

HBIS Co. , Ltd. 2021 Annual Report

Section Important, catalogs and Interpretation

The board of directors, the board of supervisors and the directors, supervisors and senior management personnel of the company guarantee the authenticity of the contents of the annual report.

true, accurate, and complete, free from false records, misleading statements or material omissions, and undertake individual and continuous

with legal responsibility.

The person in charge of the company, Wang Lanyu, the person in charge of accounting work, Chang Guangshen, and the person in charge of the accounting organization (the chief accountant)

Manager) Wei Zhenmin hereby declares that he guarantees the truthfulness, accuracy and completeness of the financial report in this annual report.

All directors have attended the board meeting to review this report.

The company has described the existing risks and countermeasures in detail in this report, please refer to Section III.

Eleven "Prospects for the future development of the company". China Securities Journal, Shanghai Securities News, Securities Times

And Juchao Information Network (www.cninfo.com.cn) is the information disclosure media selected by the company. owned by the company

The information is subject to the information published in the above designated media. Investors are advised to pay attention to investment risks.

The company's profit distribution plan reviewed and approved by the board of directors is as follows: based on the company's total existing share capital

10,618,607,852 shares, after deducting 281,486,760 shares repurchased , the total share capital is **10,337,121,092**

Number of shares, a cash dividend of RMB **1.00** (tax included) will be distributed to all shareholders for every **10** shares , and **0** bonus shares (tax included) will be distributed.

The capital reserve is converted into share capital.

Reference file directory

- 1. Accounting statements signed and sealed by the legal representative of the company, the person in charge of accounting work, and the person in charge of the accounting organization.
- 2. The original audit report with the seal of Zhongxing Cai Guanghua Certified Public Accountants and the signature and seal of the certified public accountant.
- 3. All original company documents and original announcements publicly disclosed in China Securities Journal, Shanghai Securities News and Securities Times during the reporting period.

Paraphrase

Paraphrase	refer to	Paraphrase content
company/our company	Refers to	Hegang Co., Ltd.
China Securities Regulatory Commission	Refers to	China Securities Regulatory Commission
Hebei Securities Regulatory Bureau	Refers to	China Securities Regulatory Commission Hebei Regulatory Bureau
Shenzhen Stock Exchange	Refers to	Shenzhen Stock Exchange
Hegang Group	Refers to	Hegang Group Co., Ltd.
Handan Iron and Steel Group	Refers to	Handan Iron and Steel Group Co., Ltd.
Tangshan Iron and Steel Group	Refers to	Tangshan Iron and Steel Group Co., Ltd.
Chenggang Group	Refers to	Chengde Iron and Steel Group Co., Ltd.
Hand Bao Company	Refers to	Handan Iron and Steel Group Handan Iron and Steel Co., Ltd.
Legang Company	Refers to	Hegang Laoting Iron and Steel Co., Ltd.

Section 2 Company Profile and Main Financial Indicators

1. Company Information

stock abbreviation	Hegang Co., Ltd.	stock code	000709
Stock Exchange Shenzhen Stock Exchange			
Chinese name of the company	Hegang Co., Ltd.		
Chinese abbreviation of the company	Hegang Co., Ltd.		
Company name in foreign language (if any)	HBIS COMPANY LIMITED		
Legal representative of the company	Wang Lanyu		
Registered address	No. 385, Sports South Street, Shijiazhuang City, Hebei Province		
Postal code of registered address 050023			
Historical changes of company registered address	None		
office address	No. 385, Sports South Street, Shijiazhuang City, Hebei Province		
Postal code for office address 050023			
company website	http://www.hebgf.com		
email	hggf@hbisco.com		

2. Contact and contact information

	board secretary	Securities Affairs Representative
Name	Li Buhai	Liang Keying
contact address	No. 385 Sports South Street, Shijiazhuang City, Hebei Province No.	385 Sports South Street, Shijiazhuang City, Hebei Province
Telephone	(0311)66770709	(0311)66770709
fax	(0311)66778711	(0311)66778711
email	hggf@hbisco.com	hggf@hbisco.com

3. Information disclosure and storage location

The website of the stock exchange where the company discloses its annual report	China Securities Journal, Shanghai Securities News, Securities Times
The name and website of the media where the company discloses its annual report	http://www.cninfo.com.cn
Location of the company's annual report	Office of the Company's Board of Directors

4. Registration Changes

Organization Code	91130000104759628H
Changes in the company's main business since its listing (if any) No change	
Changes of previous controlling shareholders (if any)	No change

5. Other relevant information

Accounting firm hired by the company

Accounting firm name	Zhongxing Cai Guanghua Certified Public Accountants (Special General Partnership)
Office address of accounting firm	4th Floor, Anqiao Business, No. 77 Guang'an Street, Shijiazhuang City
Signing accountant name	Qi Zhenghua Meng Xiaoguang

Sponsors hired by the company to perform continuous supervision duties during the reporting period

☐ Applicable
 ☒ Not applicable

Financial consultant hired by the company to perform continuous supervision duties during the reporting period

☐ Applicable
 ☒ Not applicable

6. Main accounting data and financial indicators

Whether the company needs to retrospectively adjust or restate accounting data for previous years

☐ Yes
 ☒ No

Retrospective adjustment or restatement of reasons

Changes in accounting policies

	2021	2020		This year's increase or decrease compared to the previous year	2019	
		before fixing	adjusted		before fixing	adjusted
Operating income (yuan)	149,626,213,823.78	107,657,058,670.48	107,657,058,670.48	38.98%	121,495,415,325.02	121,495,415,325.02
Net profit attributable to shareholders of the listed company (RMB)	2,688,119,978.62	1,697,854,409.52	1,697,854,409.52	58.32%	2,559,475,686.60	2,559,475,686.60
Non-recurring deductions attributable to shareholders of listed companies	2,182,674,369.49	1,618,711,406.39	1,618,711,406.39	34.84%	2,528,671,580.98	2,528,671,580.98
Net profit of sexual gains and losses (RMB)						
Net cash flow from operating activities (RMB)	14,701,808,666.23	7,685,281,412.59	7,685,281,412.59	91.30%	9,807,556,606.52	9,807,556,606.52
Basic earnings per share (yuan/share)	0.24	0.12	0.12	100.00%	0.20	0.20
Diluted earnings per share (RMB/share)	0.24	0.12	0.12	100.00%	0.20	0.20
weighted average return on equity	4.94%	2.15%	2.15%	2.79%	3.73%	3.73%
	Late 2021	Late 2020		the end of the year compared to the end of the previous year increase or decrease	end of 2019	
		before fixing	adjusted		before fixing	adjusted
Total assets (yuan)	243,419,433,508.61	229,868,166.70	241,229,868,166.70	0.91%	211,935,681,123.01	211,935,681,123.01
Net assets attributable to shareholders of listed companies (RMB)	51,036,297,850.42	57,857,954,347.18	57,857,954,347.18	-11.79%	56,595,457,880.95	56,595,457,880.95

Reasons for changes in accounting policies and corrections of accounting errors

On December 7, 2018, the Ministry of Finance issued the revised Accounting Standards for Business Enterprises No. 21 – Leases (Cai Kuai [2018] No. 35) (hereinafter referred to as the "New Lease Standards").

The company will implement the new lease standards from January 1, 2021. According to the relevant provisions of the new leasing standards, the company adjusts the cumulative impact of the initial implementation of this standard.

The amount of retained earnings and other related items in the financial statements at the beginning of the year in which this standard is implemented for the second time will not be adjusted for comparable period information.

The lower of the company's net profit before and after deducting non-recurring gains and losses in the last three fiscal years is negative, and the audit report for the last year shows that the company's ability to continue as a going concern is uncertain

qualitative

☐ Yes ☐ No

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

☐ Yes ☐ No

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

1. Differences in net profit and net assets in the financial report disclosed in accordance with the International Accounting Standards and the Chinese Accounting Standards at the same time

☐ Applicable ☐ Not applicable

During the reporting period, there was no difference in net profit and net assets in the financial report disclosed in accordance with the International Accounting Standards and the Chinese Accounting Standards.

2. Differences in net profit and net assets in the financial report disclosed in accordance with foreign accounting standards and Chinese accounting standards at the same time

☐ Applicable ☐ Not applicable

During the reporting period, there was no difference in net profit and net assets in the financial report disclosed in accordance with foreign accounting standards and Chinese accounting standards.

8. Main financial indicators by quarter

unit: yuan

	the first season	Q2	the third quarter	fourth quarter
Operating income	33,033,207,507.16	41,997,416,050.39	46,716,268,893.90	27,879,321,372.33
Net profit attributable to shareholders of listed companies	481,528,047.49	1,039,609,521.71	847,551,825.26	319,430,584.16
Deductions attributable to shareholders of listed companies are not Net profit from recurring profit and loss	476,366,537.79	1,033,620,668.78	844,682,227.75	-171,995,064.83
Net cash flow from operating activities	3,136,231,442.52	5,378,559,357.96	14,091,728,646.36	-7,904,710,780.61

Whether the above financial indicators or their totals are significantly different from the relevant financial indicators in the quarterly and semi-annual reports disclosed by the company

☐ Yes ☐ No

9. Non-recurring profit and loss items and amounts

☐ Applicable ☐ Not applicable

unit: yuan

project	2021 Amount	2020 Amount	Description of 2019 Amount	
Gains and losses on disposal of non-current assets (including those with provision for asset impairment reversal part)	7,782,515.40	2,781,805.63	-31,263,245.06	
Government subsidies included in the current profit and loss (closely related to the company's normal business operations) All relevant, in line with national policies and regulations, in accordance with certain standards or quotas. Except for government subsidies that are continuously enjoyed in a quantitative manner)	250,703,828.56	83,185,826.31	84,979,491.03	
Gains and losses on entrusting others to invest or manage assets		16,827,397.26		
Debt Restructuring Gains and Losses	6,933,647.39	24,419,208.45		
Subsidiaries arising from business combination under the same control from the beginning of the period to the date of combination net profit and loss for the period		-7,481,805.15		
Custody fee income from entrusted operations	5,660,377.37	5,031,446.54	2,830,188.69	
Other non-operating income and expenses other than the above	398,972,418.70	-10,358,048.51	-2,567,363.86	
Other profit and loss items that meet the definition of non-recurring profit and loss	1,324,887.76	764,309.50	567,347.68	
Less: Income tax impact	171,145,700.01	28,535,204.72	20,136,280.42	
Amount of influence of minority shareholders' equity (after tax)	-5,213,633.96	7,491,932.18	3,606,032.44	
total	505,445,609.13	79,143,003.13	30,804,105.62	--

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

☐ Applicable ☐ Not applicable

The company has no specific circumstances of other profit and loss items that meet the definition of non-recurring profit and loss.

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

Description of the situation

☐ Applicable ☐ Not applicable

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

Items of sexual gains and losses.

Section 3 Management Discussion and Analysis

I. Industry situation of the company during the reporting period

In 2021, the iron and steel industry will continue to deepen the supply-side structural reform, further consolidate the achievements of iron and steel production capacity reduction, promote the green and low-carbon transformation of the industry, and actively respond to domestic and foreign policies.

The demand situation has changed, and the industry is generally operating well.

In 2021, domestic crude steel output will show a trend of first increase and then decrease. In the first half of the year, driven by domestic and foreign demand, the country's cumulative crude steel output was 563 million tons, a year-on-year increase of 11.80%.

A record high for the same period. In the second half of the year, with the implementation of national control policies, the rapid growth of steel production was effectively curbed. The annual crude steel output was 1,032.79 million tons,

A year-on-year decrease of 3%, achieving the annual production reduction target. The cumulative apparent consumption of crude steel was about 992 million tons, a year-on-year decrease of 5.3%.

Affected by factors such as the rapid recovery of foreign demand and the sharp rise in international steel prices, my country's steel exports will rebound sharply in 2021 despite a five-year decline in a row.

The accumulated annual export of steel was 66.9 million tons, a year-on-year increase of 24.6%. The total imported steel was 14.27 million tons, a year-on-year decrease of 29.5%.

The price of steel fluctuated sharply, and the overall trend may show a trend of high before and then low, and the price will gradually return to rationality. The average domestic steel comprehensive price index for the whole year was 142.03 points, a year-on-year

Up 36.46 points. The sales profit margin of iron and steel enterprises has improved significantly, and the industry efficiency has maintained a good level.

2. The main business of the company during the reporting period

The company has the world's leading technology and equipment in the steel industry, and has a strong foundation for the localization of imported steel and the upgrading of high-end products, with an annual output of 30 million tons.

production capacity of high-quality steel products.

The company's steel products are divided into four categories: plates, bars, wires, and profiles, covering automobiles, petroleum, railways, bridges, construction, electricity, transportation, light industry, home appliances, etc.

important application areas. Brand products such as cold-rolled sheet, high-strength rebar, and pipeline steel enjoy high reputation at home and abroad, and have obtained the quality management system of world automobile suppliers.

Certification, automobile sheet, home appliance sheet, pipeline steel, nuclear power steel and high-strength earthquake-resistant building materials have entered the high-end market at home and abroad. In the construction of a large number of well-known engineering projects at home and abroad,

The company's products play a key role, such as Beijing Sub-center Transportation Hub, Xiong'an Business Center, Hongyanhe Nuclear Power, Zhangzhou Nuclear Power, Hong Kong-Zhuhai-Macao Bridge, Hualong One

number, the Winter Olympics venue, the first cross-sea high-speed railway bridge in China, etc.

The company is a world leader in vanadium-titanium steel smelting and vanadium product production technology, with an annual production capacity of 22,000 tons of vanadium products. The main products are vanadium pentoxide (tablets,

powder), vanadium oxide, ferro-vanadium, ferro-vanadium nitride, vanadium-aluminum alloy, etc., and successfully developed 99.9% energy-grade vanadium oxide, vanadium battery electrolyte, metal vanadium, and titanium alloy powder

The last series of high-end vanadium and titanium products have formed a complete product development and preparation system. Vanadium and titanium products are widely used in aerospace, metallurgy, chemical, biomedical and

New energy and many other fields, won the title of "Golden Chamber Cup" vanadium-nitrogen alloy enterprise high-quality supplier in 2021.

During the reporting period, the company's main business and operating model did not undergo major changes.

3. Analysis of core competitiveness

1. Equipment and product advantages

After continuous technological transformation and industrial upgrading, the company's main equipment has been modernized and large-scaled, and the overall process equipment technology has reached the international advanced level.

At the same time, it is also in the leading position in the world in terms of vanadium-titanium smelting and vanadium product production technology, and has the world's first "clean production line for high-efficiency vanadium extraction by sub-molten salt method". The company has a country

With the most complete varieties and specifications of bars, hot and cold rolled sheets and deep processing capabilities, the product structure is rich and widely used, and is well-known at home and abroad.

2. Advantages of green development

The company has always adhered to the concept of "ecological priority and green development", and has achieved fruitful results in energy saving, emission reduction and green development, becoming the first practice in my country's steel industry

A template for a green transition. The multi-process multi-pollutant ultra-low emission control technology project in the iron and steel industry led by the company has made the sintering, pelletizing, coking and iron-making processes polluted.

The emission of dyes is better than the national ultra-low emission limit, and the ultra-low emission control technology of steel multi-pollutants has been affirmed by General Secretary Xi Jinping. Leshan Iron and Steel Co., Ltd. was awarded the Environmental Protection Grade A efficient enterprise. Accelerate the realization of low-carbon transformation, and strive to contribute to the HBIS plan for the steel industry to achieve "carbon peaking and carbon neutrality".

3. Technical advantages

The company has established a scientific and technological innovation system and working mechanism, and the research and development of high-end varieties has achieved remarkable results. In 2021, the company will give full play to its technology-driven advantages and implement refined quality management.

Product grades continue to be upgraded, and nearly 100 new products have been developed. The highest strength level is 600MPa galvanized low-alloy high-strength steel, and many products such as galvanized sheet with thick zinc layer above 720g fill the domestic gap, and many products such as high-end aluminized sheet have been realized. Substitute imports. "Development and application of high-quality cold-rolled strip finishing core equipment and key technologies"

And the two achievements of "R&D and application of AC-DC-AC transmission system of 1780mm cold tandem rolling mill" won the first prize of China Iron and Steel Association Metallurgical Science and Technology Award.

4. Location advantage

The company is located in North China, surrounded by Beijing, Tianjin and the Bohai Sea, with developed economy and convenient transportation.

The future construction of Xiongan New Area will bring more development opportunities to the company.

Fourth, the main business analysis

1 Overview

In 2021, the company will produce 25.31 million tons of iron, 25.68 million tons of steel, 25.21 million tons of steel, and 170,000 tons of vanadium slag. The annual operating income was 149.6 billion yuan, and the total profit was 37

The net profit attributable to the owner of the parent company was 2.7 billion yuan, and achieved good operating benefits.

Over the past year, the company has continuously made new progress in various key tasks.

(1) Strengthen the function and play, and the integrated operation has achieved remarkable results

Operational control continued to deepen. Starting from the service production line, set up the main process committee of iron and steel rolling, improve the professional management and control and benchmarking exchange mechanism, and further strengthen goal guidance and process control.

The production line efficiency has been continuously improved. The blast furnaces in production have all set the highest daily production records since they were put into operation. The daily output of blast furnaces above 2,500 cubic meters has increased by 10%, and the daily output of blast furnaces below 2,500 cubic meters has increased up 5%. The production efficiency of the steelmaking system has been significantly improved, the high-efficiency rolling line is running at full capacity, and a number of production lines have reached the highest monthly production record, reaching the advanced level in the industry.

(2) The reform of the marketing model has been implemented, and the brand influence has been greatly improved

The marketing structure is completed. Adhere to being close to the market and serving customers, comprehensively start the reform of the marketing model of "marketing center + regional companies", centralize, unify, respond quickly,

An integrated marketing system with efficient operation has been formed in an all-round way, realizing the unified management of production and marketing resource planning and price, and the power to speak and dominate the market price in the main regional market has been greatly improved. new

Develop high-end customers such as GM, Tesla, Beijing Foton Daimler, etc., and the customer structure is concentrated towards the front end of the industry and the market head.

Marketing services are featured prominently. Establish a service system for key projects, exclusively for national key projects such as the National Party History Exhibition Hall. Strengthen the application of DAC intelligent system, improve the automobile

The operating efficiency of OEMs has been affirmed by high-end customers such as SAIC. Promote the unification of product identification, labeling and coding to further enhance the company's brand image.

(3) Strengthen the leadership of scientific and technological innovation, and significantly enhance the competitive advantage of products

Product structure continued to be optimized. Nearly 100 new products have been developed. The highest strength grade is 600MPa galvanized low-alloy high-strength steel, and a number of products such as galvanized sheet with a thick zinc layer above 720g fill the domestic gap, and many products such as high-end aluminized sheet can be imported instead. The production and sales of high-purity vanadium continued to lead the world and became the "Single Champion" product. batch

High-end products are used in key projects such as the "Hualong No. 1" project, the Winter Olympics venue, and the first cross-sea high-speed railway bridge in China, highlighting the brand image of HBIS.

Technical support plays a role. Focus on online smelting, quality improvement, index improvement, cost control and efficiency improvement, and promote the research and development of more than 100 new processes and new technologies.

use. The comprehensive performance of new invar steel wire materials and gigapa-grade ultra-high-strength steel has reached the international leading level;

Industry-leading performance indicators; bake hardened steel successfully solved the problem of long aging period, replacing POSCO in South Korea to supply Great Wall Motors.

Technical marketing enhances product value. Focusing on the needs of strategic customers, we carried out technical marketing services, participated in customer technology innovation, and significantly improved the user's ability to apply technical services.

Auto steel products have been certified by BMW, SAIC GM, SAIC Volkswagen and other OEMs, and home appliance board products have helped to upgrade the appearance and lead the appearance.

(4) In-depth and accurate benchmarking to tap the potential, the cost control level has been greatly improved

The benchmarking mechanism was promoted on a regular basis. Adhere to internal normalized benchmarking and external thematic benchmarking, and guide subsidiaries to develop various systems in the form of monthly summaries and quarterly exchanges. Benchmarking has effectively promoted the improvement of management level and cost control ability.

The special benchmarking has achieved practical results. Carry out special benchmarking with benchmark units according to the pre-iron system, energy management and variety quality. The cost per ton of iron, maintenance fees, logistics costs and external. The cost of purchasing energy and other costs is further reduced.

(5) Highlight key indicators for assessment, and give full play to the role of performance orientation

Efficiency and benefit goal orientation is prominent. Adhering to the principle of "marketization and strong incentives", it played a guiding role in performance appraisal and quickly activated the efficiency of the production line.

Binding assessments play a role. Set up the assessment of constraints such as accidents and fuel ratios in the "white terror zone", and guide all units to strengthen basic management and control production costs.

(6) Strengthen safety and environmental protection management, and the production and operation environment continues to improve

The security control is solid and efficient. Strictly implement the safety production responsibility system, promote the standardization of safety production, and carry out innovative safety inspections. Carry out special supervision for preparation and maintenance inspection, and realize remote monitoring of major risk prevention and control and hidden danger inspection and management through risk identification and hidden danger inspection and management safety information platform. The management level has been comprehensively improved, and Tangshan Iron and Steel New District and Handan Iron and Steel have reached the level of first-class safety production standardization enterprises.

Environmental governance continued to improve. The implementation of a number of ultra-low emission transformation projects has been promoted, and the emission indicators of major pollutants have been further reduced. Increase the research and development of advanced green manufacturing technology. The application of the steel multi-pollutant ultra-low emission control technology has been affirmed by General Secretary Xi Jinping. Circulating water, water saving and high-salt wastewater reuse technology form a technology package and promote it in the industry wide. Vigorously promote the work of environmental protection creation A, Tangshan Iron and Steel New District has been officially awarded the environmental protection A level, and Handao Company is conducting the review of experts from China Iron and Steel Association.

(7) Comprehensive coordination and overall planning, and key progress in location adjustment

Tangshan Iron and Steel New Area successfully achieved the production target. The daily output of the three blast furnaces has reached the design level stably. Fast hot rolling line. The foundation construction of each key control project in Handan Iron and Steel New Area has been completed, the No. 1 blast furnace and the body of the hot blast furnace have been installed, and the rough rolling mill archway of the medium plate production line has been hoisted. Completed, entering a new stage in which the main construction and equipment installation go hand in hand. Actively introduce private capital, and jointly promote the construction of Handan Iron and Steel New District with Hebei Nengjia and Hebei Nenghua.

(8) The internal control system was comprehensively revised, and the level of standardized governance continued to improve

In accordance with the new regulations issued by the regulatory authorities, the Articles of Association and the Rules of Procedure of the Three Meetings, the Management System for Related Party Transactions, and the Management System for Information Disclosure were revised in a timely manner. and other internal control systems, and promote the improvement of the company's standard governance level. In accordance with the requirements of the "Announcement on Launching Special Actions on Corporate Governance of Listed Companies" issued by the China Securities Regulatory Commission, the Conduct a comprehensive self-inspection, carefully sort out the problems existing in the company, and complete the rectification in a timely manner.

2. Revenue and cost

(1) Composition of operating income

unit: yuan

	2021		2020		Year-on-year increase or decrease
	amount	% of operating income	amount	% of operating income	
Total operating income	149,626,213,823.78	100%	107,657,058,670.48	100%	38.98%
sector					
steel industry	139,171,537,944.81	93.02%	102,758,355,178.17	95.45%	35.44%
Chemical Industry	1,709,969,103.51	1.14%	1,306,397,815.73	1.21%	30.89%

Other business	8,744,706,775.46	5.84%	3,592,305,676.58	3.34%	143.43%
By product					
plate	101,828,156,083.90	68.06%	68,715,169,139.33	63.83%	48.19%
Bars and Profiles	17,746,430,617.56	11.86%	16,519,816,979.38	15.34%	7.43%
Wire, strip, etc.	5,227,121,245.17	3.49%	2,481,750,805.10	2.31%	110.62%
billet	2,600,076,153.11	1.74%	2,465,222,088.58	2.29%	5.47%
Vanadium Products	1,709,969,103.51	1.14%	1,306,397,815.73	1.21%	30.89%
Gas, hydropower and other products	11,769,753,845.07	7.87%	12,576,396,165.78	11.68%	-6.41%
Other business	8,744,706,775.46	5.84%	3,592,305,676.58	3.34%	143.43%
by region					
North-east area	343,742,661.53	0.23%	221,382,240.60	0.21%	55.27%
North China	95,274,340,991.40	63.68%	72,556,564,533.06	67.40%	31.31%
Huadong Region	35,165,679,020.09	23.50%	22,493,894,440.56	20.89%	56.33%
North-west region	233,569,529.39	0.16%	167,907,264.81	0.16%	39.11%
Southwest Region	452,867,616.39	0.30%	665,668,972.92	0.62%	-31.97%
South Central Region	5,473,958,746.22	3.66%	3,483,082,160.24	3.24%	57.16%
South China	85,528,011.40	0.06%	71,995,246.26	0.07%	18.80%
overseas	3,851,820,471.90	2.57%	4,404,258,135.45	4.09%	-12.54%
other	8,744,706,775.46	5.84%	3,592,305,676.58	3.34%	143.43%
sub-sale model					
distribution model	59,067,166,558.20	39.48%	39,589,097,023.82	36.77%	49.20%
direct sales model	90,559,047,265.58	60.52%	68,067,961,646.66	63.23%	33.04%

(2) Information on industries, products, regions, and sales models that account for more than 10% of the company's operating income or operating profit

Applicable Not applicable

unit: yuan

	Operating income	Operating cost	gross profit margin	Operating income over the previous year increase or decrease in the same period	Operating costs over the previous year increase or decrease in the same period	Gross profit margin over the previous year increase or decrease in the same period
sector						
steel industry	139,171,537,944.81	123,751,780,444.12	11.08%	35.44%	36.65%	-0.79%
By product						
plate	101,828,156,083.90	89,009,461,282.02	12.59%	48.19%	48.09%	0.06%
Bars and profiles	17,746,430,617.56	16,011,682,440.64	9.78%	7.43%	8.48%	-0.87%
by region						

North China	95,274,340,991.40	84,230,942,893.45	11.59%	31.31%	33.04%	-1.15%
Huadong Region	35,165,679,020.09	31,268,534,767.21	11.08%	56.33%	56.30%	0.02%
South Central Region	5,473,958,746.22	5,028,840,547.77	8.13%	57.16%	55.32%	1.09%
sub-sale model						
distribution model	59,067,166,558.20	51,931,137,859.48	12.08%	49.20%	49.23%	-0.01%
direct sales model	90,559,047,265.58	81,272,557,904.69	10.25%	33.04%	36.50%	-2.28%

In the case where the statistical standard of the company's main business data is adjusted during the reporting period, the company's main business data in the last one year adjusted according to the standard at the end of the reporting period

ÿ Applicable ÿ Not applicable

(3) Whether the company's physical sales income is greater than the labor income

ÿ Yes ÿ No

Category	project	unit	2021	2020	Year-on-year increase or decrease
steel industry	Sales volume	Ton	25,548,487.14	23,489,852.66	8.76%
	Production	Ton	25,207,609	24,870,327	2.36%
Chemical Industry	Sales volume	Ton	16,202.85	14,870.38	8.96%
	Production	Ton	17,564	18,037	-2.62%

Explanation of the reasons for the year-on-year change of more than 30% in relevant data

ÿ Applicable ÿ Not applicable

(4) The performance of the major sales contracts and major purchase contracts that the company has signed up to the reporting period

ÿ Applicable ÿ Not applicable

(5) Composition of operating costs

Industry and Product Classification

unit: yuan

Category	2021		2020		Year-on-year increase or decrease
	amount	% of operating costs	amount	% of operating costs	
steel industry	123,751,780,444.12	92.90%	90,562,635,624.62	96.00%	36.65%
Chemical Industry	1,301,388,675.63	0.98%	866,752,484.73	0.92%	50.15%
Other business	8,150,526,644.42	6.12%	2,909,307,821.37	3.08%	180.15%

unit: yuan

product category	2021		2020		Year-on-year increase or decrease
	amount	% of operating costs	amount	% of operating costs	
plate	89,009,461,282.02	66.82%	60,103,912,172.52	63.71%	48.09%

Bars and Profiles	16,011,682,440.64	12.02%	14,760,367,110.87	15.65%	8.48%
Wire, strip, etc.	4,703,007,180.27	3.53%	2,242,333,538.24	2.38%	109.74%
billet	2,380,100,492.89	1.79%	2,244,769,445.27	2.38%	6.03%
Vanadium Products	1,301,388,675.63	0.98%	866,752,484.73	0.92%	50.15%
Gas, hydropower and other products	11,647,529,048.30	8.74%	11,211,253,357.72	11.88%	3.89%
Other business	8,150,526,644.42	6.12%	2,909,307,821.37	3.08%	180.15%

(6) Whether the scope of consolidation has changed during the reporting period

Yes No

(1) On October 21, 2021, the company reviewed and approved the "Proposal on the Joint Venture with Hebei Nengjia Company to Establish a Steel Project Company" at the 21st meeting of the fourth board of directors. "Proposal" and "Proposal on Jointly Establishing a Coking Project Company with Hebei Nenghua High-tech Co., Ltd.", the registered capital of the joint venture company, Handan Nengjia Iron and Steel Co., Ltd., was 500 million yuan, of which the company invested 255 million yuan in cash, holding 51% of the shares; Hebei Nengjia Investment Co., Ltd. invested 245 million yuan in cash, holding 49% of the shares; The registered capital of Handan Iron and Steel Huafeng Energy Co., Ltd. was 280 million yuan when it was established, of which: the company invested 142.8 million yuan in cash, holding 51% of the shares; Hebei Nenghua High-tech Co., Ltd. invested 137.2 million yuan in cash, holding 49% of the shares.

(2) The company established a wholly-owned subsidiary Shanghai Hegang East China Trading Co., Ltd. on February 8, 2021, with a registered capital of 100 million yuan.

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

Applicable Not applicable

(8) Major sales customers and major suppliers

The company's main sales customers

Total sales amount of the top five customers (yuan)	87,962,993,315.53
The ratio of the total sales amount of the top five customers to the total annual sales	58.79%
Ratio of related party sales to total annual sales among the sales of the top five customers	49.06%

The company's top 5 customers

serial number	client's name	Sales (yuan)	Proportion to total annual sales
1	Hegang Group Co., Ltd.	73,411,454,773.17	49.06%
2	CITIC Metal Co., Ltd.	6,600,804,996.47	4.41%
3	Handan City Handan Iron and Steel Affiliated Enterprise Company	3,661,255,213.22	2.45%
4	Ningbo Midea United Materials Supply Co., Ltd.	2,493,216,166.88	1.67%
5	Guanxian Hongshun Composite Materials Co., Ltd.	1,796,262,165.79	1.20%
total	--	87,962,993,315.53	58.79%

Other information about major customers

Applicable Not applicable

The company's main suppliers

Total purchase amount of the top five suppliers (yuan)	87,709,845,166.27
Proportion of the total purchase amount of the top five suppliers to the total annual purchase amount	65.85%
Proportion of related party purchases to total annual purchases among the purchases of the top five suppliers	60.95%

Company Top 5 Supplier Profiles

serial number	Supplier name	Purchase amount (yuan)	Proportion of total annual purchases
1	Hegang Group Co., Ltd.	81,192,505,451.94	60.95%
2	State Grid Jibei Electric Power Co., Ltd. Tangshan Power Supply Company	2,137,487,716.57	1.60%
3	Anda Jiayun Coal and Coke Supply Chain Co., Ltd.	1,523,629,910.66	1.14%
4	Chengde Chuangyuan Technology Development Co., Ltd.	1,507,605,771.94	1.13%
5	Chengde Xintong Shoucheng Technology Co., Ltd.	1,348,616,315.16	1.01%
total	--	87,709,845,166.26	65.85%

Other information about major suppliers

ÿ Applicable ÿ Not applicable

3. Cost

unit: yuan

	2021	2020	Year-on-year increase or decrease	Explanation of major changes
sales expense	88,792,991.02	282,799,913.66	-68.60%	Business model change
Management fees	3,272,479,362.19	2,617,617,015.79	25.02%	
Financial expenses	5,851,683,500.29	5,039,950,629.79	16.11%	
R&D expenses	3,700,740,784.42	2,820,729,671.94	31.20%	

4. R&D investment

ÿ Applicable ÿ Not applicable

Main R&D Project Name	Project Purpose	Project Progress	The expected impact of the goals to be achieved on the future development of the company	
Ferrite flow quality intelligent tube	Development of high-temperature ferrite flow quality intelligence	Completion of development of high temperature ferrite	Development of high temperature ferrite flow quality intelligent tube	Assist on-site to establish the quality of the production process
Research on Control Simulation System	able to control the system	Stream Quality Intelligent Control System	control system, in order to achieve steel production	Quantitative intelligent management and control model for the whole process
		system	Narrow window control provides algorithms and modules	A network of coupled material flow and energy flow
			type support	Cyber-physical models provide guidance
(RD16) export-oriented	For American Standard A36, A572, etc.	It is determined that the micro-combination of Cr and Ti is	Realize European standard, American standard and Japanese standard series	Realize the company's international steel industry reputation and
Cr, Ti microalloying	Series, European standard S235, S355	Metallization replaces Mn element steel	Full coverage of export steel, annual output target	Double Harvest of Benefit
Thick plate steel rolling process and	and other series, Japanese standard SS400,	Seed as a breakthrough, focus on research	The standard is over 100,000 tons.	
Stability key technology research	SM490 and other series of structural steel production	Study on the effect of Cr and Ti elements on steel		
study	products, and develop Cr,	The influence of the material structure and properties,		
	Ti microalloyed plate products,	Cr, Ti microalloyed steel grades		

	<p>Microalloying properties for different contents</p> <p>It can control and improve quality, and can use key technologies to solve Cr,</p> <p>To meet the needs of Europe, America, Asia, etc.</p> <p>According to the different needs of domestic customers, the technology in the actual rolling process</p> <p>The current export of steel products is growing steadily and earnings.</p>	<p>technical quality control, etc.</p> <p>Ti element is used in steel smelting,</p> <p>the technology in the actual rolling process</p> <p>problem.</p>		
<p>Analysis of Mainstream High-strength Beam</p> <p>Positive development and application of the technical research</p>	<p>Materials for Heavy-Duty Truck Beams</p> <p>basic characteristics of technical materials and production products for comparison. Using CAD, a set of lightweight CAE technology has been applied to the mainstream of the market and completed part of the beam body</p> <p>Modeling with car beam body</p> <p>True, the overall weight reduction of the target beam</p> <p>5% or more, and provide at least two kinds of high-strength</p> <p>A set of high-strength steel lightweight solutions.</p> <p>High-strength steel with higher cost performance</p> <p>strength range, combined with the above and complete</p> <p>The experiment suggested that the microstructure should be beg. Provide on-site products to</p> <p>One less high-strength steel development + development</p> <p>and provide corresponding theories</p> <p>in accordance with.</p>	<p>Achieve a reduction of more than 10%</p> <p>goals with Tangshan Iron and Steel, and provide solutions,</p> <p>Using the Steel Fatigue Database</p> <p>Establish. Finally, provided</p> <p>strength steel developed</p> <p>Suggest. positive open</p> <p>From scratch to make ideas,</p> <p>related technical storage</p> <p>ready.</p>	<p>The weight of the target beam body is reduced by more than 5%; there is a large three or two sets of lightweight solutions.</p>	<p>research and development effort to provide high-strength beam body steel.</p> <p>Research and development space, from user applications and market perspective to guide product development</p> <p>Significant.</p>
<p>The transverse temperature of wide-width</p> <p>Field distribution and tension matching</p> <p>sex research</p>	<p>IF steel has been tackled to solve the problem of thermal</p> <p>Currently only staying in tension, temperature</p> <p>In terms of gradient matching, there is no simulation calculation to provide scientific support.</p> <p>In this subject, work is carried out in the direction of continuous withdrawal of wide-width IF steel and wide-width IF steel products.</p> <p>The annealing required for the production of the transverse</p> <p>Compatibility studies are carried out to improve</p> <p>Production control capability, improved production fire temperature data. At the same time, the effect of each product performance.</p>	<p>buckling, and the wide-width IF steel product has been completed.*</p> <p>Annealing Temperature and Annealing Furnace</p> <p>Internal tension matching research</p> <p>work, established both for material yielding and</p> <p>tension and the annealing temperature</p> <p>Tension control and withdrawal of furnace sections</p> <p>temperature data. At the same time, the effect of each It has become the optimization of raw material strength.</p> <p>Significantly improved product performance</p> <p>can.</p>	<p>Research, give yield strength and tension system, and complete</p> <p>The relationship of number k is clearly expanded from reducing the original grid and increasing the width of Handan Iron and Steel products.</p> <p>for reducing annealing furnace tension</p> <p>wide-width IF steel products.</p> <p>(2) Through the Ti, S,</p> <p>Research on the matching relationship of elements such as C and N</p> <p>each element in the steelmaking composition was investigated.</p> <p>Formulated with empty boxes</p> <p>described.</p> <p>(3) By optimizing and debugging the tension to</p> <p>and control of the yield strength of the raw material sheet</p> <p>system, optimized and adjusted to be suitable for wide format</p> <p>Tension Control Tables and Backoffs for IF Steel Production</p> <p>Fire thermometer, significantly improve product performance</p> <p>can. "</p>	<p>the limit gauge of wide and thin specifications</p> <p>Market suitability and quality of IF steel products</p> <p>brand influence.</p>
<p>Calcium-free treatment of hot-rolled products</p> <p>The research and application requirements of</p>	<p>new technologies are gradually diversified, and the</p> <p>Particle size and property requirements of debris</p> <p>It is more severe, and at the same time, in order to adapt to the</p> <p>The company's "improvement of quality and efficiency"</p> <p>Request, for hot-rolled varieties</p>	<p>Line consumption is reduced by 0.2kg/t, and the</p> <p>Refinement time reduced by 5 points</p> <p>above, the process temperature drop is reduced.</p> <p>less than 5 degrees Celsius</p>	<p>"(1) After the heat of the LF refining process adopts the calcium-free treatment process, it can be</p> <p>the calcium-free treatment ratio of rolled products reaches</p> <p>more than 30%.</p> <p>(2) After adopting the calcium-free treatment process,</p> <p>The number of continuous pouring furnaces for tundish stopper rods reaches 8 furnaces</p> <p>above.</p>	<p>Shorten refining time and reduce process temperature</p> <p>drop. Also eliminates the calcium treatment process</p> <p>The phenomenon of smoking in the middle, reducing environmental pollution</p> <p>dyeing, which is conducive to the vigorous promotion of environmental protection.</p>

	Different requirements of sundries, developed Calcium treatment reduction technology, significantly is particularly necessary.		(3) Systematic study using calcium-free treatment Evolution law of inclusions in craft steel, Ensure product performance meets customer needs beg. "	
The technology of high-purity metal vanadium	vanadium Phase inversion rules for the original preparation of crude vanadium in the construction of research and demonstration lines Law and utilization of vanadium as an effective component Theory and optimization of regulatory mechanisms, Overcoming carbothermic reduction to prepare low impurity The technology of high-quality vanadium vanadium oxycarboxylate and the change rule between elements under empty conditions of crude vanadium and molten salt electrolysis; Equipment and other problems, build high-quality products The acicular metal vanadium is produced by integrating the metal vanadium metallurgical materials Chemical preparation key technology system, Achieving a 3% increase in vanadium yield On, the product purity reaches the highest reproducibility experiment. 3N rating required.	Carbothermic reduction Experimental study on the production of crude vanadium, identified in vanadium oxides Phase Equilibrium and Reduction Effect relationship, and in different real Electrolysis test using molten salt The metal vanadium metallurgical materials product, electrolyzed Confirmation of optimized parameters and reproducibility experiment.	Obtain high-purity metal vanadium products. Produce mass-qualified products, Provide high-end vanadium for military production products Material.	
advanced models Benchmark Reverse Solutions Research Analysis and application performance research	Dismantling advanced automotive platforms, Research advanced techniques, learn Research advanced design concepts and thinking think, based on this reintegration and reinvention New, cultivate a HBIS Group The talent team of EVI services to enhance HBIS Group Auto EVI service capability of the board.	"Complete Toyota C-HR White Body (including closing parts) Key performance information of the whole vehicle and body of the model, and data about the relevant automotive materials All of the Benchmark parameter. Reverse analysis work, and differentiate, improve the group's automotive board EVI service to obtain advanced vehicles through the implementation of the project Don't pass Changan Automobile for the material properties of parts and body parts. and Hegang's mid-term acceptance number. Complete Toyota Asia Dragon Reorganization Through the implementation of the project to obtain the body, Vehicle alignment, scanning disassembly, chassis generalized suspension 3D CAD data Performance testing, body-in-white mold. (including closure) and bottom Scanning and dismantling of disks, 3D Reverse modeling, currently carrying out material reverse work. "	"Get advanced through the implementation of the project parameter. for the material properties of parts and body parts. number. Through the implementation of the project to obtain the body, chassis generalized suspension 3D CAD data mold. "	"It is possible to use the obtained model numbers Value simulation analysis and optimization of lightweight structures service capability, and also provides a parameter Provide strong support for database construction. HBIS and Changan jointly develop international advanced The model is disassembled, not only can Explain Changan's future development plans and materials needs, and can be recommended to Changan HBIS automotive materials, while benefiting Involved in the development of new models of Changan."

