qingdao) Steel Industry Co., Ltd. | Receipt of services/labor | 125,891.54 | |
| Qinhuangdao Shouqin Metal Materials Co., Ltd. | Purchase of goods | 271,096.45 | 4,858,002.24 |
| Qinhuangdao Shouqin Steel Machining & Delivery Co., Ltd. | Purchase of goods | 63,492.70 | 125,823.00 |
| Qinhuangdao Shougang Racing Valley Development Co., Ltd. | Receipt of services/labor | 318,380.56 | 377,358.48 |
| Qinhuangdao Shougang Machinery Co., Ltd. | Purchase of goods | 71,430,951.60 | 56,458,113.41 |
| Qinhuangdao Shougang Machinery Co., Ltd. | Receipt of services/labor | 53,315,031.75 | 134,396,914.04 |
| Qinhuangdao Shounai New Materials Co., Ltd. | Purchase of goods | 45,871,506.40 | 119,255,741.87 |
| Qinhuangdao Shounai New Materials Co., Ltd. | Receipt of services/labor | 2,082,113.00 | |
| Qian'an Sinochem Coal Chemical Industrial Co., Ltd. | Purchase of goods | 6,046,732,690.95 | 6,960,115,662.67 |
| Qian'an Shouxin Automation Information Technology Co., Ltd. | Receipt of services/labor | 133,775,034.42 | 126,551,235.38 |
| Qian'an Shoushi Packaging Service Co., Ltd. | Purchase of goods | 21,999,368.69 | 3,473,060.09 |
| Qian'an Shoushi Packaging Service Co., Ltd. | Receipt of services/labor | 320,781,211.14 | 318,627,092.06 |
| Qianan Shougang K.wah Construction MATERIALS Company Limited | Receipt of services/labor | 2,023,904.40 | |

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|--|---------------------------|----------------|----------------|
| Qian'an Shougang Xingkuang Industrial Co., Ltd. | Purchase of goods | 36,294,138.62 | 46,113,178.52 |
| Qian'an Shougang Xingkuang Industrial Co., Ltd. | Receipt of services/labor | 8,959,243.65 | |
| Qian'an Shougang Equipment Structure Co., Ltd. | Purchase of goods | 184,459,011.39 | 212,020,342.56 |
| Qian'an Shougang Equipment Structure Co., Ltd. | Receipt of services/labor | 101,096,902.84 | 78,504,799.60 |
| Qian'an Shougang Qiangang Hotel Co., Ltd. | Receipt of services/labor | 21,622,287.99 | 19,213,783.47 |
| Qian'an Golden Apple Kindergarten | Receipt of services/labor | 1,220,180.00 | |
| Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd. | Receipt of services/labor | 33,905,912.72 | 26,093,417.36 |
| South China International Leasing Co., Ltd. | Fund usage charges | | 373,598.24 |
| Longnan City Xiong Wei Wan Li New Material Co., Ltd. | Purchase of goods | 16,618,904.34 | 326,252,685.09 |
| Jingxi Commercial Factoring Co., Ltd. | Purchase of goods | | 34,907,834.40 |
| Jingtang Port Shougang Terminal Co., Ltd. | Receipt of services/labor | 11,328,301.89 | 2,384,905.66 |
| Jilin Tonggang International Trade Co., Ltd. | Purchase of goods | 84,995,567.71 | |
| Hebei Wangqin Life Service Co., Ltd. | Receipt of services/labor | 27,056,398.09 | |
| Hebei Shoulang New Energy Technology Co., Ltd. | Purchase of goods | 5,802,617.07 | 6,469,733.18 |
| Hebei Shougang Jingtang Machinery Co., Ltd. | Purchase of goods | 34,056,799.60 | |
| Hebei Shougang Jingtang Machinery Co., Ltd. | Receipt of services/labor | 112,078,456.84 | 82,765,129.40 |
| Guizhou Guigang Drilling Tool Manufacturing Co., Ltd. | Purchase of goods | 1,353,767.41 | |
| Guizhou Guigang Drilling Tool Manufacturing Co., Ltd. | Receipt of services/labor | | 8,011,169.36 |
| Guangzhou Jinghai Shipping Co., Ltd. | Receipt of services/labor | 330,236,658.72 | 287,392,610.41 |
| Bohai International Conference Center Co., Ltd. | Receipt of services/labor | 499,157.74 | 1,709,776.21 |
| Beijing Shouyun Logistics Co., Ltd. | Receipt of services/labor | 1,247,830.84 | |
| Beijing Shouyu Industry and Trade Co., Ltd. | Purchase of goods | 8,096,226.37 | 15,867,277.30 |
| Beijing Shouyu Industry and Trade Co., Ltd. | Receipt of services/labor | 584,600.13 | |
| Beijing Shouyi Mining Hospital Co., Ltd. | Receipt of services/labor | 145,714.50 | 2,417,059.93 |
| Beijing Shouye Instruments & Meters Co., Ltd. | Purchase of goods | 39,916,891.43 | 41,114,852.17 |
| Beijing Shouye Instruments & Meters Co., Ltd. | Receipt of services/labor | 137,200.00 | |
| Beijing Shoutaizhongxin Science & Technology Co., Ltd. | Purchase of goods | 979,382.56 | 14,541,804.30 |
| Beijing Shoushi Xinye Labor Service Co., Ltd. | Receipt of services/labor | 82,341.58 | |
| Beijing Shoushe Metallurgical Technology Co., Ltd. | Purchase of goods | | 1,221,243.79 |
| Beijing Shoushe Metallurgical Technology Co., Ltd. | Receipt of services/labor | 15,096.79 | |
| Beijing Shoujian Equipment Maintenance Co., Ltd. | Purchase of goods | 5,466,485.86 | 40,245,552.15 |
| Beijing Shoujian Equipment Maintenance Co., Ltd. | Receipt of services/labor | 124,810,305.88 | 62,908,007.32 |
| Beijing Shoujian Hengxin Labor Service Co., Ltd. | Receipt of services/labor | 138,500.00 | 1,688,340.00 |
| Beijing Shoujian Hengji Construction Engineering Co., Ltd. | Purchase of goods | 162,468.15 | 861,565.70 |
| Beijing Shoujia Steel Structure Co., Ltd. | Receipt of services/labor | 29,139,720.00 | 29,492,635.04 |
| Beijing Shougang Automation Information Technology Co., Ltd. | Purchase of goods | 98,632,677.57 | 91,122,808.90 |
| Beijing Shougang Automation Information Technology Co., Ltd. | Receipt of services/labor | 461,544,514.15 | 519,891,310.25 |
| Beijing Shougang Resources Comprehensive Utilization | Purchase of goods | 10,507,585.21 | |

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|---|---------------------------|-------------------|-------------------|
| Technology Development Co., Ltd. | | | |
| Beijing Shougang Resources Comprehensive Utilization Technology Development Co., Ltd. | Receipt of services/labor | 451,009.10 | |
| Beijing Shougang Yunxiang Industrial Technology Co., Ltd. | Purchase of goods | 481,668.00 | 698,000.00 |
| Beijing Shougang Yunxiang Industrial Technology Co., Ltd. | Receipt of services/labor | 238,000.00 | |
| Beijing Shougang Park Comprehensive Service Co., Ltd. | Receipt of services/labor | 1,029,402.23 | 2,102,293.89 |
| Beijing Shougang Park Green Co., Ltd. | Receipt of services/labor | 18,592,256.99 | 23,862,457.96 |
| Beijing Shougang Catering Co., Ltd. | Receipt of services/labor | 13,881,457.17 | 13,270,186.01 |
| Beijing Shougang 1919 Catering Management Co., Ltd. | Receipt of services/labor | 369,132.70 | |
| Beijing Shougang Material Trade Co., Ltd. | Purchase of goods | 13,509,033,979.04 | 12,721,067,423.24 |
| Beijing Shougang Material Trade Co., Ltd. | Receipt of services/labor | 9,056.60 | |
| Beijing Shougang Property Management Co., Ltd. | Receipt of services/labor | 2,898,650.40 | 2,907,210.97 |
| Beijing Shougang Ferroalloy Co., Ltd. | Purchase of goods | 545,483,757.06 | 448,730,252.54 |
| Beijing Shougang Shape Metal Co., Ltd. | Purchase of goods | | 84,278.76 |
| Beijing Shougang Industry Co., Ltd. | Receipt of services/labor | | 2,497,949.85 |
| Beijing Shougang Gas Co., Ltd. | Purchase of goods | 23,395,822.69 | 107,170,200.97 |
| Beijing Shougang Gas Co., Ltd. | Receipt of services/labor | 159,478,005.70 | 65,472,431.39 |
| Beijing Shougang Lujiaoshan Limestone Mine Co., Ltd. | Purchase of goods | 529,372,599.18 | 378,556,717.00 |
| Beijing Shougang Lujiaoshan Limestone Mine Co., Ltd. | Receipt of services/labor | 97,625,946.05 | 92,165,010.94 |
| Beijing Shougang Mining Construction Co., Ltd. | Receipt of services/labor | 48,038,198.98 | 47,977,497.24 |
| Beijing Shougang Construction Investment Co., Ltd. | Receipt of services/labor | 10,167,678.44 | |
| Beijing Shougang Construction Group Co., Ltd. | Purchase of goods | 62,105,774.36 | 40,699,853.25 |
| Beijing Shougang Construction Group Co., Ltd. | Receipt of services/labor | 1,196,100,839.34 | 1,351,366,933.88 |
| Beijing Shougang Testing Technology Co., Ltd. | Receipt of services/labor | 4,348,267.92 | |
| Beijing Shougang Machinery & Electric Co., Ltd. | Purchase of goods | 141,253,858.36 | 168,320,196.54 |
| Beijing Shougang Machinery & Electric Co., Ltd. | Receipt of services/labor | 269,273,887.51 | 269,364,838.83 |
| Beijing Shougang Huaxia Engineering Technology Co., Ltd. | Receipt of services/labor | 179,245.28 | |
| Beijing Shougang International Engineering Technology Co., Ltd. | Purchase of goods | 337,106,152.62 | 353,875,163.94 |
| Beijing Shougang International Engineering Technology Co., Ltd. | Receipt of services/labor | 794,043,258.71 | 430,370,076.17 |
| Beijing Shougang Futong Elevator Co., Ltd. | Purchase of goods | 168,285.90 | 161,610.00 |
| Beijing Shougang Futong Elevator Co., Ltd. | Receipt of services/labor | 1,200,150.00 | 795,660.00 |
| Beijing Shoufang Commercial Management Co., Ltd. | Receipt of services/labor | 224,351.10 | 783,360.00 |
| Beijing Shoucheng Packaging Service Co., Ltd. | Receipt of services/labor | 116,154,652.19 | 103,974,097.61 |
| Beijing Shoubang New Materials Co., Ltd. | Purchase of goods | 160,201.44 | |
| Beijing Shouao Real Estate Co., Ltd. | Receipt of services/labor | 89,599.06 | 93,085.00 |
| Beijing Relizhongda Heat Exchange Equipment Co., Ltd. | Purchase of goods | 14,915,492.01 | 18,071,736.05 |
| Beijing Relizhongda Heat Exchange Equipment Co., Ltd. | Receipt of services/labor | 11,669,280.50 | 12,965,317.00 |