Company R&D personnel

	2021	2020	Change ratio
Number of R&D personnel (person)	477	494	-3.44%
The proportion of the number of R&D personnel	1.43%	1.40%	0.03%
Educational structure of R&D personnel	—	—	—
Undergraduate	259	262	-1.15%
master	176	173	1.73%
PhD	18	27	-33.33%
Below college	—	32	-25.00%

Age composition of R&D staff			
under 30	80	95	-15.79%
30-40 years old	248	259	-4.25%
41-50 years old	125	115	8.70%
51-60 years old		25	-4.00%

The company's R&D investment

	2021	2020	Change ratio
R&D investment amount (yuan)	3,700,740,784.42	2,820,729,671.94	31.20%
R&D investment as a percentage of operating income	2.47%	2.62%	-0.15%
Amount of R&D investment capitalized (yuan)	0.00	0.00	
Capitalized R&D investment accounted for R&D investment proportion	0.00%	0.00%	

Reasons and effects of major changes in the composition of the company's R&D personnel

☐ Applicable ☐ Not applicable

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

☐ Applicable ☐ Not applicable

Reasons for the substantial changes in the capitalization rate of R&D investment and its rationality explanation

☐ Applicable ☐ Not applicable

5. Cash flow

unit: yuan

project	2021	2020	Year-on-year increase or decrease
Subtotal of cash inflows from operating activities	130,877,363,462.41	99,024,622,693.09	32.17%
Subtotal of cash outflows from operating activities	116,175,554,796.18	91,339,341,280.50	27.19%
Net cash flow from operating activities	14,701,808,666.23	7,685,281,412.59	91.30%
Subtotal of cash inflows from investing activities	15,643,626,672.64	651,041,429.36	2,302.86%
Subtotal of cash outflows from investing activities	10,243,608,984.67	13,306,792,341.70	-23.02%
Net cash flows from investing activities	5,400,017,687.97	-12,655,750,912.34	-142.67%
Subtotal of cash inflows from financing activities	116,086,994,385.07	94,930,756,193.96	22.29%
Subtotal of cash outflows from financing activities	125,877,677,573.66	87,551,093,606.68	43.78%
Net cash flow from financing activities	-9,790,683,188.59	7,379,662,587.28	-232.67%
Net increase in cash and cash equivalents	10,256,322,646.60	2,404,600,034.12	326.53%

Explanation of the main influencing factors of significant year-on-year changes in relevant data

☐ Applicable ☐ Not applicable

(1) The increase in net cash flow from operating activities over the same period of last year was mainly due to the increase in the price of steel products.

(2) The increase in cash inflow from investment activities as compared with the same period of the previous year was mainly due to the receipt of funds for the transfer of assets and land transfer fees from Tangshan Iron and Steel Co., Ltd.

(3) The decrease in net cash flow from financing activities compared with the same period of last year was mainly due to the repayment of financing lease payments and principal and interest of perpetual bonds.

Explanation of the reasons for the significant difference between the net cash flow generated by the company's operating activities and the net profit of the year during the reporting period

☑ Applicable ☑ Not applicable

V. Analysis of non-main business

☑ Applicable ☑ Not applicable

6. Analysis of assets and liabilities

1. Significant changes in asset composition

unit: yuan

	Late 2021		Early 2021		Explanation of major changes in proportion increase or decrease	
	amount	% of total assets	amount	% of total assets		
Money funds	35,016,461,423.12	14.39% 28	419,897,297.11	11.78% 2.61%		
accounts receivable	1,852,577,790.09	0.76%	1,693,910,543.46	0.70% 0.06%		
stock	19,384,487,280.99	7.96% 20	582,837,909.69	8.53% -0.57%		
long-term equity investment	5,303,895,771.37	2.18%	5,091,380,653.14	2.11% 0.07%		
fixed assets	133,650,011,960.28	54.91% 148	507,538,030.83	59.12% -4.21%		
Construction in progress	21,212,527,252.42	8.71% 13	953,232,969.09	5.78% 2.93%		
right-of-use asset	3,995,029,332.65	1.64%	528,099,249.77	2.66% -1.02%		
short-term loan	67,592,324,073.26	27.77% 61	817,984,446.34	25.63% 2.14%		
contract liabilities	8,128,519,928.47	3.34%	5,120,648,756.59	2.12% 1.22%		
Long term loan	17,502,351,712.50	7.19% 19	487,573,125.00	8.08% -0.89%		
lease liability	3,750,961,645.06	1.54%	480,837,131.33	0.40% 1.14%		

High proportion of foreign assets

☑ Applicable ☑ Not applicable

2. Assets and liabilities measured at fair value

☑ Applicable ☑ Not applicable

unit: yuan

project	Beginning number	Fair value for the current period Profit and loss on change in value	included in equity Cumulative fair value value change	accrued in this period impairment	Purchase this issue amount	Sale in this issue amount	Other changes at the end of the period
monetary assets							
4. Other equity instruments	328,438,243.15						328,438,243.15

invest								
Subtotal of financial assets	328,438,243.15							328,438,243.15
Total of the above	328,438,243.15							328,438,243.15
financial liabilities	0.00							0.00

Other changes

Whether the measurement attributes of the company's main assets have changed significantly during the reporting period

ÿ Yes ÿ No

3. Restricted asset rights as of the end of the reporting period

At the end of the period, the use-restricted funds in monetary funds were RMB 10,875,935,152.81, mainly including bank acceptance deposit, letter of credit deposit and bank deposit frozen funds.

Seven, investment status analysis

1. General situation

2. Significant equity investments acquired during the reporting period

ÿ Applicable ÿ Not applicable

unit: yuan

be invested		invest	invest	shareholding	funds	partner	invest	product	As of capital	whether	disclose	
Company Name	Main business	Way	amount	Proportion	source		the term	type	assets and liabilities dated progress	Litigation	date (if any)	Disclosure index (if any)
Legang Gong	Steel smelting capital	increase	5,000.00 0,000.00	51.00% Owned		Hebei Steel iron industry transformation Grade Fund	long	Steel production Taste	completed capital increase	no	2021 Jan 05 day	"About the Transformation and Upgrading of Hebei Iron and Steel Industry" Fund jointly to Hegang Laoting Iron and Steel Co., Ltd. Announcement on the Company's Capital Increase and Related Transactions", Announcement No.: 2021-003, www.cninfo.com.cn (http://www.cninfo.com.cn)
Hegangji Group Finance company	member list financial management business and financing Consultant, credit capital Attestation and Correspondence Consultation, agency business management, etc.	increase	294,000, 000.00	49.00% Owned		Hegangji limited group company	long-term finance		completed capital increase	no	2021 March 10 day	"About the joint venture with Hegang Group Co., Ltd. Capital increase and association with Hegang Group Finance Company Transaction Announcement, Announcement No.: 2021-018, www.cninfo.com.cn (http://www.cninfo.com.cn)
Handan Steel Jia Steel limited	steel smelting; Steel and billet newly production sales sale	established	255,000, 000.00	51.00% Owned		Hebei Neng Jia Investment limited	long	Steel production Taste	completed Contribute	no	2021 October 23 day	"About the establishment of a joint venture with Hebei Nengjia Company Announcement of the Iron and Steel Project Company, Announcement No.: 2021-066, www.cninfo.com.cn (http://www.cninfo.com.cn)

Handan Ganghua	Coke and coke					Hebei Neng					2021	"About the establishment of a joint venture with Hebei Nenghua Company"
Feng Energy	chemical product sales	New	142,800,000.00	51.00%	Owned	High-tech	long-term coke		completed	no	October 23	Announcement of the Coking Project Company, Announcement No.:
limited	sale					limited technology			Contribute		day	2021-067, www.cninfo.com.cn
image						company						(http://www.cninfo.com.cn)
total	--	--	5,691,800,000.00	--	--	--	--	--	--	--	--	--

3. Significant non-equity investments in progress during the reporting period

☑ Applicable ☑ Not applicable

4. Investment in financial assets

(1) Securities investment

☑ Applicable ☑ Not applicable

There was no securities investment in the company's reporting period.

(2) Investment in derivatives

☑ Applicable ☑ Not applicable

There was no derivative investment in the company's reporting period.

5. Use of raised funds

☑ Applicable ☑ Not applicable

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

8. Sale of major assets and equity

1. Sales of major assets

☑ Applicable ☑ Not applicable

The company did not sell any major assets during the reporting period.

2. The sale of significant equity

☑ Applicable ☑ Not applicable

9. Analysis of major holding companies

☑ Applicable ☑ Not applicable

Major subsidiaries and shareholding companies that affect the company's net profit by more than 10%

unit: yuan

Company Name	Company Type	Main Business Registered	Capital	Total assets	Net assets	Operating income	operating profit	net profit
Legang Company	Subsidiary	steel, billet Processing and Operation	10,163,420,000.00	53,937,076,673.05	10,710,650,088.28	24,318,602,898.04	553,380,195.53	499,272,292.35
Hand Bao Company	Subsidiary	steel, billet Processing and Operation	12,000,000,000.00	40,822,404,456.21	15,822,535,478.58	35,803,069,658.60	889,305,208.31	670,687,418.21
Subsidiary of Plate	Company	steel, billet Processing and Operation	482,592,846.99	17,569,873,909.73	4,892,452,704.50	14,621,090,230.50	108,022,443.46	94,927,028.64

Acquisition and disposal of subsidiaries during the reporting period

̐ Applicable ̐ Not applicable

Company Name	Methods of acquiring and disposing of subsidiaries during the reporting period	Impact on overall production, operation and performance
Handan Steel Nengjia Steel Co., Ltd.	investment establishment	none
Handan Iron and Steel Hualfeng Energy Co., Ltd.	investment establishment	none

X. Situation of structured entities controlled by the company

̐ Applicable ̐ Not applicable

11. Prospects for the future development of the company

(1) 2022 annual business plan

In 2022, the company's overall work idea is: based on the new development stage of comprehensively promoting technological upgrading, focusing on the core of releasing the efficiency of the main steel business as soon as possible and improving the profitability level.

Focus on the mission, focus on efficiency and effectiveness, focus on reducing costs and increasing prices, and make good use of both control and assessment methods to optimize and strengthen production services, technology-driven, and benchmarking

Six systems, including potential tapping, ensure the completion of the annual goals and tasks.

In 2022, the company plans to produce 25.68 million tons of iron, 26.36 million tons of crude steel, 25.1 million tons of steel, and 170,000 tons of vanadium slag.

Focusing on achieving the annual goals and tasks, we must earnestly do the following aspects:

1. Strengthen the production management and service system and fully release the efficiency of the production line

Improve production line efficiency. Unswervingly focus on the annual output target, and establish an efficient production order of "all centered on the blast furnace". Carry out converter rhythm improvement and continuous casting speed improvement

To tackle key problems, increase the proportion of scrap steel added in the steelmaking process, and implement "reducing iron and increasing steel". Vigorously promote the "modeled production" of the steel rolling process, and support the production line technology with standardization and intelligence

Technical and economic indicators continued to improve.

Build a solid foundation for production. Focusing on the "operation long system" and focusing on "zero accident" management, we will build a long-term, efficient and stable production operation management and control system. with "promoting

Sharing" as the center, in-depth promotion of advanced experience sharing, collectively tackling the pain points and difficulties of the production line, and driving the coordinated progress of each production line.

2. Improve the technology-driven system to support the improvement of product benefits

Seize the high ground of industry competition. Accelerate the mastery and promotion of key technologies in industries such as hydrogen metallurgy and precise and intelligent steelmaking; with the help of cooperation with foreign advanced enterprises, accelerate the development of

The world's leading project for automotive panels; leveraging the equipment and technological advantages of Tangshan Iron and Steel New Area, cultivating "single champion" series of products such as special steel and special coating.

Technical support to improve quality and reduce costs. Relying on technological progress, improve the yield and qualification rate of high-end products, and reduce costs; rely on process optimization and technology upgrades to improve high-end production

Product production and quality stability, support the high-end price of high-end products.

3. Implement the benchmarking and potential tapping system, and vigorously reduce costs

Innovate the working mechanism to the end. Strengthen the strength of the benchmarking and potential mining working group, strengthen the management and control of key benchmarking indicators and key business activities, and ensure that the real benchmarks and actual effect.

Grasp the key points and make up for the shortcomings as soon as possible. Aim at the gap with the benchmarking unit, identify the crux and the key to quickly realize the potential; strictly control the expenses, and further reduce the outsourcing capacity per ton of steel Source fee, spare parts fee, logistics fee, etc.

4. Strengthen the marketing management and control system and promote the re-optimization of the "two structures"

Deepen the reform of the marketing system. Give full play to the function of the marketing center, strengthen the concept of "marketing serves production", promote the implementation of the T+2 marketing plan, and expand the production line and customers. Lots of room for optimization. Improve the integrated customer service system of production, sales and research, build a smart marketing platform, and promote the centralized control and coordination of "one headquarters and multiple bases", efficient coordination and effectiveness of production and sales profit maximization.

Improve customer concentration. Establish a customer value analysis mechanism, improve the EVI in-depth service system, and promote the concentration of products and services to leading companies in the industry and strategic collaboration customers.

Increase product price. Fully release the advantages of technological upgrades that provide support for the optimization of "two structures", and increase the price per ton of steel and comprehensive product benefits.

5. Improve the risk management and control system and escort the efficient operation of the main business

Improve the risk control organization. Set up a business risk control committee, improve the internal and external risk identification and assessment mechanism, strengthen risk identification, and achieve advanced control. strengthen Communication with government departments such as environmental protection, safety, and transportation to improve the ability to actively respond to the external environment.

Improve operational efficiency. Implementing the concept of "Efficiency Winning Benefit", strengthening operational inventory management, coordinating cross-regional material substitution and resource sharing, and timely adjustment Completely dispose of in-transit resources, and create an operating mechanism with low inventory and fast turnover.

6. Build a low-carbon safety system and grasp new opportunities for transformation and upgrading

Improve the green and low-carbon level. Promote the application of clean energy such as hydrogen and natural gas, and low-carbon recycling materials such as scrap steel in the steel sector to achieve both efficient use of energy and carbon reduction step. Continue to accelerate the pace of ultra-low emission transformation and accelerate environmental performance rating.

Strengthen safety management. Strictly implement the new "Safety Production Law", improve the safety management system, improve the construction of the dual control mechanism, and comprehensively improve the level of intrinsic safety.

(2) Possible risks and countermeasures

1. Environmental protection risks

With the continuous strengthening of the country's environmental protection efforts and the promotion of "carbon peaking and carbon neutrality", iron and steel enterprises are facing increasing environmental protection pressures. At the same time the company Located in the Beijing-Tianjin-Hebei region where air pollution is mainly controlled, production restrictions due to heavy pollution, staggered peak production and heating season restrictions will also have a certain impact on the company's stable and efficient production. ring.

Countermeasures: Continuously optimize the production organization model under the normal state of restricted production and reduce production restriction losses;

Accelerate environmental performance ratings. Follow up and study the national carbon emission policy, and plan to break the constraints of "carbon peaking and carbon neutrality" on the efficient production organization model. Promoting hydrogen, natural gas

The application of low-carbon recycling materials such as clean energy and scrap steel in the steel sector realizes efficient use of energy and carbon reduction.

2. Risk of rising raw material prices

Since 2021, the prices of main raw materials such as ore and coal coke required for the company's production have remained at a high level, putting significant pressure on the company's operating costs.

Countermeasures: The company will strengthen the research on the changing laws of the raw material market, conduct more accurate research and judgment, strengthen communication and strategic cooperation with suppliers, and stabilize raw materials

Resource procurement channels, try to control the fluctuation of raw material procurement prices and reduce procurement costs. At the same time, further implement the benchmarking and potential tapping system, and strictly control various expenses out, and vigorously reduce costs.

3. Risks with a higher asset-liability ratio

The company's asset-liability ratio is relatively high, and the adjustment of the national credit policy will cause fluctuations in the company's interest expenses, thereby affecting operating performance.

Countermeasures: Continue to strengthen the integrated centralized management and control of funds, and establish an expert fund management and control system. Through financial leasing, issuance of bonds, introduction of insurance funds and other means, Actively adjust the liability structure, expand financing channels, maintain the safe and stable operation of cash flow, and prevent the occurrence of financial risks.

4. Epidemic risk

Since 2022, the domestic epidemic prevention and control situation is still severe, showing the characteristics of many points, wide areas and frequent occurrences, especially since March, the company's main production plants Epidemic outbreaks occurred in Tangshan and Handan, which had a certain impact on the normal production and operation of the company.

Countermeasures: Continue to implement strict prevention and control, strictly implement normalized epidemic prevention and control measures, establish a normalized epidemic prevention and control management mechanism, and strengthen the supervision and inspection of epidemic prevention and control work, actively prevent and control the new crown pneumonia epidemic, and ensure the normal and orderly development of production and operation.

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

☑ Applicable ☐ Not applicable

During the reporting period, the Company did not receive any activities such as reception, research, communication or interview.

Section 4 Corporate Governance

1. Basic Situation of Corporate Governance

The company strictly complies with the relevant regulations of the "Company Law", "Securities Law", the "Governance Guidelines for Listed Companies" of China Securities Regulatory Commission and the "Stock Listing Rules" of Shenzhen Stock Exchange, "Standardized Operation of Main Board Listed Companies" and other requirements, and established a sound corporate governance structure. The general meeting of shareholders, the board of directors, the supervisory board and the management level in decision-making, implementation, and supervision

The responsibilities and authorities in all aspects are clearly defined, and the approval procedures are standardized, forming a scientific division of labor, each performing their own duties, and effective checks and balances among power agencies, decision-making agencies, supervisory agencies, and operating agencies.

governance structure. In 2021, in accordance with the standard governance requirements of listed companies and in light of the actual situation of the company, the company will make changes to the articles of association, the rules of procedure of the professional committees of the board of directors,

The nine systems of directors, supervisors and senior executives on buying and selling of the company's stocks, raising funds, related transactions, and information disclosure have been revised. At the same time, in accordance with the China Securities Regulatory Commission's "About

According to the requirements of the Announcement of the Municipal Corporate Governance Special Actions, we shall carefully sort out the existing problems of the company according to the special governance self-examination list, summarize the experience of corporate governance, and make suggestions on the search

The problems that occurred were rectified in a timely manner, and the corporate governance was further improved.

Whether there is a material difference between the actual situation of corporate governance and laws, administrative regulations and regulations on the governance of listed companies issued by the China Securities Regulatory Commission

Yes No

There is no material difference between the actual situation of corporate governance and laws, administrative regulations and regulations on the governance of listed companies issued by the China Securities Regulatory Commission.

2. The company's independence in guaranteeing the company's assets, personnel, finance, organization, business, etc. relative to the controlling shareholder and actual controller

The company is completely separated from the controlling shareholder in terms of business, personnel, assets, organization, finance, etc., and has independent and complete business and independent management capabilities. The details are as follows:

1. Business: The company has an independent production, procurement and sales system, with independent and complete business and independent management capabilities. 2. Personnel: the company has a complete

The human resources management system is sound and effective. The selection and appointment procedures of the company's directors, supervisors and senior management personnel are legal, and there is no illegal part-time job. 3. Assets:

The company has a complete and independent production system and its supporting facilities. The assets are independent, complete and clearly owned. There is no illegal occupation of the company's assets by the controlling shareholders and related parties.

4. In terms of organization: the company has established a standardized corporate governance structure, the organization is sound and independent, and is independent from the controlling shareholder in terms of personnel and responsibilities; 5.

Finance: The company has an independent financial department, and has established an independent financial accounting system and a standardized financial accounting system and financial management system. company in bank alone

Open an account and pay taxes as an independent taxpayer in accordance with the law.

3. Competition in the same industry

Applicable Not applicable

IV. Information on the annual general meeting and extraordinary general meeting held during the reporting period

1. The general meeting of shareholders during the reporting period

session	Meeting Type Investor Participation	Ratio Date of Convening		Disclosure date	meeting outcome
First interim in 2021 Shareholders' meeting	Extraordinary General Meeting	63.96% January 20, 2021	January 21, 2021		See www.cninfo.com.cn for details. Notice number: 2021-005
Second interim in 2021 Shareholders' meeting	Extraordinary General Meeting	62.77% March 2, 2021	March 3, 2021		See www.cninfo.com.cn for details. Announcement No.: 2021-013

2020 Annual General Meeting of Shareholders Annual General Meeting of Shareholders		63.94% May 25, 2021 May 26, 2021		See www.cninfo.com.cn for details. Notice number: 2021-041
The Third Extraordinary General Meeting of Shareholders in 2021 Shareholders' meeting		64.07% September 8, 2021 September 9, 2021		See www.cninfo.com.cn for details. Announcement number: 2021-057
Fourth interim in 2021 Shareholders' meeting	Extraordinary General Meeting	63.86% November 09, 2021 November 10, 2021		See www.cninfo.com.cn for details. Notice number: 2021-071
Fifth Interim in 2021 Shareholders' meeting	Extraordinary General Meeting	63.95% December 02, 2021 December 03, 2021		See www.cninfo.com.cn for details. Notice No.: 2021-079

2. The preference shareholders whose voting rights have been restored request the convening of an extraordinary general meeting

ÿ Applicable ÿ Not applicable

V. Directors, Supervisors and Senior Management

1. Basic situation

name title	certificate of appointment state	Gender Age	Term Start Date	term end date Expect	holding at the beginning of the period number of shares (share)	Increase in this issue shareholding quantity (share)	Less in this period shareholding quantity (share)	other increase minus change (share)	end-of-period number of shares (share)
Chairman Wang Lanyu incumbent	male 1965.05.02			November 2021	1907	0	0	0	1907
Xu Bin	vice chairman long	Male 1965.07.14th		May 2020 Incumbent					
Director Xie Haishen Incumbent	Male 1965.05.08			September 2021					
Jianjun, director, current	male 1969.01			March 2021 Deng 02					
director incumbent	male 1970.01			May 2020 Geng Litang, 14th					
Guangshen Director incumbent	male 1968.05			May 2020 Chang 14th					
Hu Yueming	employee director thing	September 2021 1986.05		Incumbent male in 08					
Manager Xu Bin is currently	male 1965.07.21st			April 2020 General					
Jia Guosheng	Vice President reason	Male 1964.08.21st		April 2020 Incumbent					
Li Maoguang, Deputy General	Manager, incumbent	male 1964.11	April 2020						

	reason				21st						
Shizhangguo	Vice President reason	Incumbent	Male	1971.09 29th	May 2020		100				100
Chang Guangshen	general accountant division	Incumbent	Male	1968.05 21st	April 2020						
Zhang Yuzhu	independent director thing	Current	male	1956.11	February 2018 28						
Cang Daqiang	independent director thing	Incumbent	Male	1949.02 28	August 2018						
Gao Dongzhang	independent director thing	Current	male	1952.11	July 2019 23rd						
Mary	independent director thing	Incumbent	Female	1963.05 23rd	July 2019						
Li Buhai	Board of Directors secretary	Incumbent	Male	1965.03 22nd	April 2010						
Zhu Huaming	Supervisory Board Chairman	Incumbent	male	1970.10	September 2021 08						
Zhihe Supervisor	incumbent	male	1968.06 02		March 2021 Ma						
Sun Wei	Staff Supervisor thing	Incumbent	Female	1974.07 08	September 2021						
Chairman Liu Jian	resigned	Male	1968.04		May 2020 14th	November 2021 11th					
Zhang Jianzhong	Staff Supervisor thing	2017 Male	1964.08		Resigned in April 14th	September 2021 08					
Director Tian Xin	resigned	Male	1967.01 02		March 2021	August 2021 18					
Zhu Huaming	resigned	Male	1970.10		May 2020 Director 14th	August 2021 18					
total--		--	--	--	--	--	2007	0	0		2007

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

☑ Yes ☑ No

During the reporting period, the company's former chairman Liu Jian, director Tian Xin, director Zhu Huaming and former employee supervisor Zhang Jianzhong resigned due to work reasons.

Changes in directors, supervisors and senior management of the company

☑ Applicable ☑ Not applicable

Name	position held	type	date	reason
Tian Xin	director	leave office	August 18, 2021	Job change resignation
Zhu Huaming	director	leave office	August 18, 2021	Job change resignation

Zhang Jianzhong	Employee Supervisor Resigns		September 08, 2021 Job change resignation	
Liu Jian	Chairman	leave office	November 11, 2021 Job change resignation	

2. Occupation status

The professional background, main work experience and main responsibilities of the current directors, supervisors and senior management of the company

(1) Board members

Wang Lanyu, Chinese nationality, no permanent residency abroad, member of the Communist Party of China, master, senior engineer, successively served as director, deputy general manager, and party committee member of HBIS Tangshan Iron and Steel Company

Committee, general manager, vice chairman, deputy secretary of the party committee, chairman of the board, secretary of the party committee, director and general manager of HBIS Co., Ltd., currently vice chairman and party committee of HBIS Group

Deputy Secretary and General Manager, Chairman and Secretary of the Party Committee of HBIS.

Xu Bin, Chinese nationality, no permanent residency abroad, member of the Communist Party of China, postgraduate degree, doctoral degree, senior engineer. He served as the chief engineer of HBIS Group Handan Iron and Steel Company,

Executive Deputy General Manager, Director, Member of the Standing Committee of the Party Committee, General Manager, Vice Chairman and Deputy Secretary of the Party Committee of HBIS Group Handan Iron and Steel Company, currently Deputy Secretary of the Party Committee, Vice Chairman of the HBIS Co., Ltd.,

General manager.

Xie Haishen, Chinese nationality, no permanent residency abroad, member of the Communist Party of China, university degree, doctor of engineering, senior engineer. He successively served as Deputy General Manager of Tangshan Iron and Steel Company of Hegang Group,

General Manager and Secretary of the Party Committee of HBIS Group Procurement Corporation, Chairman and Secretary of the Party Committee of HBIS Group Xuanguang Company, currently Chairman and Secretary of the Party Committee of HBIS Tangshan Iron and Steel Company,

Director of Hegang Co., Ltd.

Deng Jianjun, Chinese nationality, no permanent residency abroad, member of the Communist Party of China, postgraduate degree, doctoral degree, senior engineer. Served as Deputy General Manager of Hegang Group Handan Iron and Steel Company

Manager, Director, Chairman, General Manager, Deputy Secretary of the Party Committee and Secretary of the Party Committee of HBIS Wugang Company, General Manager, Vice Chairman and Deputy Secretary of the Party Committee of HBIS Group Handan Iron and Steel Company,

He is currently the chairman and secretary of the party committee of HBIS Group Handan Iron & Steel Co., Ltd., and a director of HBIS.

Geng Litang, Chinese nationality, no overseas permanent residency, member of the Communist Party of China, university degree, senior engineer, successively served as deputy general manager and member of the Standing Committee of the Party Committee of HBIS Group Chenggang Company.

Deputy General Manager of Hegang Group Sales Corporation, General Manager, Vice Chairman and Deputy Secretary of the Party Committee of Hegang Group Chenggang Company. Incumbent Chairman and Party Committee of HBIS Group Chenggang Company

Remember, director of Hegang Co., Ltd.

Chang Guangshen, Chinese nationality, no permanent residency abroad, member of the Communist Party of China, university degree, master's degree, senior accountant. He used to be the deputy director and director of the Finance Department of Handao Company.

Vice Minister and Minister of Finance Department of HBIS Handan Iron & Steel Co., Ltd., Chief Financial Officer of HBIS, currently Director and Chief Accountant of HBIS.

Hu Yueming, Chinese nationality, no permanent residency abroad, member of the Communist Party of China, postgraduate education, master of arts, former assistant director of the operation improvement department of HBIS Tangsteel, HBIS Group

Senior Manager of System Innovation of Strategic Planning Department, Chief Economist of Overseas Business Department and Senior Manager of Risk Management, currently Employee Director and Head of General Management Department of HBIS.

Zhang Yuzhu, Chinese nationality, no permanent residency abroad, Doctor of Engineering, member of the Communist Party of China

Secretary of the Party Committee of Xuehua University, Secretary of the Party Committee of Hebei United University, Secretary of the Party Committee of North China University of Technology, and retired in September 2017. Member of the Standing Committee of the Twelfth People's Congress of Hebei Province, excellent provincial management

expert. He is currently an independent director of HBIS.

Cang Daiqiang, Chinese nationality, no permanent residency abroad, doctor, professor, doctoral supervisor. Former lecturer, professor, doctoral tutor, School of Metallurgy, University of Science and Technology Beijing,

Head of the Department of Metallurgy, Head of the Department of Ecology, and Deputy Dean of the School of Metallurgy, Technical Consultant of the Industrial Technology Department of the United Nations Environmental Protection Agency (UNEP); Visiting Professor of Tohoku University, Japan, incumbent

Professor and doctoral supervisor of the School of Metallurgy and Ecology, University of Science and Technology Beijing, concurrently serving as the executive director of the Chinese Mechanical Engineering Society, the secretary general of the Industrial Furnace Society, and the energy conservation advisor of the SASAC.

Q. He is a member of the Expert Committee of the Green Manufacturing Alliance of the Ministry of Industry and Information Technology, an independent director of China North Rare Earth (Group) High-Tech Co., Ltd., and an independent director of HBIS.

Gao Dongzhang, Chinese nationality, no permanent residency abroad, member of the Communist Party of China, senior accountant, vice president of the 5th Hebei Accounting Society, and evaluation of Hebei senior accountants

Deputy Director of the Committee, Accounting Consultant Expert of Hebei Provincial Department of Finance, successively held the posts of Financial Director, Financial Department Manager, Chief Accountant and Deputy General Manager of Hebei Construction Investment Company.

Independent director of Beixuangong, retired in January 2013. He is currently an independent director of HBIS.

Ma Li, Chinese nationality, no permanent residency abroad, member of Jiusan Society, certified public accountant, professor, taught at Hebei University of Economics and Business since July 1986, currently HBIS

Share independent directors.

(2) Members of the Supervisory Board

Zhu Huaming, Chinese nationality, no permanent residency abroad, member of the Communist Party of China, university degree, master's degree, senior lecturer, successively served as deputy secretary of the party committee of HBIS Group Mining Company, Chairman of the Supervisory Committee, Director of Hegang Co., Ltd., currently Chairman of the Supervisory Committee, Deputy Secretary of the Party Committee, Secretary of the Disciplinary Committee, and Chairman of the Labor Union of Hegang Co., Ltd.

Ma Zhihe, Chinese nationality, no permanent residency abroad, member of the Communist Party of China, graduate degree, master's degree, senior engineer. He successively served as the director of the cold rolling plant of Hanbao Company and Hegang Director and general manager of the Group's Planning and Development Department, currently the planning director of HBIS Group, and a supervisor of HBIS.

Sun Wei, Chinese nationality, no permanent residency abroad, member of the Communist Party of China, university degree, MBA, senior political engineer, former secretary of the Youth League Committee and office of Hegang Chenggang Deputy Director of the Office, Deputy Secretary of the Party Committee of the Bar and Wire Factory, Secretary of the Disciplinary Committee, Chairman of the Labor Union, Deputy Minister and Minister of the Propaganda Department (Corporate Culture Work Department, United Front Work Department), and currently serves as the General Manager of Hegang Steel Research Institute Deputy Secretary of the Party Committee, Secretary of the Disciplinary Committee, Chairman of the Labor Union, and Employee Supervisor of HBIS.

(3) Non-director senior management personnel

Jia Guosheng, Chinese nationality, no permanent residency abroad, member of the Communist Party of China, university degree, master's degree, senior engineer, former deputy general manager of Hegang Group Wugang Company, Member of the Standing Committee of the Party Committee, General Manager, Vice Chairman and Deputy Secretary of the Party Committee of Hegang Wugang Company, Chairman, General Manager and Deputy Secretary of the Party Committee of Hegang Wugang Company, Hegang Group He is the deputy general manager and member of the Standing Committee of the Party Committee of Handan Iron & Steel Co., Ltd. He is currently the deputy general manager and member of the Standing Committee of the Party Committee of Hegang.

Li Maoguang, Chinese nationality, no permanent residency abroad, member of the Communist Party of China, university degree, senior engineer, former deputy general manager and director of Tangshan Iron and Steel Company of Hegang Group, currently Deputy General Manager of Hegang Co., Ltd., member of the Standing Committee of the Party Committee, and Chairman of Hegang New Materials.

Li Zhangguo, Chinese nationality, no permanent residency abroad, member of the Communist Party of China, postgraduate degree, doctor of engineering, senior engineer, former head of technology center of HBIS Handan Iron and Steel Company Ren, Vice President of Hegang Technology Research Institute, Executive Director, General Manager and Party Secretary of Hegang Industrial Technology Service Co., Ltd. He is currently the Deputy General Manager of Hegang.

Li Buhai, Chinese nationality, no permanent residency abroad, university degree, senior economist. Former General Counsel and Minister of Legal Affairs Department of Handan Iron and Steel Group, Handan Iron and Steel Co., Ltd. Director of the Securities Department, Secretary of the Board of Directors, Deputy General Manager of Hegang Group Co., Ltd., General Counsel of Hegang Group, General Manager of Capital Operation Department, currently Secretary of the Board of Directors and Director of Hegang Group Co., Ltd. Office Director.

Positions in shareholder units

☑ Applicable ☐ Not applicable

Name of employee	Shareholder name	Serve as a shareholder job title	Term Start Date Term End Date		Whether the shareholder unit receive remuneration allowance
Xie Haishen Tang Steel Group		Chairman, Secretary of the Party Committee	June 2021		Yes
Deng Jianjun Handan Iron and Steel Group		Chairman and Secretary of the Party Committee	October 2020		Yes
Geng Li Tang Chenggang Group		Chairman and Secretary of the Party Committee	March 2018		Yes

Employment in other units

☑ Applicable ☐ Not applicable

Name of employee	Other unit name	Served in other units job title	Term Start Date Term End Date		in other units receive remuneration allowance
Wang Lanyu	Hegang Group	General manager	April 2020		Yes
Li Maoguang	Chairman of Qingdao Hegang New Material Technology Co., Ltd.		June 2020		no

Penalties imposed by securities regulators on current and outgoing directors, supervisors and senior managers of the company in the past three years

☑ Applicable ☐ Not applicable

3. Remuneration of Directors, Supervisors and Senior Management

Decision-making procedure, basis for determination and actual payment of remuneration for directors, supervisors and senior management

The remuneration of the company's directors, supervisors and senior management personnel is based on an annual salary system.

Operational assessment is confirmed.

Remuneration of Directors, Supervisors and Senior Management of the Company during the Reporting Period

Unit: ten thousand yuan

Name	job title	gender	Service status	Taxes received from the company Total former compensation	Whether it is a related party of the company get paid
Wang Lanyu	Chairman	male	incumbent		Yes
Xu Bin	General manager	male	incumbent	106.28	no
Xie Haishen	director	male	incumbent		Yes
Deng Jianjun	director	male	incumbent		Yes
Geng Litang	director	male	incumbent		Yes
Chang Guangshen	director	male	incumbent	73.37	no
Hu Yueming	Staff Director	male	incumbent	39.14	no
Jia Guosheng	Deputy General Manager	male	incumbent	84.5	no
Li Maoguang	Deputy General Manager	male	incumbent	85.5	no
Shizhangguo	Deputy General Manager	male	incumbent	73.77	no
Zhang Yuzhu	independent director	male	incumbent	12	no
Cang Daqiang	independent director	male	incumbent	12	no
Gao Dongzhang	independent director	male	incumbent	12	no
Mary	independent director	Female	incumbent	12	no
Li Buhai	board secretary	male	incumbent	68.17	no
Zhu Huaming	Chairman of the Supervisory Board	male	incumbent	78.03	no
Ma Zhihe	Supervisor	male	incumbent		Yes
Sun Wei	employee supervisor	Female	incumbent	63.81	no
Liu Jian	Chairman	male	leave office		Yes
Zhang Jianzhong	employee supervisor	male	leave office	55.77	no
Tian Xin	director	male	leave office		Yes
total	--	--	--	776.34	--

Note: The annual remuneration of the company's directors, supervisors and senior executives is paid in the form of monthly advance payment and year-end assessment and settlement. The salaries listed for the current year include the 2020 settlement Salary.

VI. Directors' performance of duties during the reporting period

1. The Board of Directors during the Reporting Period

session	Date	Disclosure date	meeting outcome
The fourteenth meeting of the fourth board of directors	January 4, 2021 January 5, 2021	See www.cninfo.com.cn, announcement number: 2021-001	
The fifteenth meeting of the fourth session of the Board of Directors	February 9, 2021 For details on February 10, 2021, please refer to	www.cninfo.com.cn, announcement number: 2021-008	
The Sixteenth Meeting of the Fourth Board of Directors	March 09, 2021 For details on March 10, 2021, please refer to	www.cninfo.com.cn, announcement number: 2021-016	
The 17th meeting of the fourth board of directors	April 21, 2021 For details on April 23, 2021, please refer to	www.cninfo.com.cn, announcement number: 2021-027	
The eighteenth meeting of the fourth board of directors	April 29, 2021 April 30, 2021 See	www.cninfo.com.cn, announcement number: 2021-036	
The 19th meeting of the fourth session of the Board of Directors	August 19, 2021 For details on August 20, 2021, please refer to	www.cninfo.com.cn, announcement number: 2021-049	
The 20th meeting of the fourth board of directors	September 08, 2021 See www.cninfo.com.cn on September 9, 2021.	Announcement number: 2021-060	
The 21st Board of Directors of the Fourth Session	October 21, 2021 October 23, 2021 See	www.cninfo.com.cn, announcement number: 2021-064	
The 22nd Board of Directors of the Fourth Session	November 16, 2021 November 17, 2021 See	www.cninfo.com.cn, announcement number: 2021-074	
The 23rd Board of Directors of the Fourth Session	December 02, 2021 For details on	December 3, 2021, please refer to www.cninfo.com.cn, announcement number: 2021-080	

2. Directors' attendance at the board of directors and shareholders' general meetings

Attendance of Directors at Board of Directors and General Meetings of Shareholders							
Director's name	This reporting period should refer to Add the number of boards	Directors present number of meetings	by means of communication Add the number of boards	Delegated Directors to Attend number of meetings	Absentee Board Times number	whether twice in a row did not attend in person board meeting	Attend general meeting of shareholders frequency
Wang Lanyu	2	2	0	0	0	no	2
Xu Bin	10	4	6	0	0	no	6
Xie Haishen	4	0	4	0	0	no	2
Deng Jianjun	8	1	7	0	0	no	2
Geng Litang	10	0	9	1	0	no	2
Chang Guangshen	10	4	6	0	0	no	6
Hu Yueming	4	2	2	0	0	no	3
Zhang Yuzhu	10	1	9	0	0	no	1
Cang Daqiang	10	1	9	0	0	no	1
Gao Dongzhang	10	3	7	0	0	no	2
Mary	10	3	7	0	0	no	2
Liu Jian	8	1	6	1	0	no	5

Zhu Huaming	5	1	4	0	0	no	3
Tian Xin	3	1	2	0	0	no	1

Explanation of two consecutive absences from attending the board of directors in person

Not applicable

3. Objections raised by directors on matters related to the company

Does the director raise any objection to the company's related matters?

Yes No

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

4. Other explanations on the performance of duties by directors

Whether the director's recommendation to the company has been adopted

Yes No

The director's statement on whether the company's proposal has been adopted or not adopted

none

7. The special committees under the board of directors during the reporting period

Committee Name	Membership	hold a meeting frequency	Date	meeting content	important to propose comments and suggestions	Other specific objections liability situation	to the performance of duties situation (if any)
Cang Daqiang, Zhang	Wang Lanyu, Xu Bin, Hu Yueming, Yu, Strategic Committee column	2	2021-03 To consider the of the financial month of	matter of jointly increasing the capital of the company with Hegang Group on the 03rd Hegang Group according to the original shareholding ratio			
			18th	Considered the establishment of a joint venture with Hebei Nengjia Company for the 2021 10-year iron project company, and Hebei Nenghua High-tech Co., Ltd. The company's joint venture to establish a coking project company			
Audit Committee Zhang	Mary, Gao Dong Zhang, Zhang Yuzhu, Xu Bin, Chang Guangshen	5	2021 01 Listen 22nd	to the accountant's report on the annual audit plan			
			2021 03 15th	Communicate with the accountant on the audit situation			
			2021 04 Review March 09	on matters concerning the re-appointment of the auditor in 2021			
			16th	1. Listen to the company's operation in the first half of 2021, and review the company's financial report for the first half of 2021 in August 2021 its opinion			
			18th	1. Listen to the operation of the company in the third quarter of 2021, and review the company's financial report for the third quarter of 2021 in October 2021 comment on it			
Nomination Committee	Zhang Yuzhu, Gao Dong	3	In February 2021,	the "Regarding the Nomination of Tian Xin and Deng Jianjun as			

	Zhang, Ma Li, Wang Lan Yu, Hu Yueming		May 05 Candidate for non-independent director of the fourth board of directors of the company	the bill"			
			2021 08 16th	Reviewed and approved the "Regarding Nomination of Xie Haishen as the Company's No. 1" Discussion on Candidates for Non-Independent Directors of the Fourth Board of Directors case"			
			November 2021 12th	Reviewed and approved the "Regarding Nomination of Wang Lanyu as the Company's No. 1" Discussion on Candidates for Non-Independent Directors of the Fourth Board of Directors case"			
Salary and Assessment committee	Gao Dongzhang, Cang Da Qiang, Zhang Yuzhu, Wang Lanyu, Xu Bin	0					

8. The work of the board of supervisors

Whether the board of supervisors finds out whether the company has risks during the monitoring activities during the reporting period

☑ Yes ☐ No

The Supervisory Committee has no objection to the supervision matters during the reporting period.

Nine, the company's employees

1. Number of employees, professional composition and education level

Number of on-the-job employees of the parent company at the end of the reporting period (person)	18,535
Number of on-the-job employees of major subsidiaries at the end of the reporting period (person)	14,899
Total number of on-the-job employees at the end of the reporting period (person)	33,434
The total number of employees receiving salary in the current period (person)	38,961
Number of retired employees (persons) that the parent company and major subsidiaries need to bear the expenses	11,745
Professional composition	
Professional Composition Category	Professional composition number (person)
Production staff	28,230
salesperson	373
Technical staff	2,351
Financial officer	202
administration staff	2,278
total	33,434
education level	
Educational level category	Quantity (person)
Master's degree or above	1,122

Undergraduate	8,624
college	5,698
Secondary school degree and below	17,990
total	33,434

2. Salary Policy

The evaluation of the members of the company's leadership team is organized and implemented by the combination of Hebei Provincial State-owned Assets Supervision and Administration Commission, Hegang Group and the company's board of directors; evaluation of other management personnel of the company

It is organized and implemented by the company's evaluation department, and the salary and position arrangement are determined according to the evaluation results.

3. Training plan

In accordance with the policy of "teaching on demand and seeking practical results", the company adopts the forms of internal rotating lectures, centralized lectures by experts, and special training by external commissioners.

Technical personnel, marketing personnel and other employees carry out targeted training, focusing on the interpretation and implementation of emerging national policies, the promotion and implementation of company culture, and the implementation of corporate culture.

The learning of advanced concepts and experience of industry benchmarking enterprises, improve employee management level, innovation ability and professional skills, and improve company performance level.

4. Labor outsourcing

☐ Applicable ☐ Not applicable

X. Profit distribution of the company and conversion of capital reserve into share capital

The formulation, implementation or adjustment of the profit distribution policy during the reporting period, especially the cash dividend policy

☐ Applicable ☐ Not applicable

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 ☐ Not applicable

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

☐ Applicable ☐ Not applicable

Number of bonus shares for every 10 shares (shares)	0
Dividends per 10 shares (RMB) (tax included)	1.00
Share base (shares) of the distribution plan	10,337,121,092
Amount of cash dividends (yuan) (tax included)	1,033,712,109.20
Amount of cash dividends in other ways (such as share repurchase) (RMB) 0.00	
Total cash dividends (including other methods) (yuan)	1,033,712,109.20
Distributable profit (yuan)	7,683,543,598.56
The total amount of cash dividends (including other methods) in the total profit distribution Proportion	100%
This cash dividend	
If the company's development stage is mature and there is no major capital expenditure arrangement, when profit distribution is carried out, the proportion of cash dividends in this profit distribution should be at least 80%.	

Detailed description of profit distribution or capital reserve conversion plan
<p>In 2021, the company's profit distribution plan is: Based on the company's existing total share capital of 10,618,607,852 shares and the total share capital of 10,337,121,092 shares after deducting 281,486,760 shares of repurchased shares, a cash dividend of 1.00 yuan (tax included) will be distributed to all shareholders for every 10 shares. A total of 1,033,712,109.20 yuan, the rest will be carried forward next year. When the profit distribution plan is implemented, if the total share capital entitled to the profit distribution right changes, the profit distribution will be based on the shareholding registration date of the implementation of the distribution plan.</p> <p>The total share capital of the allotment is the base, and the dividend amount per share is adjusted according to the principle that the cash dividend amount remains unchanged at RMB 1,033,712,109.20. This year, no other forms of distribution, such as the conversion of capital reserve into share capital, will be carried out.</p>

XI. Implementation of the Company's Equity Incentive Plan, Employee Stock Ownership Plan or Other Employee Incentive Measures

☐ Applicable ☐ Not applicable

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

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

1. Construction and implementation of internal control

In 2021, the company has established internal control for the businesses and matters included in the evaluation scope, and has been effectively implemented, achieving the company's internal control goals.

Significant and significant deficiencies in internal control over financial reporting. From the base date of the internal control evaluation report to the issuance date of the internal control evaluation report, there is no generation of the evaluation conclusion.

Material changes to internal control that have a material impact. The company has maintained effective financial performance in all major aspects in accordance with the requirements of the enterprise internal control standard system and related regulations

Reporting on internal controls.

2. The specific situation of major defects in internal control discovered during the reporting period

☐ Yes ☐ No

XIII. The management and control of the company during the reporting period

☐ Applicable ☐ Not applicable

14. Internal control self-assessment report or internal control audit report

1. Internal control self-assessment report

Disclosure date of the full text of the internal control evaluation report April 22, 2022		
Disclosure Index of the Full Text of the Internal Control Evaluation Report	Juchao Information Network (www.cninfo.com.cn)	
The total assets of the units included in the evaluation scope accounted for the company's combined % of total financial statement assets	97.10%	
The operating income of the unit included in the evaluation scope accounted for the company's consolidated Financial Statements as a Percentage of Operating Income	96.22%	
Defect identification standard		
category	financial report	non-financial reporting
Qualitative Criteria	Major defects mainly include, directors, supervisors and senior managers are classified into major defects or	major defects or

	<p>Fraud, the company corrects the published financial reports, important defects in registered accounting, mainly in violation of relevant state laws</p> <p>The current financial statements discovered by the teacher but not identified by the company's internal control</p> <p>Laws and regulations, major decision-making procedures are unscientific, heavy</p> <p>material misstatement in the business report, the audit committee and the audit department lack institutional control over important business, and the subordinate subsidiaries</p> <p>The supervision of internal control is ineffective; the major defects mainly include, lack of internal control construction, chaotic management, customs</p> <p>Select and apply accounting policies in accordance with generally accepted accounting principles, and have not established key positions, including middle and senior management</p> <p>GAAP selection and application of accounting policies, unestablished anti- and high-level technical personnel loss, was reported by the media</p> <p>Fraud procedures and control measures, which have a greater negative impact on the exposure of negative news about unconventional or special transactions,</p> <p>The accounting treatment has not established corresponding control mechanism or has not</p> <p>Significant or significant internal control deficiencies have not been addressed</p> <p>Implemented and without corresponding compensating controls, for period-end financial corrections.</p> <p>The control of the reporting process has one or more deficiencies and cannot be</p> <p>Provide reasonable assurance that the financial statements prepared are true and accurate</p> <p>mark.</p>	
Quantitative standard	<p>Significant deficiencies refer to consideration of compensatory control measures and actual deviations</p> <p>After the difference rate, the overall impact level of the defect is higher than that of the important water</p> <p>flat, including operating income, 0.5% of total assets, profit</p> <p>equity caused by the internal control defect; the major defect refers to the determination of the level standard for the amount of production loss. After considering the compensatory control measures and the actual deviation rate, the defect</p> <p>is 1000 RMB 10,000 and above, the important defects are:</p> <p>The overall impact level is lower than the importance level but higher than general</p> <p>level, including operating income, total assets greater than or equal to</p> <p>0.2% is less than 0.5%, and the total profit is greater than or equal to 2% less than</p> <p>5%, and the owner's equity is greater than or equal to 0.5% and less than 1%.</p>	<p>According to 5% of the total direct financial value and 1% of the owner's</p> <p>RMB 5 million and above but not more than RMB 10 million.</p>
Number of major deficiencies in financial reports (pieces)		0
Number of major deficiencies in non-financial reports (pieces)		0
Number of significant deficiencies in financial reports (pieces)		0
Number of material deficiencies in non-financial reports (pieces)		0

2. Internal control audit report

☑ Applicable ☐ Not applicable

Deliberation Opinion Paragraph in Internal Control Audit Report	
<p>HBIS Co., Ltd. maintained effective financial statements in all material aspects on December 31, 2021 in accordance with the Basic Norms for Enterprise Internal Control and relevant regulations.</p> <p>internal control.</p>	
Disclosure of Internal Control Audit Report	disclose
Disclosure date of the full text of the internal control audit report	April 22, 2022
Full disclosure index of the internal control audit report on http://www.cninfo.com.cn	
Types of opinions on internal control audit reports	Standard unqualified opinion
Whether there are material deficiencies in the non-financial report	No

Whether the accounting firm issued an internal control audit report with a non-standard opinion

☑ Yes ☐ No

Explanation on the internal control audit report with non-standard opinion issued by the accounting firm

Whether the internal control audit report issued by the accounting firm is consistent with the self-evaluation report of the board of directors

□ Yes □ No

Explanation of the reasons for the inconsistency between the internal control audit report issued by the accounting firm and the self-evaluation report of the board of directors

15. The rectification of self-examination problems in the special action of listed company governance

During the reporting period, in accordance with the requirements of the "Announcement on Launching Special Actions on Corporate Governance of Listed Companies" issued by the China Securities Regulatory Commission, the company carefully sorted out and searched for companies based on the self-examination list of special governance projects.

Existing problems, summed up the experience of corporate governance, completed the "Hesteel Co., Ltd. special self-inspection checklist" and reported it to the Hebei Provincial Securities Regulatory Bureau on time. found in the rectification

Regarding the imperfection of the "Management System of Related Party Transactions", the company has revised it in a timely manner, adding punishment measures for violations of related party transactions in the system, clarifying the responsibilities accountability mechanism. The revised "Related Transaction Management System" was reviewed and approved by the company on October 21, 2021 at the 21st session of the 4th Board of Directors.

Section 5 Environmental and Social Responsibility

1. Major environmental issues

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

Yes No

Company or Subsidiary Name	major pollutants and Characteristics Contaminate the name of the thing	emission Way	exhaustion hole quantity	exhaustion hole Distribution	Emission concentration	Performed Pollutant Emissions standard	Total emissions	Total approved emissions quantity	Excessive emissions Happening
Tangshan Branch <small>company</small>	carbon monoxide, particulate matter, two Sulfur oxide, nitrogen oxide, fluorine chemicals, dioxins English, lead and its compound	organized 21		3 burn and 3 high	Boilerj1.91mg/m3, raw materialj7mg/m3, Sintering ingredients whole grain screening <8mg/m3, blast furnace Mine troughj6mg/m3, blast furnace casting yardj 7mg/m3, blast furnace pulverized coal preparation <8mg/m3, industry blast furnace hot blast furnace <7mg/m3, primary steelmaking <7mg/m3, hot rolling furnace <7mg/m3 Sintering headj16.1mg/m3, boilerj 21.28mg/m3, blast furnace hot blast stovej 25mg/m3, rolling furnace <30mg/m3	Air pollution in iron and steel making dust tons; sulfur dioxide: sulfur m3, steelmaking secondary and tertiary DB13/2169-2018	particulates: 126.986849 oxide: ultra-low emission standard <20mg/ m3, steelmaking secondary and tertiary 8.458629 tons; Nitrogen oxides: 44.006933 tons	particulates: 264.819 tons; two 231.842 tons; nitrogen Oxides: 426.298 tons	No
Legang Company	particulate matter, two Sulfur oxide, nitrogen oxide	organized 179		discharge port cloth in the original pellet, high hot stoves exhaust rolling line and power generation, etc. Auxiliary process	1. The sintering and pelletizing heads are lower than the following standards to discharge air pollution in the iron and steel industry Release: particulate matter 5mg/m3, sulfur dioxide 20 mg/m3, nitrogen oxides 30 mg/m3; 2. hair The exhaust gas of electric boiler is lower than the following standard emissions: particulate material, sintering, emission standard GB particulate matter 5mg/m3, Nitrogen oxides 50 mg/m3; 3. Hot blast stove, plus 13223-2011; Tang Zheng Sulfur oxide stoves, converters, and gas below the following standards: particulate 10mg/m3, sulfur dioxide 30 mg/m3, Nitrogen oxides 100 mg/m3; 4. Air pollutant emissions from other The discharge port discharges below the following standards: 10mg/m3.	ultra-low emission standards DB13/2169-2018; Thermal Power Plant Air Pollutant Particulate Matter sulfur dioxide 35 mg/m3, Tang Zheng Sulfur oxide stoves, converters, and Word (2021) No. 30 "Close 412.413 In the implementation of steel, thermal power oxides waste gas industries Know"	Full year 2021: 2227.26271 two 2487.632/a Two Sulfur oxide 1580.034/a nitrogen oxide 3165.186/a	Annual Permissible Emissions Quantity: Particulate matter Two nitrogen oxide a	none
Tangshan Zhonghou <small>board company</small>	carbon monoxide, particulate matter, two Sulfur oxide, nitrogen oxide, fluorine chemicals, dioxins English, lead and its compound	Organized 77	Whole Plant		Boilerj1.91mg/m3, raw materialj7mg/m3, Sintering ingredients whole grain screening <8mg/m3, blast furnace Mine troughj6mg/m3, blast furnace casting yardj 7mg/m3, blast furnace pulverized coal preparation <8mg/m3, furnace <7mg/m3, primary dust sulfur dioxide in steelmaking: ultra <7mg/m3, hot rolling furnace <7mg/m3 Sintering headj16.1mg/m3, boilerj 21.28mg/m3, blast furnace hot blast stovej 25mg/m3, rolling furnace <30mg/m3	pollution in iron and steel industry blast furnace hot blast low emission standard <20mg/m3, secondary and tertiary DB13/2169-2018	particulates: 371.7721 tons; air nitrogen; 594.127 tons of Oxides: 262.764 tons	particulates: 1228.624 tons; Sulphur dioxide: nitrogen; excess nitrogen Oxides: 1090.34 tons	shutdown period 125.34 tons of

Handan Branch					Coking: coal loading <70 mg/m ³ , dry quenching <50mg/m ³ , push coke, coke oven chimney, tube furnace etc. <30mg/m ³ , gas-fired power generation, sintering (ultra-low Group) machine head, pellet roasting equipment <35mg/m ³ , Blast Furnace Ironmaking Hot Air Furnace, Steel Rolling Heat Treatment Furnace <50mg/m ³	"Coking Chemical Industry Pollutants" emission standards for ball dyes) allow" (DB13/2863-2018) , "Steel Industry Atmosphere	1296.16 tons 3372.778 tons none		
	Sulphur dioxide is organized in 46 factory areas					Pollutant ultra-low emission standard (DB13/2169-2018 2669.67 tons) , "Air Pollution in Thermal Power Plants" Dye Emission Standard	6294.649 tons none		
	Nitrogen oxides are organized in 42 factory areas				Coking: coke oven chimney <130mg/m ³ , tube furnace etc. <150mg/m ³ , sintering (pellet) machine head, ball standard" Group roasting equipment <50mg/m ³ , gas power generation <100mg/m ³ , blast furnace ironmaking hot blast stove, steel rolling Heat treatment furnace <150mg/m ³	Except for gas-fired (GB13223-2011) .	1018.12 tons 3003.107 tons none		
	Particulate matter is organized 113 in the factory area				power generation <5mg/m ³ , steelmaking converter (one secondary flue gas), steel slag treatment <50mg/m ³ , waste acid Regeneration <30mg/m ³ , all other processes are <10mg/m ³				
	COD	Governance up to back row into the river	1	Factory North side, east side Qinhe channel	COD<30mg/l	wastewater discharged in accordance with the "Steel Iron Industry Water Pollutant Discharge	3.93 tons of 333.01 tons without		
	Ammonia nitrogen	Governance up to back row into the river	1	Factory North side, east side Qinhe channel	Ammonia nitrogen <2mg/l	"Special Exemption Limits" (GB13456-2012)	0.33 tons 31.05 tons without		
Hand Bao Company	Sulphur dioxide is organized in 22 factory areas				Coking: coal loading <70 mg/m ³ , dry quenching <50mg/m ³ , push coke, coke oven chimney, tube furnace of dyes, etc. <30mg/m ³ , gas power generation, sintering (pellet) Standard" machine head, pellet roasting equipment <35mg/m ³ , blast furnace Ironmaking hot blast furnace, steel rolling heat treatment furnace <50mg/m ³	"Coking Chemical Industry Pollutants" Ultra-low emission standard (DB13/2863-2018) , "Steel Industry Atmosphere	648.84 tons 3965.54 tons none		
	Nitrogen oxides are organized in 15 factory areas				Coking: coke oven chimney <130mg/m ³ , tube furnace Standard" <150mg/m ³ , sintering (pellet) head, pellet Roasting equipment <50mg/m ³ , gas-fired power generation <100mg/m ³ , blast furnace ironmaking hot blast stove, steel rolling Heat treatment furnace <150mg/m ³	Pollutant ultra-low emission standard (DB13/2169-2018 Thermal Power Plants" Dye Emission Standard different emission limits	1667.44 tons 5172.5938 tons without), "Air Pollution of		
Hand Bao Company	Particulate matter is organized 94 in the factory area				Except for gas-fired power generation <5mg/m ³ , steelmaking converter (one secondary flue gas), steel slag treatment <50mg/m ³ , other Processes are all <10mg/m ³	(GB13223-2011) .	500.38 tons 2035.99975 tons none		
	COD	Governance up to back row into the river	1	Factory North side, east side Qinhe channel	COD<30mg/l	waste water discharge implements the "Steel Iron Industry Water Pollutant Discharge	7.41 tons of 286.45 tons without		
	Ammonia nitrogen	Governance up to back row into the river	1	Factory North side, east side Qinhe channel	Ammonia nitrogen <2mg/l	"Special Exemption Limits" (GB13456-2012)	0.18 tons 28.64 tons without		

Chengde Branch	particulates	organized, unorganized	88	Sintering machine head sintering machine tail and its he; smelting iron hot blast furnace iron other; steelmaking one times; steelmaking secondary and other processes; hot spot of rolling furnace; iron Alloyer sequence; boiler;	Sintering machine head, sintering machine tail and others; smelting Steel secondary and other processes; steel rolling heat treatment furnace; Boiler<10mg/m³; Ferroalloy process<30 mg/m³; once steelmaking <50mg/m³;	Air Pollution in Iron and Steel Industry ultra-low emission standards (DB 13 2169-2018); thermal power Factory Air Pollutant Emissions Standard (GB 13223-2011); Tiehe	1849.18 tons 4008.61 tons	none	
	Sulfur dioxide organized	32		Sintering machine head; blast furnace hot blast stove; Rolling Heating furnace; boiler;	Sintering machine head <35mg/m³; blast furnace hot blast stove; Steel rolling furnace <50 mg/m³; boiler <100mg/m³;	Gold Industry Pollutant Emissions standard (GB 28666-2012)	1563.24 tons 2971.21 tons	none	
	NOx organized	32		Sintering machine head; blast furnace hot blast stove; Rolling Heating furnace; boiler;	Sintering machine head <50mg/m³; blast furnace hot blast stove; Steel rolling furnace <150 mg/m³; boiler <200mg/m³;		2157.49 tons 6060.83 tons	none	

Construction and operation of pollution prevention facilities

Subsidiaries and subsidiaries of the company strictly implement the "Three Simultaneities" of environmental protection, and the sewage discharge links are equipped with complete waste gas, waste water, noise and other pollution control facilities, and maintain high efficiency

Stable operation. The governance measures of Legang Company and Handan Branch have met the ultra-low emission requirements. Among them, Legang Company completed the ultra-low emission transformation and evaluation monitoring announcement of the China Iron and Steel Association on December 23, 2021, and obtained the environmental protection grade A in January 2022. Performance enterprises; Tangshan Medium and Heavy Plate Company and Chengde Branch have basically met the ultra-low emission requirements.

Legang Company has built 160 sets (sets) of various dust collectors, 1 set of activated carbon desulfurization and denitrification system, 3 sets of circulating fluidized bed + SCR desulfurization and denitrification system, boiler flue gas dry removal system

2 sets of dust desulfurization and denitrification, hot blast furnace and steel rolling heating furnace are equipped with flue gas dry dust removal, desulfurization and denitrification ultra-low emission purification integrated system. Tangshan medium and heavy plate company in accordance with the "three
In accordance with the requirements of "time" and related documents and instructions, 92 sets of waste gas treatment facilities have been built in each production and discharge link, and have been put into operation synchronously with the main process. Handan Branch (Handan Baogong
Company) has implemented a number of environmental protection treatment projects, such as blast furnace water slag shed treatment, unorganized emission treatment in the iron front system, etc., and the environmental protection treatment facilities are running efficiently and stably. Inherit
The German branch has implemented a number of environmental protection upgrading and upgrading projects, such as the coke silo receiving and unloading site reconstruction project, the environmental protection upgrading and reconstruction project of No. 5 sintering machine, and the primary removal of 150-ton converter.
The dust ultra-low emission transformation project, the 100-ton system cold and hot repair and displacement project of the bar business department, etc., the environmental protection treatment facilities are operated efficiently and stably throughout the year, and the pollutant emission has been greatly reduced
reduce.

Environmental impact assessment of construction projects and other environmental protection administrative licenses

The construction projects of the subsidiaries and branches of the company have obtained the environmental impact assessment approval and acceptance procedures according to the law, and the pollutant discharge is carried out according to the law, and the pollutant discharge is carried out according to the permit.

The management requirements have been implemented after the certification. Except for Tangshan Medium and Heavy Plate Company, which was punished by environmental protection, the other subsidiaries did not have major violations.

Environmental impact assessment of construction projects of the company's subsidiaries: Legang Company's project environmental impact assessment approval document number: Jihuan Assessment [2017] No. 295, Jihuan Assessment Letter [2018] No. 194, Jihuan Environmental
Assessment Letter [2020] No. 27, Jihuan Assessment Letter [2020] No. 27 EIA [2019] No. 283; 17 environmental impact reports and report forms for the construction project of Tangshan Medium and Thick Plate Co., Ltd., 2021

In the first half of the year, the energy-saving and environmental protection technology transformation project of the white ash kiln was completed by the Leping County Administrative Examination and Approval Bureau on April 21, 2021. All low-end projects have been put on record; Handan Branch will conduct an environmental impact assessment on the relocation of the wide and thick plate line thickness gauge for the integration project in the old district in 2021, and obtain the project environmental assessment approval of the Provincial Department of Ecology and Environment; Retirement integration project bar project, old area retreat

The 220KV power transmission line and 110KV security power line project and substation project of the joint project have been subjected to environmental impact assessment, and the project environmental impact assessment has been approved by the Handan Administrative Examination and Approval Bureau.

Sewage discharge permit number and validity period of the company's subsidiaries: Legang Company No.: 91130225MA08E2NB29001P (validity period: 2020.9.7-2023.9.6);

Tangshan Medium Thick Plate Co., Ltd. No.: 91130200699229617X003P, 91130200766614559K001P (valid: 2020.9.4.-2025.9.3); Handan

Branch number: 9113040069923044XT001P (valid period: 2021.1.1-2025.12.31); Handao company number: 91130400666597261T001P (with

Validity period: 2021.2.28-2026.2.27); Chengde branch number: 911308036992277348001P (validity period: 2020.9.5-2025.9.4).

Emergency plan for environmental emergencies

All subsidiaries of the company are based on the actual production process, all that may cause personal injury, environmental harm and ecological damage, and may lead to major financial

The "Emergency Response Plan for Environmental Emergencies" was formulated for environmental emergencies caused by production losses. After the organization passed the expert review, it was filed with the local ecological environment bureau. regular group

Organize and carry out actual combat drills, record the whole process, analyze and summarize the problems, experiences and lessons found in the drills, put forward suggestions for improvement, and improve the emergency response to environmental accidents.

Ability to deal with it before it happens.

The environmental protection record number of each subsidiary's "Emergency Plan for Environmental Emergencies" is as follows: Leshan Iron and Steel Company Record Number: 130225-2020-050-H; Tangsteel Medium and Heavy Plate

The company filing number: 130225-2020-058-H; the filing numbers of Handan Branch and Handan Branch are: 130404-2019-011-H and 130404-2019-010-H;

German branch record number: 130803-2019-007-M.

Environmental Self-Monitoring Program

Subsidiaries and branches of the company are based on the "Technical Guidelines for Self-Monitoring of Pollutant Discharge Units <General Provisions>" (HJ 819-2017), "Technical Guidelines for Self-Monitoring of Pollutant Discharge Units <Steel

Industry and Coking Chemical Industry>" (HJ878-2017), "Technical Guidelines for Self-inspection of Pollutant Discharge Units <Thermal Power Generation and Boilers>" (HJ 820-2017) and other documents, compiled

There is an "Enterprise Self-Monitoring Plan", and a qualified third-party monitoring agency is entrusted to carry out pollutant discharge monitoring according to the monitoring frequency, and at the same time, through the installation of fixed

Line monitoring facilities, real-time automatic monitoring of discharged pollutants; and information disclosure of monitoring data in accordance with relevant national requirements.

Implement the "Law of the People's Republic of China on the Prevention and Control of Soil Pollution", "Measures for Environmental Management of Industrial and Mining Land (Trial)", "Soil Pollution Prevention and Control Action Plan" (Guo Fa [2016] No.

31), "Guidelines for the investigation of potential soil pollution in key supervision units (According to the relevant requirements of the Hebei Provincial Department of Ecology and Environment's "Notice on Further Strengthening the Management of Soil Environment

in Key Supervision Units of Soil Pollution" (Jihuan Ban Zihan [2021] No. 5), it will carry out the hidden dangers of soil pollution by itself in 2021. The investigation work, and at the same time, the "Soil and Groundwater Self-Monitoring Plan" was compiled and monitored.

Administrative penalties for environmental issues during the reporting period

company or subsidiary company name	Reason for punishment	punishment result	Production for listed companies business impact	The company's rectification measures
Tangshan's medium and heavy plate collecting pipeline is not connected to the dust collector, resulting in a fine of 700,000 yuan for the smoke and dust generated, but no deal with direct emissions.	The bag filter in the cutting process of No. 1 continuous casting machine is not turned on, and the smoke and dust are collected.		major impact	Rectify the dust collector and implement Requirements for synchronous operation of environmental protection equipment.
winter, the fine of 1 million yuan for medium and heavy plates in Tangshan did not cause major impact control requirements	Failed to implement the level II response to heavy pollution weather and the air pollution control in autumn and			Strictly implement the heavy pollution issued by the government Emergency Emission Reduction Measures for Contaminated Weather
Tangshan medium and heavy plate online monitoring data exceeds air pollutant emission standards		The fine of 1 million yuan did not cause	significant impact	Calibrate monitoring equipment, drop Real data restoration requirements.
Tangshan medium and heavy plate online monitoring data exceeds air pollutant emission standards		The fine of 600,000 yuan did not cause	significant impact	Calibrate monitoring equipment, drop Real data restoration requirements.
Tangshan medium and heavy plate 2# continuous casting machine platform has visible smoke and dust		The fine of 50,000 yuan did not cause	significant impact to increase the air volume and improve the dust collection effect	

The door of Tangshan's medium and heavy plate 3# rolling heating furnace was not tightly closed, and there was a fine of 50,000 yuan for smoke and dust overflow, but no major impact was caused				The furnace door is sealed with iron plates and increased Add fireproof cotton seal
Granulated slag overflowing at zero meters of Tangshan's medium and heavy plate 3# blast furnace		A fine of 50,000 yuan did not cause a major impact, and the slag was pulled away by a vehicle		
Unorganized emissions from medium and heavy plate refining workshop and continuous casting workshop in Tangshan		A fine of 200,000 yuan did not cause significant impact		Completed, burst the workshop Seal the damage
There are 3 exhaust pipes on the top of the closed aisle with cooler for pelletizing, there is nowhere to go, a fine of 200,000 yuan for medium and heavy plates in Tangshan has not caused significant impact on the treatment facilities				Completed, ventilating the top of the corridor closed at the system
The second-level emergency response to heavy pollution weather and the management and control requirements for medium and heavy plate gas pollution in Datang Mountain in autumn and winter have not yet been implemented		The fine of 1 million yuan did not cause significant impact		Strictly implement the heavy pollution issued by the government Emergency Emission Reduction Measures for Contaminated Weather
The discharge port of No. 3 disc feeder in 2# sintering batching workshop is not closed tightly, and there is dust overflow		A fine of 50,000 yuan did not cause a major impact, and the leaking material was sealed		
The pulverized coal distributor of No. 1 blast furnace for medium and heavy plate in Tangshan was blocked, and there was a phenomenon of smoke and dust overflow. A fine of 50,000 yuan did not cause a major impact. The cleanup of the distributor has been completed.				
Tangshan medium and heavy plate No. 3 blast furnace trough dust removal pipe is not closed strictly at the handover of the workshop. A fine of 50,000 yuan has not caused major impact. Pipe sealing has been completed.				
Tangshan medium and heavy plate steelmaking converter platform video surveillance has been installed but not connected to the Internet		The fine of 70,000 yuan has not caused any major impact. It has been connected to the Internet and has been completed.		
The entrance and exit of Tangshan medium and heavy plate construction site are not equipped with vehicle washing facilities		A fine of 80,000 yuan did not cause significant impact		Build a new vehicle washing system, completed
Tangshan medium and heavy plate emits air pollutants by evading regulation		The fine of 1 million yuan did not cause significant impact		All replaced with new online equipment, Perform online restoration and reconnection network.
Tangshan medium and heavy plate emits air pollutants by evading regulation		The fine of 1 million yuan did not cause significant impact		All replaced with new online equipment, Perform online restoration and reconnection network.
Tangshan medium and heavy plate emits air pollutants by evading regulation		The fine of 1 million yuan did not cause significant impact		All replaced with new online equipment, Perform online restoration and reconnection network.
Tangshan medium and heavy plate The automatic monitoring equipment was unable to operate normally due to failure, and the pollutant discharge unit did not impose a fine of 200,000 yuan without causing a major impact				All replaced with new online equipment, Perform online restoration and reconnection network.
Tangshan medium and heavy plate discharges air pollutants without obtaining a pollutant discharge permit in accordance with the law		A fine of 420,000 yuan did not cause significant impact, and a pollutant discharge permit has been obtained.		
Tangshan medium and heavy plate still discharges air pollutants without obtaining a pollutant discharge permit in accordance with the law and is fined 5.04 million yuan without causing a major impact and has obtained a pollutant discharge permit.				
Tangshan medium and heavy plate online monitoring data exceeds air pollutant emission standards		The fine of 500,000 yuan did not cause significant impact		Regular maintenance of field equipment to ensure Ensure stability.
Tangshan medium and heavy plate online monitoring data exceeds air pollutant emission standards		The fine of 400,000 yuan did not cause significant impact		Regular maintenance of field equipment to ensure Ensure stability.
Tangshan medium and heavy plate online monitoring data exceeds air pollutant emission standards		The fine of 400,000 yuan did not cause significant impact		Regular maintenance of field equipment to ensure Ensure stability.
Tangshan medium and heavy plate online monitoring data exceeds air pollutant emission standards		The fine of 500,000 yuan did not cause significant impact		Regular maintenance of field equipment to ensure Ensure stability.

Tangshan plate enterprises have not formulated a hazardous waste management plan	The fine of 450,000 yuan did not cause significant impact		Hazardous waste management plan in place And submit to the county environmental protection bureau for record
discharge permit.	The location or number of pollutant discharge outlets does not meet the requirements of the pollutant	A fine of 200,000 yuan did not cause significant impact	The change of the discharge permit has been completed, and approved
for medium and heavy plates	The company did not truthfully record the No. 1 sintering machine from March 1 to 5 and the fine of 420,000 yuan in Tangshan did not cause any major impact. The rectification has been completed. Production operation on the 8th and 9th		
in the waste yard on the south	A large number of Tangshan medium and heavy plate waste paint buckets and waste oil buckets have been piled up side of your company without authorization.	The fine of 1 million yuan did not cause significant impact	Reverse transport to hazardous waste warehouse, has been entrusted Qualified third party for processing
machine, and the monitoring	Your company artificially interfered with the operation of the online monitoring equipment of No. 1 sintering machine, and the monitoring data from March 1 to March 5 was distorted due to the Tangshan medium and heavy plate.	Revocation of sewage permit, subject to approval approval of the people's government, responsible order to suspend business.	Does not cause significant impact on the Monitoring equipment has implemented data return real.
machine shows that from March	Regulations No. 1 and 2 on emergency response and emission reduction measures for heavy pollution weather No. 210 square meters sintering machine should be stopped at 20:00 from March 1 to 5 Production, on-site access to the No. 1 sintering machine CEMS online monitoring outlet However, the day shift production report of No. 1 burning Tangshan medium and heavy plate sealing and sealing March 1 to 5, 2021 for production status. Suspected of implementing No. 1 sintering machine to start production, Unplug the sampling tube of the online monitoring facility at the discharge port of the machine head, so that the upload data According to distortion.		No significant impact Strictly implement the heavy pollution issued by the government Contaminated weather emergency emission reduction measures case, the monitoring equipment data is being restored finished
standard for air pollutants in	On December 25, 2020, the exhaust of the flue gas at the head of the 2# sintering machine The emission concentration of sulfur dioxide in the exhaust gas is 45mg/m ³ , which exceeds the "Ultra-low emission the steel industry of Tangshan medium and heavy plate iron" (DB13/2169-2018) Emission of 35mg/m ³ specified in Table 2 The limit is 0.29 times over the standard.	A fine of 200,000 yuan did not cause significant impact	Regular maintenance of field equipment to ensure Ensure stable emission standards.
Tangshan's medium and thick	Your company's No. 3 blast furnace tank No. 6 vibrating screen observation hole baffle fell, There is dust and unorganized discharge; the dust cover of the material port of the shaft furnace distribution truck is soft plate curtain fell off, the airtightness was not strict, and there was dust overflow; the fine of 160,000 yuan for the steel slag treatment workshop did not cause any major impact No. 6 slag pool is not equipped with a dust collector, and the slag waste gas is directly discharged through the chimney Amplify gas.		Steel slag treatment workshop No. 6 slag pool new Build a dust collector
manner in accordance with the	Failure to disclose the steel slag, water slag, dust removal ash, and medium and heavy plate from Tangshan in a timely law A fine of 90,000 yuan has not caused a major impact. Information on the prevention and control of solid waste pollution has been disclosed. Information on the prevention and control of environmental pollution by solid waste such as sulfur ash		
Tangshan medium and heavy	plate bag filter operation management ledger records are not standardized	The fine of 60,000 yuan did not cause any major impact, and the ledger records were standardized	
of 120,000 yuan for medium	Tangshan Zhonglian Environmental Testing Co., Ltd. Zhonglian Testing The inspection report No. H2021011636 shows: March 2021 On the 6th, your company's No. 1 210 sintering machine desulfurization outlet flow rate reference The measured value of the method is 9.37m/s, and the output value of CEMS is 4.06m/s. Compared with the fine and heavy plate in Tangshan, there is no significant impact -57%. The relative error does not exceed when the flow velocity is ≥ 10 m/s. $\pm 12\%$ evaluation index, the evaluation result is unqualified; No. 3 240 burn The measured value of the flow rate at the outlet of the desulfurization machine is 5.72m/s by the reference method, CEMS The average output value is 7.57m/s, and the comparison result is 32%, which does not meet the flow velocity ≥ 10		No. 1 sintering flue gas desulfurization and denitrification Complete equipment of online monitoring system Replace and complete the self-comparison monitoring testing and government-commissioned professional monitoring Four-level alignment of units.