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|--|---------------------------|----------------|----------------|
| Cockerill Engineering (Beijing) Co., Ltd. | Purchase of goods | | 17,268,900.00 |
| Beijing Jin'anyuan Auto Transportation Co., Ltd. | Receipt of services/labor | 62,077,965.63 | 73,364,927.54 |
| Beijing Huaxia Shouke Technology Co., Ltd. | Purchase of goods | 7,782,069.45 | 14,311,411.96 |
| Beijing Huaxia Shouke Technology Co., Ltd. | Receipt of services/labor | 7,855,417.00 | 1,085,300.00 |
| Beijing Dingshengcheng Packaging Materials Co., Ltd. | Purchase of goods | 12,890,003.57 | 25,927,184.47 |
| Beijing Dingshengcheng Packaging Materials Co., Ltd. | Receipt of services/labor | 148,934,358.01 | 139,524,911.82 |
| Peking University Shougang Hospital | Receipt of services/labor | | 512,567.00 |
| Beijing Chengxin Project Supervision Co., Ltd. | Receipt of services/labor | 12,572,077.07 | 7,431,560.20 |
| Beijing Aidi Geological Engineering Technology Co., Ltd. | Receipt of services/labor | 79,245.28 | |
| YASKAWA Shougang Robot Co., Ltd. | Receipt of services/labor | 284,439.82 | |

Sale of goods/rendering of services

Unit: RMB Yuan

| Related party | Contents of related transactions | 2024 | 2023 |
|---|----------------------------------|----------------|----------------|
| PetroChina Shougang (Beijing) Petroleumsales Co., Ltd. | Sale of goods | 16,469,442.54 | 31,972,247.14 |
| Tonghua Iron and Steel Co., Ltd. | Rendering of services/labor | 707,547.18 | |
| Tonghua Iron and Steel Co., Ltd. | Sale of goods | 4,541,476.54 | 410,849.06 |
| Tianjin Wuchan Shougang Steel Processing and Distribution Co., Ltd. | Rendering of services/labor | 526,909.36 | |
| Tianjin Wuchan Shougang Steel Processing and Distribution Co., Ltd. | Sale of goods | 493,883,566.35 | 478,621,811.95 |
| Tangshan Zhonghong Carbon Chemical Co., Ltd. | Interest income | | 8,990,991.36 |
| Tangshan Tangcao Railway Co., Ltd. | Rendering of services/labor | 296,792.43 | 323,773.56 |
| Tangshan Shougang Jingtang Xishan Coking Co., Ltd. | Rendering of services/labor | 241,752,662.75 | 217,880,847.84 |
| Tangshan Shougang Jingtang Xishan Coking Co., Ltd. | Sale of goods | 898,635,440.88 | 943,495,390.00 |
| Tangshan Guoxing Industry Co., Ltd. | Rendering of services/labor | 473,649.07 | 1,810,872.92 |
| Tangshan Guoxing Industry Co., Ltd. | Sale of goods | 3,764,299.61 | 2,752,084.12 |
| Tangshan Caofeidian Shoushi Industrial Co., Ltd. | Rendering of services/labor | 14,943.40 | 78,840.97 |
| Tangshan Caofeidian Shoushi Industrial Co., Ltd. | Sale of goods | 775,997.10 | 875,963.53 |
| Tangshan Caofeidian Shiye Port Co., Ltd. | Sale of goods | 2,487,828.00 | 3,464,678.00 |
| Tangshan Caofeidian Industrial District Shouhanxin Industrial Co., Ltd. | Sale of goods | | 7,901,199.61 |
| Tangshan Caofeidian Dunshi New Building Materials Co., Ltd. | Rendering of services/labor | 25,634,904.90 | 26,643,362.94 |
| Tangshan Caofeidian Dunshi New Building Materials Co., Ltd. | Sale of goods | 149,987,723.76 | 201,233,402.01 |
| Shoushi Fengyang International Logistics Services (Tangshan Caofeidian) Co., Ltd. | Sale of goods | 133,392.42 | |
| Shoujia Huanke (Qian'an) Co., Ltd. | Sale of goods | 11,537,359.42 | 30,817,502.60 |
| Shougang Changzhi Steel & Iron Co., Ltd. | Rendering of services/labor | 603,773.57 | 707,547.16 |
| Shougang Changzhi Steel & Iron Co., Ltd. | Sale of goods | 1,425,803.89 | 10,970,355.00 |
| Shougang Yili Steel Co., Ltd. | Rendering of services/labor | 94,339.62 | |
| Shougang Shuicheng Iron & Steel (Group) Co., Ltd. | Rendering of services/labor | 540,000.00 | 471,698.12 |
| Shougang Gas Tangshan Co., Ltd. | Rendering of | | 565,714.29 |

| | | | |
|---|-----------------------------|------------------|------------------|
| | services/labor | | |
| Shougang Gas Tangshan Co., Ltd. | Sale of goods | 3,011,696.79 | |
| Shougang Casey Steel Co., Ltd. | Rendering of services/labor | 2,551,355.54 | 1,285,724.26 |
| Shougang Casey Steel Co., Ltd. | Sale of goods | 267,611,284.40 | 288,823,600.47 |
| Shougang Mining Corporation | Rendering of services/labor | 355,785.88 | 14,472,724.25 |
| Shougang Mining Corporation | Sale of goods | 36,861,568.21 | 20,810,677.40 |
| Shougang Group Co., Ltd. | Rendering of services/labor | 154,462,908.49 | 139,149,431.21 |
| Shougang Group Finance Co., Ltd. | Interest income | 86,950,667.04 | 105,646,555.72 |
| Shougang International (Germany) GmbH | Sale of goods | 476,442.62 | |
| Shougang International (Austria) Co., Ltd. | Sale of goods | 2,025,758.99 | |
| Shougang (Qingdao) Steel Industry Co., Ltd. | Rendering of services/labor | | 212.37 |
| Shougang (Qingdao) Steel Industry Co., Ltd. | Sale of goods | 1,646,853,666.16 | 1,587,159,531.37 |
| Shougang Fushan Resources Group Co., Ltd. | Rendering of services/labor | 660,377.36 | |
| Qinhuangdao Shougang Machinery Co., Ltd. | Rendering of services/labor | 672,334.59 | 1,060,194.56 |
| Qinhuangdao Shougang Machinery Co., Ltd. | Sale of goods | 275,474,289.42 | 625,374,051.56 |
| Qinhuangdao Shounai New Materials Co., Ltd | Rendering of services/labor | | 41,493.59 |
| Qinhuangdao Shounai New Materials Co., Ltd | Sale of goods | | 6,370,392.42 |
| Qian'an Sinochem Coal Chemical Industrial Co., Ltd. | Rendering of services/labor | 438,464.00 | |
| Qian'an Sinochem Coal Chemical Industrial Co., Ltd. | Sale of goods | 225,250,963.44 | 232,010,096.10 |
| Qian'an Shouxin Automation Information Technology Co., Ltd. | Rendering of services/labor | 283.02 | |
| Qian'an Shoushi Packaging Service Co., Ltd. | Sale of goods | 156,564,920.68 | 124,456,820.34 |
| Qianan Shougang K.wah Construction MATERIALS Company Limited | Rendering of services/labor | | |
| Qianan Shougang K.wah Construction MATERIALS Company Limited | Sale of goods | 17,260,985.02 | 41,181,179.48 |
| Qian'an Shougang Xingkuang Industrial Co., Ltd. | Sale of goods | 30,010,613.04 | 30,810,804.11 |
| Qian'an Shougang Equipment Structure Co., Ltd. | Rendering of services/labor | 117,591.89 | 256,293.58 |
| Qian'an Shougang Equipment Structure Co., Ltd. | Sale of goods | 2,111,299.32 | 2,302,743.68 |
| Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd. | Rendering of services/labor | 373,781.62 | 34,105.09 |
| Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd. | Sale of goods | 41,732,219.41 | 53,780,564.67 |
| POSCO-TISCO (Jilin) Processing Center Co., Ltd. | Sale of goods | 7,801,088.43 | |
| Ningbo Shougang Zhejin Steel Materials Co., Ltd. | Sale of goods | 126,347,477.97 | 228,910,735.54 |
| Jingtang Port Shougang Terminal Co., Ltd. | Rendering of services/labor | 481,351.85 | 372,689.61 |
| Hebei Shoulang New Energy Technology Co., Ltd. | Sale of goods | 109,683,694.75 | 116,566,374.25 |
| Hebei Shougang Jingtang Machinery Co., Ltd. | Rendering of services/labor | 351,883.86 | |
| Hebei Shougang Jingtang Machinery Co., Ltd. | Sale of goods | 311,736,098.99 | |
| Hebei Shenzhou Yuanda Real Estate Development Co., Ltd. | Rendering of services/labor | 1,172,550.60 | |
| Hebei Jingji Industrial Trading Co., Ltd. | Sale of goods | | 4,690,630.50 |
| Guizhou Shuigang Logistics Co., Ltd. | Rendering of services/labor | 55,298.87 | 137,151.19 |
| Guizhou Liupanshui Shenghongda Mechanical Equipment Manufacturing Co., Ltd. | Rendering of services/labor | 1,956.76 | |
| Guizhou Bohong Industry Co., Ltd. | Rendering of services/labor | 38,759.84 | 97,762.04 |
| Guangzhou Jinghai Shipping Co., Ltd. | Rendering of | 40,643,697.03 | 40,174,324.26 |