	<p>The relative error of m/s does not exceed the evaluation index of $\pm 12\%$.</p> <p>If it is unqualified; the measured value of nitrogen oxides (calculated as NO₂) by the reference method is 10 mg/m³, the average output value of CEMS is 28 mg/m³, and the comparison result is 18 mg/m³. The absolute error does not exceed when the emission concentration is less than 41 mg/m³. The evaluation index of ± 12 mg/m³, the evaluation result is unqualified.</p>			
	<p>October 9, 2021, Tangshan City Ecological Environment Comprehensive Law Detachment</p> <p>Law enforcement officers conduct on-site inspection of Tangshan Medium and Thick Plate Co., Ltd.</p> <p>Check, check the online monitoring equipment at the shaft furnace outlet and perform the whole process calibration. It is found that the set range of SO₂ is 100mg/m³, the concentration of SO₂ standard gas is 25.1mg/m³, and the concentration of the analytical tester is 22.6mg/m³. 50,000 yuan did not cause a major impact, the difference was -3.3%; the stable test concentration of the analyzer was 21.8mg/m³, and the response time was 260 seconds, which did not meet the "fixed pollution source flue gas (SO₂, NO_x, Particulate Matter) Emission Continuous Monitoring Technical Specifications (HJ75-2017) The indication error does not exceed $\pm 2.5\%$ and the response time is not greater than the requirement of 200 seconds.</p>			<p>All replaced with new online equipment,</p> <p>Perform online restoration and reconnection network. This phenomenon has not recurred.</p>
	<p>On October 9, 2021, according to the online data core pushed by the provincial department</p> <p>To check and verify the task, the law enforcement officers of Tangshan Ecological Environment Bureau</p> <p>On-site inspection by Plate Co., Ltd., the company No. 3</p> <p>240m² sintering machine, No. 1, No. 2 blast furnace, 10M² shaft furnace are</p> <p>Production. Inspection found: the raw material transportation link of the company's sintering process</p> <p>G101, G102, G103, G201, G202, G203 Transit</p> <p>There is an airtight cover at the head blanking point of the belt conveyor at the Tangshan Medium and Heavy Plate Station, and a fine of 100,000 yuan was not set up without causing a major impact</p> <p>Dust removal facilities, there is obvious dust accumulation on the floor of the above transfer station workshop; 3</p> <p>No. sintering machine-mixing batching machine tail blanking point is provided with airtight cover,</p> <p>No dedusting facility; No. 2 and No. 3 converter high-level silo vibrates</p> <p>The connection of the feeder is simply wrapped with a canvas fence, which is not closed.</p> <p>Strictly, the ground is seriously dusty, and the dust is not collected effectively when cutting the material</p> <p>measure.</p>			<p>The proposed point has been equipped with a dust cover</p> <p>And carry out sealing and perfecting, after perfecting</p> <p>Hire experts from Metallurgical Planning Institute on site</p> <p>Troubleshoot the problem, currently pressing</p> <p>Implemented in accordance with Class A enterprise standards.</p>
	<p>The No. 2 continuous casting line for medium and heavy plate in Tangshan is in production, and the fine of 100,000 yuan for fugitive emission of flue gas during casting has not caused significant impact</p>			<p>The installed station vacuum hood eliminates the need for</p> <p>Soot fugitive emissions.</p>
	<p>When the ash discharge in the medium and heavy plate ash discharge room in Tangshan, the smoke and dust overflowed</p>	<p>The fine of 60,000 yuan did not cause a major impact</p>		<p>The pneumatic ash transport has been transformed and completed.</p> <p>No more smoke and dust when unloading.</p>
	<p>Tangshan plate has not implemented government control requirements</p>	<p>The fine of 600,000 yuan did not cause significant impact</p>		<p>Strictly implement the heavy pollution issued by the government</p> <p>Emergency Emission Reduction Measures for Contaminated Weather</p>

Other environmental information that should be disclosed

none

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

ÿ Applicable ÿ Not applicable

Focusing on the dual-carbon goals of "carbon peaking in 2022 and carbon neutrality in 2050", the company has formulated a detailed low-carbon green development implementation path and technical plan. Fifteen technical plans" implement structural adjustment, process innovation

and technological progress, according to the carbon peak, steady decline, relatively large decline, depth

Carbon reduction work will be carried out in four stages of decarbonization.

Other environmental protection related information

none

2. Social Responsibility

For the full text of the company's 2021 Social Responsibility Report, please refer to <http://www.cninfo.com.cn>

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

Not applicable

Section VI Important Matters

1. Fulfillment of commitments

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

√ Applicable √ Not applicable

Commitment subject	Promising party	Commitment	Commitment Time	Commitment Period	Fulfillment
During asset reorganization commitment	Hegang Group	<p>Commitment to avoid horizontal competition: immediately start the injection of competitive businesses and assets, and inject existing competitive businesses and assets at a reasonable price and at a suitable market opportunity.</p> <p>All legal methods are injected into the surviving company. The specific arrangements are: Xuanhua Iron and Steel Group has Co., Ltd. and Wuyang Iron and Steel Co., Ltd. completed the merger and absorption after the share swap.</p> <p>Injected into listed companies within one year after completion, Handan Iron and Steel Group Handan Iron and Steel Co., Ltd. and Tangshan Iron and Steel Co., Ltd.</p> <p>Stainless Steel Co., Ltd. will be injected within three years after the completion of this share swap absorption merger</p> <p>Listed company. From the date of issuance of the relevant letter of commitment, unless there is existing horizontal competition</p> <p>In addition, Hebei Iron and Steel Group and enterprises controlled by Hebei Iron and Steel Group will not take the initiative to implement any act or take any action (including but not limited to the establishment of subsidiaries, joint ventures,</p> <p>2010 01</p> <p>compete with the surviving company or engage in business that competes with the surviving company. If Hebei 20th</p> <p>Enterprises controlled by Iron and Steel Group and Hebei Iron and Steel Group may acquire and survive companies that may produce new acquisitions, development and investment opportunities that will generate competition, Hebei Iron and Steel Group will immediately</p> <p>Notify the surviving company, give priority to the surviving company to choose, and do its best to promote</p> <p>Such business opportunities are eligible for transfer to the surviving company. If you fail to follow the above</p> <p>Pai to inject existing competitive businesses and assets into surviving company on time, Hebei Iron and Steel Group</p> <p>The agreement will be signed after equal negotiation with the surviving company and implementation of their respective internal review procedures.</p> <p>through the entrusted management operation, lease operation, etc.</p> <p>The company's competitive business and assets are handed over to the surviving company for independent management, until Hebei Iron and Steel</p> <p>The Group injects related businesses and assets into the surviving company.</p>		long-term performance	
	Hegang Group	<p>Commitment on land and real estate matters: 1. The Hebei Provincial People's Government has</p> <p>On March 22, it was approved that Hebei Iron and Steel Group was authorized to</p> <p>operate state-owned assets in Hebei Province.</p> <p>Relevant experience of other state-owned assets authorized management institutions in Hebei Province, Hebei Iron and Steel Group plans to</p> <p>After completing the confirmation procedures for the relevant state-owned land allocated by the group, it will report to Hebei Province Land Resources</p> <p>management department uniformly applied for land authorized operation. Hebei Provincial People's Government State-owned Assets</p> <p>20, the Nissan Supervision and Administration Committee issued the "About Hebei Iron and Steel" on September 29, 2009.</p> <p>Circular of the Listed Company of the Group Co., Ltd. on Issues Concerning the Disposal of Land</p> <p>Assets (Jiguozi [2009] No. 151), which supports Hebei Iron and Steel Group in applying for and</p> <p>expediting the handling of authorized land operations. Hebei Iron and Steel Group will speed up the</p> <p>The existing land ownership status of the group including the group has been uniformly checked, and in this share swap</p> <p>After the merger is completed, the communication with the land and resources management department of Hebei Province will be accelerated to promote the</p>	In January 2010, the On September	long-term performance	

		<p>The examination and approval of the authorized operation and disposal of land shall be carried out, and the leasing procedures of relevant state-owned land shall be improved.</p> <p>2. Hebei Iron and Steel Group will supervise and assist Handan Iron and Steel Group in this share swap absorption merger</p> <p>Complete the ownership of all land leased to Handan Iron and Steel within two years after completion; urge and</p> <p>Assist the surviving company to complete the undertaking within two years after the completion of this share swap absorption merger</p> <p>Land use certificate for the unlicensed land of German Vanadium Titanium; urge and assist the surviving company in</p> <p>Handan Iron and Steel and Chengde Vanadium will be processed within two years after the completion of the share swap absorption merger</p> <p>Ownership certificate of titanium uncertified real estate. If the surviving company handles land and housing rights</p> <p>If there is insufficient funds in the certificate, Hebei Iron and Steel Group and its subordinate enterprises will implement the internal</p> <p>After the deliberation procedure, provide necessary financial support to the surviving company through legal means.</p> <p>For land and housing title deeds. 3. Ownership of land and houses calculated by area</p> <p>Before the completion rate reaches 90%, Hebei Iron and Steel Group and its subordinate enterprises will not pass</p> <p>The transaction system is transferred to units and individuals other than Hebei Iron and Steel Group and its subordinate enterprises</p> <p>Shares held in surviving companies (due to state-owned assets approved by relevant government departments)</p> <p>Except for transfers resulting from reorganization). 4. Hebei Iron and Steel Group guarantees that the surviving company is in the ownership</p> <p>Continue to effectively occupy and use land and houses until they are perfected, and will not increase accordingly</p> <p>Cost of use may be materially adversely affected. If the land and house title certificate fails to meet the</p> <p>The surviving company cannot continue to use it or can not continue to use it in the existing way.</p> <p>With land and houses, Hebei Iron and Steel Group promises to timely and fully compensate the surviving company for the</p> <p>any loss suffered therefrom, including but not limited to any civil, administrative and criminal</p> <p>All economic losses caused by various legal liabilities.</p>			
<p>initial public offering</p> <p>line or refinance</p> <p>promises made when</p>	Handan Iron and Steel Group	<p>Handan Iron and Steel Group made commitments on the land and real estate matters of Handao Company: (1) Handan Iron and Steel Group will</p> <p>Continue to adhere to the position of protecting the interests of the majority of small and medium investors, and actively take relevant measures</p> <p>Solve related real estate matters and ensure that the interests of Hebei Iron and Steel and investors will not be damaged</p> <p>Harmful. (2) Handan Iron and Steel Group promised to continue to take effective measures after the completion of this public offering.</p> <p>Shi to resolve the related real estate matters, and guarantee that Handao Company will solve the related matters before June 2010</p> <p>Effectively exercise the title or right to use the relevant land and property, and will not thereby increase the 27th</p> <p>cost or be materially adversely affected. (3) After the completion of this public offering, if</p> <p>If Handao Company suffers any loss due to real estate-related matters, Handan Iron and Steel Group promises to</p> <p>Compensate for all economic losses suffered by Handao Company and ensure that Hebei Iron and Steel and its</p> <p>Small and medium investors will not suffer any damage.</p>		long-term performance	

2. If there is a profit forecast for the company's assets or projects, and the reporting period is still in the profit forecast period, the company will explain the asset or project's achievement of the original profit forecast and the reasons for it

ý Applicable ý Not applicable

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

ý Applicable ý Not applicable

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

3. Illegal external guarantees

ý Applicable ý Not applicable

During the reporting period, the Company had no violation of external guarantees.

IV. Explanation of the Board of Directors on the latest "non-standard audit report"

☑ Applicable ☑ Not applicable

V. Explanation of the board of directors, the board of supervisors and the independent directors (if any) on the "non-standard audit report" of the accounting firm in the reporting period

☑ Applicable ☑ Not applicable

6. Explanation on changes in accounting policies, accounting estimates or correction of major accounting errors compared with the financial report of the previous year

☑ Applicable ☑ Not applicable

On December 7, 2018, the Ministry of Finance issued the revised Accounting Standards for Business Enterprises No. 21 – Leases (Cai Kuai [2018] No. 35) (hereinafter referred to as the "New Lease Standards").

The company will implement the new lease standards from January 1, 2021. According to the relevant provisions of the new leasing standards, the company adjusts the cumulative impact of the initial implementation of this standard.

The amount of retained earnings and other related items in the financial statements at the beginning of the year in which this standard is implemented for the second time will not be adjusted for comparable period information.

7. Explanation on the changes in the scope of the consolidated statement compared with the financial report of the previous year

☑ Applicable ☑ Not applicable

(1) On October 21, 2021, the company reviewed and approved the "Proposal on the Joint Venture with Hebei Nengjia Company to Establish a Steel Project Company" at the 21st meeting of the fourth board of directors.

"Proposal" and "Proposal on Jointly Establishing a Coking Project Company with Hebei Nenghua High-tech Co., Ltd.", the registered capital of the joint venture company, Handang Nengjia Iron and Steel Co., Ltd., was

500 million yuan, of which the company invested 255 million yuan in cash, holding 51% of the shares; Hebei Nengjia Investment Co., Ltd. invested 245 million yuan in cash, holding 49% of the shares;

The registered capital of Handan Iron and Steel Huafeng Energy Co., Ltd. was 280 million yuan when it was established, of which: the company invested 142.8 million yuan in cash, holding 51% of the shares; Hebei Nenghua High-tech Co., Ltd. invested 137.2 million yuan in cash, holding 49% of the shares.

(2) The company established a wholly-owned subsidiary Shanghai Hegang East China Trading Co., Ltd. on February 8, 2021, with a registered capital of 100 million yuan.

8. Appointment and dismissal of accounting firms

The current accounting firm

Name of domestic accounting firm	Zhongxing Cai Guanghua Certified Public Accountants (Special General Partnership)
Remuneration of domestic accounting firm (10,000 yuan)	250
Consecutive years of audit services of domestic accounting firms	10
The name of the certified public accountant of the domestic accounting firm	Qi Zhenghua Meng Xiaoguang
Consecutive years of auditing services by certified public accountants of domestic accounting firms	Qi Zhenghua 2 years Meng Xiaoguang 4 years
Name of overseas accounting firm (if any)	none
Remuneration of overseas accounting firm (10,000 yuan) (if any)	0
Consecutive years of auditing services provided by the overseas accounting firm (if any)	0
Name of the certified public accountant of the overseas accounting firm (if any)	none
Consecutive years of CPA audit services provided by overseas accounting firms (if any) None	

Whether to change the accounting firm in the current period

☐ Yes ☐ No

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

☐ Applicable ☐ Not applicable

9. Facing delisting after the annual report is disclosed

☐ Applicable ☐ Not applicable

X. Matters related to bankruptcy and reorganization

☐ Applicable ☐ Not applicable

During the reporting period, the company did not have any bankruptcy and reorganization related matters.

11. Major Litigation and Arbitration Matters

☐ Applicable ☐ Not applicable

Litigation (Arbitration) Basic Information	Amount involved (Whether ten thousand Yuan)	Liability	Litigation (Arbitration) Progress Results	Litigation (Arbitration) Results and Impact	Litigation (Arbitration) Judgment Execution	Disclosure Date	Disclosure Index
Due to a contract dispute, the Asian Union (Hong Kong) International Investment Limited to the company company and its subsidiaries lawsuit	76,156.32 No		First-instance ruling	Shijiazhuang Intermediate The people's court rejected the original lawsuit claim		2021 09 28th	"About Major Litigation Matters" Announcement of the Progress of the Ruling, Public Bulletin No. 2021-062, Phi exposed on the http://www.cninfo.com.cn (http://www.cninfo.com.cn)
Due to a contract dispute, the Asian Union (Hong Kong) International Investment Limited to the company company and its subsidiaries lawsuit	76,156.32 No		appeal	The plaintiff refused to accept the ruling, file an appeal	none	November 02, 2021	"About Major Litigation Matters" Announcement of Progress", Announcement Ed. No. 2021-070, disclosed at Juchao Information Network (http://www.cninfo.com.cn)
Due to a contract dispute, the Asian Union (Hong Kong) International Investment Limited to the company company and its subsidiaries lawsuit	76,156.32 No		final judgment	Revocation of previous civil Ruling, ordering Hebei Shijiazhuang City Intermediate People's Court	none	December 2021 March 30	"About Major Litigation Matters" Announcement of Progress", Announcement Ed. No. 2021-086, disclosed at Juchao Information Network (http://www.cninfo.com.cn)

12. Punishment and rectification

☐ Applicable ☐ Not applicable

There was no penalty or rectification in the reporting period of the company.

XIII. Integrity of the company, its controlling shareholder and actual controller

✓ Applicable ✗ Not applicable

14. Significant related transactions

1. Related-party transactions related to daily operations

✓ Applicable ✗ Not applicable

Related party	connection relation	Related party transactions type	Related party transaction content	Related party transactions Pricing Principles	Related party transactions price	Amount of related transaction (10,000 yuan)	account for similar transactions the proportion of	Approved Transaction Amount Degree (ten thousand yuan)
Beijing Handan Iron and Steel North Material Supply and Marketing limited liability company	Tongshou Hegang Group Co., Ltd. company control	Procurement of spare parts		market price	market price	139.83	0.00%	
Chengde Chenggang Vanadium Titanium Cold Rolled Sheet limited company	Tongshou Hegang Group Co., Ltd. company control	Purchasing commodity	steel	market price	market price	198,664.87	1.68%	275,772.84
Chengde Chenggang Engineering Technology Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Procurement of spare parts and auxiliary materials		Market price	Market price	254.8	0.00%	305.77
Chengde Chenggang Trading Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Purchasing Commodity	Auxiliary Materials	market price	market price	292.26	0.00%	335.85
Chengde Chenggang Logistics Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Procurement of goods	to import mines	market price	market price	22,841.5	0.19%	23,037.85
Chengde Chenggang Logistics Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Procurement of spare parts and auxiliary materials		Market price	Market price	844.92	0.01%	
Chengde Chenggang Zhengqiao Mining Development limited company	Tongshou Hegang Group Co., Ltd. company control	Purchasing Commodities	Lime	market price	market price	43,549.46	0.37%	43,986.2
Associates of Chengde Yanshan Gas Co., Ltd.		Purchasing Commodity	Gas	market price	market price	44,194.41	0.37%	41,957.99
Chengde Zhenghe charge development limited company	Tongshou Hegang Group Co., Ltd. company control	Purchasing Commodities	Lime	market price	market price	17,775.23	0.15%	15,715.65
Chengde Zhonglun Coal Chemical Co., Ltd. company	Shareholders' joint venture	purchases commodity	coke	market price	market price	14,449.87	0.12%	17,339.84
Chengde Zhonglun Coal Chemical Co., Ltd. company	Procurement of goods by joint ventures	of shareholders	auxiliary materials, steam, gas, electricity	market price	market price	17,509.56	0.15%	13,040.83
Handan Iron and Steel Group Equipment Manufacturing Installation co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Procurement of commodity	materials and spare parts	market price	market price	11,301.14	0.10%	4,959.27
Handan Iron and Steel Group Equipment Manufacturing Installation co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Purchase goods and other	materials	market price	market price		0.00%	4,520.53
Handan Iron and Steel Group Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Market price of purchased	commodities such as gas, water and electricity			186,787.27	1.58%	226,874.78
Handan Iron and Steel Group Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Purchasing commodity	ore, mineral powder	market price	Market price 1,699,225.38		14.36%	1,541,332.96

Handan Iron and Steel Group Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Purchasing Commodities	Self-produced Pellets	Market Price	Market Price	84,993.92	0.72%	106,216.45
Handan Iron and Steel Group Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Procurement of commodity	billets	market price	market price	97,258.14	0.82%	103,759.57
Handan Iron and Steel Group Co., Ltd. Company Mining Branch	Tongshou Hegang Group Co., Ltd. company control	Purchasing commodity	steel	market price	market price		0.00%	420.67
Handan City Handan Iron and Steel Group Fengta Metallurgy Gold Raw Materials Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Purchasing Commodities		market price	market price	23,373.18	0.20%	26,454.89
Handan City Handan Iron and Steel Group Fengta Metallurgy Gold Raw Materials Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Procurement of commercial	coal	market price	market price	6,683.64	0.06%	7,503.8
Handan City Handan Iron and Steel Group Xindak Technology Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Procurement of commodity	materials and spare parts	market price	market price	2.48	0.00%	104.34
Handan City Handan Iron and Steel Group Xindak Technology Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Procurement of spare	parts	market price	market price	401.89	0.00%	
Hebei Handan Iron and Steel Co., Ltd. Ruida Gas Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Market price of purchased	commodities such as gas, water	and electricity		8,909.79	0.08%	10,279.68
Hebei Iron and Steel Group Mining Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Market price of purchased	commodities such as ore, stone	powder, etc.		631,712.08	5.34%	664,158.87
HBIS Group Beijing International Trade limited company	Tongshou Hegang Group Co., Ltd. company control	Purchasing Commodity	Ore	market price	market price	332,413.27	2.81%	
HBIS Group Beijing International Trade limited company	Tongshou Hegang Group Co., Ltd. company control	Procurement of spare	parts	market price	market price	2,179.62	0.02%	471.05
HBIS Group Beijing International Trade limited company	Tongshou Hegang Group Co., Ltd. company control	Procurement of goods to	import mines	market price	market price	318,112.15	2.69%	622,228.33
Hegang Group Materials Trading Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Purchasing Commodity	Accessories	market price	market price	4,200.27	0.04%	
Hegang Group Materials Trading Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Purchasing Commodity	Iron Powder	market price	market price		0.00%	16,651.22
Hegang Group Materials Trading Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Market price of purchased	commodity coke, alloy, etc.	Market price		314,237.93	2.66%	265,500
Hegang Group Materials Trading Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Purchasing Commodity	Refractories	market price	market price	12,833.44	0.11%	51,461.18
Hegang Group Materials Trading Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Procurement of commercial	coal	market price	market price		0.00%	24,080
Hegang Group Materials Trading Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Purchasing Commodity	Sinter	market price	market price	1,351.74	0.01%	1,697.18
The ultimate controlling party of Hegang Group	Co., Ltd. purchases commercial	coal		market price	market price	218,893.7	1.85%	179,023.27
The ultimate controlling party of Hegang Group	Co., Ltd. purchases commodity	steel		market price	market price	2,686.18	0.02%	

Tangsteel Meijin (Tangshan) Coal Chemical Co., Ltd. limited company	Procurement of commercial fuel by a shareholder's associate			market price market price		14,980.43	0.13%	15,824.07
Tangshan Stainless Steel Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Purchasing commodity steel		market price market price		114,006.13	0.96%	87,172.05
Tangshan Chuangyuan Fangda Electric Co., Ltd. Responsible company	Tongshou Hegang Group Co., Ltd. company control	Procurement of spare parts		market price market price		164.94	0.00%	144.27
Tangshan Iron and Steel Group High Strength Automobile plate co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Purchasing commodity steel		market price market price		191,803.43	1.62%	225,364.35
Tangshan Iron and Steel Group Jinheng Enterprise Development Corporation	shareholding company	Purchasing Commodity Accessories		market price market price		4,667.26	0.04%	4,889.36
Tangshan Iron and Steel Group Weier Automatic Chemical Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Procurement of spare parts		market price market price		239.42	0.00%	247.59
Tangshan Iron and Steel Group Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Purchasing commodity steel		market price market price		1,815.78	0.02%	1,020.22
Tangshan Iron and Steel Group Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Purchasing Commodity Scrap		market price market price		249,587.19	2.11%	164,824.11
Tangshan Iron and Steel Group Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Procurement of goods to import mines		Market price Market price 1,032,358.52			8.73%	1,070,863.84
Tangshan Iron and Steel Group Heavy Machinery Equipment limited company	Tongshou Hegang Group Co., Ltd. company control	Procurement of spare parts		market price market price		2,695.32	0.02%	2,600.8
Tangshan Steel Source Metallurgical Charge Limited company	shareholding company	Purchase commodity stone accessories		market price market price		39,405.76	0.33%	38,734.51
Tangshan Huitang New Business Development Exhibition Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Purchasing Commodity Accessories		market price market price		11.03	0.00%	11.03
Tangshan Huitang New Enterprise Co., Ltd. limited company	Tongshou Hegang Group Co., Ltd. company control	Procurement of spare parts		market price market price			0.00%	
Tangshan Huitang New Enterprise Co., Ltd. limited company	Tongshou Hegang Group Co., Ltd. company control	Purchasing Commodities Raw Materials and Accessories		Market Price Market Price		120.95	0.00%	85.25
Tangshan Shichuang Refractory Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Purchasing Commodity Refractories		market price market price		5,245.87	0.04%	5,387.93
Tangshan Zhongrun Coal Chemical Co., Ltd. company	shareholding company	Purchasing Commodity Coke		market price market price		19,637.07	0.17%	23,352.96
Tangshan Zhongrun Coal Chemical Co., Ltd. company	shareholding company	Purchasing Commodities Coke Oven Gas		market price market price		3,304.79	0.03%	3,410.47
Tangshan Tangshan Iron and Steel Gas Co., Ltd. associates		Purchasing Commodities Power Media		market price market price		27,130.31	0.23%	5,043.28
Chengde Chenggang Logistics Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Purchasing Commodity Vanadium Products		market price market price			0.00%	785.94
Tangshan Iron and Steel Huaye (Tianjin) Steel Business Co., Ltd. is subject to the purchase of commodity steel by Hegang Group Co., Ltd.				market price market price		4.99	0.00%	4.99

Pin Co., Ltd.	company control							
Tangshan Iron and Steel Group Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Purchased commodity	accessories and other market price	Market price 1,681,339.21		13.54%	1,682,731.68	
Tangshan Huitang Industrial Technology Service limited company	Tongshou Hegang Group Co., Ltd. company control	Procurement of spare parts		market price market price		0.00%	160.19	
China Gas Investment (Tangshan) Limited Gas company	Associates	Purchasing Commodities	Power Media	market price market price	50,587.5	0.43%	49,960.48	
HBIS Primetals Technical Services business co., ltd.	Tongshou Hegang Group Co., Ltd. company control	Procurement of spare parts		market price market price	1,799.95	0.02%	1,799.95	
Tietie IoT Technology Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Procurement of spare parts and accessories	Market price	Market price	15,326.61	0.13%	6,678.24	
HBIS Cloud Merchant Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Purchasing Commodities	Scrap Steel, Iron Fine Powder,	Coal Market PriceMarket Price	21,498.69	0.18%	20,007.75	
Hebei Xinyue Coking Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Purchasing Commodity	Coke	market price market price	9,607.74	0.08%	25,521.19	
Xuanhua Iron and Steel Group Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Purchasing commodity	steel	market price market price	125,052.43	1.06%	140,000	
Harsco (Tangshan) Metallurgical Materials Technology Co., Ltd	Shareholder's joint venture purchases	commodity accessories		market price market price	4,784.08	0.04%		
Chengde Iron and Steel Group Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Purchasing Commodity	Coke	market price market price	261,464.66	2.21%	5,594.83	
Hebei Xinyue Coking Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Purchasing Commodity	Coal	market price market price		0.00%	263,747.52	
Shijiazhuang Iron and Steel Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Purchasing Commodity	Coke	market price market price		0.00%	2,475	
Wuyang Iron and Steel Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Purchasing commodity	steel	market price market price	2,656.51	0.02%	280	
Chengde Chenggang Logistics Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Purchasing Commodity	Vanadium Products	market price market price		0.00%	2,701.63	
Shijiazhuang Iron and Steel Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Purchasing commodity	steel	market price market price	508.25	0.00%	49.9	
The ultimate controller of Hegang Group Co., Ltd.	purchases commercial iron powder			market price market price	7,090.53	0.06%	399.21	
Hegang Group Materials Trading Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Purchasing Commodity	Iron Powder	market price market price	22,738.05	0.19%	14,049.59	
Hebei Xinyue Coking Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Purchasing Commodity	Iron Powder	market price market price	22,865.67	0.19%		
Tangshan Iron and Steel Group Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Accept labor maintenance fees		market price market price	32,483.32	10.56%	31,154.32	

Tangshan Iron and Steel Group Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Accepting labor infrastructure projects	market price market price			0.00%	655.43
Tangshan Iron and Steel Group Weier Automatic Chemical Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Accepting labor infrastructure projects	market price market price		2,576.7	0.84%	2,682.85
Tangshan Iron and Steel Group Weier Automatic Chemical Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Accept labor maintenance fees	market price market price			0.00%	13.42
Tangshan Iron and Steel Group Jinheng Enterprise Development Corporation	shareholding company	Accept labor maintenance costs	market price market price		5,283.4	1.72%	4,884.4
Tangshan Iron and Steel Group Jinheng Enterprise Development Corporation	shareholding company	Accepting labor infrastructure projects	market price market price		177.85	0.06%	177.85
Chengde Chenggang Logistics Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Accept labor shipping	market price market price		31,511.23	10.25%	30,528.23
Tangshan Huitang New Enterprise Co., Ltd. limited company	Tongshou Hegang Group Co., Ltd. company control	Accept labor maintenance fees	market price market price		6,640.5	2.16%	
Tangshan Huitang New Enterprise Co., Ltd. limited company	Tongshou Hegang Group Co., Ltd. company control	Accept labor packaging fee	market price market price			0.00%	5,925.13
Tangshan Huitang Industrial Technology Service limited company	Tongshou Hegang Group Co., Ltd. company control	Accepting labor infrastructure projects	market price market price		2,080.56	0.68%	
Chengde Chenggang Engineering Technology Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	accept labor Equipment maintenance communication service fee	market price market price		26,788.16	8.71%	20,825.94
Tangshan Chuangyuan Fangda Electric Co., Ltd. Responsible company	Tongshou Hegang Group Co., Ltd. company control	Accepting labor infrastructure projects	market price market price		5,480.36	1.78%	5,478.38
Tangsteel International Engineering Technology Co., Ltd. limited company	Shareholder's joint venture accepts	labor infrastructure project	market price market price		86,794.96	28.22%	174,343.68
Tangsteel International Engineering Technology Co., Ltd. limited company	Shareholder's joint venture accepts	labor repair fee	market price market price		266.21	0.09%	251.4
Hebei Huasao Energy Saving Technology Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Receive labor technical service fee	Market price Market price		16,018.13	5.21%	16,018.13
Harsco (Tangshan) Metallurgical Materials Technology Co., Ltd	shareholding company	Accept labor processing fees	market price market price		10,525.69	3.42%	10,548.21
HBIS Group Beijing International Trade limited company	Tongshou Hegang Group Co., Ltd. company control	Accept the market price of labor processing fees, agency fees, etc.			3,086.54	1.00%	2,805.86
HBIS Group International Logistics Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Accept labor shipping	market price market price		24,210.99	7.87%	582.1
Primetals (Tangshan) Metallurgical Technical Service business co., ltd.	shareholding company	Accept labor repair fee	market price market price		13,844.98	4.50%	12,748.4
Tietie Smart Logistics (Tianjin) has limited company	Tongshou Hegang Group Co., Ltd. company control	Accept labor shipping	market price market price		29,049.34	9.45%	27,819.9

Tangshan Huitang IoT Technology Co., Ltd. company	Associates	Receive labor technical service fee	Market price	Market price		3,335.78	1.08%	2,998.72
Tangshan Huitang Industrial Technology Service limited company	Tongshou Hegang Group Co., Ltd. company control	Receive labor service repair fee and other labor service fees	Market price	Market price			0.00%	654
HBIS Digital Technology Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Accepting labor infrastructure projects		market price	market price	98.11	0.03%	41.5
Primetals (Tangshan) Metallurgical Technical Service business co., Ltd.	shareholding company	Accepting labor infrastructure projects		market price	market price		0.00%	551.78
Tangshan Huitang New Business Development Exhibition Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Accepting labor services, hoisting labor fees and other		market prices,	market prices	347.91	0.11%	407.1
Tangshan Tangshan Steel Construction Development Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Accept labor repair fees, etc.		market price	market price	73.44	0.02%	73.44
Tangshan Huitang IoT Technology Co., Ltd. company	Associates	Accepting labor infrastructure projects		market price	market price		0.00%	144.57
Tangsteel International Engineering Technology Co., Ltd. limited company	Shareholders' joint ventures are	subject to labor inspection and testing		market price	market price		0.00%	206.12
HBIS Primetals Technical Services business co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Accept labor repair fees		market price	market price		0.00%	206.77
HBIS Primetals Technical Services business co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Accepting labor infrastructure projects		market price	market price	5,693.21	1.85%	5,469.95
Tangshan Iron and Steel Group Heavy Machinery Equipment limited company	Tongshou Hegang Group Co., Ltd. company control	Accepting labor infrastructure projects		market price	market price	70.81	0.02%	70.81
Chengde Chenggang Vanadium Titanium Cold Rolled Sheet limited company	Tongshou Hegang Group Co., Ltd. company control	Accept labor processing fees		market price	market price	517.53	0.17%	
The joint venture of the shareholder of Tangshan Hongci Hospital Co., Ltd. accepts		labor services and medical expenses		market price	market price	585.83	0.19%	
DUFERCO SA	Tongshou Hegang Group Co., Ltd. company control	Sales of commodity steel		market price	market price	139,193.82	1.00%	142,456.95
HBIS GROUP HONG KONG CO. LIMITED	Tongshou Hegang Group Co., Ltd. company control	Sales of commodity steel		market price	market price	108,276.26	0.78%	134,826.16
HESTEEL SINGAPORE PTE. LTD.	Tongshou Hegang Group Co., Ltd. company control	Sales of commodity steel		market price	market price	988.52	0.01%	
Beijing Handan Iron and Steel North Material Supply and Marketing limited liability company	Tongshou Hegang Group Co., Ltd. company control	Sales of commodity steel		market price	market price	18,110.39	0.13%	17,145.62
Chengde Chenggang Vanadium Titanium Cold Rolled Sheet limited company	Tongshou Hegang Group Co., Ltd. company control	Sales of commodity steel		market price	market price	450,352.81	3.24%	454,071
Chengde Chenggang Engineering Technology Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Sales of goods	Water, electricity, steam, material preparation piece	market price	market price	2,316.67	0.27%	2,353.97
Chengde Chenggang Trading Co., Ltd. is also	subject to the sale of commodity steel by Hegang Group Co., Ltd.			Market price	Market price	1,060,216.91	7.62%	1,221,537

	company control							
Chengde Chenggang Logistics Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Sales of commodity steel		market price	market price	2,821.75	0.02%	
Chengde Chenggang Xingtong Vanadium Industry Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Sales of goods	Water, electricity, steam, material preparation piece	market price	market price	1,266.17	0.15%	1,270.64
Chengde Chenggang Zhengqiao Mining Development limited company	Tongshou Hegang Group Co., Ltd. company control	sale of commercial coal		market price	market price	152.89	0.02%	162.36
Chengde Iron and Steel Group Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Auxiliary materials for sales of goods		market price	market price	99.08	0.01%	104.16
Chengde Iron and Steel Group Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Sales of water, electricity and steam		market price	market price	434.15	0.05%	405.21
Associates of Chengde Yanshan Gas Co., Ltd.		Sales of water and electricity, etc.		market price	market price	45,508.65	5.24%	42,519.6
Chengde Zhenghe charge development limited company	Tongshou Hegang Group Co., Ltd. company control	Sales of water, electricity and steam		market price	market price	4,089.05	0.47%	4,089.25
Chengde Zhonglun Coal Chemical Co., Ltd. company	Shareholders' joint ventures sell	commodities, water, electricity, steam, etc.		market price	market price	7,715.08	0.89%	7,431.61
Harsco (Tangshan) Metallurgical Materials Technology Co., Ltd	shareholding company	Selling Goods Power Media		market price	market price	7,669.03	0.88%	9,218.2
Handan Iron and Steel Group Import and Export Co., Ltd. limited company	Tongshou Hegang Group Co., Ltd. company control	Selling commodity billets and steel		market price	Market price	19.89	0.00%	19.89
Handan Iron and Steel Group Equipment Manufacturing installation co., ltd.	Tongshou Hegang Group Co., Ltd. company control	Market price of gas, water and electricity, etc.				172.7	0.02%	169.6
Handan Iron and Steel Group Equipment Manufacturing installation co., ltd.	Tongshou Hegang Group Co., Ltd. company control	Sales of spare parts		market price	market price	883.62	0.10%	770.34
Handan Iron and Steel Group Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Market price of gas, water and electricity, etc.				128,142.11	14.77%	139,296.89
Handan Iron and Steel Group Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Sales commodity non-productive scrap		market price	market price	57,749.75	6.66%	46,841.79
Handan Iron and Steel Group Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Sales commodity refractory, alloy material		market price	market price	46,199.73	5.32%	51,832.89
Handan Iron and Steel Group Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Sale of commodity sinter		market price	market price	683.52	0.08%	904.97
Handan Iron and Steel Group Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Hot metal for sale		market price	market price	441,318.84	50.86%	516,580.79
Handan Iron and Steel Group Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Iron-containing products for sale		market price	market price	25,788.95	2.97%	32,387.28
Handan Iron and Steel Group Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Sales of spare parts		market price	market price	13,365.99	1.54%	14,342.22

Handan Iron and Steel Group Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Sales of refined powder	market price market price	128,617.28	14.82%	122,234.09
Handan City Handan Iron and Steel Group Hang Seng Capital Source LLC	Tongshou Hegang Group Co., Ltd. company control	Sales of commodity steel	market price market price	459,131.05	3.30%	421,221.38
Handan City Handan Iron and Steel Group Hang Seng Capital Source LLC	Tongshou Hegang Group Co., Ltd. company control	Sales of commodity waste	market price market price	48,249.31	5.56%	49,556.67
Handan Iron and Steel Auto Parts Huanghua Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Sales of commodity steel	market price market price	103,366.87	0.74%	85,526.14
Hefei Hegang New Material Technology Co., Ltd. limited company	Tongshou Hegang Group Co., Ltd. company control	Sales of commodity steel	market price market price	54,058.27	0.39%	52,300
Hebei Handan Iron and Steel Co., Ltd. Ruoda Gas Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Market price of gas, water and electricity, etc.		9,558.53	1.10%	11,415.41
Hebei Huao Energy Saving Technology Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Sales of commodity accessories	market price market price	1,318.96	0.15%	1,318.96
HBIS Group Beijing International Trade limited company	Tongshou Hegang Group Co., Ltd. company control	Selling Commodities Outside Mines	market price market price	21,980.85	2.53%	15,628.97
HBIS Group Beijing International Trade limited company	Tongshou Hegang Group Co., Ltd. company control	Sales of commodity steel	market price market price	51,213.54	0.37%	39,529.77
Hegang Group Hengshui Board Industry and Trade limited company	Tongshou Hegang Group Co., Ltd. company control	Sales of commodity steel	market price market price	40,242.18	0.29%	44,242.89
Hegang Group Materials Trading Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Iron powder for sale	market price market price	1,097.67	0.13%	1,097.67
The ultimate controlling party of Hegang Group Co., Ltd. sells commercial vanadium products			market price market price	15,957.84	8.97%	18,090.05
The market price of commercial steel billets and steel products sold by the ultimate controlling party of Hegang Group Co., Ltd. Market price			2,162,873.68		15.54%	2,260,974.18
Primetals (Tangshan) Metallurgical Technical Service business co., Ltd. shareholding company		Selling Goods Power Media	market price market price	432.97	0.05%	432.97
Qingdao Hegang Composite New Material Section Technology Co., Ltd. company control	Tongshou Hegang Group Co., Ltd.	Sales of commodity steel	market price market price	35,649.53	0.26%	36,113.1
Qingdao Hegang New Material Technology Co., Ltd. limited company	Tongshou Hegang Group Co., Ltd. company control	Sales of commodity steel	market price market price	20,240.96	0.15%	12,322.2
Tangshan Iron and Steel Huaye (Tianjin) Steel Camp Pin Co., Ltd. company control	Tongshou Hegang Group Co., Ltd.	Sales of commodity steel	market price market price	14,305.4	0.10%	13,213.03
Tangshan Stainless Steel Co., Ltd. company control	Tongshou Hegang Group Co., Ltd.	Imported mines for sale	market price market price	26,397.15	3.04%	26,391.51
Tangshan Stainless Steel Co., Ltd. company control	Tongshou Hegang Group Co., Ltd.	Sales of commodity steel	market price market price	121,664.28	0.87%	74,002.53
Tangshan Stainless Steel Co., Ltd. company control	Tongshou Hegang Group Co., Ltd.	Selling commodity pellets	market price market price	19.79	0.00%	