| | | | |
|---|-----------------------------|----------------|----------------|
| | services/labor | | |
| Beijing Shouronghui Science and Technology Development Co., Ltd. | Sale of goods | 35,206,601.90 | 18,339,265.07 |
| Beijing Shoujian Equipment Maintenance Co., Ltd. | Rendering of services/labor | | 2,343.39 |
| Beijing Shoujia Steel Structure Co., Ltd. | Rendering of services/labor | 1,575,368.78 | |
| Beijing Shoujia Steel Structure Co., Ltd. | Sale of goods | 9,218,330.14 | 1,436,870.97 |
| Beijing Shougang Automation Information Technology Co., Ltd. | Rendering of services/labor | 1,550,274.26 | 1,469,843.53 |
| Beijing Shougang Automation Information Technology Co., Ltd. | Sale of goods | 74,622.19 | 86,227.79 |
| Beijing Shougang Resources Comprehensive Utilization Technology Development Co., Ltd. | Sale of goods | 214,683.10 | 510,865.44 |
| Beijing Shougang Park Green Co., Ltd. | Sale of goods | 2,797.45 | 1,625.67 |
| Beijing Shougang Catering Co., Ltd. | Sale of goods | 351,796.99 | 270,031.08 |
| Beijing Shougang Material Trade Co., Ltd. | Rendering of services/labor | | 5,578.30 |
| Beijing Shougang Ferroalloy Co., Ltd. | Rendering of services/labor | 75,471.70 | 66,037.74 |
| Beijing Shougang Ferroalloy Co., Ltd. | Sale of goods | 23,424,269.41 | 22,136,396.88 |
| Beijing Shougang Gas Co., Ltd. | Rendering of services/labor | 95,372.60 | 126,600.27 |
| Beijing Shougang Gas Co., Ltd. | Sale of goods | 127,178,070.22 | 132,914,533.68 |
| Beijing Shougang Lujiaoshan Limestone Mine Co., Ltd. | Rendering of services/labor | 37,735.85 | 99,056.60 |
| Beijing Shougang Lujiaoshan Limestone Mine Co., Ltd. | Sale of goods | 5,332,439.45 | |
| Beijing Shougang Mining Construction Co., Ltd. | Sale of goods | 875,654.04 | 420,015.67 |
| Beijing Shougang Metal Co., Ltd. | Rendering of services/labor | | 2,754,311.93 |
| Beijing Shougang Metal Co., Ltd. | Sale of goods | | 1,931,819.43 |
| Beijing Shougang Construction Group Co., Ltd. | Rendering of services/labor | 823,579.82 | 642,905.16 |
| Beijing Shougang Construction Group Co., Ltd. | Sale of goods | 22,257,843.34 | 20,885,495.47 |
| Beijing Shougang Gitane New Materials Co., Ltd. | Rendering of services/labor | | 141,509.43 |
| Beijing Shougang Machinery & Electric Co., Ltd. | Rendering of services/labor | 9,720.88 | 1,568,551.19 |
| Beijing Shougang Machinery & Electric Co., Ltd. | Sale of goods | 92,336,980.86 | 619,316,750.16 |
| Beijing Shougang Huaxia Engineering Technology Co., Ltd. | Sale of goods | 3,801,517.78 | 6,302,931.53 |
| Beijing Shougang International Engineering Technology Co., Ltd. | Rendering of services/labor | 1,252,641.51 | 28,301.89 |
| Beijing Shougang International Engineering Technology Co., Ltd. | Sale of goods | 35,062,599.00 | |
| Beijing Shougang City Transportation Holdings Co., Ltd. | Sale of goods | 108,274,993.89 | 218,448,717.31 |
| Beijing Shoucheng Packaging Service Co., Ltd. | Rendering of services/labor | | 1,868,192.00 |
| Beijing Shoucheng Packaging Service Co., Ltd. | Sale of goods | 4,368,614.55 | 310,939.94 |
| Beijing Relizhongda Heat Exchange Equipment Co., Ltd. | Rendering of services/labor | 1,166.98 | 12,974.53 |
| Beijing Jin'anyuan Auto Transportation Co., Ltd. | Rendering of services/labor | 1,739,758.21 | 198,165.14 |
| Beijing Jin'anyuan Auto Transportation Co., Ltd. | Sale of goods | 137,958.60 | 1,536,753.62 |
| Beijing Dingshengcheng Packaging Materials Co., Ltd. | Rendering of services/labor | 109,794.07 | 238,634.36 |
| Beijing Dingshengcheng Packaging Materials Co., Ltd. | Sale of goods | 27,753.24 | 34,272.49 |
| Beijing Beiye Functional Materials Co., Ltd. | Sale of goods | 1,409,569.03 | 1,714,757.18 |

(2) Details of related party leases

The Company as a lessor:

Unit: RMB Yuan

| Lessee | Type of assets leased | Lease income recognized in 2024 | Lease income recognized in 2023 |
|--|-----------------------|---------------------------------|---------------------------------|
| Qian'an Sinochem Coal Chemical Industrial Co., Ltd. | Land use rights | 1,065,067.58 | 1,065,067.58 |
| Beijing Shougang Ferroalloy Co., Ltd. | Land use rights | 449,154.05 | 449,154.05 |
| Qianan Shougang K.wah Construction MATERIALS Company Limited | Land use rights | 248,418.37 | 248,418.37 |
| Shoujia Huanke (Qian'an) Co., Ltd. | Land use rights | 115,025.19 | 121,811.35 |
| Tangshan Shougang Jingtang Xishan Coking Co., Ltd. | Land use rights | 19,629,904.76 | 19,629,904.76 |
| Tangshan Shougang Jingtang Xishan Coking Co., Ltd. | Plant and buildings | 5,416,513.79 | 5,416,513.79 |
| Tangshan Guoxing Industry Co., Ltd. | Land use rights | 1,421,392.34 | |
| Tangshan Guoxing Industry Co., Ltd. | Plant and buildings | 716,937.72 | |
| Tangshan Guoxing Industry Co., Ltd. | Equipment | 4,120,717.52 | |
| Tangshan Caofeidian Dunshi New Building Materials Co., Ltd. | Land use rights | 2,380,761.90 | 2,380,761.90 |
| Beijing Shougang Lanzatech Co., Ltd. | Land use rights | 165,333.33 | 1,879,619.04 |
| Hebei Shoulang New Energy Technology Co., Ltd. | Plant and buildings | 2,944,689.48 | 2,208,517.11 |
| Hebei Shoulang New Energy Technology Co., Ltd. | Land use rights | 1,714,285.72 | |
| Beijing Shougang Machinery & Electric Co., Ltd. | Plant and buildings | 74,752.29 | |
| Beijing Shougang Machinery & Electric Co., Ltd. | Land use rights | 1,420,000.00 | |
| Beijing Shougang Construction Group Co., Ltd. | Plant and buildings | 548,110.25 | |
| Beijing Shougang Construction Group Co., Ltd. | Land use rights | 520,000.00 | |
| Shougang Gas Tangshan Co., Ltd. | Land use rights | 565,714.29 | |
| Qian'an Shougang Equipment Structure Co., Ltd. | Plant and buildings | 256,293.58 | |
| Hebei Shougang Jingtang Machinery Co., Ltd. | Land use rights | 244,190.48 | |
| Beijing Jin'anyuan Auto Transportation Co., Ltd. | Plant and buildings | 198,165.14 | |
| Guangzhou Jinghai Shipping Co., Ltd. | Plant and buildings | 13,510.00 | |
| Beijing Shoucheng Packaging Service Co., Ltd. | Plant and buildings | 1,868,192.00 | 1,868,192.00 |

The Company as a lessee:

Unit: RMB Yuan

| Lessor | Type of assets leased | Rental costs for short-term leases and leases of low-value assets with simplified treatment (if applicable) | | Variable lease payments not included in the measurement of the lease liabilities (if applicable) | | Rental paid | | Interest expenses on assumed lease liabilities | | Increase in right-of-use assets | |
|---|-----------------------|---|------|--|------|---------------|---------------|--|---------------|---------------------------------|------|
| | | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Shougang Group Co., Ltd. | Plant and buildings | | | | | 20,326,821.27 | 25,987,077.88 | 16,262,346.43 | 17,135,143.96 | | |
| Beijing Shougang Construction Investment Co., | Plant and buildings | | | | | 10,167,678.44 | 10,139,897.90 | 734,443.32 | 1,160,311.85 | | |

| Item | Related party | Closing balance | | Opening balance | |
|---------------------|--|------------------|--------------------|-----------------|--------------------|
| | | Book balance | Bad debt provision | Book balance | Bad debt provision |
| Accounts receivable | Beijing Shougang International Engineering Technology Co., Ltd. | 218,800.00 | 218,800.00 | 354,540.00 | 259,370.68 |
| Accounts receivable | Beijing Shougang Huaxia Engineering Technology Co., Ltd. | 1,748,412.19 | 1,717,315.70 | 1,748,412.19 | 1,245,897.88 |
| Accounts receivable | Beijing Shougang Machinery & Electric Co., Ltd. | 23,488.99 | 839.70 | 53,000.00 | 1,887.51 |
| Accounts receivable | Beijing Shougang Construction Group Co., Ltd. | 475,998.30 | 17,016.22 | | |
| Accounts receivable | Beijing Shougang Automation Information Technology Co., Ltd. | 944,350.00 | 33,759.08 | 1,285,250.00 | 45,945.74 |
| Accounts receivable | Beijing Shouke Xingye Engineering Technology Co., Ltd. | | | 400,000.00 | 298,885.25 |
| Accounts receivable | Beijing Shoutaizhongxin Science & Technology Co., Ltd. | 27,830.00 | 27,830.00 | 27,830.00 | 27,830.00 |
| Accounts receivable | Guangzhou Jinghai Shipping Co., Ltd. | 9,366,559.81 | 351,246.83 | 7,594,241.02 | 270,354.98 |
| Accounts receivable | Jingtang Port Shougang Terminal Co., Ltd. | 30,209.98 | 1,132.88 | 30,209.98 | 1,079.96 |
| Accounts receivable | Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd. | 4,005,181.19 | 150,194.65 | 4,354.00 | 155.65 |
| Accounts receivable | Qian'an Shougang Xingkuang Industrial Co., Ltd. | 6,019,653.84 | 225,737.56 | 8,776,606.90 | 313,750.41 |
| Accounts receivable | Qianan Shougang K.wah Construction MATERIALS Company Limited | 50,121,363.06 | 9,911,867.96 | 50,221,363.06 | 1,795,337.69 |
| Accounts receivable | Shougang Group Co., Ltd. | 65,878,263.48 | 2,470,440.80 | | |
| Accounts receivable | Shougang Mining Corporation | 2,737.00 | 97.84 | | |
| Accounts receivable | Shougang Casey Steel Co., Ltd. | 257,916,240.63 | 9,671,882.18 | 264,947,857.43 | 9,471,484.77 |
| Accounts receivable | Tangshan Caofeidian Dunshi New Building Materials Co., Ltd. | | | 1,185,255.36 | 42,195.09 |
| Accounts receivable | Tangshan Caofeidian Shoushi Industrial Co., Ltd. | 205,233.72 | 7,336.79 | | |
| Accounts receivable | Tangshan Tangcao Railway Co., Ltd. | 4,180,828.46 | 1,081,802.52 | 3,866,228.46 | 138,211.81 |
| Accounts receivable | Tonghua Iron and Steel Co., Ltd. | 982,500.00 | 56,928.94 | 382,500.00 | 13,673.79 |
| Prepayments | Beijing Jin'anyuan Auto Transportation Co., Ltd. | 3,092,836.70 | | | |
| Prepayments | Beijing Shougang International Engineering Technology Co., Ltd. | | | 8,894,098.32 | |
| Prepayments | Beijing Shougang Huaxia Engineering Technology Co., Ltd. | 250,000.00 | | | |
| Prepayments | Beijing Shougang Material Trade Co., Ltd. | 4,800.00 | | | |
| Prepayments | Shougang Group Co., Ltd. | 1,047,698,624.39 | | 959,767,074.26 | |
| Prepayments | Shougang Changzhi Steel & Iron Co., Ltd. | | | 7,609.04 | |
| Prepayments | Tangshan Caofeidian Shiye Port Co., Ltd. | | | 268,987.95 | |
| Prepayments | Tianjin Wuchan Shougang Steel Processing and Distribution Co., Ltd. | 3,736,059.53 | | 2,045,860.74 | |

| Item | Related party | Closing balance | | Opening balance | |
|----------------------|--|-----------------|--------------------|-----------------|--------------------|
| | | Book balance | Bad debt provision | Book balance | Bad debt provision |
| Prepayments | Tonghua Iron and Steel Co., Ltd. | 87,647.33 | | 15,507,934.68 | |
| Prepayments | China Shougang International Trade & Engineering Corporation | 24,419,172.91 | | | |
| Prepayments | Tangshan Caofeidian Ganglian Logistics Co., Ltd. | 378,259,396.89 | | 312,574,923.41 | |
| Dividends receivable | Hebei Jingji Industrial Trading Co., Ltd. | | | 2,407,634.67 | |
| Other current assets | Beijing Shougang Special Steel Co., Ltd. | | | 109,717,639.69 | |

(2) Payables to related parties

Unit: RMB Yuan

| Item | Related party | 31 December 2024 | 31 December 2023 |
|----------------------|---|------------------|------------------|
| Contract liabilities | Beijing Beiyue Functional Materials Co., Ltd. | 261,019.10 | 62,368.53 |
| Contract liabilities | Beijing Huaxia Shouke Technology Co., Ltd. | 50,000.00 | 50,848.96 |
| Contract liabilities | Beijing Jin'anyuan Auto Transportation Co., Ltd. | 452,091.57 | 248,913.41 |
| Contract liabilities | Beijing Relizhongda Heat Exchange Equipment Co., Ltd. | | 50,000.00 |
| Contract liabilities | Beijing Shoucheng Packaging Service Co., Ltd. | 425,606.35 | 53,217.02 |
| Contract liabilities | Beijing Shougang City Transportation Holdings Co., Ltd. | | 4,808.33 |
| Contract liabilities | Beijing Shougang Huaxia Engineering Technology Co., Ltd. | 2,003,004.34 | 2,081,061.25 |
| Contract liabilities | Beijing Shougang Machinery & Electric Co., Ltd. | 2,230,862.06 | 17,532,836.64 |
| Contract liabilities | Beijing Shougang Gitane New Materials Co., Ltd. | 69,810.40 | 69,810.40 |
| Contract liabilities | Beijing Shougang Construction Group Co., Ltd. | 170,843.80 | 129,036.27 |
| Contract liabilities | Beijing Shougang Mining Construction Co., Ltd. | 11,427.43 | 203,221.14 |
| Contract liabilities | Beijing Shougang Lujiashan Limestone Mine Co., Ltd. | 1,401,649.28 | 1,378,893.98 |
| Contract liabilities | Beijing Shougang Industry Co., Ltd. | | 17,356.29 |
| Contract liabilities | Beijing Shougang Material Trade Co., Ltd. | | 188,861.00 |
| Contract liabilities | Beijing Shougang Resources Comprehensive Utilization Technology Development Co., Ltd. | 50,000.00 | 50,000.00 |
| Contract liabilities | Beijing Shoujia Steel Structure Co., Ltd. | 246,993.08 | 249,169.44 |
| Contract liabilities | Beijing Shoujian Equipment Maintenance Co., Ltd. | 50,000.00 | 50,000.00 |
| Contract liabilities | Beijing Shouronghui Science and Technology Development Co., Ltd. | 1,589,234.60 | 4,246,745.24 |
| Contract liabilities | Beijing Shouyu Industry and Trade Co., Ltd. | 58,437.91 | 58,437.91 |

| Item | Related party | 31 December 2024 | 31 December 2023 |
|----------------------|--|------------------|------------------|
| Contract liabilities | Chaoyang Shougang Beifang Machinery Co., Ltd. | 114.02 | 114.02 |
| Contract liabilities | Dachang Shougang Machinery & Electric Co., Ltd. | 2,477.96 | 2,503.67 |
| Contract liabilities | Guizhou Bohong Industry Co., Ltd. | 50,000.00 | 52,093.30 |
| Contract liabilities | Hebei Shougang Jingtang Machinery Co., Ltd. | 956,877.03 | |
| Contract liabilities | Hebei Shoulang New Energy Technology Co., Ltd. | 17,198,866.82 | 26,158,105.48 |
| Contract liabilities | Ningbo Shougang Zhejin Steel Materials Co., Ltd. | 11,049,301.09 | 3,069,243.35 |
| Contract liabilities | Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd. | | 252,503.72 |
| Contract liabilities | Qian'an Shougang Equipment Structure Co., Ltd. | 117,592.36 | 17,453.73 |
| Contract liabilities | Qian'an Shoushi Packaging Service Co., Ltd. | 7,143,130.35 | 2,145,700.29 |
| Contract liabilities | Qinhuangdao Shounai New Materials Co., Ltd. | 2,094,081.27 | 1,329,141.87 |
| Contract liabilities | Qinhuangdao Shougang Machinery Co., Ltd. | | 1,488,091.21 |
| Contract liabilities | Shougang (Qingdao) Steel Industry Co., Ltd. | 120,830,496.13 | 173,809,379.60 |
| Contract liabilities | Shougang Mining Corporation | 0.73 | 474,597.55 |
| Contract liabilities | Shougang Casey Steel Co., Ltd. | 836,655.17 | 9,932.40 |
| Contract liabilities | Shougang Shuicheng Iron & Steel (Group) Saide Construction Co., Ltd. | 805.61 | 805.61 |
| Contract liabilities | Shougang Changzhi Steel & Iron Co., Ltd. | | 33,498.85 |
| Contract liabilities | Shoujia Huanke (Qian'an) Co., Ltd. | 200,000.00 | 200,000.00 |
| Contract liabilities | Suzhou Tonggang Shunye Steel Materials Processing Distribution Co., Ltd. | | 2,046.68 |
| Contract liabilities | Tangshan Caofeidian Dunshi New Building Materials Co., Ltd. | 1,901,702.18 | 1,901,702.22 |
| Contract liabilities | Tangshan Caofeidian Industrial District Shouhanxin Industrial Co., Ltd. | 173,402.08 | 173,402.08 |
| Contract liabilities | Tangshan Caofeidian Shoushi Industrial Co., Ltd. | 374,110.96 | |
| Contract liabilities | Tangshan Guoxing Industry Co., Ltd. | 10,163.92 | |
| Contract liabilities | Tianjin Shougang Electrical Equipment Co., Ltd. | 169.19 | 169.19 |
| Contract liabilities | Tianjin Wuchan Shougang Steel Processing and Distribution Co., Ltd. | 713,289.62 | 1,999,256.25 |
| Contract liabilities | PetroChina Shougang (Beijing) Petroleumsales Co., Ltd. | 492,189.42 | 2,026,489.96 |
| Accounts payable | Beijing Aidi Geological Engineering Technology Co., Ltd. | 1,133,839.61 | 251,381.00 |
| Accounts payable | Beijing Chengxin Project Supervision Co., Ltd. | 4,403,966.04 | 6,158,477.69 |
| Accounts payable | Peking University Shougang Hospital | 3,385,068.76 | 3,337,370.93 |

| Item | Related party | 31 December 2024 | 31 December 2023 |
|------------------|---|------------------|------------------|
| Accounts payable | Beijing Dingshengcheng Packaging Materials Co., Ltd. | 26,867,543.57 | 22,330,278.82 |
| Accounts payable | Beijing Huaxia Shouke Technology Co., Ltd. | 5,120,620.28 | 7,672,411.53 |
| Accounts payable | Beijing Jin'anyuan Auto Transportation Co., Ltd. | 13,588,996.27 | 20,439,879.74 |
| Accounts payable | Cockerill Engineering (Beijing) Co., Ltd. | 569,407.00 | 3,842,825.00 |
| Accounts payable | Beijing Relizhongda Heat Exchange Equipment Co., Ltd. | 14,120,948.61 | 15,751,115.32 |
| Accounts payable | Beijing Shouao Real Estate Co., Ltd. | 3,500.00 | 27,360.00 |
| Accounts payable | Beijing Shoubang New Materials Co., Ltd. | 1,658,353.65 | 2,280,758.30 |
| Accounts payable | Beijing Shoucheng Packaging Service Co., Ltd. | 23,321,622.83 | 21,962,155.16 |
| Accounts payable | Beijing Shoufang Commercial Management Co., Ltd. | 223,694.50 | 354,240.00 |
| Accounts payable | Beijing Shougang Futong Elevator Co., Ltd. | 624,629.15 | 259,255.15 |
| Accounts payable | Beijing Shougang International Engineering Technology Co., Ltd. | 429,301,810.06 | 92,902,894.43 |
| Accounts payable | Beijing Shougang Environmental Engineering Technology Co., Ltd. | 1,109,886.20 | 1,109,886.20 |
| Accounts payable | Beijing Shougang Machinery & Electric Co., Ltd. | 104,160,716.15 | 119,512,621.21 |
| Accounts payable | Beijing Shougang Testing Technology Co., Ltd. | 862,936.00 | |
| Accounts payable | Beijing Shougang Construction Group Co., Ltd. | 621,533,801.62 | 759,749,400.49 |
| Accounts payable | Beijing Shougang Mining Construction Co., Ltd. | 16,775,914.30 | 10,935,689.65 |
| Accounts payable | Beijing Shougang Lujiashan Limestone Mine Co., Ltd. | 269,575,785.95 | 258,149,223.68 |
| Accounts payable | Beijing Shougang Gas Co., Ltd. | 82,934,996.84 | 71,674,494.52 |
| Accounts payable | Beijing Shougang Industry Co., Ltd. | | 17,093,147.98 |
| Accounts payable | Beijing Shougang Ferroalloy Co., Ltd. | 148,307,154.23 | 141,480,547.64 |
| Accounts payable | Beijing Shougang Material Trade Co., Ltd. | 2,363,577,396.99 | 2,525,304,259.02 |
| Accounts payable | Beijing Shougang 1919 Catering Management Co., Ltd. | 28,178.00 | |
| Accounts payable | Beijing Shougang Catering Co., Ltd. | 1,691,528.74 | 1,302,386.27 |
| Accounts payable | Beijing Shougang Park Green Co., Ltd. | 13,877,418.59 | 14,095,207.11 |
| Accounts payable | Beijing Shougang Park Comprehensive Service Co., Ltd. | | 39,144.42 |
| Accounts payable | Beijing Shougang Yunxiang Industrial Technology Co., Ltd. | 709,009.84 | 1,341,229.23 |
| Accounts payable | Beijing Shougang Resources Comprehensive Utilization Technology Development Co., Ltd. | 34,942,367.07 | 47,067,143.46 |
| Accounts payable | Beijing Shougang Automation Information Technology Co., Ltd. | 212,263,659.30 | 214,716,103.28 |

| Item | Related party | 31 December 2024 | 31 December 2023 |
|------------------|---|------------------|------------------|
| Accounts payable | Beijing Shoujia Steel Structure Co., Ltd. | 10,622,449.84 | 10,670,314.99 |
| Accounts payable | Beijing Shoujian Hengji Construction Engineering Co., Ltd. | 1,148,547.78 | 1,080,783.29 |
| Accounts payable | Beijing Shoujian Equipment Maintenance Co., Ltd. | 33,808,081.56 | 29,907,449.12 |
| Accounts payable | Beijing Shoushe Metallurgical Technology Co., Ltd. | 16,002.60 | 326,107.50 |
| Accounts payable | Beijing Shoutaizhongxin Science & Technology Co., Ltd. | 7,245,908.61 | 10,432,612.75 |
| Accounts payable | Beijing Shoutegang Yuandong Magnesium Alloy Products Co., Ltd. | | 200,408.00 |
| Accounts payable | Beijing Shouye Instruments & Meters Co., Ltd. | 16,952,367.68 | 14,752,752.88 |
| Accounts payable | Beijing Shouyi Mining Hospital Co., Ltd. | 2,026,078.28 | 2,340,923.44 |
| Accounts payable | Beijing Shouyu Industry and Trade Co., Ltd. | 6,503,781.48 | 8,789,176.18 |
| Accounts payable | Beijing Shouyun Logistics Co., Ltd. | 42,579,766.92 | |
| Accounts payable | Beijing Soly Technology Co., Ltd. | 41,204.30 | 174,438.35 |
| Accounts payable | Beijing Xingyeda Machinery & Electric Equipment Manufacture Co., Ltd. | 460.00 | 757,903.49 |
| Accounts payable | Bohai International Conference Center Co., Ltd. | 150,656.00 | 435,200.00 |
| Accounts payable | Chaoyang Shougang Beifang Machinery Co., Ltd. | 7,685.09 | 377,661.07 |
| Accounts payable | Dachang Shougang Machinery & Electric Co., Ltd. | 229,900.00 | |
| Accounts payable | Guangzhou Jinghai Shipping Co., Ltd. | 126,109,802.19 | 119,729,190.80 |
| Accounts payable | Guizhou Guigang Drilling Tool Manufacturing Co., Ltd. | | 3,941,759.44 |
| Accounts payable | Hebei Shougang Jingtang Machinery Co., Ltd. | 65,688,474.64 | 22,699,470.87 |
| Accounts payable | Hebei Shoulang New Energy Technology Co., Ltd. | 1,360,620.81 | 1,428,942.18 |
| Accounts payable | Hebei Wangqin Life Service Co., Ltd. | 3,063,047.06 | |
| Accounts payable | Jingtang Port Shougang Terminal Co., Ltd. | 1,264,000.00 | 2,177,836.25 |
| Accounts payable | Jingxi Shoutang Supply Chain Management Co., Ltd. | 8,498,453.26 | 926,863.54 |
| Accounts payable | Ningbo Metallurgical Survey and Design Research Co., Ltd. | 1,745,477.20 | |
| Accounts payable | Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd. | 7,452,895.26 | 5,848,743.70 |
| Accounts payable | Qian'an Golden Apple Kindergarten | 191,140.00 | |
| Accounts payable | Qian'an Shougang Qiangang Hotel Co., Ltd. | 5,594,368.36 | 10,105,306.58 |
| Accounts payable | Qian'an Shougang Equipment Structure Co., Ltd. | 65,900,052.41 | 88,296,034.17 |
| Accounts payable | Qian'an Shougang Xingkuang Industrial Co., Ltd. | 8,358,053.59 | 11,977,326.09 |

| Item | Related party | 31 December 2024 | 31 December 2023 |
|------------------|--|------------------|------------------|
| Accounts payable | Qian'an Shoushi Packaging Service Co., Ltd. | 144,973,788.17 | 156,728,118.14 |
| Accounts payable | Qian'an Shouxin Automation Information Technology Co., Ltd. | 22,314,179.60 | 22,896,773.32 |
| Accounts payable | Qian'an Sinochem Coal Chemical Industrial Co., Ltd. | 267,880,864.14 | 348,423,301.67 |
| Accounts payable | Qinhuangdao Shounai New Materials Co., Ltd. | 51,686,325.60 | 54,520,129.50 |
| Accounts payable | Qinhuangdao Shougang Machinery Co., Ltd. | 2,393.10 | 75,135,460.40 |
| Accounts payable | Qinhuangdao Shouqin Steel Machining & Delivery Co., Ltd. | 75,377.84 | 75,377.84 |
| Accounts payable | Qinhuangdao Shouqin Metal Materials Co., Ltd. | 12,043,123.06 | 13,995,879.69 |
| Accounts payable | Shougang (Qingdao) Steel Industry Co., Ltd. | 4,424.21 | 991,395.09 |
| Accounts payable | Geological Research Institute of Shougang Geological Exploration Institute | | 1,635,972.59 |
| Accounts payable | Shougang Institute of Technology | 233,360.00 | |
| Accounts payable | Shougang Environmental Industry Co., Ltd. | | 1,216,050.02 |
| Accounts payable | Shougang Group Co., Ltd. | 196,862,230.95 | 617,236,361.47 |
| Accounts payable | Shougang Mining Corporation | 3,970,485,136.17 | 4,100,739,052.40 |
| Accounts payable | Shougang Luannan Macheng Mining Co., Ltd. | 184,110,874.57 | |
| Accounts payable | Shougang Qianjin Machinery Factory Beijing Maintenance Branch | 883,412.98 | |
| Accounts payable | Shougang Commercial Factoring Co., Ltd. | 12,710.99 | 4,360.34 |
| Accounts payable | Tangshan Caofeidian Dunshi New Building Materials Co., Ltd. | 14,005,442.23 | |
| Accounts payable | Tangshan Caofeidian Industrial District Shouhanxin Industrial Co., Ltd. | 174,818,061.95 | 161,334,340.20 |
| Accounts payable | Tangshan Caofeidian Shiye Port Co., Ltd. | 46,750,099.16 | 38,098,492.55 |
| Accounts payable | Tangshan Caofeidian Shoushi Industrial Co., Ltd. | 12,355,520.39 | |
| Accounts payable | Tangshan Guoxing Industry Co., Ltd. | 52,639,317.78 | 57,113,565.06 |
| Accounts payable | Tangshan Caofeidian District Bohai Kindergarten | 115,800.00 | |
| Accounts payable | Tangshan Shougang Jingtang Xishan Coking Co., Ltd. | 1,443,497,854.07 | 1,621,788,863.85 |
| Accounts payable | Tangshan Shougang Malanzhuang Iron Ore Co., Ltd. | 79,331,760.37 | 160,584,083.43 |
| Accounts payable | Tianjin Shougang Electrical Equipment Co., Ltd. | 11,025,530.48 | 10,175,030.28 |
| Accounts payable | Tianjin Wuchan Shougang Steel Processing and Distribution Co., Ltd. | 113,014.49 | 183,740.76 |
| Accounts payable | Yantai Shougang Mining Industry Three-dimensional Co., Ltd. | | 93,301.72 |
| Accounts payable | China Shougang International Trade & Engineering Corporation | 704,244,193.18 | 686,572,104.40 |