Tangshan Stainless Steel Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Sales commodity materials and gas market price market price				840.51	0.10%	840.51
Tangshan Iron and Steel Group High Strength Automobile plate co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Sales of commodity steel		market price market price		794,806.69	5.71%	769,171.16
Tangshan Iron and Steel Group High Strength Automobile plate co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Market price of water, electricity, gas, etc.				15,595.58	1.80%	15,320.06
Tangshan Iron and Steel Group Jinheng Enterprise Development Corporation	shareholding company	Market price of sales of commodity materials and waste materials Market price				3,909.42	0.45%	3,948.46
Tangshan Iron and Steel Group Jinheng Enterprise Development Corporation	shareholding company	Market price of water, electricity, gas, etc.				30.16	0.00%	28.13
Tangshan Iron and Steel Group Weier Automatic Chemical Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Selling Goods Power Media		market price market price		31.95	0.00%	37.16
Tangshan Iron and Steel Group Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Sales of commodity steel		market price market price		161,271.95	1.16%	162,275.93
Tangshan Iron and Steel Group Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Sales of spare parts and accessories and other market prices Market prices				51,946.44	5.99%	
Tangshan Iron and Steel Group Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Selling Commodities Outside Mines		market price market price				88,376.38
Tangshan Iron and Steel Group Heavy Machinery Equipment limited company	Tongshou Hegang Group Co., Ltd. company control	Sale of commodity scrap		market price market price		1,660.26	0.19%	1,589.25
Tangshan Iron and Steel Group Heavy Machinery Equipment limited company	Tongshou Hegang Group Co., Ltd. company control	Sales of commodity accessories and spare parts and other market prices Market prices				211.16	0.02%	211.16
Tangshan Huitang Industrial Technology Service limited company	Tongshou Hegang Group Co., Ltd. company control	Sales of water, electricity, accessories, spare parts market price market price				108.71	0.01%	
Tangshan Huitang New Business Development Exhibition Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Sale of commodity waste		market price market price		3,884.83	0.45%	4,560.36
Tangshan Huitang New Business Development Exhibition Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Market price of water, electricity, gas, etc.				21.61	0.00%	21.61
Tangshan Huitang New Business Development Exhibition Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Sales of commodity steel		market price market price		16,809.07	0.12%	18,898.33
Tangshan Huitang New Enterprise Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Market price of sales commodity scrap, other materials Market price				406.62	0.05%	406.62
Tangshan Huitang New Enterprise Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Sales of commodity steel		market price market price		20,062.76	0.14%	18,660.51
Tangshan Tangang New Building Materials Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Market price of sales commodities, water slag, power, etc. Market price				6,957.44	0.80%	7,136.38
Tangshan Tangang Real Estate Development Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Sales of spare parts and accessories Market price Market price				0.43	0.00%	0.11

Tangshan Tanglong New Building Materials Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Market price of sales commodities, water slag, power, etc.	Market price	620.28	0.07%	643.61
Tangshan Zhongrun Coal Chemical Co., Ltd. shareholder	shareholding company	Selling Goods Power Media	market price market price	4,093.39	0.47%	4,847.38
Minmetals Handan Iron & Steel (Suzhou) Steel Plus Industrial Co., Ltd.	shareholding company	Sales of commodity steel	market price market price	99.62	0.00%	99.62
Tangshan Jiahua Coal Chemical Co., Ltd. shareholder	Tongshou Hegang Group Co., Ltd. company control	Steam for sale	market price market price	993.7	0.11%	993.7
Tangshan Tangshan Iron and Steel Gas Co., Ltd. associates		Selling Goods Power Media	market price market price	25,383.36	2.93%	26,790.17
Chengde Chenggang Logistics Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Sales commodity accessories, other market price	Market price		0.00%	2,326.62
Chengde Chenggang Xingtong Vanadium Industry Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Sales of goods Secondary slag, vanadium slime, vanadium acid iron mud	market price market price	2,766.57	1.56%	6,503.57
The final controlling party of Hegang Group Co., Ltd. sells the market price of Fengshui Electric, etc.		Market price		3,093.96	0.36%	1,254.29
HBIS Cloud Merchant Co., Ltd.	Tongshou Hegang Group Co., Ltd. company control	Sales of commodity steel	market price market price	37,798.39	0.27%	33,678.8
Tangshan Iron and Steel Group Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Selling Goods Power Media	market price market price		0.00%	899.38
Tangshan Iron and Steel Group Co., Ltd. Company Huitang Legang Metal Technology Branch	Tongshou Hegang Group Co., Ltd. company control	Sales of commodity steel	market price market price	224.36	0.00%	224.36
Tangsteel International Engineering Technology Co., Ltd. limited company		Water and electricity charges for sales of goods by a shareholder's joint venture	market price market price		0.00%	6.3
Tangshan Steel Source Metallurgical Charge Limited company	Tongshou Hegang Group Co., Ltd. company control	Selling Goods Power Media	market price market price	12,962.8	1.49%	7,512.25
Chengde Zhonglun Coal Chemical Co., Ltd. shareholder	Shareholder's joint venture selling	commodity air compressor	market price market price		0.00%	22.01
Tangshan Iron and Steel Group Jinzheng Enterprise Development Corporation	shareholding company	Sales of commodity accessories	market price market price		0.00%	319.91
Tangshan Iron and Steel Group Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Selling commodity pellets	market price market price	34,499.29	3.98%	
Tangshan Iron and Steel Group Co., Ltd. company	Tongshou Hegang Group Co., Ltd. company control	Iron powder for sale	market price market price	271,557.85	31.30%	247,671.43
Tangshan Huitang Industrial Technology Service limited company	Tongshou Hegang Group Co., Ltd. company control	Selling Goods Power Media	market price market price		0.00%	73.28
Tangshan Huitang New Enterprise Co., Ltd. limited company	Tongshou Hegang Group Co., Ltd. company control	Market price of water, electricity, gas, etc.		132.34	0.02%	124.97
China Gas Investment (Tangshan) Gas Co., Ltd.	is subject to the sale of commodity power medium by Hegang Group Co., Ltd.		market price market price	36,127.01	4.16%	33,353.53

company	company control							
Changshu Kehong Material Technology Co., Ltd.	Tongshou Hegang Group Co., Ltd.	Sales of commodity steel		market price	market price	14,615.22	0.11%	9,013.06
company	company control							
HBIS Group International Logistics Co., Ltd.	Tongshou Hegang Group Co., Ltd.	Sales of commodity steel		market price	market price		0.00%	850
company	company control							
The subsidiary company of Luan County Tang	Tang Gas Co., Ltd. sells commodity	accessories		market price	market price	0.37	0.00%	0.37
Tangshan Huitang IoT Technology Co., Ltd.	Tongshou Hegang Group Co., Ltd.	Sales of commodity accessories		market price	market price	0.02	0.00%	0.02
company	company control							
Tangshan Tangsteel Property Service Co., Ltd.	Tongshou Hegang Group Co., Ltd.	Sales of commodity accessories		market price	market price		0.00%	0.32
company	company control							
Beijing Jigang Union International Trade Co., Ltd.	Tongshou Hegang Group Co., Ltd.	Imported mines for sale		market price	market price	6,329.21	0.73%	
limited company	company control							
Hebei United Steel Logistics Co., Ltd.	Tongshou Hegang Group Co., Ltd.	Sales of commodity steel		market price	market price	18,302.47	0.13%	
company	company control							
Tangsteel International Engineering Technology Co., Ltd.		Water and electricity charges for sales of goods by a shareholder's joint venture		market price	market price	6.3	0.00%	
company								
Tangshan Stainless Steel Co., Ltd.	Tongshou Hegang Group Co., Ltd.	Provide labor transportation		market price	market price	415.63	4.28%	498.75
company	company control							
Tangshan Iron and Steel Group Co., Ltd.	Tongshou Hegang Group Co., Ltd.	Provide labor maintenance fee		market price	market price	11.42	0.12%	12.31
company	company control							
Tangshan Iron and Steel Group Heavy Machinery Equipment	Tongshou Hegang Group Co., Ltd.	Providing services	repair costs, transportation costs,	market price	market price	276.55	2.85%	156.17
limited company	company control		service charge					
Chengde Zhonglun Coal Chemical Co., Ltd.		Shareholder's joint venture provides labor warehousing		market price	market price	2,523.44	26.01%	2,526.75
company								
Chengde Zhonglun Coal Chemical Co., Ltd.		Shareholder's joint venture provides labor inspection fee		market price	market price	84.84	0.87%	85.88
company								
Tangshan Iron and Steel Group Co., Ltd.	Tongshou Hegang Group Co., Ltd.	Provide labor shipping		market price	market price	54.32	0.56%	61.5
Company Huitang Legang Metal Technology Branch	company control							
Tangshan Jiahua Coal Chemical Co., Ltd.	Tongshou Hegang Group Co., Ltd.	Provide labor shipping, etc.		market price	market price	3,697.57	38.12%	385.21
company	company control							
Harsco (Tangshan) Metallurgical Materials Technology Co., Ltd	shareholding company	Provide labor service fee		market price	market price	0	0.00%	61.54
Hebei Huasao Energy Saving Technology Co., Ltd.	Tongshou Hegang Group Co., Ltd.	Provide labor service operation and maintenance service fees and other market prices	Market prices			2,637.28	27.19%	2,227.76
company	company control							
total				--	--	15,919,318.38	--	16,114,440.28
Details of the return of large sales				none				

Approved by the company's 2020 annual general meeting of shareholders and the fifth extraordinary general meeting of shareholders in 2021, the estimated amount of connected transactions between the company and the above-mentioned related parties in 2021 is 1611.44

The actual amount incurred was 159.193 billion yuan, which did not exceed the amount approved by the general meeting of shareholders. For details, see the company's disclosure on April 23, 2021 in China Securities Journal, Shanghai

* Announcement on Estimated Routine Connected Transactions in 2021* (Announcement No.: 2021-032) published by China Securities Journal, Securities Times and Juchao Information Website (<http://www.cninfo.com.cn>).

and the *Announcement on Adjusting the Amount of Daily Related Party Transactions in 2021* disclosed on November 17, 2021 (Announcement No.: 2021-076).

2. Affiliated transactions arising from the acquisition or sale of assets or equity

☑ Applicable ☐ Not applicable

During the reporting period of the company, there was no related transaction of acquisition or sale of assets or equity.

3. Related-party transactions of joint foreign investment

☑ Applicable ☐ Not applicable

During the reporting period, the company did not have any related transactions related to joint external investment.

4. Related creditor's rights and debts

☑ Applicable ☐ Not applicable

Whether there are non-operating related creditor's rights and debts

☑ Yes ☐ No

During the reporting period, the company had no non-operating related creditor's rights and debts.

5. Transactions with related financial companies

☑ Applicable ☐ Not applicable

Deposit business

related party relationship		Daily maximum deposit Limit (ten thousand yuan)	deposit rate range	Beginning balance (ten thousand Yuan)	Amount for this period		Closing balance (ten thousand Yuan)
					Total deposit for the current period	Total withdrawals for the current period	
					Amount (ten thousand yuan)	Amount (ten thousand yuan)	
HBIS Group Finance company	Associates	1,200,000	1.61%-2.94%	784,289	12,177,197.74	11,852,054.59	1,109,432.15

loan service

related party relationship		Loan Amount (10,000 Yuan)	Loan Interest Rate Range	Beginning balance (ten thousand Yuan)	Amount for this period		Closing balance (ten thousand Yuan)
					Total loans for the current period	Total repayment for the current period	
					Amount (ten thousand yuan)	Amount (ten thousand yuan)	
HBIS Group Finance company	Associates	1,000,000	5%	328,000	418,350	746,350	0

Credit or other financial business

Related party	connection relation	business type	Total (ten thousand yuan)	Actual amount (ten thousand yuan)
HBIS Group Finance Company Associates		credit	1,200,000	724,390.76

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

☐ Applicable ☐ Not applicable

There is no deposit, loan, credit or other financial business between the financial company controlled by the company and its related parties.

7. Other significant related transactions

☐ Applicable ☐ Not applicable

1. During the reporting period, the company and the Hebei Iron and Steel Industry Transformation and Upgrading Fund (hereinafter referred to as the "Transformation Fund") jointly increased capital of 9.25 billion yuan to Legang, of which: Hegang Co., Ltd. contributed 5 billion yuan in cash, and the transformation fund invested 4.25 billion yuan in cash. After the completion of this capital increase, the registered capital of Legang increased to 10.163 billion yuan, of which HBIS shares accounted for 58.5748% and the transformation fund accounted for 41.4252%.

2. During the reporting period, the company and Hegang Group jointly increased the capital of 600 million yuan in cash in the same proportion to Hegang Group Finance Company, of which: Hegang Group increased capital by 306 million yuan and Hegang Co., Ltd. increased by 294 million yuan. After the completion of this capital increase, the registered capital of the finance company increased to 6.66 billion yuan, of which HBIS Group contributed 3,396.6 million yuan, accounting for 51%; HBIS Co., Ltd. contributed 3,263.4 million yuan, accounting for 49%.

Inquiries related to the disclosure website of the interim report on material related transactions

Temporary announcement name	Interim announcement disclosure date	Temporary Announcement Disclosure Website Name
About HBIS together with Hebei Iron and Steel Industry Transformation and Upgrading Fund Announcement on Capital Increase and Related Transactions of Laoting Iron & Steel Co., Ltd.	January 5, 2021	Juchao Information Network (http://www.cninfo.com.cn)
About the joint financing of Hegang Group with Hegang Group Co., Ltd. Announcement of the company's capital increase and related party transactions	March 10, 2021	Juchao Information Network (http://www.cninfo.com.cn)

XV. Significant contracts and their performance

1. Entrustment, contracting and leasing matters

(1) Custody situation

☐ Applicable ☐ Not applicable

Escrow situation note

It was reviewed and approved at the fifth meeting of the first board of directors of the company held on December 17, 2010, and approved by the Hebei Provincial State-owned Assets Supervision and Administration Commission "Regarding the Entrustment of Hebei Iron and Steel Group to the Management and Operation of Listed Companies".

Approval of the Request for Instructions for Holding the Equity Interests of Xuangang and Wuyang Iron and Steel (Jiguo Zifa Reform and Reorganization [2010] No. 190), the company signed equity trusteeship agreements with Handan Iron and Steel Group and Tangshan Iron and Steel Group respectively, and the trusteeship began on January 1, 2011. Xuangang Group Co., Ltd. and Wuyang Iron and Steel Co., Ltd. For details, please refer to "Hebei Iron and Steel" published in China Securities Journal, Shanghai Securities News, Securities Times and Juchao Information Network (<http://www.cninfo.com.cn>) on December 18, 2010. Announcement of the Company Limited on the Entrusted Management of the 100% Equity of Xuanhua Iron and Steel Group Co., Ltd. and the 53.12% Equity of Wuyang Iron and Steel Co., Ltd."

It was reviewed and approved at the 14th meeting of the first board of directors of the company held on August 29, 2012, and approved by the Hebei Provincial State-owned Assets Supervision and Administration Commission "On Entrusting Hebei Iron and Steel Group to the Management and Operation of Listed Companies".

Approval of the Request for Instructions for the Equity of Tangshan Stainless Steel Co., Ltd. (Jiguo Zifa Reform and Reorganization [2012] No. 171), the company signed an equity trusteeship agreement with Tangshan Iron and Steel Group, and since October 2012, the company has been entrusting the shares of Tangshan Stainless Steel Co., Ltd. For details, please refer to the "About Trusteeship" published on August 31, 2012 in China Securities Journal, Shanghai Securities News, Securities Times and <http://www.cninfo.com.cn> Announcement on Related Transactions for the Management of Equity Interests of Tangshan Stainless Steel Co., Ltd."

After deliberation and approval at the fifth meeting of the fourth session of the board of directors held on April 21, 2020, the company will entrust the heavy rail asset group of Handan Iron and Steel Group Co., Ltd. and Tangshan Iron and Steel Group since May 2020.

For details, please refer to the company's disclosure in "China Securities Journal" on April 23, 2020 for details.

"Announcement on Custody of HBIS Group's Main Steel Business Assets and Related Transactions" published by China Daily, Shanghai Securities News, Securities Times and Juchao Information Network (<http://www.cninfo.com.cn>). In 2021, the company confirmed a total of 5.6604 million yuan in custody fee income.

Projects that bring profits and losses to the company reaching more than 10% of the company's total profit during the reporting period

☐ Applicable ☐ Not applicable

(2) Contracting situation

☐ Applicable ☐ Not applicable

There was no contracting situation in the reporting period of the company.

(3) Leasing situation

☐ Applicable ☐ Not applicable

There was no lease in the company's reporting period.

2. Major guarantee

☐ Applicable ☐ Not applicable

During the reporting period, the Company had no material guarantees.

3. Entrusting others to manage cash assets

(1) Entrusted financial management

☐ Applicable ☐ Not applicable

There was no entrusted wealth management in the reporting period of the company.

(2) Entrusted loans

☐ Applicable ☐ Not applicable

There was no entrusted loan in the reporting period of the company.

4. Other major contracts

☐ Applicable ☐ Not applicable

The company has no other major contracts in the reporting period.

16. Explanation of other important matters

☐ Applicable ☐ Not applicable

17. Significant Events of the Company's Subsidiaries

☐ Applicable ☐ Not applicable

Section 7 Changes in Shares and Shareholders

1. Changes in shares

1. Changes in shares

Unit: share

	Before this change		Increase or decrease in this change (+, -)					After this change	
	Issue of new shares	shares in proportion to the number of bonus shares			Provident fund transfer share	Other subtotal	quantity ratio		
I. 1,715,251 shares subject to sales restrictions		0.02%						1,715,251	0.02%
1. State shareholding									
2. State-owned legal person holding shares									
3. Other domestic holdings	1,715,251	0.02%						1,715,251	0.02%
Of which: 1,707,264 shares held by domestic legal persons		0.02%						1,707,264	0.02%
Domestic natural persons hold	7,987 shares	0.00%						7,987	0.00%
4. Foreign shareholding									
Of which: Shares held by foreign legal persons									
Shares held by foreign natural persons									
2. Unrestricted shares	10,616,892,601	99.98%						10,616,892,601	99.98%
1. RMB ordinary shares	10,616,892,601	99.98%						10,616,892,601	99.98%
2. Domestically listed foreign shares									
3. Foreign shares listed overseas									
4. Other									
3. Total number of shares	10,618,607,852	100.00%						10,618,607,852	100.00%

Reason for share change

☐ Applicable ☒ Not applicable

Approval of share changes

☐ Applicable ☒ Not applicable

Transfer of share changes

☐ Applicable ☒ Not applicable

The impact of changes in shares on financial indicators such as basic earnings per share and diluted earnings per share, net assets per share attributable to common shareholders of the company in the most recent year and the most recent period

☐ Applicable ☒ Not applicable

Other information the company deems necessary or required by securities regulators to disclose

☐ Applicable ☐ Not applicable

2. Changes in restricted shares

☐ Applicable ☐ Not applicable

II. Securities Issuance and Listing

1. Securities issuance (excluding preference shares) during the reporting period

☐ Applicable ☐ Not applicable

2. Changes in the total number of shares of the company and the structure of shareholders, and the changes in the structure of assets and liabilities of the company

☐ Applicable ☐ Not applicable

3. Existing internal employee shares

☐ Applicable ☐ Not applicable

3. Shareholders and actual controllers

1. Number of shareholders and shareholding of the company

Unit: share								
Ordinary at the end of the reporting period		Annual report disclosure date		Voting rights at the end of the reporting period		Annual report disclosure date		
Total number of shareholders	the previous month	Ordinary 291,332 before the end of	preferred shares	The total number of restored	0	Before last month's vote		0
		Total number of shareholders		of 286,184 (if any) (see		Right to restore preferred stock		
				See Note 8)		Total number of shareholders (if any)		
						(See Note 8)		
Shareholdings of shareholders holding more than 5% of the shares or the top 10 shareholders								
Shareholder name	or decreased, and the selling conditions changed.	of the shareholders who held limited	quantity	During the reporting period, the shareholding ratio	hold no sale	Staking, tokenizing or freezing		
						number of shares	Number of shares status	
Handan Iron and Steel Group Co., Ltd.	State-owned legal person	39.73%	4,218,763,010			4,218,763,010		
Responsible company								
Tangshan Iron and Steel Group Co., Ltd.	State-owned legal person	17.45%	1,853,409,753			1,853,409,753		
Responsible company								
Chengde Iron and Steel Group Co., Ltd.	State-owned legal person	4.07%	432,063,701			432,063,701		
company								
Hong Kong Securities Clearing Company Limited	Foreign legal person	2.81%	298,602,775			298,602,775		

company								
China Securities Finance Corporation limited company	Domestic non-state-owned legal person	2.17%	230,034,501			230,034,501		
Hebei Iron and Steel Group Mining limited company	State-owned legal person	0.87%	91,970,260			91,970,260		
Liao Qiang	Domestic natural person	0.65%	68,962,868			68,962,868		
Agricultural Bank of China shares Co., Ltd. - CSI 500 Trading Open Index Securities Investment Fund	Domestic non-state-owned legal person	0.22%	23,240,100			23,240,100		
Guan Wenhai	Domestic natural person	0.18%	19,300,000			19,300,000		
Guo Xiaquan	Domestic natural person	0.17%	17,762,900			17,762,900		
Strategic investors or general legal persons due to placement of new shares Becoming a top 10 shareholder (if any) (see See Note 3)		none						
The statement that the above-mentioned shareholders are affiliated or acting in concert Bright		Handan Iron and Steel Group Co., Ltd., Tangshan Iron and Steel Group Co., Ltd., Chengde Iron and Steel Group Co., Ltd. and Hebei Steel There is an associated relationship between Iron Group Mining Co., Ltd., Hebei Iron and Steel Group Mining Co., Ltd. is a Tangshan Iron and Steel Group Co., Ltd. A wholly-owned subsidiary of the company. Handan Iron and Steel Group Co., Ltd., Tangshan Iron and Steel Group Co., Ltd. and Chengde Iron and Steel The Group Co., Ltd. is also controlled by Hegang Group Co., Ltd.						
The above shareholders are involved in entrusted/entrusted voting rights, Explanation of Abstention from Voting		none						
There is a special repurchase account among the top 10 shareholders Description, if any (see Note 10)		HBIS Co., Ltd. holds 281,486,760 shares in a special securities account for repurchase, with a shareholding ratio of 2.65%						
Shareholdings of the top 10 shareholders not subject to selling restrictions								
Shareholder name	Number of unrestricted shares held at the end of the reporting period	Type of shares						
		Type of shares	quantity					
Handan Iron and Steel Group Co., Ltd.	4,218,763,010	RMB ordinary shares	4,218,763,010					
Tangshan Iron and Steel Group Co., Ltd.	1,853,409,753	RMB ordinary shares	1,853,409,753					
Chengde Iron and Steel Group Co., Ltd.	432,063,701	RMB ordinary shares	432,063,701					
Hong Kong Securities Clearing Company Limited	298,602,775	RMB ordinary shares	298,602,775					
China Securities Finance Corporation Limited	230,034,501	RMB ordinary shares	230,034,501					
Hebei Iron and Steel Group Mining Co., Ltd.	91,970,260	RMB ordinary shares	91,970,260					
Liao Qiang	68,962,868	RMB ordinary shares	68,962,868					
Agricultural Bank of China Limited - CSI 500 ETF	23,240,100	RMB ordinary shares	23,240,100					
Guan Wenhai	19,300,000	RMB ordinary shares	19,300,000					
Guo Xiaquan	17,762,900	RMB ordinary shares	17,762,900					

Among the top 10 shareholders of unrestricted tradable shares, there are Handan Iron and Steel Group Co., Ltd., Tangshan Iron and Steel Group Co., Ltd., Chengde Iron and Steel Group Co., Ltd. and Hebei Iron and Steel Group Co., Ltd.	
There is an associated relationship between the top 10 shareholders of unrestricted tradable shares and the top 10 Iron Group Mining Co., Ltd. Hebei Iron and Steel Group Mining Co., Ltd. is a Tangshan Iron and Steel Group Co., Ltd.	
affiliated relationship or concerted action among shareholders	A wholly-owned subsidiary of the company. Handan Iron and Steel Group Co., Ltd., Tangshan Iron and Steel Group Co., Ltd. and Chengde Iron and Steel
illustrate	The Group Co., Ltd. is also controlled by Hegang Group Co., Ltd.
The top 10 ordinary shareholders participated in the margin financing and securities lending industry.	
Statement of service situation (if any) (see Note 4)	

Whether the top 10 shareholders of ordinary shares and the top 10 shareholders of ordinary shares not subject to selling restrictions of the company conducted agreed repurchase transactions during the reporting period

ÿ Yes ÿ No

The company's top 10 shareholders of ordinary shares and the top 10 shareholders of unrestricted ordinary shares did not conduct agreed repurchase transactions during the reporting period.

2. The company's controlling shareholder

Nature of controlling shareholder: local state-owned holding

Type of controlling shareholder: legal person

Controlling shareholder name	Legal representative/unit responsible <small>responsible person</small>	Date of establishment	Organization Code	Main business
Deng Jianjun, Handan Iron and Steel Group Co., Ltd.		December 28, 1995 91130400105566107P	Ferrous Metal Smelting	
During the reporting period, the controlling shareholder controlled and participated in the				
No shares of other domestic and overseas listed companies				
Equity situation				

Change of controlling shareholder during the reporting period

ÿ Applicable ÿ Not applicable

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

3. The actual controller of the company and its persons acting in concert

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

Type of actual controller: legal person

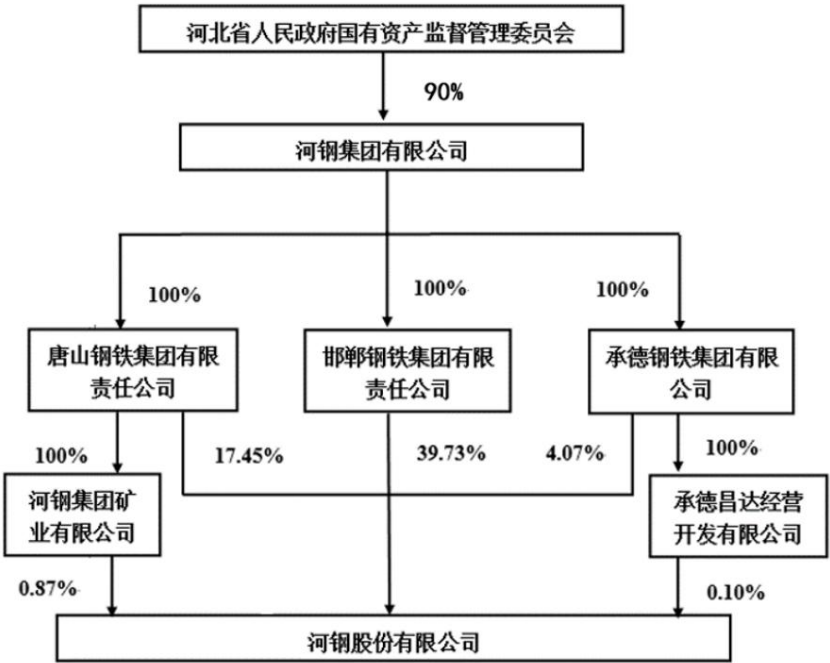
Actual controller name	Legal representative/unit <small>principal</small>	Date of establishment	Organization Code	Main business
State-owned Assets Supervision of Hebei Provincial People's Government Management Committee	Wang Puqing		00021799-8	Not applicable
Shareholdings of other domestic and overseas listed companies	controlled by			
the actual controller during the reporting period				

Change of actual controller during the reporting period

ÿ Applicable ÿ Not applicable

The actual controller of the company did not change during the reporting period.

Block diagram of the property rights and control relationship between the company and the actual controller



The actual controller controls the company through trust or other asset management methods

☐ Applicable ☐ Not applicable

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

☐ Applicable ☐ Not applicable

5. Other legal person shareholders holding more than 10% of the shares

☐ Applicable ☐ Not applicable

Legal person shareholder name	Date of establishment of	legal representative	The registered capital is mainly engaged in business or management activities
Tangshan Iron and Steel Group Co., Ltd. Xie Haishen	December 28, 1995 5,530,731,200 yuan for steel smelting; steel rolling		

6. Controlling shareholders, actual controllers, reorganizing parties and other undertaking entities with restricted shareholding reductions

☐ Applicable ☐ Not applicable

IV. The specific implementation of share repurchase during the reporting period

Implementation progress of share repurchase

☐ Applicable ☐ Not applicable

Implementation progress of reducing share repurchased by centralized bidding

☐ Applicable ☐ Not applicable

Section VIII Preference Shares

☐ Applicable ☐ Not applicable

During the reporting period, the Company had no preferred shares.

Section IX Bonds Related Information

☐ Applicable ☐ Not applicable

1. Corporate bonds

☐ Applicable ☐ Not applicable

1. Basic information of corporate bonds

unit: yuan

Bond Name	Bond Abbreviation	Bond Code	Issuance Date	Value Date	Maturity Date	Bond Balance	Interest Rate		debt payer Mode	Trading places
2018 river Steel Co., Ltd. Green Bonds coupon	18 Hegang G1 111071	Corporate	2018 03 26th		2018 03 26th	March 2023 26th	700,000,000	5.42% .00	The interest payment is collected in Shenzhen Stock Exchange every year, and the principal is repaid in the bidding system at the maturity period. The interest trading platform for the second phase of the final comprehensive agreement will be listed and traded with the exchange of the principal.	pay together pay. transfer.
Investor suitability arrangements (if any)			none							
Whether there is a risk of terminating the listing transaction (such as Yes) and countermeasures			none							

overdue bonds

☐ Applicable ☐ Not applicable

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

☐ Applicable ☐ Not applicable

3. The situation of intermediaries

Bond project name	Intermediary name	Office Address	Signature	Accountant Name	Intermediary Contact Phone Number
In 2018, Hegang Co., Ltd. has Limited Green Bond	CITIC Securities Co., Ltd. company	Liangma, Chaoyang District, Beijing 48 Yangqiao Road CITIC Securities building		Yao Gengchun, Wang Fengqi, No. Kou Zhibo Hailong	010-60837524

Whether the above institutions have changed during the reporting period

☐ Yes ☐ No

4. Use of raised funds

unit: yuan

Bond Project Name	Total Amount of Funds Raised	Amount Used	Amount Unused	The special account of raised funds raised funds illegally operation of the account (such as Have)	Corrections used (if any)	Is it related to the solicitation statement? the purpose of the promise, Usage plan and others agreement
HBIS in 2018 Limited Green Bond coupon	700,000,000.00	700,000,000.00	0.00	norm	none	Yes

Raised funds for construction projects

̣ Applicable ̣ Not applicable

The total amount of funds raised from this issue of bonds is 700 million yuan, of which: 350 million yuan is used for energy-saving and environmental protection technology transformation projects, mainly for 50,000 tons of vanadium slag sub-molten salt method to efficiently extract vanadium and clean

The remaining 350 million yuan will be used to supplement working capital for production demonstration projects and dust and dust removal projects. As of the end of the reporting period, the fundraising projects have progressed well and have entered the operation period.

The situation is good and the operating efficiency is stable.

During the reporting period, the company changed the use of the funds raised from the above bonds

̣ Applicable ̣ Not applicable

5. Adjustment of credit rating results during the reporting period

̣ Applicable ̣ Not applicable

6. The implementation and changes of guarantees, debt repayment plans and other debt repayment guarantee measures during the reporting period and the impact on the rights and interests of bond

investors

̣ Applicable ̣ Not applicable

2. Corporate bonds

̣ Applicable ̣ Not applicable

1. Basic information of corporate bonds

unit: yuan

Bond Name	Bond Abb	Code	Issuance Date	Value Date	Maturity Date	Balance	Interest Rate	debt payer Mode	Trading places
Hegang Co., Ltd. 2019 for qualified investors Investors publicly issue corporate bonds Coupon (first issue)	19 Hegang 01	112999	November 25th 2019	November 26th 2019	November 26th 2024	1,500,000,000	4.03% 00.00	Interest is paid every year, one Shenzhen securities settlement, and one exchange when it expires. repayment.	
Hegang Co., Ltd. 2019 for qualified investors	19 Hegang 02	149011	December 11th 2019	December 12th 2019	December 12th 2024	1,500,000,000	4.11% 00.00	Ltd. pays interest every year time, due one	Shenzhen Securities Co., Easy

Investors publicly issue corporate bonds								repayment.	
Coupon (Second Phase)									
Hegang Co., Ltd.									
2020 For Qualified Investments	20HBIS01 149099		2020 04	2020 04	2025 04	1,500,000,0	3.38% 00.00	Interest is paid every year, one Shenzhen securities settlement, and one exchange when it expires.	
public issuance of corporate bonds			17th	20th	20th			repayment.	
(The first phase)									
Hegang Co., Ltd.									
2020 For Qualified Investments	20HBIS02 149181		2020 07	2020 07	2025 07	1,500,000,0	4.20% 00.00	Interest is paid every year, one Shenzhen securities settlement, and one exchange when it expires.	
public issuance of corporate bonds			29th	March 30	March 30			repayment.	
(the second term)									
Investor suitability arrangements (if any)			none						
Whether there is a risk (if any) of terminating the listing transaction and should there be no to measure									

overdue bonds

☐ Applicable ☐ Not applicable

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

☐ Applicable ☐ Not applicable

3. The situation of intermediaries

Bond project name	Intermediary name	office address	Signing Accountant Name	Intermediary Contact Phone	Number
19 Hegang 01	China Securities Co., Ltd. limited company	No. 66 Anli Road, Chaoyang District, Beijing Building No.	Qi Zhenghua, Li Jinqing, Meng Xiaoguang	Liu Chongqing	010-85130424
19 Hegang 02	China Development Bank Securities Co., Ltd. company	Fuchengmen Street, Xicheng District, Beijing 29th Floor 1-9	Qi Zhenghua, Li Jinqing, Meng Xiaoguang	Peng Xiaofei	010-88300574
20HBIS01	Huatai United Securities Co., Ltd. Responsible company	28 Fengli Hutong, Xicheng District, Beijing Meng Xiaoguang, 3rd Floor, Block A, Pacific Insurance Building	Qi Zhenghua, Li Jinqing, Meng Xiaoguang	Wang Xinliang	010-56839358
20HBIS02	Everbright Securities Co., Ltd. company	Fuxingmenwai University, Xicheng District, Beijing 15th Floor, Everbright Building, 6th Street	Qi Zhenghua, Li Jinqing, Meng Xiaoguang	Lu Hao	010-58377827

Whether the above institutions have changed during the reporting period

☐ Yes ☐ No

4. Use of raised funds

unit: yuan

Bond Project Name	Total Amount of Funds Raised	Amount Used	Amount Unused	Special account for raised funds operation of the account (such as Have)	Raising funds illegally Corrections used (if any)	Is it related to the solicitation statement? the purpose of the promise, Usage plan and others agreement
19 Hegang 01	1,500,000,000.00	1,500,000,000.00	0.00	norm	none	Yes
19 Hegang 02	1,500,000,000.00	1,500,000,000.00	0.00	norm	none	Yes
20HBIS01	1,500,000,000.00	1,500,000,000.00	0.00	norm	none	Yes
20HBIS02	1,500,000,000.00	1,500,000,000.00	0.00	norm	none	Yes

Raised funds for construction projects

☑ Applicable ☐ Not applicable

During the reporting period, the company changed the use of the funds raised from the above bonds

☑ Applicable ☐ Not applicable

5. Adjustment of credit rating results during the reporting period

☑ Applicable ☐ Not applicable

6. The implementation and changes of the guarantee, debt repayment plan and other debt repayment guarantee measures during the reporting period and the impact on the rights and interests of bond investors

ring

☑ Applicable ☐ Not applicable

3. Debt financing instruments of non-financial enterprises

☑ Applicable ☐ Not applicable

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

4. Convertible corporate bonds

☑ Applicable ☐ Not applicable

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

V. The loss in the scope of consolidated statements during the reporting period exceeded 10% of the net assets at the end of the previous year

☑ Applicable ☐ Not applicable

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

☐ Applicable ☐ Not applicable

7. Whether there is any violation of rules and regulations during the reporting period

☐ Yes ☐ No

VIII. Major accounting data and financial indicators of the company in the past two years as of the end of the reporting period

Unit: ten thousand yuan

project	end of the reporting period	end of last year	The end of the reporting period increased or decreased compared with the end of the previous year
current ratio	0.5	0.46	8.70%
Assets and liabilities	74.98%	74.95%	0.03%
quick ratio	0.36	0.32	12.50%
	this reporting period	last year	The increase or decrease in the reporting period compared with the same period of the previous year
Deductions attributable to shareholders of listed companies			
Net profit of non-recurring gains and losses (RMB)	218,267.44	161,871.14	34.84%
EBITDA Total Debt Ratio	9.50%	7.56%	1.94%
Interest coverage ratio	1.56	1.2	30.00%
Cash interest coverage ratio	3.52	2.9	21.38%
EBITDA Interest Coverage Multiple	2.84	2.42	17.36%
loan repayment rate	100.00%	100.00%	
Interest Coverage Ratio	100.00%	100.00%	

Section X Financial Report

1. Audit report

Type of audit opinion	standard unqualified opinion
Audit report signing date	April 20, 2022
Auditor's name	Zhongxing Cai Guanghua Certified Public Accountants (Special General Partnership)
Audit report number	Zhongxing Cai Guang Hua Shen Hui Zi (2022) No. 105006
CPA name	Qi Zhenghua Meng Xiaoguang
Audit report body	
<p>I. Audit opinion</p> <p>We audited the financial statements of Hegang Co., Ltd. (hereinafter referred to as Hegang), including the consolidated and company balance sheet as of December 31, 2021, Consolidated and Company Income Statement, Consolidated and Company Cash Flow Statement, Consolidated and Company Statement of Changes in Shareholders' Equity and Notes to Financial Statements for 2021.</p> <p>We believe that the attached financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises in all material respects, and fairly reflect the HBIS 31 December 2021 Consolidated and Company Financials and Consolidated and Company Operating Results and Cash Flows in 2021.</p> <p>2. Forming the basis for the audit opinion</p> <p>We performed the audit work in accordance with the Chinese Certified Public Accountants Auditing Standards. The "CPA's Responsibility for the Audit of Financial Statements" section of the auditor's report further Steps describe our responsibilities under these guidelines. In accordance with the Code of Professional Ethics for Chinese Certified Public Accountants, we are independent from HBIS and have fulfilled our professional ethics other responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.</p> <p>3. Key audit matters</p> <p>The key audit matters are the matters that, based on our professional judgment, are considered to be of most significance in the audit of the financial statements of the current period. The response of these matters to the financial statements as a whole</p> <p>We do not express a separate opinion on these matters against the background of conducting our audit and forming our audit opinion. We have identified the following matters as the key audit matters that need to be communicated in the audit report accounting matters.</p> <p>(1) Recognition of income from steel and billet</p> <p>1. Item description</p> <p>For relevant information disclosure, please refer to Notes III.22 and V.41 to the financial statements. In 2021, HBIS realized an operating income of RMB 149,626,213,800, of which the income from steel and billets was RMB 127,401,784,100, accounting for 85.15% of the total revenue. The sales of steel and steel billets are divided into domestic sales and export sales. The sales of steel and steel billets to related parties in the current period accounted for 46.36% of the total steel and steel billet income, Since revenue is one of the key performance indicators of HBIS, there is an inherent risk of management manipulating the timing of revenue recognition in order to achieve specific goals or expectations. We identified the recognition of HBIS steel and billet revenue as a key audit matter.</p> <p>2. Audit response</p> <p>Our principal audit procedures with respect to the key audit matters of revenue are as follows:</p> <p>(1) Understand and evaluate the design and operational effectiveness of management's key internal controls related to revenue recognition;</p> <p>(2) By examining the revenue contract, identifying the individual performance obligations and transfer of control and other relevant clauses in the contract, and evaluating whether the timing of revenue recognition of HBIS</p> <p>Comply with the requirements of the Accounting Standards for Business Enterprises;</p> <p>(3) For the confirmation of sales revenue of related parties, we checked the relevant agreements, outbound documents, sales invoices, customs declaration forms, etc.</p> <p>To verify whether the related party transaction actually occurred; to obtain the external sales of related parties, and to check whether related parties sold externally;</p> <p>Compare the sales price of similar products or the market price of similar products to judge whether the transaction price is fair;</p>	

fairness;

(4) Sampling inspection of important business documents to determine whether Hegang Co., Ltd. has confirmed, recorded and reported steel and steel products truthfully, accurately and completely in accordance with the revenue recognition policy

the operating income of the billet business;

(5) Sampling and testing important accounting records of operating income before and after the balance sheet date to evaluate whether the income is recorded in the appropriate accounting period.

4. Other information

The management of HBIS (hereinafter referred to as the management) is responsible for other information. Other information includes information covered in Hegang's 2021 Annual Report, but does not include

including financial statements and our audit report.

Our audit opinion on the financial statements does not cover the other information, nor do we express any form of assurance conclusion on the other information.

In connection with our audit of the financial statements, it is our responsibility to read the other information and, in doing so, consider whether the other information is relevant to the financial statements or our audit

material inconsistencies or appear to be material misstatements of what was learned during the accounting process.

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

A report is required.

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

The management is responsible for preparing the financial statements in accordance with the provisions of the Accounting Standards for Business Enterprises to achieve a fair reflection, and designing, implementing and maintaining the necessary internal controls to

Make the financial statements free from material misstatement due to fraud or error.

When preparing the financial statements, the management is responsible for assessing the going concern ability of Hegang, disclosing matters related to going concern (if applicable), and using the holding

Continued operation assumptions unless management plans to liquidate HBIS, terminate operations or have no other realistic option.

Those charged with governance are responsible for overseeing the financial reporting process of HBIS.

6. The CPA's Responsibilities for the Audit of Financial Statements

Our objective is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement due to fraud or error, and to issue an audit that includes an audit opinion.

accounting report. Reasonable assurance is a high level of assurance, but there is no assurance that an audit performed in accordance with Auditing Standards will always detect a material misstatement when it exists. Misstatements may be caused by

A misstatement is generally considered to be the result of fraud or error, if it is reasonably expected that the misstatement, individually or in aggregate, could affect economic decisions made by users of the financial statements based on the financial statements.

For misstatement is material.

We exercise professional judgment and maintain professional scepticism in conducting our audit in accordance with Auditing Standards. At the same time, we also perform the following tasks:

(1) Identify and assess the risks of material misstatement of the financial statements due to fraud or error, design and implement audit procedures to address these risks, and obtain audit evidence that is sufficient and appropriate to provide a basis

for an audit opinion. As fraud may involve collusion, forgery, willful omission, misrepresentation or overriding of internal controls,

The risk of failure to detect material misstatement due to fraud is higher than the risk of failure to detect material misstatement due to error.

(2) Understand the internal control related to audit to design appropriate audit procedures.

(3) Evaluate the appropriateness of the management's selection of accounting policies and the rationality of accounting estimates and related disclosures.

(4) Draw conclusions about the appropriateness of management's use of the going concern assumption. At the same time, based on the audit evidence obtained, draw conclusions as to whether there are significant uncertainties in matters or

situations that may give rise to significant doubts about the ability of HBIS to continue as a going concern. If we conclude that a material uncertainty exists, auditing standards require

We are requested to draw the attention of users of the statements to the relevant disclosures in the financial statements in the audit report; if the disclosures are insufficient, we should issue a non-unqualified opinion. our

Conclusions are based on information available as of the audit report date. However, future events or circumstances may result in HBIS being unable to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, and evaluate whether the financial statements fairly reflect the relevant transactions and events.

(6) Obtain sufficient and appropriate audit evidence on the financial information of entities or business activities in HBIS to express an audit opinion on the financial statements. we are responsible

Directs, supervises and performs the group audit and accepts full responsibility for the audit opinion.

We communicate with those charged with governance on matters such as the planned scope, timing and significant audit findings of the audit, including communicating the values we have identified in our audit

Internal control deficiencies of concern.

We also provide statements to those charged with governance regarding compliance with ethical requirements related to independence and communicate with those charged with governance that may reasonably be believed to affect our independence

All relationship and other matters, and related precautions, if applicable.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. our audit report describe these matters in the auditor's report unless laws and regulations prohibit public disclosure of such matters, or in rare circumstances, if the communication of a matter in the auditor's report would reasonably be expected to cause the negative consequences outweigh the benefits in the public interest, we determined that the matter should not be communicated in the audit report

2. Financial Statements

The unit of the statement in the financial notes is: Yuan

1. Consolidated balance sheet

Prepared by: Hegang Co., Ltd.

unit: yuan

project	December 31, 2021	December 31, 2020
Current Assets:		
Money funds	35,016,461,423.12	28,419,897,297.11
Tradable financial assets		
Derivative financial assets		
bill receivable	8,520,075,695.29	6,335,991,622.71
accounts receivable	1,852,577,790.09	1,693,910,543.46
Receivables Financing	4,182,554,580.33	6,689,049,437.85
Prepayments	1,158,241,772.05	2,196,147,064.82
Other receivables	1,145,793,144.81	1,108,438,598.22
Of which: Interest receivable		
Dividends receivable	227,570,000.00	540,550,409.30
Repurchase of resale financial assets		
stock	19,384,487,280.99	20,582,837,909.69
contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	1,692,999,381.44	2,021,704,737.24
Total current assets	72,953,191,068.12	69,047,977,211.10
Non-current assets:		
Debt investment		
Other debt investments		
Long-term receivables		
long-term equity investment	5,303,895,771.37	5,091,380,653.14

Investment in other equity instruments	328,438,243.15	328,438,243.15
Other non-current financial assets		
investment real estate		
fixed assets	133,650,011,960.28	148,507,538,030.83
Construction in progress	21,212,527,252.42	13,953,232,969.09
productive biological assets		
Oil and gas assets		
right-of-use asset	3,995,029,332.65	
intangible assets	2,124,518,165.73	1,124,103,249.16
Development expenditure		
goodwill	87,924.78	87,924.78
Long-term prepaid expenses		
Deferred tax assets	362,132,083.67	310,489,774.93
Other non-current assets	3,489,601,706.44	2,866,620,110.52
Total non-current assets	170,466,242,440.49	172,181,890,955.60
total assets	243,419,433,508.61	241,229,868,166.70
Current liabilities:		
short-term loan	67,592,324,073.26	61,817,984,446.34
Held-for-trading financial liabilities		
Derivative financial liabilities		
bills payable	27,246,951,126.68	29,253,232,690.51
accounts payable	20,383,799,245.74	25,192,743,811.84
advance payment		
contract liabilities	8,128,519,928.47	5,120,648,756.59
Payroll payable	521,974,438.92	455,644,328.24
Taxes payable	829,974,941.96	281,059,838.29
Other payables	10,031,418,281.40	16,597,762,304.74
Of which: Interest payable		
dividends payable	25,343,582.94	23,255,582.94
held-for-sale liabilities		
Non-current liabilities due within one year	11,051,609,170.83	10,678,057,028.17
Other current liabilities	1,121,449,039.67	724,175,573.13
Total current liabilities	146,908,020,246.93	150,121,308,777.85
Non-current liabilities:		

Insurance contract reserve		
Long term loan	17,502,351,712.50	19,487,573,125.00
Bonds payable	6,794,583,366.02	6,793,213,290.38
Of which: preferred stock		
perpetual bond		
lease liability	3,750,961,645.06	
Long-term payables	5,849,099,055.25	2,697,556,008.19
Long-term employee compensation payable		
Estimated liabilities	1,083,080,000.00	1,083,080,000.00
Deferred income	639,567,155.28	618,893,369.04
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	35,619,642,934.11	30,680,315,792.61
Total Liabilities	182,527,663,181.04	180,801,624,570.46
Owners' equity:		
share capital	10,618,607,852.00	10,618,607,852.00
Other equity instruments		8,242,859,129.98
Of which: preferred stock		
perpetual bond		8,242,859,129.98
capital reserve	23,224,004,533.52	23,213,616,449.18
Less: treasury stocks	841,813,527.83	841,813,527.83
Other comprehensive income	-275,468,621.66	-209,749,844.87
Special reserves	213,379,274.35	196,029,929.21
surplus reserve	2,778,424,125.45	2,655,796,668.80
general risk preparation		
undistributed profit	15,319,164,214.59	13,982,607,690.71
Total owner's equity attributable to the parent company	51,036,297,850.42	57,857,954,347.18
Minority interests	9,855,472,477.15	2,570,289,249.06
Total owner's equity	60,891,770,327.57	60,428,243,596.24
Total Liabilities and Owner's Equity	243,419,433,508.61	241,229,868,166.70

Legal representative: Wang Lanyu

Person in charge of accounting work: Chang Guangshen

Person in charge of accounting department: Wei Zhenmin

2. Parent company balance sheet

unit: yuan

project	December 31, 2021	December 31, 2020
Current Assets:		
Money funds	29,759,649,798.98	22,307,644,190.02
Tradable financial assets		
Derivative financial assets		
bill receivable	7,982,004,566.13	6,162,343,541.72
accounts receivable	7,292,610,497.32	9,518,720,941.74
Receivables Financing	2,789,232,689.33	6,380,756,401.36
Prepayments	4,897,343,302.16	2,261,587,967.86
Other receivables	8,863,927,492.64	1,378,187,980.20
Of which: Interest receivable		
Dividends receivable	246,362,000.00	525,650,421.90
stock	13,825,934,349.46	15,895,676,000.07
contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	625,179,260.55	643,019,486.15
Total current assets	76,035,881,956.57	64,547,936,509.12
Non-current assets:		
Debt investment		
Other debt investments		
Long-term receivables		
long-term equity investment	26,946,005,888.72	21,219,048,101.84
Investment in other equity instruments	328,438,243.15	328,438,243.15
Other non-current financial assets		
investment real estate		
fixed assets	66,279,595,193.51	87,460,989,961.30
Construction in progress	1,873,075,085.03	2,020,780,112.74
productive biological assets		
Oil and gas assets		

right-of-use asset	426,477,903.65	
intangible assets	26,977,669.35	28,067,211.50
Development expenditure		
goodwill		
Long-term prepaid expenses		
Deferred tax assets	259,640,018.61	208,742,578.16
Other non-current assets	1,300,257,021.78	1,272,541,819.47
Total non-current assets	97,440,467,023.80	112,538,608,028.16
total assets	173,476,348,980.37	177,086,544,537.28
Current liabilities:		
short-term loan	58,051,824,073.26	51,924,484,446.34
Held-for-trading financial liabilities		
Derivative financial liabilities		
bills payable	18,503,943,156.68	20,988,765,961.04
accounts payable	14,417,858,805.40	18,122,155,652.79
advance payment		
contract liabilities	5,959,370,442.17	4,219,056,825.83
Payroll payable	385,633,568.12	349,416,999.12
Taxes payable	701,118,014.61	154,231,105.52
Other payables	2,202,459,488.20	917,885,156.62
Of which: Interest payable		
dividends payable	23,255,582.94	23,255,582.94
held-for-sale liabilities		
Non-current liabilities due within one year	4,719,229,344.97	7,021,013,830.70
Other current liabilities	774,458,989.47	548,477,387.34
Total current liabilities	105,715,895,882.88	104,245,487,365.30
Non-current liabilities:		
Long term loan	12,871,950,000.00	11,629,970,000.00
Bonds payable	6,794,583,366.02	6,793,213,290.38
Of which: preferred stock		
perpetual bond		
lease liability	390,745,542.92	
Long-term payables	3,447,129,816.51	1,899,760,519.27
Long-term employee compensation payable		

Estimated liabilities		
Deferred income	442,422,114.04	449,998,314.51
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	23,946,830,839.49	20,772,942,124.16
Total Liabilities	129,662,726,722.37	125,018,429,489.46
Owners' equity:		
share capital	10,618,607,852.00	10,618,607,852.00
Other equity instruments		8,242,859,129.98
Of which: preferred stock		
perpetual bond		8,242,859,129.98
capital reserve	23,588,393,655.83	23,604,110,636.96
Less: treasury stocks	841,813,527.83	841,813,527.83
Other comprehensive income	-150,075,000.00	-150,075,000.00
Special reserves	161,435,970.70	154,691,217.81
surplus reserve	2,755,571,918.58	2,632,944,461.93
undistributed profit	7,681,501,388.72	7,806,790,276.97
Total owner's equity	43,813,622,258.00	52,068,115,047.82
Total Liabilities and Owner's Equity	173,476,348,980.37	177,086,544,537.28

3. Consolidated income statement

unit: yuan

project	2021	2020
I. Total operating income	149,626,213,823.78	107,657,058,670.48
Of which: operating income	149,626,213,823.78	107,657,058,670.48
2. Total operating cost	146,929,520,702.75	105,703,427,701.52
Of which: Operating costs	133,203,695,764.17	94,338,695,930.72
Taxes and surcharges	812,128,300.66	603,634,539.62
sales expense	88,792,991.02	282,799,913.66
Management fees	3,272,479,362.19	2,617,617,015.79
R&D expenses	3,700,740,784.42	2,820,729,671.94
Financial expenses	5,851,683,500.29	5,039,950,629.79
Of which: interest expense	5,476,680,482.09	4,339,241,832.50
interest income	627,803,877.25	417,008,944.50

Plus: other income	253,517,325.59	83,950,135.81
Investment income (losses are listed with "-")	529,416,170.10	436,757,179.32
Of which: Investment income from associates and joint ventures	523,880,859.46	395,261,651.71
Derecognized gains from financial assets measured at amortized cost		
Exchange gains (losses are listed with "-")		
Net exposure hedging gains (losses are listed with "-")		
Gains from changes in fair value (losses are listed with "-")		
Credit impairment losses (losses are listed with "-")	-218,392,156.37	-50,930,015.76
Asset impairment losses (losses are listed with "-")		
Asset disposal income (losses are listed with "-")	7,782,515.40	2,781,805.63
3. Operating profit (losses are listed with "-")	3,269,016,975.75	2,426,190,073.96
Plus: Non-operating income	428,227,927.79	3,542,167.83
Less: Non-operating expenses	29,255,509.09	13,900,216.34
4. Total profit (total loss is listed with "-")	3,667,989,394.45	2,415,832,025.45
Deduct: income tax expense	668,818,362.74	386,427,935.39
V. Net profit (net losses are listed with "-")	2,999,171,031.71	2,029,404,090.06
(1) Classification by business continuity		
1. Net profit from continuing operations (net losses are listed with "-")	2,999,171,031.71	2,029,404,090.06
2. Net profit from discontinued operations (net losses are listed with "-")		
(2) Classification by ownership		
1. Net profit attributable to shareholders of the parent company	2,688,119,978.62	1,697,854,409.52
2. Minority shareholder profit and loss	311,051,053.09	331,549,680.54
6. Other comprehensive income, net after tax	-65,718,776.79	17,101,674.52
Net of other comprehensive income attributable to owners of parent company	-65,718,776.79	17,101,674.52
(1) Other comprehensive income that cannot be reclassified into profit or loss		
1. Remeasurement of changes in defined benefit plans		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Changes in fair value of investments in other equity instruments		
4. Changes in the fair value of the company's own credit risk		
5. Others		
(2) Other comprehensive income reclassified to profit or loss	-65,718,776.79	17,101,674.52
1. Other comprehensive income that can be transferred to 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 hedge reserve		
6. Differences in translation of foreign currency financial statements	-65,718,776.79	17,101,674.52
7. Others		
Other comprehensive income, net of tax attributable to minority shareholders		
7. Total comprehensive income	2,933,452,254.92	2,046,505,764.58
Total comprehensive income attributable to owners of the parent	2,622,401,201.83	1,714,956,084.04
Total comprehensive income attributable to minority shareholders	311,051,053.09	331,549,680.54
8. Earnings per share:		
(1) Basic earnings per share	0.24	0.12
(2) Diluted earnings per share	0.24	0.12

In the case of business combination under the same control in the current period, the net profit realized by the merged party before the merger is: 0.00 yuan, and the net profit realized by the merged party in the previous period is: -7,481,805.15 Yuan.

Legal representative: Wang Lanyu

Person in charge of accounting work: Chang Guangshen

Person in charge of accounting department: Wei Zhenmin

4. Income statement of parent company

unit: yuan

project	2021	2020
I. Operating income	144,773,556,663.96	95,562,809,055.11
Less: operating costs	136,134,433,916.34	87,312,252,486.11
Taxes and surcharges	429,371,440.76	383,157,734.09
sales expense	75,782,252.52	218,234,331.80
Management fees	2,241,902,222.83	2,125,388,724.22
R&D expenses	1,547,362,437.88	1,344,852,953.98
Financial expenses	3,983,866,559.60	3,766,384,421.66
Of which: interest expense	3,925,629,111.35	3,427,263,750.06
interest income	508,070,686.80	308,942,129.75
Plus: other income	242,889,083.81	30,241,525.14
Investment income (losses are listed with "-")	606,140,476.54	362,289,282.27
Of which: Investment income from associates and joint ventures	579,735,784.69	326,184,923.33
Financial assets measured at amortized cost are derecognized as gains (losses Do not fill in the column with a "-")		
Net exposure hedging gains (losses are listed with "-")		

Gains from changes in fair value (losses are listed with "-")		
Credit impairment losses (losses are listed with "-")	-209,333,272.06	-71,318,652.08
Asset impairment losses (losses are listed with "-")		
Asset disposal income (losses are listed with "-")	8,002,061.50	2,801,694.17
2. Operating profit (losses are listed with "-")	1,008,536,183.82	736,552,252.75
Plus: Non-operating income	427,402,036.41	1,588,808.27
Less: Non-operating expenses	9,903,084.29	13,172,438.66
3. Total profit (total loss is listed with "-")	1,426,035,135.94	724,968,622.36
Deduct: income tax expense	199,760,569.45	38,124,932.01
4. Net profit (net losses are listed with "-")	1,226,274,566.49	686,843,690.35
(1) Net profit from continuing operations (net losses are listed with "-")	1,226,274,566.49	686,843,690.35
(2) Net profit from discontinued operations (net losses are listed with "-")		
V. Other comprehensive income, net after tax		
(1) Other comprehensive income that cannot be reclassified into profit or loss		
1. Remeasurement of changes in defined benefit plans		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Changes in fair value of investments in other equity instruments		
4. Changes in the fair value of the company's own credit risk		
5. Others		
(2) Other comprehensive income reclassified to profit or loss		
1. Other comprehensive income that can be transferred to 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 hedge reserve		
6. Differences in translation of foreign currency financial statements		
7. Others		
6. Total comprehensive income	1,226,274,566.49	686,843,690.35
7. Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		

5. Consolidated cash flow statement

unit: yuan

project	2021	2020
1. Cash flow from operating activities:		
Cash received from sales of goods and rendering of services	129,858,541,055.14	98,198,624,502.56
Tax Refund	90,424,080.11	265,371,382.53
Other cash received related to operating activities	928,398,327.16	560,626,808.00
Subtotal of cash inflows from operating activities	130,877,363,462.41	99,024,622,693.09
Cash for purchasing goods and accepting labor services	106,882,749,602.93	82,752,070,460.12
Cash paid to and for employees	5,093,125,775.21	4,662,934,027.54
taxes paid	3,051,093,978.27	2,217,553,789.11
Payment of other cash related to operating activities	1,148,585,439.77	1,706,783,003.73
Subtotal of cash outflows from operating activities	116,175,554,796.18	91,339,341,280.50
Net cash flow from operating activities	14,701,808,666.23	7,685,281,412.59
2. Cash flow from investing activities:		
Cash back on investment	204,692,775.40	
Cash received from investment income	712,520,409.30	341,925,797.26
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	14,616,413,487.94	115,632.10
Net cash received from disposal of subsidiaries and other business units		
Other cash received relating to investing activities	110,000,000.00	309,000,000.00
Subtotal of cash inflows from investing activities	15,643,626,672.64	651,041,429.36
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	9,799,608,984.67	11,227,792,341.70
Cash Investment	294,000,000.00	1,715,000,000.00
Net increase in mortgage loans		
Net cash paid to acquire subsidiaries and other business units		
Other cash paid relating to investing activities	150,000,000.00	364,000,000.00
Subtotal of cash outflows from investing activities	10,243,608,984.67	13,306,792,341.70
Net cash flows from investing activities	5,400,017,687.97	-12,655,750,912.34
3. Cash flow from financing activities:		
Absorbed cash received from investments	4,991,012,620.00	
Of which: Subsidiaries absorb cash received from minority shareholders' investments	4,991,012,620.00	
Get cash received from borrowing	103,973,383,513.26	88,922,413,632.50
Receive other cash related to fundraising activities	7,122,598,251.81	6,008,342,561.46
Subtotal of cash inflows from financing activities	116,086,994,385.07	94,930,756,193.96
cash paid for debt repayment	101,813,396,377.50	76,835,328,933.73
Cash paid to distribute dividends, profits, or repay interest	6,082,457,826.12	4,368,485,913.36

Of which: dividends and profits paid by subsidiaries to minority shareholders	6,850,643.94	4,709,263.16
Payment of other cash related to fundraising activities	17,981,823,370.04	6,347,278,759.59
Subtotal of cash outflows from financing activities	125,877,677,573.66	87,551,093,606.68
Net cash flow from financing activities	-9,790,683,188.59	7,379,662,587.28
4. The impact of exchange rate changes on cash and cash equivalents	-54,820,519.01	-4,593,053.41
V. Net increase in cash and cash equivalents	10,256,322,646.60	2,404,600,034.12
Add: Beginning balance of cash and cash equivalents	13,884,203,623.71	11,479,603,589.59
VI. Balance of cash and cash equivalents at the end of the period	24,140,526,270.31	13,884,203,623.71

6. Parent company cash flow statement

unit: yuan

project	2021	2020
1. Cash flow from operating activities:		
Cash received from sales of goods and rendering of services	114,917,962,443.31	89,837,908,270.19
Tax Refund	90,424,080.11	256,590,429.57
Other cash received related to operating activities	730,966,051.68	349,792,193.22
Subtotal of cash inflows from operating activities	115,739,352,575.10	90,444,290,892.98
Cash for purchasing goods and accepting labor services	101,004,713,510.82	77,476,177,555.40
Cash paid to and for employees	3,061,702,347.65	3,569,198,966.39
taxes paid	1,758,659,199.63	1,221,144,646.23
Payment of other cash related to operating activities	623,483,012.94	1,129,924,098.20
Subtotal of cash outflows from operating activities	106,448,558,071.04	83,396,445,266.22
Net cash flow from operating activities	9,290,794,504.06	7,047,845,626.76
2. Cash flow from investing activities:		
Cash back on investment	204,692,775.40	
Cash received from investment income	717,283,053.26	346,827,275.25
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	14,616,413,487.94	113,044.90
Net cash received from disposal of subsidiaries and other business units		
Other cash received relating to investing activities	114,959,337.57	26,051,556,365.69
Subtotal of cash inflows from investing activities	15,653,348,654.17	26,398,496,685.84
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	658,763,278.92	6,236,005,694.45
Cash Investment	5,691,800,000.00	2,715,799,400.00
Net cash paid to acquire subsidiaries and other business units		
Other cash paid relating to investing activities	6,539,945,754.61	25,721,656,918.76

Subtotal of cash outflows from investing activities	12,890,509,033.53	34,673,462,013.21
Net cash flows from investing activities	2,762,839,620.64	-8,274,965,327.37
3. Cash flow from financing activities:		
Absorbed cash received from investments		
Get cash received from borrowing	84,850,883,513.26	74,519,825,870.00
Receive other cash related to fundraising activities	10,334,360,009.74	2,282,000,000.00
Subtotal of cash inflows from financing activities	95,185,243,523.00	76,801,825,870.00
cash paid for debt repayment	82,905,829,440.01	63,642,635,796.23
Cash paid to distribute dividends, profits, or repay interest	6,073,955,264.61	3,467,694,492.23
Payment of other cash related to fundraising activities	9,136,149,800.75	6,114,377,807.52
Subtotal of cash outflows from financing activities	98,115,934,505.37	73,224,708,095.98
Net cash flow from financing activities	-2,930,690,982.37	3,577,117,774.02
4. The impact of exchange rate changes on cash and cash equivalents	-447,105.39	-1,356,695.86
V. Net increase in cash and cash equivalents	9,122,496,036.94	2,348,641,377.55
Add: Beginning balance of cash and cash equivalents	12,005,833,596.01	9,657,192,218.46
VI. Balance of cash and cash equivalents at the end of the period	21,128,329,632.95	12,005,833,596.01

7. Consolidated Statement of Changes in Owner's Equity

Current Amount

unit: yuan

project	2021														
	Equity attributable to equity holders													few shareholder rights and interests	all rights Yihe count
	share capital	Other equity instruments			capital Accumulation	minus: library Deposit shares	other comprehensive income	Special reserve	surplus Accumulation	generally risk Prepare	undivided Pai Li Run	other	subtotals		
		Priority Sustainability share	debt	other											
I. Balance at the end of the previous year	10,61		8,242		23,213	841,81	-209,7	196,02	2,655,		13,982		57,857	2,570,	60,428
Forecast	8,607		,859,		,616,4	3,527.	49,844	9,929.	796,66		,607,6		,954,3	289,24	,243,5
	,852.		129.9		49.18	83	.87		8.80		90.71		47.18	9.06	96.24
	00		8												
Plus: Accounting															
policy change															
Early stage															
error correction															
same															
Enterprises under control															
and															

other															
2. Balance at the beginning of the year	10,61		8,242		23,213.84	1,81	-209,719	6,02	2,655,		13,982		57,857	2,570,60	428
Forecast	,852.		,859,		,616,4	3,527.49	,844	9,929.	796,66		,607,6		,954,3	289,24	,243,5
	00		129.9		49.18	83	.87		8.80		90.71		47.18	9.06	96.24
3. Changes in this period			-8,24		10,388		-65,71	17,349	122,62		1,336,		-6,821,	7,285,46	3,52
Amount (reduced by			2,859		,084.3		8,776.	,345.1	7,456.		556,52		656,49	183,22	6,731.
Fill in with "-")			,129.		4		79	4	65		3.88		6.76	8.09	33
(1) Comprehensive income			195,2				-65,71				2,492,		2,622,31	1,05	2,933,
lump sum			23,88				8,776.				896,08		401,20	1,053.45	2,25
			8.89				79				9.73		1.83	09	4.92
(2) Owner's vote			-7,98		10,388								-7,973,	6,969, -1,004,	
Income and Reducing Capital			4,283		,084.3								894,93	607,55	287,38
			,018.		4								4.53	4.53	0.00
			87												
1. owner input			-8,00										-8,000,	6,995, -1,004,	
of common stock			0,000										000,00	7,262	287,38
			,000.										0.00	0.00	0.00
			00												
2. Other equity workers															
Owner's input															
capital															
3. share-based payment															
into owner's equity															
amount of															
4. other			15,71		10,388								26,105	-26,10	
			6,981		,084.3								,065.4	5,065.	
			.13		4								7	47	
(3) Profit distribution			-453,						122,62		-1,156,		-1,487, -1	494, -6,663, 512,10	
			800,0						7,456.		339,56		9.20	175,98	873.61
			00.00						65		5.85				2.81
1. Withdrawal of surplus									122,62		-122,6				
product									7,456.		27,456				
									65		.65				
2. extract general wind															
risk preparation															
3. to the owner (or			-453,								-1,033,		-1,487, -1	494, -6,663, 512,10	
shareholders) distribution			800,0								712,10		9.20	175,98	
			00.00								9.20		9.20	873.61	2.81

4. other															
(4) Ownership															
Profits carried forward internally															
1. capital reserve transfer															
Increase capital (or shares Book)															
2. surplus reserve transfer															
Increase capital (or shares Book)															
3. surplus reserve															
make up losses															
4. defined benefit plan															
Transfer amount carry forward retained earnings															
5. Other comprehensive income															
Profit carried forward and retained income															
unrealized															
6. other															
(5) Special Reserve								17,349					17,349	11,188.28	537
								,345.1					,345.1	,494.0	,839.2
								4					4	8	2
1. Extraction in this issue								155,58					155,58.25	127,180.71	
								9,631.					9,631.	,089.7	6,721.
								83					83	4	57
2. Use in this issue								-138,2					-138,2	-13,93	-152,1
								40,286					40,286	8,595.78	882
								.69					.69	66	.35
(6) Others															
4. The balance at the end of the current period was 8,607	10,61					23,224.84	1,81	-275,421	3,37	2,778,		15,319	51,036	9,855,60	891
Footnote						,004.5	3,527.68	621	9,274,424	,12		,164,2	,297,847	2,47	,770,3
	,852.					33.52	83	.66	35	5.45		14.59	50.42	7.15	27.57
	00														

Amount of the previous period

unit: yuan

project	2020 Annual													
	Equity attributable to equity holders											Minority Equity	Owner's Equity Hedong Equity count	
	Equity	Other equity instruments			Capital Less: Accumulation	Treasury Deposit shares	other comprehensive income	Special reserve	surplus Accumulation	generally risk Prepare	undivided Pai Li Run			other subtotals
		Priority share	Perpetual debt	Others										

1. The end of the previous year balance	10,61 8,607 ,852. 00		8,24 2,85 9,12 9.98		24,205.84 ,814,9 24.86	1,81 3,527.5 83	-226,8 ,519 .39	185,10 3,960.1 04	2,587, 2,29 9.77		12,807 ,237,6 50.22		57,578 ,070,708 69.65	2,240,5 332.579,101 01	59,818, ,101 .66
Plus: Accounting Policy change															
Early stage error correction															
same Enterprises under control and															
other															
2. The beginning of this year balance	10,61 8,607 ,852. 00		8,24 2,85 9,12 9.98		24,205.84 ,814,9 24.86	1,81 3,527.5 83	-226,8 ,519 .39	185,10 3,960.1 04	2,587, 2,29 9.77		12,807 ,237,6 50.22		57,578 ,070,708 69.65	2,240,5 332.579,101 01	59,818, ,101 .66
3. Increase or decrease in this period Amount of change (minus Fill in less with "-" List)					-992,1 98,475 .68		17,101 ,674.5 2	10,925.68 ,969.1 7	68,684 ,369.0 3		1,175, 370,04 0.49		279,88 329,780.609,664 53	3,577. ,917.05 .494.58	
(1) Comprehensive income total profit			453, 800, 000. 00				17,101 ,674.5 2				1,244, 054,40 9.52		1,714, 956,08 4.04	381,549 ,680.54	2,046,5 05,764. 58
(2) Owner investing and reducing Book					-17,06 7,392. 13								-17,06 7,392. 13		-17,067 ,392.13
1. owner input of common stock															
2. Other equity workers Owner's input capital															
3. share-based payment into owner's equity amount of															
4. other					-17,06 7,392. 13								-17,06 7,392. 13		-17,067 ,392.13
(3) Profit sharing match			-453, 800,						68,684 ,369.0		-68,68 4,369.		-453,8 00,000	-4,709, 263.16	-458,50 9,263.1

			000.					3		03		.00		6
			00											
1. Withdrawal of surplus								68,684		-68,68				
product								,369.0		4,369.				
								3		03				
2. extract general wind														
risk preparation														
3. to the owner														
(or shareholders)														
distribute													-4,709,	-4,709,
													263.16	263.16
4. other														
			-453,											
			800,											
			000.											
			00											
(4) Owner														
Internal transfer of equity														
1. capital reserve transfer														
Increase capital (or shares														
Book)														
2. surplus reserve transfer														
Increase capital (or shares														
Book)														
3. surplus reserve														
make up losses														
4. defined benefit plan														
Transfer amount carry forward														
retained earnings														
5. Other comprehensive income														
Profit carried forward and retained income														
beneficial														
6. other														
(5) Special storage								10,925				10,925	2,940,413	866,
prepare								,969.1				,969.1	99.67	468.84
								7				7		
1. Extraction in this issue								95,283				95,283	13,817,109	101
								,907.8				,907.8	525.05	,432.90
								5				5		
2. Use in this issue								-84,35				-84,35	-10,877	-95,234
								7,938.				,025.38	7,938.	,964.06
								68				68		

(6) Others					-975,131,083.55							-975,131,083.55		-975,131,083.55
4. The end of the current period balance	10,618,607.852.00		8,242,859,129.98		23,213,841,616.49	1,814,844.83	-209,719,602.87		2,655,929.796.66		13,982,607.690.71		57,857,257,024,954.347.18	60,428,243,596.06

8. Statement of changes in owner's equity of the parent company

Current Amount

unit: yuan

project	2021											
	share capital	Other equity instruments capital				Less: Inventory other share	comprehensive income	special storage prepare	surplus company product	unassigned profit	other	Ownership total profit
		Preference Shares	Perpetual Bonds	Others	product							
Closing balance of the previous year	10,618,1,607.852.00		8,242,859,129.98		23,604,110,636.96	841,813,150,075.83	150,075,000.00	154,691,2,632,9490,276.81	32,9490,276.81	7,806,74,461.9397		52,068,115,047.82
Plus: Accounting policy change												
Early stage error correction												
other												
Balance at the beginning of the year	10,618,2,607.852.00		8,242,859,129.98		23,604,110,636.96	841,813,150,075.83	150,075,000.00	154,691,2,632,9490,276.81	32,9490,276.81	7,806,74,461.9397		52,068,115,047.82
3. Changes in this period Amount (reduced by Fill in with "-")			-8,242,859,129.98		-15,716,981.13			6,744,752.89	122,627,8,888.2456.65	-125,28456.655		-8,254,492,789.82
(1) Comprehensive income lump sum			195,223,888.89							1,031,050,677.60		1,226,274,566.49
(2) Owner's vote Incoming and Reducing Capital			-7,984,283,018.87		-15,716,981.13							-8,000,000,000.00
1. owner input of common stock			-8,000,000,000.00									-8,000,000,000.00
2. Other equity workers Owner's input												

capital												
3. share-based payment into owner's equity amount of												
4. other			15,716, 981.13		-15,716, 981.13							
(3) Profit distribution			-453,8 00,000. 00					122,627, 456.65	-1,156, 339,56 5.85		-1,487,512 ,109.20	
1. Withdrawal of surplus product								122,627, 7,456.6 456.65	-122.62 5			
2. to the owner (or shareholders) distribution			-453,8 00,000. 00						-1,033, 712,10 9.20		-1,487,512 ,109.20	
3. other												
(4) Ownership Profits carried forward internally												
1. capital reserve transfer Increase capital (or shares Book)												
2. surplus reserve transfer Increase capital (or shares Book)												
3. surplus reserve make up losses												
4. defined benefit plan Transfer amount carry forward retained earnings												
5. Other comprehensive income Profit carried forward and retained income beneficial												
6. other												
(5) Special Reserve								6,744,75 2.89			6,744,752. 89	
1. Extraction in this issue								88,007,5 10.78			88,007,51 0.78	
2. Use in this issue								-81,262, 757.89			-81,262,75 7.89	

(6) Others												
Closing balance of the current period	10,618. IV.				23,588,376.81	1,584,813.13	-150,075,161.43	35,275,570.01	1,388,191.85			43,813.62
Forecast	607.85				93,655.8	527.83	,000.00	970.70			72	2,258.00
	2.00				3							

Amount of the previous period

unit: yuan

project	2020 Annual											
	share capital	Other equity instruments			Capital reduction product	other comprehensive share	surplus in inventory	undistributed profit	special reserve, comprehensive income product	Run	other	Ownership total profit
		priority share	sustainable debt	other								
Closing balance of the previous year	10,618 I.		8,242,		23,621,	841,813,214,340	-150,07	160,951,25,000.0	2,564,2	7,642,43060,092.		51,858,435,
Forecast	,607,8		859,12		,36	527.83	0	68.50	90	,955.65		111.56
	52.00		9.98									
Plus: Accounting policy change												
Early stage error correction												
other												
Balance at the beginning of the year	10,618 2.		8,242,		23,621,	841,813,214,340	-150,07	160,951,25,000.0	2,564,2	7,642,43060,092.		51,858,435,
Forecast	,607,8		859,12		,36	527.83	0	68.50	90	,955.65		111.56
	52.00		9.98									
3. Changes in this period												
Amount (reduced by Fill in with "-")					-17,103,703.40			-6,260,050.69	68,684,164,359.3	21.32		209,679,936.26
(1) Comprehensive income lump sum			453,800,000.00							233,043,690.35		686,843,690.35
(2) Owner's vote Incoming and Reducing Capital					-17,103,703.40							-17,103,703.40
1. owner input of common stock												
2. Other equity workers Owner's input capital												
3. share-based payment into owner's equity amount of												
4. other					-17,103,703.40							-17,103,703.40

(3) Profit distribution			-453,800,000.00						68,684,369.03	-68,684,369.03		-453,800,000.00
1. Withdrawal of surplus									68,684,369.03	-68,684,369.03		
2. to the owner (or shareholders) distribution			-453,800,000.00									-453,800,000.00
3. other												
(4) Ownership												
1. capital reserve transfer												
2. surplus reserve transfer												
3. surplus reserve												
4. defined benefit plan												
5. Other comprehensive income												
6. other												
(5) Special Reserve								-6,260,050.69				-6,260,050.69
1. Extraction in this issue								102,100,582.58				102,100,582.58
2. Use in this issue								-108,360,633.27				-108,360,633.27
(6) Others												
4. Balance at the end of the current period	10,618,607,852.00		8,242,859,129.98		23,604,184,96	813,10,636,527.83	-150,071,540	154,691,25,000.017.81	2,632,978,06,790,44,461.93			52,068,115,047.82

3. Basic information of the company

HBIS Co., Ltd. (hereinafter referred to as "Hesteel Co., Ltd." or "the company, the company"), formerly known as Tangshan Iron and Steel Co., Ltd. (hereinafter referred to as Tangshan Iron and Steel Co., Ltd.), was established by

Tangshan Iron and Steel Group Co., Ltd., as the sole sponsor, invested the net assets of major production and business units, and raised funds to 191 legal entities through targeted fundraising.