| Item | Related party | 31 December 2024 | 31 December 2023 |
|-------------------------------|---|------------------|------------------|
| Accounts payable | PetroChina Shougang (Beijing) Petroleumsales Co., Ltd. | 13,263,175.23 | 15,920,554.74 |
| Other payables | Beijing Shougang Construction Group Co., Ltd. | 3,450,000.00 | 3,450,000.00 |
| Other payables | Beijing Shougang Gas Co., Ltd. | | 1,123,099.67 |
| Other payables | Beijing Shougang Industry Co., Ltd. | | 4,114,347.23 |
| Other payables | Guangzhou Jinghai Shipping Co., Ltd. | 507,751.46 | 357,800.00 |
| Other payables | Hebei Shenzhou Yuanda Real Estate Development Co., Ltd. | 5,000,000.00 | |
| Other payables | Hebei Shougang Jingtang Machinery Co., Ltd. | 2,776,577.52 | 2,776,577.52 |
| Other payables | Qinhuangdao Shougang Machinery Co., Ltd. | | 536,392.00 |
| Other payables | Shougang Group Co., Ltd. | 56,231,261.81 | 56,517,064.49 |
| Other payables | Shoushi Fengyang International Logistics Services (Tangshan Caofeidian) Co., Ltd. | 100,000.00 | |
| Other payables | Tangshan Caofeidian Shoushi Industrial Co., Ltd. | 3,865,587.23 | |
| Other payables | Tangshan Guoxing Industry Co., Ltd. | 4,450,973.55 | 4,450,973.55 |
| Other payables | Tangshan Caofeidian Industrial Zone Jingtang Industry Co., Ltd. | 2,910,814.91 | 2,910,814.91 |
| Other payables | China Shougang International Trade & Engineering Corporation | 118,420.11 | |
| Other current liabilities | Shougang Commercial Factoring Co., Ltd. | 401,812,816.77 | 1,147,263,122.85 |
| Other non-current liabilities | Shougang Group Co., Ltd. | 2,364,112,304.97 | 3,899,674,951.80 |

7. Related party commitments

See "Section VI. I. Implementation of commitment" for details.

XIV. Share-based payment

1. General information of share-based payment

Applicable Non-applicable

Unit: RMB Yuan

| Types of object | Current period grants | | Current period exercises | | Current period unlock | | Current period invalid | |
|-----------------|-----------------------|--------|--------------------------|--------|-----------------------|--------|------------------------|---------------|
| | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount |
| Staff | | | | | | | 20,630,585.00 | 64,932,432.85 |
| Total | | | | | | | 20,630,585.00 | 64,932,432.85 |

Stock options or other equity instruments issued to the public at the end of the period

Applicable Non-applicable

| Types of object | Stock options issued | | Other equity instruments issued | |
|-----------------|-------------------------|--------------------------------|---------------------------------|--------------------------------|
| | Range of exercise price | Remaining term of the contract | Range of exercise price | Remaining term of the contract |
| Staff | | | 3.25 | 11 months (34%) |

2. Equity-settled share-based payment

Applicable Non-applicable

Unit: RMB Yuan

| | |
|--|---|
| The method of determining the fair value of equity instrument on the grant date | The price of restricted stock shall be determined at the closing price on the grant date |
| Important parameters of fair value of equity instruments on the grant date | N/A |
| Basis for determining the number of exercisable equity instruments | Based on the latest changes in the number of employees with exercisable rights and subsequent information, make the best estimate of the number of equity instruments with exercisable rights |
| Reasons for significant difference between the current estimate and previous estimate | Performance conditions not met |
| Accumulated amount of equity-settled share-based payments recognized in capital reserve | 0.00 |
| The total amount of expenses recognized for equity-settled share-based payments in this period | -37,992,492.22 |

3. Cash-settled share-based payment

Applicable Not applicable

4. Current share-based payment expenses

Applicable Non-applicable

On 29 November 2021, approved by the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality, confirmed with no objection and recorded by the China Securities Regulatory Commission, the *Proposal on Beijing Shougang Co., Ltd. 2021 Restricted Stock Incentive Plan (Draft Amendment) and its Summary*, the *Proposal of Beijing Shougang Co., Ltd. 2021 Administration Measures for Implementation and Assessment of the Restricted Stock Incentive Plan (Revised)*, and the *Beijing Shougang Co., Ltd.'s Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Handle Matters Related to 2021 Restricted stock Incentive Plan* were considered and approved at the eleventh meeting of the seventh Board of Directors and the first extraordinary General Meeting of the year 2021 of the Company. The grant date was 9 December 2021 and a total of 64,901,800.00 restricted stock shares were granted to 386 incentive objects. The grant price of the restricted stock is RMB 3.25 per share. After the completion of subscription of this incentive plan, as a result of additional issuance of new shares, the Company's share capital and capital reserve increased by RMB 64,901,800.00 and RMB 146,029,050.00 respectively, and treasury shares increased by RMB 210,930,850.00. At the same time, equity incentive repurchase obligations were recognized in RMB 210,930,850.00 in other payables. The lock-up periods of restricted shares granted by the incentive plan shall be 24 months, 36 months and 48 months respectively from the registration date of the corresponding partial equity grant. The restricted shares granted under this incentive plan shall not be transferred, used for security or debt repayment during the restricted sale period

The Company has provided lock-up periods and unlock-up conditions for the stock granted to the incentive objects by way of non-public offering, and the Company has fully recognized other payables - restricted stock repurchase obligations and treasury share in respect of the repurchase obligations based on the subscription amounts received. If the unlocking conditions specified in the final equity incentive plan are not met, the Company will repurchase the shares at the grant price and write down the treasury shares. The portion of restricted shares that meet the unlocking conditions is offset from the treasury share.

Due to the performance in 2023 and 2024 not meeting the incentive conditions, the cost and expense recognized during the current waiting period is RMB -37,992,492.22, and the consolidated capital reserve is decreased by RMB -21,020,276.99 according to the shareholding ratio of the subsidiaries.

5. Modification and termination of share-based payment

| | |
|-------------------------------------|-----|
| Modification of share-based payment | N/A |
| Termination of share-based payment | N/A |

XV. Commitments and contingencies**1. Material commitments**

Significant commitments as of the balance sheet date

As of 31 December 2024, the Company has no commitments that should be disclosed.

2. Contingencies**(1) Significant contingencies as of the balance sheet date**

As of 31 December 2024, the Company has no pending litigation, external guarantees or other contingencies that should be disclosed but have not been disclosed.

(2) If the Company has no significant or contingencies that need to be disclosed, it should also be stated.

The Company has no significant contingencies that need to be disclosed.

XVI. Events after the balance sheet date**1. Profit distribution after the balance sheet date**

| | |
|---|--|
| Dividend payout per 10 shares to be distributed per 10 shares (RMB yuan) | 0.22 |
| Proposed distribution of bonus shares per 10 shares (shares) | 0 |
| Number of shares converted per 10 shares to be distributed (shares) | 0 |
| Dividend payout per 10 shares declared after consideration and approval (RMB yuan) | 0.22 |
| Bonus shares per 10 shares declared after consideration and approval (shares) | 0 |
| Number of shares converted per 10 shares declared after consideration and approval (shares) | 0 |
| Profit distribution plan | <p>The Company proposed to distribute a cash dividend of RMB 0.22 (including tax) per 10 shares to all shareholders on the basis of the total number of 7,773,981,020 shares of the share capital, total cash distribution of RMB 171,027,582.44, accounting for 111.54% of the parent company's realizable profit available for distribution in 2024, accounting for 37.67% of the profit available for distribution in the consolidated statement of income for the year of 2024, and accounting for 36.30% of the net profit attributable to the parent company in the consolidated statement of income for the year of 2024. There will be no capital reserves converted to share capital this time.</p> <p>If the total number of the Company's share capital entitled to distribution rights changes before the implementation of the distribution plan, the cash dividend per share will be adjusted based on the total number of shares entitled to distribution rights as of the record date for the cash dividend distribution in accordance with the principle that the total amount of cash distribution remains unchanged.</p> <p>The proposal is subject to the approval of the General Meeting of Shareholders.</p> |

2. Explanation of other events after the balance sheet date

As of 18 April 2024, there are no other events after the balance sheet date that should be disclosed by the Company.

XVII. Other significant events**1. Segment information**

According to its internal organizational structure, management requirements, and internal reporting system, the Company divides its businesses into iron and steel segments. Therefore, there is no need to present more detailed information on operating segments.

External revenue of goods and services

| Item | 2024 | 2023 |
|----------------|--------------------|--------------------|
| Iron and steel | 108,310,796,466.52 | 113,761,443,633.43 |

Geographical information

| Current period or end of the current period | Mainland China | Hong Kong | Offset | Total |
|---|--------------------|---------------|--------|--------------------|
| Revenue from external transactions | 108,261,552,756.64 | 49,243,709.88 | | 108,310,796,466.52 |
| Non-current assets | 99,521,245,311.28 | | | 99,521,245,311.28 |

(Continued)

| Prior period or end of the prior period | Mainland China | Hong Kong | Offset | Total |
|---|--------------------|--------------|---------------|--------------------|
| Revenue from external transactions | 113,761,182,300.41 | 1,914,228.76 | -1,652,895.74 | 113,761,443,633.43 |
| Non-current assets | 104,990,915,208.22 | | | 104,990,915,208.22 |

2. Other significant transactions and events affecting investors' decision-making

None

XVIII. Notes to the main items of the financial statements of the parent company

1. Accounts receivable

(1) Disclosed by the aging

Unit: RMB Yuan

| Aging | 31 December 2024 | 31 December 2023 |
|----------------------------------|------------------|------------------|
| Within 1 year (including 1 year) | 2,465,069,041.78 | 1,435,785,435.03 |
| 1-2 years | 30,591,805.62 | |
| Over 3 years | 1,000,000.00 | 2,000,000.00 |
| 4-5 years | 1,000,000.00 | 2,000,000.00 |
| Total | 2,496,660,847.40 | 1,437,785,435.03 |

(2) Classified by bad debt provision method

Unit: RMB Yuan

| Category | Closing balance | | | | | Opening balance | | | | |
|---|------------------|------------|--------------------|---------------|------------------|------------------|------------|--------------------|---------------|------------------|
| | Book balance | | Bad debt provision | | Book value | Book balance | | Bad debt provision | | Book value |
| | Amount | Proportion | Amount | Accrual ratio | | Amount | Proportion | Amount | Accrual ratio | |
| Assessed bad debt provision individually | 1,000,000.00 | 0.04% | 1,000,000.00 | 100.00% | | 2,000,000.00 | 0.14% | 2,000,000.00 | 100.00% | |
| Including: | | | | | | | | | | |
| Assessed bad debt provision in portfolios | 2,495,660,847.40 | 99.96% | 13,108,512.91 | 0.53% | 2,482,552,334.49 | 1,435,785,435.03 | 99.86% | 2,457,794.56 | 0.17% | 1,433,327,640.47 |
| Including: | | | | | | | | | | |
| Total | 2,496,660,847.40 | 100.00% | 14,108,512.91 | 0.57% | 2,482,552,334.49 | 1,437,785,435.03 | 100.00% | 4,457,794.56 | 0.31% | 1,433,327,640.47 |

Assessed bad debt provision individually: Assessed bad debt provision individually

Unit: RMB Yuan

| Name | Opening balance | | Closing balance | | | |
|------------------------|---------------------|---------------------|---------------------|---------------------|---------------|----------------------|
| | Book balance | Bad debt provision | Book balance | Bad debt provision | Accrual ratio | Reason for bad debts |
| Overdue recourse notes | 2,000,000.00 | 2,000,000.00 | 1,000,000.00 | 1,000,000.00 | 100.00% | Overdue |
| Total | 2,000,000.00 | 2,000,000.00 | 1,000,000.00 | 1,000,000.00 | | |

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

Unit: RMB Yuan

| Name | Closing balance | | |
|---|-------------------------|----------------------|---------------|
| | Book balance | Bad debt provision | Accrual ratio |
| Accounts receivable with bad debt provision by portfolio of credit risk characteristics | 2,495,660,847.40 | 13,108,512.91 | 0.53% |
| Total | 2,495,660,847.40 | 13,108,512.91 | |

Description of the basis for determining the portfolio:

Provision is made for goods receivable based on credit risk characteristics.

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

Applicable Not applicable**(3) Provision, recovery or reversal of bad debt**

Provision for bad debts in the current period:

Unit: RMB Yuan

| Category | Opening balance | Amount of change during the period | | | | Closing balance |
|---|---------------------|------------------------------------|----------------------|------------|--------|----------------------|
| | | Accrual | Recovery or reversal | Write-offs | Others | |
| Assessed bad debt provision individually | 2,000,000.00 | | 1,000,000.00 | | | 1,000,000.00 |
| Accounts receivable with bad debt provision by portfolio of credit risk characteristics | 2,457,794.56 | 10,650,718.35 | | | | 13,108,512.91 |
| Total | 4,457,794.56 | 10,650,718.35 | 1,000,000.00 | | | 14,108,512.91 |

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

Unit: RMB Yuan

| Company name | Closing balance of accounts receivable | Closing balance of contract assets | Closing balance of accounts receivable and contract assets | As a percentage of the total closing balance of accounts receivable and contract assets | Closing balance of provision for bad debts on accounts receivable and impairment of contract assets |
|--------------|--|------------------------------------|--|---|---|
| Client 1 | 2,360,295,823.53 | | | 94.54% | |
| Client 2 | 65,878,263.48 | | | 2.64% | 2,470,440.80 |
| Client 3 | 50,121,363.06 | | | 2.01% | 9,911,867.96 |
| Client 4 | 4,482,890.82 | | | 0.18% | 168,108.81 |
| Client 5 | 4,134,597.71 | | | 0.17% | 155,047.79 |
| Total | 2,484,912,938.60 | | | 99.54% | 12,705,465.36 |

2. Other receivables

Unit: RMB Yuan

| Item | Closing balance | Opening balance |
|----------------------|-----------------|-----------------|
| Dividends receivable | 250,000,000.00 | |
| Other receivables | 136,280,464.23 | 136,314,481.16 |

| | | |
|-------|----------------|----------------|
| Total | 386,280,464.23 | 136,314,481.16 |
|-------|----------------|----------------|

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

Unit: RMB Yuan

| Item (or investee) | Closing balance | Opening balance |
|--|-----------------|-----------------|
| Beijing Shougang Steel Trading Investment Management Co., Ltd. | 250,000,000.00 | |
| Total | 250,000,000.00 | |

2) Classified by bad debt provision method□Applicable Not applicable**(2) Other receivables****1) Other receivables by nature of payment**

Unit: RMB Yuan

| Nature | 31 December 2024 | 31 December 2023 |
|--------------------------|------------------|------------------|
| Petty cash | 98,278.25 | 74,024.55 |
| Deposits | | 100,000.00 |
| Due from other companies | 136,189,096.84 | 136,149,157.84 |
| Court debit | | |
| Total | 136,287,375.09 | 136,323,182.39 |

2) Disclosed by the aging

Unit: RMB Yuan

| Aging | 31 December 2024 | 31 December 2023 |
|----------------------------------|------------------|------------------|
| Within 1 year (including 1 year) | 138,217.25 | 136,323,182.39 |
| 1-2 years | 136,149,157.84 | |
| Total | 136,287,375.09 | 136,323,182.39 |

3) Classified by bad debt provision method

Unit: RMB Yuan

| Category | Closing balance | | | | | Opening balance | | | | |
|---|-----------------|------------|--------------------|---------------|----------------|-----------------|------------|--------------------|---------------|----------------|
| | Book balance | | Bad debt provision | | Book value | Book balance | | Bad debt provision | | Book value |
| | Amount | Proportion | Amount | Accrual ratio | | Amount | Proportion | Amount | Accrual ratio | |
| Including: | | | | | | | | | | |
| Assessed bad debt provision in portfolios | 136,287,375.09 | 100.00% | 6,910.86 | 0.01% | 136,280,464.23 | 136,323,182.39 | 100.00% | 8,701.23 | 0.01% | 136,314,481.16 |
| Including: | | | | | | | | | | |
| Total | 136,287,375.09 | 100.00% | 6,910.86 | 0.01% | 136,280,464.23 | 136,323,182.39 | 100.00% | 8,701.23 | 0.01% | 136,314,481.16 |

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

Unit: RMB Yuan

| Name | Closing balance | | |
|---|-----------------|--------------------|---------------|
| | Book balance | Bad debt provision | Accrual ratio |
| Assessed bad debt provision in portfolios | 136,287,375.09 | 6,910.86 | 0.01% |
| Total | 136,287,375.09 | 6,910.86 | |

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

Unit: RMB Yuan

| Bad debt provision | Phase I | Phase II | Phase III | Total |
|---|---------------------------------------|---|---|----------|
| | Expected credit loss within 12 months | Expected credit loss over the lifetime (no credit impairment) | Expected credit loss over the lifetime (credit impairment occurred) | |
| Balance as at 1 January 2024 | 8,701.23 | | | 8,701.23 |
| Balance at 1 January 2024 in the current period | | | | |

| | | | | |
|--------------------------------|-----------|--|--|------------------|
| Accrual in the current year | -1,790.37 | | | -1,790.37 |
| Balance as at 31 December 2024 | 6,910.86 | | | 6,910.86 |

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

Applicable Not applicable

4) Provision, recovery or reversal of bad debt

Provision for bad debts in the current period:

Unit: RMB Yuan

| Category | Opening balance | Amount of change during the period | | | | Closing balance |
|---|-----------------|------------------------------------|----------------------|---------------------------|--------|-----------------|
| | | Accrual | Recovery or reversal | Charge-offs or write-offs | Others | |
| Assessed bad debt provision in portfolios | 8,701.23 | -1,790.37 | | | | 6,910.86 |
| Total | 8,701.23 | -1,790.37 | | | | 6,910.86 |