It is a joint stock limited company registered and established on June 29, 1994, and the total share capital at the time of establishment was RMB 2,364,498,000.

In January 1997, it was approved by the Hebei Provincial Securities Commission Ji Zheng Zi (1997) No. 6, and was reviewed and approved by the general meeting of shareholders held by Tangshan Iron & Steel Co., Ltd. on September 3, 1996.

However, Tangshan Iron and Steel Co., Ltd. reduced its shareholding at a ratio of 1:0.285. After the share reduction, the company's total share capital was changed from 2,364,498,000 shares to 673,882,000 yuan, and the shareholding ratio of each shareholder remained unchanged.

In March 1997, with the approval of the China Securities Regulatory Commission Zhengjian Fazi [1997] No. 69 and Zhengjian Fazi [1997] No. 70, Tangshan Iron and Steel Co., Ltd. adopted the method of online pricing, through Shenzhen

The stock exchange trading system issued 120,000,000 RMB ordinary shares to the public, each with a par value of 1.00 yuan and an issue price of 9.22 yuan per share. via Shenzhen Stock Exchange

Shen Zhengfa [1997] No. 132 document was reviewed and approved, and it was listed on the Shenzhen Stock Exchange in April 1997. After the additional issuance, the total share capital is RMB 793.882 million.

On December 31, 2009, in accordance with the China Securities Regulatory Commission Zheng Jian Xu Ke [2009] No. 1302 "About Approval of Tangshan Iron and Steel Co., Ltd. to absorb and merge Handan Iron and Steel Co., Ltd."

Co., Ltd. and Chengde Xinxin Vanadium and Titanium Co., Ltd." and "Resolutions of the 17th and 21st Board Meetings of the 5th Tangshan Iron and Steel Co., Ltd.",

"Resolution of the 2nd Extraordinary General Meeting of Shareholders of Tangshan Iron and Steel Co., Ltd. in 2009", "Tangshan Iron and Steel Co., Ltd.'s Share Exchange Absorption Merger of Chengde Xinxin Vanadium and Titanium Co., Ltd.

Company Agreement", "Tangshan Iron and Steel Co., Ltd. Agreement on Share Swap Absorption and Merger of Handan Iron and Steel Co., Ltd." and the company's board of directors approved on December 31, 2009

According to the "Amendment to the Articles of Association of Tangshan Iron and Steel Co., Ltd.", Tangshan Iron and Steel Co., Ltd. absorbed and merged Handan Iron and Steel Co., Ltd. (hereinafter referred to as Handan Iron and Steel) and Chengde Iron and Steel Co., Ltd.

Xinxin Vanadium and Titanium Co., Ltd. (hereinafter referred to as Chengde Vanadium and Titanium). After the completion of the share swap, absorption and merger, Tangshan Iron and Steel Co., Ltd., as a surviving company, became a subsidiary of Hebei Iron and Steel Group.

The only listed company in the iron and steel industry, which was renamed Hebei Iron and Steel Co., Ltd. and changed its registered address from Tangshan City to Shijiazhuang City. As of December 2009

On the 31st, Hegang's share capital was RMB 6,876,780,400.

According to the resolutions of the 2nd Extraordinary General Meeting of Shareholders in 2010 and the 2010 Annual General Meeting of Shareholders, the State-owned Assets Supervision and Administration Commission of the People's Government of Hebei Province (Hebei State Assets Development

Equity (2010) No. 72) "Reply on Issues Concerning the Public Issuance of Shares by Hebei Iron and Steel Co., Ltd. and the Acquisition of Equity in Handao Company", approved by China Securities Regulatory Commission

The Committee (referred to as China Securities Regulatory Commission) Zheng Jian Xu Ke [2011] No. 823 "Approval for the Approval of Additional Shares by Hebei Iron and Steel Co., Ltd." was approved.

Issue no more than 3.8 billion RMB ordinary shares (A shares), each with a par value of 1 yuan and an issue price of 4.28 yuan per share. As of November 25, 2011, Hegang Co., Ltd. completed the

A total of 3,741,822,429 shares were issued online and offline. After the completion of the additional share issuance, the parent company of HBIS will be owned by Tangshan Iron and Steel Group Co., Ltd.

The company changed to Handan Iron and Steel Group Co., Ltd.

On February 22, 2016, the 19th meeting of the second session of the company's board of directors reviewed and approved the "Hebei Iron and Steel Co., Ltd.'s Proposal on Changing the Company Name, and agreed to the company name.

Changed from "Hebei Iron and Steel Co., Ltd." to "Hebei Iron and Steel Co., Ltd."; due to the change of company name, the amendment to the Articles of Association of Hebei Iron and Steel Co., Ltd. was reviewed and approved

case".

As of December 31, 2021, the share capital of HBIS was RMB 10,618,607,852.00.

The legal representative of Hegang Co., Ltd.: Wang Lanyu, the unified social credit code of the enterprise: 91130000104759628H, the registered capital of the company: 10,618,607,852.00 yuan, note

Registered address: No. 385, Sports South Street, Shijiazhuang City.

The parent company of HBIS is Handan Iron and Steel Group Co., Ltd., and the ultimate controller is HBIS Group Co., Ltd.

The company's business scope: operation and management of the assets of the invested enterprises; steel, steel billets, vanadium-titanium products (vanadium trioxide, vanadium ferroalloy, vanadium-nitrogen alloy, titanium

ore), refractory materials, charge, iron powder, vanadium slag, titanium slag, coke, ferrous metals, non-ferrous metals, chemical products (excluding hazardous chemicals), machinery and equipment and their parts

Sales of components, automation equipment and their parts, Wujinjiadian, instrumentation, rubber products, and lubricants; metallurgical technology development, transfer and consulting services; housing, equipment

leasing; import and export of commodities and technologies, except those commodities and technologies that are restricted to be operated by companies or prohibited from import and export by the state;

steel, steel billets, vanadium and titanium products (vanadium trioxide, vanadium pentoxide, vanadium ferroalloy, vanadium-nitrogen alloy, titanium

Concentrate), vanadium slag, titanium slag production and sales; dangerous goods transportation (†); general freight; lifting machinery installation, reconstruction, maintenance; pressure pipeline installation; metallurgical machinery equipment

Equipment and accessories, electrical equipment, chemical equipment, industrial furnace equipment installation and maintenance; automation and instrumentation engineering design and installation; plumbing installation; metal component manufacturing, installation,

Sales; equipment anti-corrosion and thermal insulation engineering; computer software development, system integration and operation and maintenance services; product inspection and measurement services; belt bonding services; metal waste and scrap

Scrap processing, non-metallic waste and scrap processing (excluding solid waste, hazardous waste, scrapped automobiles and other items that require special approval by relevant departments), sales;

The following scopes are limited to branches operating with the Hazardous Chemicals Operation License: nitrogen, oxygen, argon, neon, helium, krypton, xenon, hydrogen, carbon monoxide, carbon dioxide, nitrogen and argon

Helium, xenon, krypton, neon, fluorine, oxygen, multi-component gas mixture, carbon monoxide, hydrogen, nitrogen, argon, helium, xenon, krypton, neon, carbon dioxide, multi-component gas mixture, neon, helium, krypton, and xenon isotope gas, crude benzene, tar, and sulfur.

Wholesale (the above varieties are not stored). (For projects subject to approval according to law, business activities can only be carried out after approval by relevant departments)

In 2022, the Company will include seventeen subsidiaries in the scope of consolidation, and three subsidiaries will be added. For details, please refer to Note 6 "Changes in the scope of consolidation" and Note 7 "In other

interests in the subject".

These financial statements and the notes to the financial statements were approved by the twenty-fifth meeting of the fourth session of the Board of Directors of the Company on April 20, 2022.

4. Basis for the preparation of financial statements

1. The basis for the preparation of financial statements

The company's financial statements are based on the assumption of going concern, according to the actual transactions and events, in accordance with the "Enterprise Enterprises" issued by the Ministry of Finance on February 15, 2006 and later.

Accounting Standards - Basic Standards and various specific accounting standards, guidelines for the application of accounting standards for business enterprises, interpretations of accounting standards for business enterprises and other relevant provisions (hereinafter collectively referred to as "Accounting for Business Enterprises").

Guidelines"), and the disclosure requirements of China Securities Regulatory Commission's "Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 - General Provisions on Financial Reports"

system.

According to the relevant provisions of the Accounting Standards for Business Enterprises, the Company's accounting is based on the accrual basis. Except for certain financial instruments, the financial statements are measured at historical cost

Base. Non-current assets held for sale shall be priced at the lower of the fair value minus estimated expenses and the original book value when the conditions are met for holding for sale.

If an asset is impaired, corresponding provision for impairment shall be made in accordance with relevant regulations.

2. Continued operation

The company has the ability to continue as a going concern for at least 12 months from the end of the reporting period, and there is no major event that affects the ability to continue as a going concern.

V. Major accounting policies and accounting estimates of the company

1. Statement of Compliance with Accounting Standards for Business Enterprises

This financial statement complies with the requirements of the Accounting Standards for Business Enterprises, and truly and completely reflects the company's consolidated and company financial status as of December 31, 2021, as well as the 2021 financial statements.

Consolidation and company operating results and cash flows.

2. Accounting period

The accounting period of the Company is divided into annual and interim period, and interim accounting period refers to the reporting period shorter than a complete accounting year. The fiscal year of the company adopts the calendar year, that is, every

Year from January 1st to December 31st.

3. Operating cycle

The normal operating cycle refers to the period from the purchase of assets for processing to the realization of cash or cash equivalents. The company takes 12 months as an operating cycle, and

It is used as the standard for dividing the liquidity of assets and liabilities.

4. Standard currency for accounting

The company uses RMB as the standard currency for bookkeeping.

Hebei Iron and Steel (Australia) Company, a subsidiary of the Company, decides that its functional currency is Australian dollars according to the main economic environment in which it operates, and prepares financial statements.

Converted to RMB at the time of table.

5. Accounting treatment method for business combination under the same control and not under the same control

A business combination refers to a transaction or event that combines two or more separate businesses to form a reporting entity. Business combination is classified into business combination under common control

and business combination not under common control.

(1) Business combination under the same control

The enterprises participating in the merger are ultimately controlled by the same party or the same multiple parties before and after the merger, and the control is not temporary, and it is a business combination under the same control. same

For a business combination under one control, the party that obtains control over other companies participating in the merger on the merger date is the merging party, and the other companies participating in the merger are the merged party. date of merger,

Refers to the date on which the merging party actually obtains control over the merged party.

The assets and liabilities acquired by the combining party are measured at the book value of the combined party on the combining date. The book value of the net assets obtained by the merging party and the book value of the merger consideration paid

The difference between the value (or the total face value of the issued shares) shall be adjusted to the capital reserve (share capital premium); if the capital reserve (share capital premium) is not sufficient to offset, the retained earnings shall be adjusted.

All direct expenses incurred by the merging party for the business combination shall be included in the current profit and loss when incurred.

(2) Business combination not under common control

If the enterprises participating in the merger are not ultimately controlled by the same party or the same multiple parties before and after the merger, it is a business merger not under the same control. Enterprises not under the same control

In addition, the party that obtains control over other companies participating in the merger on the purchase date is the purchaser, and the other companies participating in the merger are the purchasers. The date of purchase is the date of purchase for the purchaser

the date on which control of the acquiree is actually obtained.

For a business combination not under the same control, the cost of the combination includes the assets paid by the acquirer, the liabilities incurred or assumed on the acquisition date in order to obtain control over the acquiree.

The fair value of bonds and equity securities issued, the intermediary fees for auditing, legal services, evaluation and consultation and other management fees incurred for the business combination are incurred at the time of occurrence.

Included in current profit and loss. Transaction costs of equity securities or debt securities issued by the purchaser as consideration for the merger are included in the initial recognition of the equity securities or debt securities

amount. The contingent consideration involved is included in the merger cost at its fair value on the acquisition date, and new or incremental changes to the existing conditions on the acquisition date occur within 12 months after the acquisition date.

If the contingent consideration needs to be adjusted due to further evidence, the consolidated goodwill shall be adjusted accordingly. The merger costs incurred by the purchaser and the identifiable net assets obtained in the merger are based on the fair value on the purchase date.

Fair value measurement. If the merger cost is greater than the fair value share of the acquiree's identifiable net assets on the acquisition date obtained in the merger, it is recognized as goodwill. The combined cost is less than

For the fair value share of the identifiable net assets of the acquiree obtained in the merger, first of all, the fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree obtained

and the measurement of the merger cost is reviewed. After the review, if the merger cost is still less than the share of the fair value of the identifiable net assets of the acquiree obtained in the merger, the difference shall be included in the current

period profit and loss.

If the deductible temporary difference obtained by the purchaser from the purchaser is not recognized on the purchase date because it does not meet the conditions for the recognition of deferred tax assets, it will be recognized within 12 days after the purchase date.

Within a month, if new or further information is obtained to show that the relevant circumstances on the purchase date already exist, it is expected that the purchased party can deduct the economic benefits caused by the temporary difference on the purchase date.

If the benefits can be realized, the relevant deferred tax assets will be recognized, and the goodwill will be reduced at the same time. If the goodwill is not enough to offset, the difference will be recognized as the current profit and loss;

In addition, if the deferred income tax assets related to business combination are confirmed, they shall be included in the current profit and loss.

A business combination not under the same control realized step by step through multiple transactions, according to the "Notice of the Ministry of Finance on Issuing the Interpretation No. 5 of Accounting Standards for Business Enterprises" (Cai Kuai [2012]

19) and "Accounting Standards for Business Enterprises No. 33 - Consolidated Financial Statements" regarding the judgment criteria for "package deal" (see Note 3, 5(2)), judgment

Whether the multiple transactions belong to a "package deal". If it belongs to a "package deal", refer to the descriptions in the previous paragraphs of this part and this Note III. 13 "Long-term equity investment" for the meeting.

Accounting treatment; if it does not belong to a "package deal", separate financial statements and consolidated financial statements for relevant accounting treatment:

In individual financial statements, the sum of the book value of the equity investment of the acquiree held before the acquisition date and the newly added investment cost on the acquisition date is used as the initial amount of the investment.

The initial investment cost; if the equity of the acquiree held before the purchase date involves other comprehensive income, the other comprehensive income related to the investment shall be adopted with the

The acquiree is accounted for on the same basis as the direct disposal of the relevant asset or liability (i.e., except that the defined benefit plan is remeasured in the acquiree under the equity method)

Except for the corresponding share of the changes caused by net liabilities or net assets, the rest is transferred to the current investment income).

In the consolidated financial statements, the equity of the acquiree held before the acquisition date shall be re-measured according to the fair value of the equity on the acquisition date.

The difference between its book value and its book value is included in the current investment income; if the equity of the acquiree held before the purchase date involves other comprehensive income, the other comprehensive income related to it

Accounting treatment should be performed on the same basis as the acquiree's direct disposal of the relevant asset or liability (i.e., except for remeasurement of the

Except for the corresponding share of the changes caused by the net liabilities or net assets of the defined benefit plan, the rest will be converted into investment income for the current period on the purchase date).

6. Preparation method of consolidated financial statements

(1) Principles for determining the scope of consolidated financial statements

The scope of consolidation in the consolidated financial statements is determined on the basis of control. Control means that the company has the power over the investee, by participating in the relevant activities of the investee.

variable returns and the ability to use its power over the investee to affect the amount of those returns. The scope of consolidation includes the Company and all its subsidiaries. descendant company,

Refers to the subject controlled by the company.

Once changes in relevant facts and circumstances lead to changes in the relevant elements involved in the above definition of control, the company will reassess.

(2) Methods of preparing consolidated financial statements

From the date of obtaining the net assets of the subsidiary and the actual control of production and operation decisions, the company begins to incorporate it into the scope of consolidation; from the date of loss of actual control

Stop being included in the scope of consolidation. For disposed subsidiaries, operating results and cash flows prior to the date of disposal have been appropriately included in the consolidated income statement and consolidated cash flow statement;

For subsidiaries disposed of in the current period, the opening balance of the consolidated balance sheet is not adjusted. Subsidiaries added through business combination not under the same control, their operating results and cash after the acquisition date

Flows have been properly included in the consolidated income statement and consolidated cash flow statement without adjusting the opening and comparative figures in the consolidated financial statements. Business combination under the same control

Additional subsidiaries, whose operating results and cash flows from the beginning of the consolidation period to the consolidation date have been properly included in the consolidated income statement and consolidated cash flow statement, and the same

When adjusting the comparative figures of the consolidated financial statements.

When preparing the consolidated financial statements, if the accounting policy or accounting period adopted by the subsidiary and the company is inconsistent, the accounting policy and accounting period of the company shall be used in accordance with the company's accounting policy and accounting period.

Make necessary adjustments to the company's financial statements. For subsidiaries acquired through business combination not under the same control, their financial

The report is adjusted.

All significant current balances, transactions and unrealized profits within the company are eliminated when the consolidated financial statements are prepared.

Shareholders' equity of subsidiaries and the part of the current net profit and loss that are not owned by the company are respectively included in the consolidated financial statements as minority shareholders' equity and minority shareholders' profit and loss.

Separately listed under shareholders' equity and net profit. The share of the subsidiary's current net profit or loss that belongs to minority shareholders' equity is listed as "minority equity" under the net profit item in the consolidated income statement.

"Shareholders' Profits and Losses" items are listed. The loss of the subsidiary shared by minority shareholders exceeds the share of minority shareholders in the subsidiary's shareholders' equity at the beginning of the period, and the loss is still offset.

Shareholders' Equity.

When the control over the original subsidiary is lost due to disposal of part of the equity investment or other reasons, for the remaining equity, the fair value on the date of loss of control

Remeasure. The sum of the consideration obtained from the disposal of the equity and the fair value of the remaining equity, minus the original subsidiary's shareholding ratio calculated from the purchase date.

The difference between the calculated shares of net assets shall be included in the investment income of the current period when the control right is lost. Other comprehensive income related to the equity investment of the original subsidiary, after the loss of control

When controlling the right, the accounting treatment is carried out on the same basis as the acquiree's direct disposal of the relevant assets or liabilities (that is, except that the defined benefit plan is remeasured in the original subsidiary.

Except for the changes caused by net liabilities or net assets, the rest are transferred to the current investment income). Afterwards, the remaining shareholding shall be determined in accordance with the Accounting Standards for Business Enterprises No. 2—

Long-term Equity Investment" or "Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments" and other relevant regulations for subsequent measurement, please refer to Note III.

"Investment in Rights and Interests" or this Note III, 9 "Financial Instruments".

If the company disposes of the equity investment in the subsidiary step by step through multiple transactions until it loses control, it is necessary to distinguish the various transactions that dispose of the equity investment in the subsidiary until the loss of control.

Whether it is a package deal. The terms, conditions and economic impact of the disposal of each transaction of the equity investment in the subsidiary meet one or more of the following conditions, which usually indicate that

Multiple transactions should be accounted for as a package of transactions: ̳ These transactions are entered into at the same time or in consideration of mutual influence; ̳ These transactions are

A complete business result can only be achieved by the entity; ̳ the occurrence of a transaction depends on the occurrence of at least one other transaction; ̳ a transaction is uneconomical by itself, but

Economical when considered with other transactions. If it does not belong to a package of transactions, each of the transactions shall be dealt with separately according to the circumstances of the "Without Loss of Control" section.

Disposal of long-term equity investment in a subsidiary" (see Note III, 13, (2)̳ for details) and "loss of control over the original subsidiary due to disposal of part of the equity investment or other reasons.

Accounting treatment shall be carried out in accordance with the applicable principles of control rights" (see the preceding paragraph for details). If the transactions of disposal of equity investment in subsidiaries until the loss of control rights belong to a package transaction, each transaction shall be accounted for

The transaction is accounted for as a transaction that disposes of a subsidiary and loses control; however, each disposal price before the loss of control corresponds to the disposal of the investment.

The difference in the share of the subsidiary's net assets is recognized as other comprehensive income in the consolidated financial statements, and is transferred to the profit or loss of the current period when the control is lost.

7. Cash and cash equivalents

Cash listed in the cash flow statement refers to cash on hand and deposits that can be used for payment at any time.

Investments that are converted into known amounts of cash with an insignificant risk of changes in value.

8. Accounting and conversion methods for foreign currency business

(1) Conversion method of foreign currency transactions

When the foreign currency transactions of the company are initially recognized, the spot exchange rate on the transaction day (usually refers to the middle rate of the foreign exchange rate announced by the People's Bank of China on the day, the same below)

The amount is converted into the functional currency for bookkeeping, but the foreign currency exchange business or transactions involving foreign currency exchange that occur in the company shall be converted into the functional currency for bookkeeping according to the actual exchange rate.

Forehead.

(2) Conversion method for foreign currency monetary items and foreign currency non-monetary items

On the balance sheet date, foreign currency monetary items are converted at the spot exchange rate on the balance sheet date, and the resulting exchange differences, except:

The exchange differences arising from the foreign currency special borrowings related to the assets subject to the localization conditions shall be treated in accordance with the principle of capitalization of borrowing costs; ̳ Foreign currency monetary items available for sale shall be excluded from amortization

Exchange differences arising from changes in book balances other than costs are included in other comprehensive income and included in current profit and loss.

Foreign currency non-monetary items measured at historical cost are still measured at the functional currency amount translated at the spot exchange rate on the transaction date. foreign currency measured at fair value

Currency non-monetary items shall be converted at the spot exchange rate on the date when the fair value is determined.

Changes in value (including exchange rate changes) are processed and included in the current profit and loss or recognized as other comprehensive income.

(3) Conversion method of foreign currency financial statements

If the preparation of consolidated financial statements involves overseas operations, if there are foreign currency monetary items that substantially constitute a net investment in overseas operations, the exchange difference arising from exchange rate changes shall be

The amount is included in other comprehensive income; when the overseas operation is disposed of, it is included in the current profit and loss of the disposal.

Foreign currency financial statements of overseas operations are converted into RMB statements according to the following methods: Assets and liabilities in the balance sheet shall be exchanged at the spot exchange rate on the balance sheet date.

Except for "undistributed profits", other items of shareholders' equity are converted at the spot exchange rate at the time of occurrence. Income and expense items in the income statement, using

Converted at the spot exchange rate on the transaction date. The undistributed profits at the beginning of the year are the undistributed profits at the end of the year after the conversion of the previous year; the undistributed profits at the end of the year are distributed according to the converted profits.

The difference between the total amount of asset items and liabilities items and shareholders' equity items after conversion is regarded as the translation difference in foreign currency statements, and is recognized as other comprehensive income.

beneficial. When disposing of an overseas operation and losing control, the foreign currency statement translation difference related to the overseas operation listed under the item of shareholders' equity in the balance sheet shall be all

Or transferred to the current profit and loss of disposal according to the proportion of the disposal of the overseas operation.

Foreign currency cash flow and cash flow of overseas subsidiaries are translated at the spot exchange rate on the date of cash flow occurrence. The impact of exchange rate changes on cash is used as an adjustment item

are presented separately in the cash flow statement.

The opening balance and the actual number of the previous year are presented in accordance with the converted amounts in the financial statements of the previous year.

When disposing of the company's entire owner's equity in overseas operations or losing control over overseas operations due to the disposal of part of the equity investment or other reasons, the assets and liabilities

The foreign currency statement translation differences listed under the item of shareholders' equity in the table and related to the overseas operation and attributable to the owner's equity of the parent company are all transferred to the current profit and loss of disposal.

When part of the equity investment is disposed of or other reasons lead to a reduction in the proportion of overseas business interests held without losing control over the overseas business

The relevant foreign currency statement translation differences will be attributed to minority interests and will not be transferred to the current profit and loss. When disposing of part of the equity of an overseas business as an associate or a joint venture,

The foreign currency statement translation difference related to the overseas operation shall be transferred to the current profit and loss of disposal according to the proportion of the disposal of the overseas operation.

9. Financial instruments

Financial instruments refer to contracts that form financial assets of one party and financial liabilities or equity instruments of other parties. When the Company becomes a party to a financial instrument contract,

Recognize related financial assets or financial liabilities.

Financial assets and financial liabilities are measured at fair value at initial recognition: 9 For financial assets and financial liabilities measured at fair value through profit or loss for the current period

For other types of financial assets and financial liabilities, relevant transaction costs are included in the initial recognition amount. monetary assets

and subsequent measurement of financial liabilities depends on their classification.

If a financial asset or financial liability meets one of the following conditions, it indicates that the purpose of holding it is for trading: (1) The purpose of obtaining relevant financial assets or assuming relevant financial liabilities,

It is mainly for sale or repurchase in the near future; ̳ It is part of a portfolio of identifiable financial instruments under centralized management at the time of initial recognition, and there is objective evidence that

In the short-term profit model; ̳ It is a derivative, except for the derivative that meets the definition of the financial guarantee contract and the derivative that is designated as an effective hedging instrument.

(1) Debt instruments

Debt instruments refer to instruments that meet the definition of financial liabilities from the perspective of the issuer. The classification and subsequent measurement of debt instruments depends on the company's business in managing financial assets.

business model, and the contractual cash flow characteristics of financial assets. If it fails to pass the cash flow characteristic test, it is directly classified as measured at fair value and its changes are included in the current period.

Financial assets for profit or loss; those that pass the cash flow characteristic test, the classification of which depends on the business model in which the financial asset is managed and whether it is designated at fair value

Financial assets that are measured and whose changes are included in the current profit and loss.

̳ Measured at amortized cost. The company's business model for managing such financial assets is to collect contractual cash flows, and the contractual cash flow of such financial assets

The flow characteristics are consistent with the basic lending arrangement, i.e. the cash flow generated on a specific date is only the payment of principal and interest based on the amount of principal outstanding,

At the same time, such financial assets are not designated to be measured at fair value through profit or loss. For such financial assets, the company recognizes interest according to the effective interest rate method

income. The gains or losses arising from the derecognition of such financial assets and the losses due to impairment are directly included in the current profit and loss.

̳ Measured at fair value with changes included in other comprehensive income. The company's business model for managing such financial assets is to both aim to collect contractual cash flows and

Targeted for sale, and the contractual cash flow characteristics of such financial assets are consistent with the underlying borrowing arrangements, that is, cash flows generated on a specific date are

Payment of interest based on the amount of principal outstanding, and such financial assets are not designated as being measured at fair value through profit or loss. Such financial financing

Assets are measured at fair value with changes included in other comprehensive income, but impairment losses or gains, exchange gains and losses and interest income calculated using the effective interest method are included in the current period

profit and loss. When such financial assets are derecognized, the changes in fair value accumulated in other comprehensive income will be carried forward and included in the current profit and loss. Such financial assets are listed as other debts

right investment.

̳ Measured at fair value and its changes included in current profit and loss. The Company classifies the holdings that are not held as measured at amortized cost and measured at fair value and their changes are included in other

Debt instruments of other comprehensive income are measured at fair value through profit or loss for the current period, and are classified as financial assets at fair value through profit or loss for the current period.

Listed as held-for-trading financial assets or other non-current financial assets.

(2) Equity instruments

Equity instruments refer to instruments that meet the definition of equity instruments from the perspective of the issuer. Equity instrument investment is measured at fair value and its changes are included in the current profit and loss, and listed

It is a financial asset held for trading, unless it is designated by the management of the Company to be measured at fair value through other comprehensive income. Designated to be measured at fair value

If it is automatically included in comprehensive income, it is listed as investment in other equity instruments. The relevant changes in fair value shall not be carried forward to the current profit and loss, and the designation shall not be revoked once it is made. related

Dividend income is included in current profit and loss. No provision for impairment of other equity instrument investments is made. When the recognition is terminated, the accumulated gains or losses previously included in other comprehensive income will be withdrawn from other

Comprehensive income is transferred out and included in retained earnings.

(3) Financial liabilities

Financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities at initial recognition.

Financial liabilities at fair value through profit or loss, including financial liabilities held for trading and designated as fair value through profit or loss

beneficial financial liabilities. When one of the following conditions is met, a financial liability can be designated as a financial liability at fair value through profit or loss at the time of initial measurement:

• The designation can eliminate or significantly reduce the accounting mismatch; • According to the risk management or investment strategy stated in the official written document, the financial liabilities are based on fair value

Portfolio or combination of financial assets and financial liabilities for management and performance evaluation, and report to key management personnel on this basis within the company. Once the designation is made, it will not

must be revoked.

Designated as financial liabilities measured at fair value with changes included in current profits and losses, the amount of changes in fair value caused by changes in the company's own credit risk is included in its

Other comprehensive income; other changes in fair value are included in the current profit and loss. When the financial liability is derecognized, the accumulated gains or losses previously included in other comprehensive income are removed from other

Comprehensive income is transferred out and included in retained earnings.

Other financial liabilities of the Company mainly include short-term borrowings, long-term borrowings and bonds payable. For such financial liabilities, the effective interest rate method is adopted and the amortized cost is

Do follow-up measurements.

A financial guarantee contract refers to a contract that requires the issuer to suffer losses when a specific debtor fails to repay the debt in accordance with the original or revised terms of the debt instrument.

A contract with the holder to pay a specific amount. A loan commitment is a definite commitment to provide credit in accordance with pre-specified terms and conditions. Not at fair value

Financial guarantee contracts for financial liabilities whose changes are included in the current profit and loss, and loan commitments for loans at rates lower than the market rate, if the company is the issuer, it is initially recognized.

After recognition, it is measured according to the higher of the following two: • the amount of the loss provision; • the initial recognition amount deducts the accumulated amount determined in accordance with "Accounting Standards for Business Enterprises No. 14 - Revenue"

The balance after amortization.

(4) Derecognition of financial assets and financial liabilities

Financial assets that meet one of the following conditions shall be derecognized:

• The contractual right to receive the cash flow of the financial asset is terminated;

• The financial asset has been transferred, and the company has transferred almost all the risks and rewards of ownership of the financial asset to the transferee;

• The financial asset has been transferred. Although the company neither transfers nor retains almost all the risks and rewards of ownership of the financial asset, it has given up on the financial asset.

control of financial assets.

When the current obligation of a financial liability (or a part of it) has been discharged, the Company derecognizes the financial liability (or this part of the financial liability).

(5) Impairment of financial instruments

The Company conducts financial instrument impairment accounting and recognizes loss reserves on the basis of expected credit losses. Expected credit losses are defined as the risk of default

Weighted average of credit losses on heavy financial instruments. Credit loss refers to all contractual cash flows receivable under the contract, discounted at the original effective interest rate, and expected income.

The difference between all cash flows taken, the present value of all cash shortfalls.

The factors reflected in the method of measuring the expected credit loss of financial instruments by the Company include: unbiased probability weighted average amount determined by evaluating a series of possible results

amount; time value of money; information about past events, current conditions, and future economic conditions that are available at the balance sheet date without undue additional cost or effort

Reasonable and evidence-based information for forecasting conditions. The Company determines the expected credit losses of relevant financial instruments according to the following methods:

• For financial assets, the credit loss is the present value of the difference between the contractual cash flows that the company should receive and the cash flows that are expected to be received;

• For lease receivables, the credit loss is the present value of the difference between the contractual cash flows that the company should receive and the cash flows that are expected to be received;

• For undrawn loan commitments, the credit loss is the contractual cash flow that the company should receive and the expected amount when the loan commitment holder draws the corresponding loan.

The present value of the difference between the cash flows received. The Company's estimate of the expected credit loss of the loan commitment is consistent with its expectation of the utilization of the loan commitment;

• For a financial guarantee contract, the credit loss is the estimated payment amount made by the company to the contract holder for the credit loss incurred by the contract holder, minus the company's expectation

the present value of the difference between the amounts charged to the contract holder, debtor or any other party;

• For financial assets that have suffered credit impairment on the balance sheet date but are not purchased or originated from credit-impaired financial assets, the credit loss is the difference between the book balance of the financial asset and the

The difference between the present value of estimated future cash flows discounted at the original effective interest rate.

For purchased or originated financial instruments that are not credit-impaired, at each balance sheet date, taking into account reasonable and supportable information (including forward-looking information), evaluate

Evaluate whether its credit risk has increased significantly since the initial recognition, and confirm the expected credit loss in three stages. If the credit risk has not increased significantly since the initial recognition, the

In the first stage, the loss provision is measured according to the expected credit loss of the financial instrument in the next 12 months; the credit risk has increased significantly since the initial recognition but the credit risk has not yet occurred.

If the impairment is used, it is in the second stage, and the loss provision is measured according to the expected credit loss of the financial instrument throughout its duration; if the credit impairment has occurred since the initial recognition, the

In the third stage, the loss provision is measured according to the expected credit loss of the entire duration of the financial instrument. Financial instruments in the first and second stages, according to their books

Interest income is calculated based on the nominal balance and actual interest rate; for financial instruments in the third stage, interest income is calculated and determined based on their amortized cost and actual interest rate.

For purchased or originated credit-impaired financial assets, on the balance sheet date only the cumulative change in expected credit losses over the entire lifetime from initial recognition

It is recognized as a loss provision, and its interest income is calculated and determined based on the amortized cost of the financial asset and the credit-adjusted effective interest rate.

The increase or reversal of the loss provision shall be included in the current profit and loss as an impairment loss or gain. For holdings at fair value through other comprehensive income

For debt instruments, impairment losses or gains are included in the current profit and loss and other comprehensive income is adjusted.

Accounts receivable include accounts receivable, other receivables and notes receivable. Accounts receivable arising from external sales of goods or provision of labor services by the Group and the Company shall be calculated on the basis of purchase from

The fair value of the contract or agreement price receivable by the consignor or the service recipient shall be regarded as the initial recognition amount.

The company evaluates expected credit risk and measures expected credit losses on the basis of a single financial instrument or a combination of financial instruments. The Company's exposure to credit risk significantly differs from financial

Assets are individually assessed for credit risk, such as: disputes with the other party or receivables in litigation or arbitration; there are obvious signs that the debtor is likely to be unable to perform repayment obligations

Receivables, etc., in addition to financial assets for which credit risk is assessed individually, the company divides financial assets into different combinations based on common risk characteristics.

Assess credit risk.

1. Accounts receivable

For accounts receivable in accounts receivable, regardless of whether there is a significant financing component, the company measures the loss provision based on the expected credit loss of the entire duration, except

In addition to the accounts receivable with individual credit risk assessments, they are divided into different combinations based on their credit risk characteristics:

project	Determine the basis for combination	Methods of Measuring Expected Credit Losses
Accounts Receivable Group in 1	Taking the transaction object and nature of accounts receivable as credit risk	With reference to historical credit loss experience, combined with current conditions and future
	The combination of characteristics, including subsidiaries, associates, real	Prediction of economic conditions, through default exposures and entire duration
	related parties within the scope of the consolidated statements of the inter-controller	Expected credit loss rate, calculating expected credit loss
Accounts Receivable Group Combine 2	Divide portfolios based on the age of accounts receivable as credit risk characteristics	With reference to historical credit loss experience, combined with current conditions and future
		Forecast of economic conditions, preparation of accounts receivable aging and entire duration
		Expected credit loss ratio comparison table to calculate expected credit loss.

2. Notes receivable

For bills receivable, regardless of whether there is a significant financing component, the company measures the loss provision based on the expected credit loss of the entire duration, except for individual assessment credits.

In addition to the risky notes receivable, based on their credit risk characteristics, they are divided into different combinations:

project	Determine the basis for combination	Methods of Measuring Expected Credit Losses
bill receivable	bank acceptance bill	With reference to historical credit loss experience, combined with current conditions and forecasts of future economic conditions,
		Calculate expected credit losses from exposure at default and lifetime expected credit loss rate
	trade acceptance draft	

3. Other receivables

Based on whether the credit risk of other receivables has increased significantly since the initial recognition, the company adopts the forecast equivalent to the next 12 months or the entire duration.

The amount of credit loss is measured as impairment loss. In addition to other receivables that are individually assessed for credit risk, they are divided into different groups based on their credit risk characteristics:

project	Determine the basis for combination	Methods of Measuring Expected Credit Losses
Other receivables, including the scope of consolidated statements of subsidiaries, associates, and actual controllers Combination 1	Divide into groups based on the transaction object and nature of the receivables as credit risk characteristics	With reference to historical credit loss experience, combined with current conditions and future
		Forecast of economic conditions, through default exposure and the next 12
	related-party transactions, personal business loans, reserve funds and security deposits, deposits,	Intra-month expected credit loss rate reconciliation to calculate expected credit loss
	Withholding and paying taxes, employee social security payments, and government payments.	
Other receivables are divided into groups based on the age of other receivables as credit risk characteristics		With reference to historical credit loss experience, combined with current conditions and future

Combination 2		Forecast of economic conditions, preparation of other accounts receivable aging and future 12 A comparison table of expected credit loss rates within a month or the entire duration, calculating the expected credit loss rate credit loss
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(6) Offset of financial assets and financial liabilities

When the company has the legal right to offset the recognized financial assets and financial liabilities, and the legal right is currently enforceable, and the company plans to settle on a net basis or

When the financial asset is realized and the financial liability is paid off at the same time, the financial asset and financial liability shall be listed in the balance sheet with the amount after offsetting each other. In addition, financial

Assets and financial liabilities are presented separately in the balance sheet and are not offset.

(7) Determination of fair value of financial instruments

For financial instruments in an active market, in an orderly transaction between market participants on the measurement date, the amount that can be received to sell an asset or the expenditure required to transfer a liability is determined.

The price paid determines its fair value. For financial instruments that do not have an active market, their fair value is determined using valuation techniques. In the valuation, the company used the current situation

Applicable and supported by sufficient available data and other information under valuation techniques, select the assets or liabilities that are considered by market participants in the transaction of the relevant asset or liability

Debt characteristics are consistent with input values, and where possible, the use of relevant observable input values is preferred. When the relevant observable input value is unavailable or impractical to obtain, use the

Observable input value.

10. Inventory

(1) Inventory classification

Inventory refers to the finished products or commodities held by an enterprise for sale in its daily activities, the work in progress in the production process, and the consumption in the production process or the provision of labor services.

materials and materials used. Inventories are divided into raw materials, low-value consumables, commissioned processing materials, work-in-progress, self-made semi-finished products, inventory commodities, contract performance costs, etc.

(2) Valuation method of acquisition and issuance

The company's inventory inventory system adopts the perpetual inventory system. If the raw materials, work-in-progress, and self-made semi-finished products are priced at the planned cost, the actual cost will be adjusted at the end of the month;

If it is priced at actual cost, the issue is calculated by the weighted average method. The entrusted processing materials are priced at the actual cost;

Calculated by weighted average method. Low-value consumables are amortized using the one-off write-off method; packaging materials for turnover are included in the cost according to the estimated number of times of use.

(3) Withdrawal method of inventory depreciation reserve

If the inventory cost of the company at the end of the period is higher than its net realizable value, a provision for inventory depreciation shall be made. The company usually makes provision for inventory depreciation according to a single category of inventory items,

At the end of the period, if the factors affecting the previous write-down of the inventory value have disappeared, the provision for inventory depreciation will be reversed within the originally accrued amount.