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

Unit: RMB Yuan

| Company name | Nature | Closing balance | Aging | Percentage of total other receivable (%) | Closing balance of bad debt provision |
|----------------|-----------------|-----------------------|---------------|--|---------------------------------------|
| Counterparty 1 | Current account | 136,149,157.84 | 1-2 years | 99.90% | |
| Counterparty 2 | Current account | 8,513.00 | Within 1 year | 0.01% | 425.65 |
| Counterparty 3 | Current account | 8,513.00 | Within 1 year | 0.01% | 425.65 |
| Counterparty 4 | Current account | 8,513.00 | Within 1 year | 0.01% | 425.65 |
| Total | | 136,174,696.84 | | 99.93% | 1,276.95 |

3. Long-term equity investments

Unit: RMB Yuan

| Item | Closing balance | | | Opening balance | | |
|--|--------------------------|----------------------|--------------------------|--------------------------|----------------------|--------------------------|
| | Book balance | Impairment provision | Book value | Book balance | Impairment provision | Book value |
| Investments in subsidiaries | 36,142,348,242.94 | | 36,142,348,242.94 | 36,163,368,519.93 | | 36,163,368,519.93 |
| Investments in associates and joint ventures | 577,728,513.74 | | 577,728,513.74 | 856,811,320.22 | | 856,811,320.22 |
| Total | 36,720,076,756.68 | | 36,720,076,756.68 | 37,020,179,840.15 | | 37,020,179,840.15 |

(1) Investments in subsidiaries

Unit: RMB Yuan

| Investee | Opening balance (book value) | Opening balance of impairment provision | Changes of increase or decrease in current period | | | | Closing balance (book value) | Closing balance of impairment provision |
|--|------------------------------|---|---|--------------------------|--------------------------|----------------|------------------------------|---|
| | | | Additions of investment | Deductions of investment | Provision for impairment | Others | | |
| Shougang Jingtang United Iron & Steel Co., Ltd. | 16,302,759,705.94 | | | | | -17,860,892.74 | 16,284,898,813.20 | |
| Beijing Shougang Cold Rolling Co., Ltd. | 1,832,173,515.19 | | | | | -1,097,615.19 | 1,831,075,900.00 | |
| Qian'an Shougang Metallurgical Technology Co., Ltd. | 1,900,000.00 | | | | | | 1,900,000.00 | |
| Beijing Shougang Steel Trading Investment Management Co., Ltd. | 10,542,383,802.78 | | | | | -1,915,795.73 | 10,540,468,007.05 | |
| Shougang Zhixin Electromagnetic Materials (Qian'an) Co., | 7,484,151,496.02 | | | | | -145,973.33 | 7,484,005,522.69 | |

| | | | | | | | | | |
|-------|-------------------|--|--|--|--|--|----------------|-------------------|--|
| Ltd. | | | | | | | | | |
| Total | 36,163,368,519.93 | | | | | | -21,020,276.99 | 36,142,348,242.94 | |

(2) Investments in associates and joint ventures

Unit: RMB Yuan

| Investee | Opening balance (book value) | Opening balance of impairment provision | Changes of increase or decrease in current period | | | | | | | Closing balance (book value) | Closing balance of impairment provision | |
|--|------------------------------|---|---|--------------------------|--|---|----------------------|----------------------------------|--------------------------|------------------------------|---|--------|
| | | | Additions of investment | Deductions of investment | Investment profit or loss recognized under equity method | Adjustments in other comprehensive income | Other equity changes | Cash dividend or profit declared | Provision for impairment | | | Others |
| I. Joint ventures | | | | | | | | | | | | |
| II. Associates | | | | | | | | | | | | |
| Beijing Shouxin Jinyuan Management Consulting Center (Limited Partnership) | 129,100,426.06 | | | | 38,543,573.99 | | | | 7,789,898.99 | | 82,766,953.08 | |
| Qian'an Sinochem Coal Chemical Industrial Co., Ltd. | 673,021,389.62 | | | | 228,408,528.35 | | | | | | 444,612,861.27 | |
| Beijing Dingshengcheng Packaging Materials Co., Ltd. | 21,427,595.94 | | | | 1,552,465.77 | | | | | | 22,980,061.71 | |
| Qian'an Jinyu Shougang Environmental Protection Technology Co., Ltd. | 33,261,908.60 | | | | 5,893,270.92 | | | | | | 27,368,637.68 | |
| Sub-total | 856,811,320.22 | | | | 271,292,907.49 | | | | 7,789,898.99 | | 577,728,513.74 | |
| Total | 856,811,320.22 | | | | 271,292,907.49 | | | | 7,789,898.99 | | 577,728,513.74 | |

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

Applicable Not applicable

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

Applicable Not applicable**4. Operating revenue and cost of sales**

Unit: RMB Yuan

| Item | 2024 | | 2023 | |
|------------------|-------------------|-------------------|-------------------|-------------------|
| | Revenue | Cost of sales | Revenue | Cost of sales |
| Main business | 35,458,424,926.58 | 34,343,336,705.76 | 37,731,133,730.37 | 36,510,420,909.92 |
| Other businesses | 1,345,157,952.60 | 1,224,581,104.08 | 1,195,172,491.74 | 1,126,001,960.80 |
| Total | 36,803,582,879.18 | 35,567,917,809.84 | 38,926,306,222.11 | 37,636,422,870.72 |

(1) Operating revenue and cost of sales by product type

| Item | 2024 | | 2023 | |
|----------------|---------|---------------|---------|---------------|
| | Revenue | Cost of sales | Revenue | Cost of sales |
| Main business: | | | | |

| | | | | |
|-------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Billet | 328,755,158.68 | 316,915,066.15 | 420,010,787.22 | 419,214,964.92 |
| Hot-rolled steel | 34,463,621,265.61 | 33,359,519,916.74 | 36,572,541,034.81 | 35,338,824,605.16 |
| Cold-rolled steel | 203,480,591.93 | 217,202,667.76 | 232,556,455.45 | 200,135,560.77 |
| Other steels | 462,567,910.36 | 449,699,055.11 | 506,025,452.89 | 552,245,779.07 |
| Sub-total | 35,458,424,926.58 | 34,343,336,705.76 | 37,731,133,730.37 | 36,510,420,909.92 |
| Other businesses: | | | | |
| Power | 820,478,942.33 | 884,858,525.93 | 734,868,775.06 | 832,154,398.91 |
| Solid waste | 110,936,675.91 | 104,550,430.32 | 89,176,748.38 | 82,967,188.13 |
| Others | 413,742,334.36 | 235,172,147.83 | 371,126,968.30 | 210,880,373.76 |
| Sub-total | 1,345,157,952.60 | 1,224,581,104.08 | 1,195,172,491.74 | 1,126,001,960.80 |
| Total | 36,803,582,879.18 | 35,567,917,809.84 | 38,926,306,222.11 | 37,636,422,870.72 |

(2) Operating revenue and cost of sales by timing of goods transfer

| Item | 2024 | 2023 |
|--|--------------------------|--------------------------|
| Revenue from main business | 35,458,424,926.58 | 37,731,133,730.37 |
| Including: Recognized at a certain point | 35,458,424,926.58 | 37,731,133,730.37 |
| Recognized during a certain period of time | | |
| Revenue from other business | 1,345,157,952.60 | 1,195,172,491.74 |
| Total | 36,803,582,879.18 | 38,926,306,222.11 |

5. Investment gain

Unit: RMB Yuan

| Item | 2024 | 2023 |
|---|-----------------------|-----------------------|
| Long-term equity investment gain measured under the cost method | 371,614,710.67 | 492,295,603.66 |
| Long-term equity investment gain measured under the equity method | -271,292,907.49 | -132,155,436.66 |
| Gain on disposal of long-term equity investments | | 96,523,695.89 |
| Dividends from other equity instruments investments | 7,928,839.58 | 7,412,132.80 |
| Interest income from entrusted loans | | 3,951,910.93 |
| Others | 29,152.50 | |
| Total | 108,279,795.26 | 468,027,906.62 |

XIX. Supplementary information**1. Non-recurring gains or losses**Applicable Non-applicable

Unit: RMB Yuan

| Item | Amount | Note |
|---|----------------|------|
| Gains or losses on disposal of non-current assets | -50,614,446.27 | |
| Government grants included in the current profit and loss (except for the government grants that are closely related to the business of the company and are in accordance with the national unified standard quota) | 190,491,675.13 | |

| | | |
|--|-----------------------|-----------|
| Reversal of impairment provisions for accounts receivable subject to separate impairment testing | 1,172,292.00 | |
| Profit and loss from debt reorganization | 2,537,679.85 | |
| Other non-operating income and expenses except the above items | 136,430,176.66 | |
| Less: The impact of income tax | 25,267,923.93 | |
| The impact on non-controlling interests (post-tax) | 3,173,511.00 | |
| Total | 251,575,942.44 | -- |

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

Applicable Not applicable

During the reporting period, there are no other items that meet the definition of exceptional gain/loss.

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

Applicable Not applicable

2. Return on net assets and earnings per share

| Profit of reporting period | Weighted average return on net assets | Earnings per share | |
|---|---------------------------------------|--------------------------|----------------------------|
| | | Basic earnings per share | Diluted earnings per share |
| Net profit attributable to ordinary shareholders of the Company | 0.95% | 0.0607 | 0.0607 |
| Net profit attributable to ordinary shareholders of the Company excluding non-recurring gains or losses | 0.44% | 0.0283 | 0.0283 |

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

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

Applicable Not applicable

(2) Difference of net profit and net assets in financial statements disclosed according to foreign accounting standards and Chinese Accounting Standards

Applicable Not applicable

(3) Explanation of the reasons for accounting data differences under domestic and foreign accounting standards. For data that has been adjusted for differences after being audited by a foreign audit institution, the name of the foreign institution should be specified.

Applicable Not applicable

4. Others

None

Board of Directors of Beijing Shougang Co., Ltd.

16 April 2025