(4) Recognition method of net realizable value of inventories

The net realisable value of inventories is the estimated selling price of inventories less the estimated costs to be incurred upon completion, estimated selling expenses and relevant taxes.

11. Contract assets and contract liabilities

The Company lists contract assets or contract liabilities in the balance sheet based on the relationship between the performance of the performance obligations and the payment from customers. Contract assets are the assets that the company has paid to the customer

The right to receive consideration for the transfer of goods depends on factors other than the passage of time. The contract liability is the consideration received or receivable by the company from the customer.

Customer's obligation to transfer goods.

Impairment provision for contract assets is made in accordance with the expected credit loss method. Regardless of whether there is a significant financing component, the company will be based on the entire duration of the

If the expected credit loss is greater than the carrying amount of the current contract asset impairment provision, the difference is recognized as impairment loss

loss, otherwise, it is recognized as impairment gain. If the actual impairment loss occurs, it is determined that the relevant contract assets cannot be recovered, and they will be written off upon approval.

On the balance sheet date, the contract assets and contract liabilities under different contracts are listed separately. For contract assets and contract liabilities under the same contract, the net amount is listed

If the net amount is the debit balance, it will be listed as contract assets or other non-current assets according to its liquidity. If the provision for impairment has been made, the provision for impairment of contract assets will be deducted.

If the net amount is the credit balance, it is listed as contract liabilities or other non-current liabilities according to its liquidity.

12. Assets held for sale

The company will recover its book by selling (including the exchange of non-monetary assets with commercial substance, the same below) rather than continuing to use a non-current asset or disposal group

If it meets the following two conditions at the same time, it is classified as held for sale: (1) A certain non-current asset or disposal group sells such assets or disposes of such assets according to similar transactions

(2) The company has made a resolution on the sale plan and obtained a firm purchase commitment, and it is expected that the sale will be completed within one year.

Finish. (The relevant regulations require the relevant authority or regulatory authority to approve the sale before it can be sold, and the approval has been obtained.)

The non-current assets or disposal groups acquired by the company for resale meet the specified conditions of "expected to be sold within one year" on the date of acquisition, and the short-term (usually

If it is likely to meet other classification conditions of the held-for-sale category within 3 months), it will be classified as the held-for-sale category on the acquisition date.

When the company initially measures or re-measures on the balance sheet date and divides it into non-current assets held for sale and disposal groups, its book value is higher than the fair value minus the

If the net amount after selling expenses, the book value shall be written down to the net amount after the fair value minus selling expenses, and the written-down amount shall be recognized as asset impairment loss and included in the current profit and loss.

At the same time, provision for impairment of assets held for sale is made. For the amount of asset impairment loss recognized in the disposal group held for sale, first offset the book value of the goodwill in the disposal group, and then

According to the accounting standards for business enterprises No. 42 - Non-current Assets Held for Sale, Disposal Group and Discontinued Operations in the disposal group, the book value of each non-current asset is measured.

The proportion of the value, deducted from its book value proportionally.

If the net amount of the non-current assets held for sale on the subsequent balance sheet date increases after deducting the selling expenses, the previously written down amount shall be restored and shall be

The amount of asset impairment loss recognized after the held-for-sale category is reversed, and the reversed amount is included in the current profit and loss. Asset impairment losses recognized before being classified as held for sale are not

turn back. The previously written-down amount of the disposal group held for sale shall be restored, and after being classified as held for sale, the Accounting Standards for Business Enterprises No. 42-Holding

Non-current assets for sale, disposal groups and discontinued operations" shall be reversed within the amount of asset impairment loss recognized for non-current assets, and the reversed amount shall be included in the current profit and loss.

The book value of goodwill that has been written off, and the asset impairment loss recognized before the non-current assets subject to the measurement requirements of this standard are classified as held-for-sale category shall not be reversed.

Non-current assets held for sale or non-current assets in disposal groups are not depreciated or amortized, and the interest and other expenses of liabilities in disposal groups held for sale continue to be paid for.

to confirm.

When a non-current asset or disposal group no longer meets the classification conditions of the held-for-sale category, the company will no longer classify it as a held-for-sale category or non-current assets from

It is removed from the disposal group held for sale and measured according to the lower of the following two: (1) The book value before it is classified as held for sale, and it is assumed not to be classified as held for sale

(2) The recoverable amount.

When derecognizing a non-current asset or disposal group held for sale, the Company will include the unrecognized gain or loss into the current profit and loss.

13. Long-term equity investment

The long-term equity investment referred to in this section refers to the long-term equity investment in which the company has control, joint control or significant influence over the investee. The company has invested in

Long-term equity investments that the capital unit does not have control, joint control or significant influence on are accounted for as trading financial assets or investments in other equity instruments. For the accounting policies, please refer to

Note 3. 9 "Financial Instruments".

Joint control refers to the common control of an arrangement by the company in accordance with relevant agreements, and the relevant activities of the arrangement must be subject to the participation of the parties sharing the control rights.

Decisions can only be made after consent is given. Significant influence means that the company has the right to participate in the decision-making of the financial and operating policies of the investee, but cannot control or interact with other

The parties jointly control the formulation of these policies.

(1) Determination of investment cost

For the long-term equity investment obtained from the business combination under the same control, on the combination date, the book value of the shareholders' equity of the merged party in the consolidated financial statements of the ultimate controlling party shall be

Share of value as the initial investment cost for long-term equity investments. Initial investment cost of long-term equity investment and cash paid, non-cash assets transferred and debts assumed

The difference between the book value of the business and the capital reserve shall be adjusted; if the capital reserve is insufficient to offset, the retained earnings shall be adjusted. If the issue of equity securities is used as the consideration for the merger,

The share of the book value of the shareholders' equity of the merged party in the consolidated financial statements of the ultimate controlling party is taken as the initial investment cost of the long-term equity investment, and the share of the issued shares

The total face value of the issued shares shall be regarded as the share capital, and the difference between the initial investment cost of long-term equity investment and the total face value of the issued shares shall be adjusted to the capital reserve;

Adjusted for retained earnings. If the equity of the merged party under the same control is obtained step by step through multiple transactions, and the merger of enterprises under the same control is finally formed, whether it belongs to the "one

deal with "package deal": if it belongs to a "package deal", each transaction shall be accounted for as a transaction for obtaining control. If it does not belong to a "package deal",

On the merger date, the share of the book value of the shareholders' equity of the merged party in the consolidated financial statements of the ultimate controlling party shall be regarded as the initial investment cost of the long-term equity investment.

The sum of the initial investment cost of the long-term equity investment and the book value of the long-term equity investment before the merger plus the new payment consideration for further acquisition of shares on the merger date

Adjust the capital reserve; if the capital reserve is insufficient to offset, adjust the retained earnings. Equity investments held before the merger date are available for sale because they are accounted for using the equity method or are available for sale.

Other comprehensive income recognized from financial assets is not subject to accounting treatment for the time being.

For the long-term equity investment obtained from the merger of enterprises not under the same control, on the purchase date, the merger cost shall be regarded as the initial investment cost of the long-term equity investment, and the merger shall be

This includes the sum of the assets paid by the purchaser, the liabilities incurred or assumed, and the fair value of the equity securities issued. Acquiring the buyer's data in steps through multiple transactions

Equity, which eventually forms a business combination not under the same control, should be dealt with according to whether it belongs to a "package deal"; if it belongs to a "package deal", each transaction shall be treated as a "package deal".

Accounting for a transaction to gain control. If it does not belong to a "package deal", the book value of the equity investment originally held by the acquiree plus the cost of the new investment shall be added.

The sum of this amount shall be regarded as the initial investment cost of long-term equity investment calculated by the cost method. If the originally held equity is accounted for by the equity method, the relevant other comprehensive income will not be included for the time being.

accounting treatment. If the originally held equity investment is an available-for-sale financial asset, the difference between its fair value and its book value, and the accumulated amount originally included in other comprehensive income

Changes in fair value are transferred to profit or loss for the current period.

The intermediary expenses such as auditing, legal services, evaluation and consultation and other related management expenses incurred by the merging party or the purchaser for the business combination shall be included in the current loss when incurred.

beneficial.

Other equity investments other than long-term equity investments formed by business combination shall be initially measured at cost.

The cash purchase price actually paid by the company, the fair value of the equity securities issued by the company, the value agreed in the investment contract or agreement, the non-monetary assets

The fair value or original book value of the exchanged assets in the exchange transaction, the fair value of the long-term equity investment itself, etc. are determined. directly related to obtaining long-term equity investments

Customs fees, taxes and other necessary expenses are also included in the investment cost. For the additional investment that can exert significant influence on the investee or exercise joint control but does not constitute a

Controlled, the cost of long-term equity investment is the fair value of the originally held equity investment determined in accordance with the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments

The sum of the new investment costs above.

(2) Subsequent measurement and profit and loss recognition method

Long-term equity investments that have joint control (except for constituting joint operators) or significant influence over the investee shall be accounted for using the equity method. In addition, the company's financial

The table uses the cost method to account for long-term equity investments that can control the investee.

¥Long-term equity investment accounted for by the cost method

When the cost method is adopted, the long-term equity investment is priced at the initial investment cost, and the cost of the long-term equity investment is adjusted by adding or recovering the investment. Except for the actual

In addition to the price paid or the cash dividends or profits that have been declared but not yet distributed included in the consideration, the current investment income shall be equal to the cash dividends declared and distributed by the investee.

Dividend or profit recognition.

¥Long-term equity investment accounted for by the equity method

When the equity method is used for accounting, if the initial investment cost of a long-term equity investment is greater than the share of the fair value of the identifiable net assets of the investee at the time of the investment, no adjustment shall be made.

The initial investment cost of the long-term equity investment; if the initial investment cost is less than the share of the fair value of the identifiable net assets of the investee at the time of investment, the difference shall be included in the current period

Profits and losses, while adjusting the cost of long-term equity investments.

When accounting using the equity method, the investment income and other

Comprehensive income, while adjusting the book value of long-term equity investments; the share to be enjoyed is calculated according to the profits or cash dividends declared to be distributed by the investee, and the long-term equity investment is reduced accordingly.

The book value of the long-term equity investment; for other changes in the owner's equity of the investee except for net profit and loss, other comprehensive income and profit distribution, adjust the long-term equity investment.

The book value of the capital is included in the capital reserve. When recognizing the share of the investee's net profit and loss, the equity of the investee's identifiable assets at the time of obtaining the investment

Based on fair value, the net profit of the investee is adjusted and confirmed. If the accounting policies and accounting periods adopted by the investee are inconsistent with those of the company,

The company's accounting policies and accounting period adjust the financial statements of the investee, and confirm investment income and other comprehensive income accordingly. For the company and associates

If the assets invested or sold do not constitute business transactions between companies and joint ventures, the unrealized profits and losses of internal transactions shall be calculated according to the proportion of shares attributable to the company.

Part of it is offset, and investment gains and losses are recognized on this basis. However, if the unrealized internal transaction losses between the company and the investee belong to the impairment loss of the transferred assets,

Not set off. If the assets invested by the company to a joint venture or an associate constitute a business, and the investor thus obtains long-term equity investment but does not obtain control, the investment

The fair value of the outgoing business is regarded as the initial investment cost of the new long-term equity investment, and the difference between the initial investment cost and the book value of the outgoing business is fully included in the current profit and loss.

If the assets sold by the Company to joint ventures or associates constitute business, the difference between the consideration obtained and the book value of the business shall be fully included in the current profit and loss. The company's self-connection

If the assets purchased by a joint venture or a joint venture constitute a business, the accounting treatment shall be carried out in accordance with the provisions of the Accounting Standards for Business Enterprises No. 20 - Business Combination, and the full amount shall be confirmed and delivered.

easily related gains or losses.

When recognizing the net loss of the investee that should be shared, the book value of the long-term equity investment and other long-term rights that substantially constitute the net investment in the investee shall be used.

Profits are written down to zero. In addition, if the company is obliged to bear additional losses to the investee, the estimated liabilities shall be recognized according to the expected obligations and included in the current investment.

capital loss. If the investee realizes net profit in the subsequent period, the company will resume the recognition of the profit sharing amount after the profit sharing amount makes up for the unrecognized loss sharing amount.

γ Acquisition of minority stake

When preparing the consolidated financial statements, the long-term equity investment newly added due to the purchase of minority stakes and the proportion of newly increased shareholdings shall be entitled to the subsidiary from the date of purchase (or merger)

The difference between the shares of net assets calculated continuously from the date) shall be adjusted to the capital reserve. If the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

γ Disposal of long-term equity investment

In the consolidated financial statements, the parent company partially disposes of the long-term equity investment in the subsidiary without losing control, the disposal price and the disposal of the long-term equity investment

The difference corresponding to the net assets of the subsidiary is included in the shareholders' equity; if the parent company partially disposes of the long-term equity investment in the subsidiary, resulting in the loss of control over the subsidiary, the capital

Relevant accounting policies described in Note III. 6. (2) "Methods for the preparation of consolidated financial statements".

For the disposal of long-term equity investment under other circumstances, the difference between the book value of the disposed equity and the actual price obtained shall be included in the current profit and loss.

For long-term equity investments accounted for by the equity method, if the remaining equity after disposal is still accounted for by the equity method, other comprehensive income originally included in shareholders' equity shall be included in the disposal.

Part of the accounting treatment is carried out on the same basis as the investee directly disposes the relevant assets or liabilities according to the corresponding proportion. Due to the investee's net profit and loss, other comprehensive income

The owner's equity recognized from other changes in owner's equity other than profit and profit distribution shall be carried forward to the current profit and loss proportionally.

For long-term equity investments accounted for by the cost method, if the remaining equity after disposal is still accounted for by the cost method, the equity investment is accounted for by the use of equity before the control of the investee is obtained.

Other comprehensive income recognized by accounting method or financial instrument recognition and measurement standard accounting shall be carried out on the same basis as the investee directly disposes of relevant assets or liabilities.

Accounting treatment, and carry forward the current profit and loss proportionally; the net profit and loss, other comprehensive income and profit distribution of the net assets of the investee recognized due to the use of the equity method

Changes in other owners' equity other than those are carried forward proportionally to the current profit and loss.

If the company loses control over the investee due to the disposal of part of the equity investment, when preparing individual financial statements, the remaining equity after disposal can be used to control the investee.

If it exercises joint control or exerts significant influence, it shall be accounted for by the equity method, and the remaining equity shall be deemed to be adjusted by the equity method when it is acquired;

If the remaining equity cannot exercise joint control or exert significant influence on the investee, the accounting treatment shall be carried out in accordance with the relevant provisions of the financial instrument recognition and measurement standards.

The difference between the fair value and the book value on the date of loss of control is included in the current profit and loss. Before the company obtains control over the investee, due to the use of equity method

Other comprehensive income recognized by accounting or financial instrument recognition and measurement standards accounting, when the control over the investee is lost, the direct disposal of the relevant assets with the investee is adopted.

The accounting treatment is carried out on the same basis as the liabilities or the same, and the net assets of the investee recognized due to the use of the equity method are accounted for except for the net profit and loss, other comprehensive income and profit distribution.

Changes in other owners' equity are carried forward to the current profit and loss when they lose control over the investee. Among them, if the remaining equity after disposal is accounted for by the equity method, other comprehensive

Income and other owners' equity are carried forward in proportion; if the remaining equity after disposal is changed to be accounted for according to the recognition and measurement standards of financial instruments, other comprehensive income and other

All owners' equity is carried forward.

If the company loses joint control or significant influence on the investee due to the disposal of part of the equity investment, the remaining equity after disposal shall be recognized and measured as a financial instrument

According to accounting standards, the difference between the fair value and the book value on the date of loss of joint control or significant influence is included in the current profit and loss. The original equity investment was verified by the equity method

For other comprehensive income recognized by calculation, when the equity method is terminated, the accounting treatment shall be conducted on the same basis as the investee directly disposes of the relevant assets or liabilities.

The owner's equity recognized due to changes in other owners' equity of the investee other than net profit or loss, other comprehensive income and profit distribution shall be fully recognized when the equity method is terminated.

Transfer to the current investment income.

The company disposes the equity investment in subsidiaries step by step through multiple transactions until it loses control. If the above transactions belong to a package transaction, each transaction shall be regarded as one

The transaction of disposing the equity investment of the subsidiary and losing control shall be accounted for, and each disposal price before the loss of control shall correspond to the long-term shares corresponding to the disposed equity.

The difference between the book value of the right investment is first recognized as other comprehensive income, and when the control right is lost, it will be transferred to the current profit and loss of the loss of control right.

14. Fixed asset valuation and depreciation methods

(1) Recognition conditions of fixed assets

The company's fixed assets refer to tangible assets held for the production of commodities, provision of labor services, lease or operation and management, with a service life exceeding one fiscal year.

A fixed asset can only be recognized when the economic benefits related to the fixed asset are likely to flow into the enterprise and the cost of the fixed asset can be measured reliably.

The Company's fixed assets are initially measured at the actual cost at the time of acquisition.

(2) Fixed asset classification and depreciation policy

The Company adopts the straight-line method to accrue depreciation. Depreciation of fixed assets begins to be accrued when they reach the intended usable state, and they may be classified as held-for-sale non-current when they are derecognized.

Stop accruing depreciation when moving assets. Without considering the provision for impairment, the company determines various types of fixed assets according to the type of fixed assets, estimated service life and estimated residual value.

The annual depreciation rate for production is as follows:

Fixed asset class	Depreciation period	Residual rate(%)	Annual depreciation rate (%)
building	40-45	3	2.16-2.43
mechanical equipment	12-22	5	4.32-7.92
means of transport	10-15	5	6.33-9.50
other	8-22	5	4.32-11.88

Among them, for the fixed assets for which depreciation reserves have been made, the depreciation rate shall be calculated and determined by deducting the accumulated amount of the fixed assets depreciation reserves that have been made.

At the end of each year, the company reviews the service life, estimated net residual value and depreciation method of fixed assets. The estimated service life is different from the original estimate

If there is a difference between the estimated net residual value and the original estimate, adjust the estimated net residual value.

(3) Overhaul cost

The major repair costs incurred by the company's regular inspection of fixed assets, and the part that has conclusive evidence to show that the conditions for the recognition of fixed assets are met shall be included in the cost of fixed assets.

The daily repair costs of fixed assets that do not meet the conditions for subsequent expenditures for capitalization of fixed assets shall be included in the current profit and loss according to the beneficiary object or included in the relevant assets when incurred.

production cost. The daily repair costs of fixed assets related to the production and processing of inventories shall be dealt with in accordance with the principle of determining the cost of inventories.

The daily repair costs of fixed assets incurred by sales agencies, etc. are classified into management expenses or sales expenses according to their functional categories. During the period of regular overhaul of fixed assets, the discount will be

old.

15. Construction in progress

The cost of the company's construction in progress is determined based on the actual project expenditure, including all necessary construction expenditures incurred during the construction period, and the amount of work that should be paid before the project reaches the intended usable state.

Capitalized borrowing costs and other related expenses, etc.

Construction in progress is transferred to fixed assets when it reaches the intended usable state.

16. Borrowing costs

Borrowing costs include interest on borrowings, amortization of discounts or premiums, auxiliary expenses, and exchange differences arising from foreign currency borrowings. directly attributable to qualifying capitalization

The borrowing costs for the acquisition, construction or production of qualified assets, when the asset expenditure has occurred, the borrowing costs have occurred, and the assets can be used or sold in a predetermined state.

Capitalization begins when the necessary acquisition, construction or production activities have already begun; the capitalized assets constructed or produced that meet the conditions for capitalization are ready for intended use or can be sold

status, stop capitalization. The remaining borrowing costs are recognized as expenses in the period in which they are incurred.

The interest expense actually incurred in the current period of the special loan, minus the interest income obtained from the unused loan funds deposited in the bank or the investment income obtained from the temporary investment.

The amount after the benefit is capitalized; general borrowings are capitalized by multiplying the weighted average of the asset expenditures of the accumulated asset expenditures in excess of the special borrowings by the capitalization of the occupied general borrowings

rate to determine the capitalized amount. The capitalization rate is calculated and determined based on the weighted average interest rate of general borrowings.

During the capitalization period, the exchange differences of foreign currency special borrowings are fully capitalized; the exchange differences of foreign currency general borrowings are included in the current profit and loss.

Assets eligible for capitalization refer to fixed assets and investments that require a long period of acquisition, construction or production activities to be ready for use or sale.

assets such as real estate and inventories.

If the acquisition, construction or production of an asset eligible for capitalization is interrupted abnormally and the interruption lasts for more than 3 months, the financing of borrowing costs will be suspended.

localized until the acquisition, construction or production of the asset resumes.

If general borrowings are occupied for the purchase, construction or production of assets that meet the capitalization conditions, the weighted average of the cumulative asset expenditures exceeding the specific borrowings shall be calculated according to the weighted average.

Multiply the amount by the capitalization rate of the occupied general borrowings to calculate and determine the amount of interest that should be capitalized on general borrowings. The capitalization rate is calculated and determined based on the weighted average interest rate of general borrowings.

Certainly.

17. Intangible assets

The Company's intangible assets are initially measured at cost, and their useful lives are analyzed and judged when the intangible assets are obtained. The useful life is limited, since intangible assets can be

From the time it is available for use, the amortization method that can reflect the expected realization method of the economic benefits related to the asset shall be adopted, and the amortization method shall be amortized within the expected useful life;

If it is realized, it is amortized using the straight-line method; intangible assets with an indefinite service life are not amortized.

At the end of each year, the company reviews the service life and amortization method of intangible assets with limited service life. If it is different from the previous estimate, adjust the original estimate.

are counted and treated as changes in accounting estimates.

If the company predicts that an intangible asset can no longer bring future economic benefits to the enterprise at the end of the period, the book value of the intangible asset will be transferred to the current profit and loss.

18. Amortization method of long-term deferred expenses

Long-term deferred expenses incurred by the Company are priced at actual cost and amortized equally over the expected benefit period. Long-term deferred expenses that do not benefit future accounting periods

Items, the amortized value is all included in the current profit and loss.

19. Impairment of long-term assets

For fixed assets, construction in progress, right-of-use assets, intangible assets with limited useful lives, investment real estate measured at cost, and for subsidiaries, joint ventures

For non-current non-financial assets such as long-term equity investments in enterprises and associates, the Company determines whether there is any sign of impairment on the balance sheet date. If there is any indication of impairment,

The recoverable amount is estimated and tested for impairment. Goodwill, intangible assets with indefinite useful lives and intangible assets not yet ready for use, whether or not they exist

If there is any indication of impairment, an impairment test is carried out annually.

If the result of the impairment test indicates that the recoverable amount of the asset is lower than its book value, an impairment provision shall be made according to the difference and included in the impairment loss. recoverable amount of assets

The higher of the fair value less costs of disposal and the present value of the expected future cash flows of the asset. The fair value of the asset is based on the sales agreement in an arm's length transaction

If there is no sales agreement but there is an active market for the asset, the fair value is determined according to the buyer's bid for the asset; there is no sales agreement and there is no active market for the asset.

If not, the fair value of the asset is estimated based on the best information available. Disposal fees include legal fees, related taxes, handling fees and

and direct costs incurred in bringing the asset to a saleable condition. The present value of the estimated future cash flows of the asset is based on the value of the asset during its continuous use and final disposal.

For the expected future cash flow generated, select the appropriate discount rate to determine the discounted amount. The provision for asset impairment is calculated and confirmed on an individual asset basis.

If it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of the asset group shall be determined based on the asset group to which the asset belongs. Asset groups are able to independently generate cash

The smallest portfolio of assets into which gold flows.

For goodwill listed separately in the financial statements, when conducting the impairment test, the book value of the goodwill is allocated to the assets expected to benefit from the synergies of the business combination

group or combination of asset groups. If the test results show that the recoverable amount of the asset group or combination of asset groups including the apportioned goodwill is lower than its book value, the corresponding impairment loss shall be recognized.

lose. The amount of impairment loss is first deducted from the book value of the goodwill allocated to the asset group or combination of asset groups, and then based on other assets other than goodwill in the asset group or combination of asset groups.

The proportion of the book value of each asset is proportional to the book value of other assets.

Once the above-mentioned asset impairment loss is confirmed, the part whose value is recovered will not be reversed in subsequent periods.

20. Estimated liabilities

If the obligations related to contingencies meet the following conditions at the same time, the company will recognize them as estimated liabilities:

A. The obligation is the current obligation undertaken by the company;

B. The performance of this obligation is likely to cause economic benefits to flow out of the company;

C. The amount of the obligation can be measured reliably.

If all or part of the expenses required to settle the recognized estimated liabilities are expected to be compensated by a third party or other party, the compensation amount can only be paid as

Assets are recognised separately. The recognized compensation amount does not exceed the book value of the recognized liability.

21. Employee remuneration

Employee compensation refers to various forms of remuneration or compensation given by the company for obtaining services provided by employees or for termination of labor relations. Employee compensation includes short-term compensation,

Post-employment benefits, termination benefits and other long-term employee benefits. The company provides benefits to employees' spouses, children, dependants, survivors of deceased employees and other beneficiaries

Profits are also employee compensation.

The company classifies employee compensation that needs to be paid in full within 12 months after the end of the annual reporting period in which employees provide relevant services as short-term compensation.

Except for the compensation given by the employee's labor relationship. Short-term remuneration specifically includes: employee wages, bonuses, allowances and subsidies, employee welfare fees, medical insurance premiums, work-related injury insurance

Social insurance premiums such as premiums and maternity insurance premiums, housing provident fund, trade union funds and employee education funds, short-term paid absences, short-term profit-sharing plans, non-monetary benefits

and other short-term compensation. The company recognizes the actual short-term employee benefits as liabilities during the accounting period when employees provide services to the company, and includes them in the current profit and loss or

related asset costs. Among them, non-monetary benefits are measured at fair value.

Dismissal welfare: refers to the compensation given by the enterprise to the employee to terminate the labor relationship with the employee before the employee's labor contract expires, or to encourage the employee to voluntarily accept the layoff.

Post-employment benefits mainly include defined contribution plans. Among them, the set deposit plan mainly includes basic pension insurance, unemployment insurance, etc.

When included in the relevant asset cost or current profit and loss.

Other long-term employee benefits refer to all employee benefits other than short-term remuneration, post-employment benefits, and dismissal benefits, including long-term paid absences, long-term disability benefits,

Long-term profit sharing plans, etc.

22. Principles of revenue recognition

Income is the total inflow of economic benefits arising from the company's day-to-day activities that result in an increase in shareholders' equity and are not related to the capital invested by shareholders. The company is performing

A performance obligation in a contract, that is, revenue is recognized when the customer obtains control of the relevant good or service (referred to as the commodity).

If the contract contains two or more performance obligations, the company will, on the contract start date, based on the relative proportion of the stand-alone selling price of the commodities promised by each single performance obligation.

The transaction price is apportioned to each individual performance obligation, and revenue is measured at the transaction price apportioned to each individual performance obligation.

The transaction price is the amount of consideration that the Company expects to be entitled to receive for the transfer of goods to the customer, excluding payments received on behalf of third parties. The transaction price confirmed by the company

Not exceeding the amount for which it is highly probable that a significant reversal of the accumulated recognized revenue will not occur when the relevant uncertainty is eliminated. If there is a significant financing component in the contract, the company will

The transaction price is determined by the amount payable in cash when the customer obtains control of the commodity. The difference between the transaction price and the consideration promised in the contract shall be determined during the contract period.

Amortized using the effective interest method.

When one of the following conditions is met, it belongs to the performance obligation within a certain period of time, otherwise, it belongs to the performance obligation at a certain point in time: \bar{y} If the customer performs the contract in the company

At the same time, the economic benefits brought by the company's performance are obtained and consumed; \bar{y} the customer can control the products under construction during the company's performance; \bar{y} the company's performance of the contract

The exported goods have irreplaceable uses, and the company has the right to collect payment for the performance part that has been completed so far throughout the contract period.

For performance obligations performed within a certain period of time, the Company recognizes revenue according to the progress of performance within that period. When the performance progress cannot be reasonably determined, the company has already

If the cost incurred is expected to be compensated, the revenue shall be recognized according to the amount of cost incurred until the progress of the contract performance can be reasonably determined. performed at a point in time

For performance obligations, the company recognizes revenue when the customer obtains control over the relevant commodities.

Income involved by the company includes income from sales of goods and income from labor services.

(1) Selling products:

The company will deliver the goods to the agreed delivery location or to the carrier entrusted by the buyer in accordance with the contract, and will deliver the goods to the carrier at the time of acceptance by the buyer or to the carrier.

The time point of the company is the time point when the control right is transferred, and the revenue is recognized. The credit period given by the company to customers is determined according to the credit risk characteristics of customers, and there is no significant financing component.

(2) Provide labor services:

For labor services provided by the company, revenue is recognized within a period of time according to the progress of completed labor services. The progress of completed labor services is based on the cost incurred as a percentage of the estimated total.

The proportion of cost is determined. On the balance sheet date, the company re-estimates the progress of the completed labor services so that it can reflect the changes in the performance of the contract.

When the company recognizes the income according to the progress of the completed labor services, the part that has obtained the unconditional right to receive payment is recognized as accounts receivable, and the remaining part is recognized as contract

assets, and confirm the loss provision for accounts receivable and contract assets based on expected credit losses; if the contract price received or receivable by the company exceeds the cost of labor services

degree, the excess will be recognized as contract liabilities. The Company presents the contract assets and contract liabilities under the same contract on a net basis.

23. Government subsidies

Government grants refer to the monetary assets or non-monetary assets obtained by the company from the government for free, excluding the investment by the government as an investor and with the corresponding owner's rights and interests.

invested capital. Government grants are divided into asset-related government grants and income-related government grants. If the government subsidy is a monetary asset, it shall be based on the amount received or receivable.

amount measurement. If the government subsidy is a non-monetary asset, it shall be measured at its fair value; if the fair value cannot be obtained reliably, it shall be measured at its nominal amount. nominal gold

The government subsidies measured in the amount are directly included in the current profit and loss.

Government grants related to assets are recognized as deferred income, and are included in profit and loss in a reasonable and systematic way within the useful life of the relevant assets.

If it is sold, transferred, scrapped or damaged before the end of its useful life, the relevant deferred income balance that has not yet been distributed shall be transferred to the current profit and loss of asset disposal.

If the subsidy needs to be returned, the book balance of the relevant deferred income shall be written off, and the excess shall be included in the current profit and loss. Or write down the book value of related assets, the recognized government grants need to be

If it is to be returned, the book value of the asset is adjusted, and government subsidies related to income are used to compensate the relevant costs or losses of the enterprise in the future period, and are recognized as deferred income.

Profits and losses shall be included in the current profit and loss during the period in which the relevant costs or losses are recognized; those used to compensate the relevant costs or losses incurred by the enterprise shall be directly included in the current losses

beneficial.

For government grants that include both asset-related parts and income-related parts, accounting treatment is carried out separately for different parts; if it is difficult to distinguish, they are classified as a whole

It is a government grant related to income.

Government subsidies related to the company's daily activities are included in other income according to the substance of economic business. Government subsidies unrelated to the company's daily activities are included in non-operating income

branch.

24. Deferred tax assets/deferred tax liabilities

Differences between the book value of certain assets and liabilities and their tax bases, as well as those that are not recognized as assets and liabilities but can be determined for tax purposes in accordance with tax laws

Temporary differences arising from the difference between the book value of the underlying item and the tax base are recognized using the balance sheet liability method to recognize deferred income tax assets and deferred income tax

debt.

In connection with the initial recognition of goodwill and in transactions that are neither a business combination nor affect accounting profits and taxable income (or deductible losses) when they occur

The taxable temporary differences arising from the initial recognition of assets or liabilities shall not be recognized as related deferred tax liabilities. In addition, with subsidiaries, associates and

Taxable temporary differences related to investments in joint ventures, if the company can control the timing of the reversal of the temporary differences, and the temporary differences are very likely in the foreseeable future.

It may not be reversed and the related deferred tax liability will not be recognised. Except for the above exceptions, the company recognizes all other deferred taxable temporary differences arising from

tax liability.

Initial recognition of assets or liabilities arising from a transaction that is neither a business combination nor affects accounting profit and taxable income (or deductible loss) at the time of occurrence

For relevant deductible temporary differences, relevant deferred income tax assets shall not be recognized. In addition, deductible temporary deductions related to investments in subsidiaries, associates and joint ventures

Temporary differences, if it is not probable that the temporary difference will reverse in the foreseeable future, or that it is not probable that a taxable tax will be available against which the deductible temporary difference will be available in the future

The related deferred income tax assets will not be recognized. Except for the above exceptions, the company may obtain taxable income that is likely to be used to offset the deductible temporary differences.

Deferred income tax assets arising from other deductible temporary differences are recognized.

For deductible losses and tax credits that can be carried forward to future years, the future taxable income that is likely to be used to deduct the deductible losses and tax credits is

limit, and confirm the corresponding deferred tax assets.

On the balance sheet date, for deferred income tax assets and deferred income tax liabilities, in accordance with tax laws, the relevant assets are expected to be recovered or the liabilities will be repaid.

Applicable tax rate measurement.

On the balance sheet date, review the book value of deferred tax assets, if it is probable that sufficient taxable income cannot be obtained in the future to offset the deferred tax

interest in tax assets, the book value of deferred tax assets is written down. The write-down amount is reversed when it is probable that sufficient taxable income will be obtained.

25. Income tax

Income tax includes current income tax and deferred income tax. Except for adjusted goodwill arising from business combination, or related to transactions or events directly included in owners' equity

Except for the deferred income tax included in the owner's equity, it is included in the current profit and loss as income tax expense.

Current income tax is the amount of income tax payable for the current period calculated on the basis of the current taxable income. The taxable income is based on the pre-tax accounting for the current year in accordance with the relevant tax laws.

Profits are adjusted accordingly.

Based on the temporary difference between the book value of assets and liabilities on the balance sheet date and the tax base, the company adopts the balance sheet liability method to recognize deferred income

Tax.

Deferred tax liabilities are recognised for each taxable temporary difference, unless the taxable temporary difference arises in the following transactions:

A. Initial recognition of goodwill, or initial recognition of assets or liabilities arising from a transaction with the following characteristics: the transaction is not a business combination and the transaction occurs

It affects neither accounting profit nor taxable income;

B. For taxable temporary differences related to investments in subsidiaries, joint ventures and associates, the timing of the reversal of the temporary differences can be controlled and the temporary

Sex differences are likely not to reverse in the foreseeable future.

For deductible temporary differences, deductible losses and tax credits that can be carried forward to future years, the company may obtain deductible temporary differences,

Deductible losses and tax credits against future taxable income are recognised as deferred tax assets arising therefrom, unless the deductible temporary difference is incurred in the following transactions

produced in:

A. The transaction is not a business combination, and when the transaction occurs, it affects neither accounting profits nor taxable income;

B. For deductible temporary differences related to investments in subsidiaries, joint ventures and associates, if the following conditions are met at the same time, the corresponding deferred income tax shall be recognized

Assets: It is probable that the temporary difference will reverse in the foreseeable future, and it is probable that the taxable income against which the temporary difference can be deducted will be obtained in the future.

On the balance sheet date, the Company measures deferred income tax assets and deferred income tax liabilities according to the applicable tax rate during the period when the assets are expected to be recovered or the liabilities are settled.

It also reflects the income tax impact of the expected recovery of assets or settlement of liabilities on the balance sheet date.

On the balance sheet date, the Company reviews the book value of deferred tax assets. If it is probable that sufficient taxable income will not be available for future periods

To deduct the benefit of deferred tax assets, write down the book value of deferred tax assets. When it is probable that sufficient taxable income will be obtained, the written-down amount is carried forward

back.

26. Leasing

A lease is a contract whereby the lessor transfers the right to use the asset to the lessee for consideration within a certain period of time. On the contract start date, the Company assesses that the contract is

Not a lease or includes a lease, if a party to the contract transfers the right to control the use of one or more identified assets for a certain period in exchange for consideration, the contract is

are leases or include leases. The Company does not reassess whether a contract is a lease or contains a lease unless the terms and conditions of the contract have changed.

(1) The company as the lessee

If the contract contains a number of separate leases at the same time, the contract shall be split, and each separate lease shall be accounted for separately. The contract contains both lease and non-lease

For some parts, the Group separates the lease and non-lease parts for accounting treatment.

γ Right-of-use assets

The right-of-use asset refers to the company's right to use the leased asset during the lease term. The types of leased assets of the Company mainly include buildings, land use rights,

machinery and other equipment.

On the commencement date of the lease term, the Company initially measures the right-of-use asset at cost, including: A. the initial measurement amount of the lease liability; B. on the commencement date of the lease term

Or previously paid lease payments, if there is a lease incentive, deduct the relevant amount of the lease incentive already enjoyed; C. The initial direct expenses incurred; D. For the dismantling and removal of the lease

The estimated costs incurred to lease the asset, restore the site where the leased asset is located, or restore the leased asset to the state agreed upon in the lease terms, but are incurred for the production of inventories, are applicable.

Use "Accounting Standards for Business Enterprises No. 1 - Inventory".

After the commencement date of the lease period, the company adopts the cost model to carry out subsequent measurement of the right-of-use asset, and realizes the expected economic benefits related to the right-of-use asset based on the expected realization.

A decision is made to depreciate the right-of-use asset on a straight-line basis (as described in the actual situation) and to account for any identified impairment losses. The company according to

If the lease liability is remeasured according to the relevant provisions of the lease standards, the book value of the right-of-use asset shall be adjusted accordingly.

γ Lease liabilities

The lease liability reflects the present value of the lease payments not yet paid by the company. The company is liable for the lease according to the present value of the unpaid lease payments on the lease start date.

Debt is initially measured.

Lease payment refers to the amount paid by the company to the lessor in relation to the right to use the leased asset during the lease term, including: A. Fixed payment and substantial

Fixed payments, if there is a lease incentive, deduct the amount related to the lease incentive; B. Variable lease payments depending on the index or ratio, which are based on the initial measurement

The index or ratio on the start date of the lease period is determined; C. When the company reasonably determines that the purchase option will be exercised, the exercise price of the purchase option; D. The lease period reflects the company's

When the option to terminate the lease will be exercised, the amount to be paid for exercising the option to terminate the lease; E. The amount expected to be paid according to the residual value of the guarantee provided by the company.

When calculating the present value of lease payments, the company uses the interest rate implicit in the lease as the discount rate; when the interest rate implicit in the lease cannot be determined, the incremental borrowing rate is used as the discount rate.

It is the discount rate, based on the bank loan interest rate for the same period (described according to the actual situation), and adjusted by considering relevant factors to obtain the incremental borrowing rate.

The company calculates the interest expense of the lease liability in each period of the lease term according to the fixed periodic interest rate, and includes it in the current profit and loss, but should be capitalized and included in the relevant cost of assets.

When the evaluation results of the purchase option, lease renewal option and lease termination option change, the actual exercise of the lease renewal option and lease termination option will be the same as the original one.

Inconsistent assessment results, changes in amounts expected to be payable based on residual value guarantees, changes in indices or ratios used to determine lease payments, or substantial fixed payments

The lease liability is remeasured when the amount changes.

Change of lease

When the lease modification increases the scope of the lease by increasing the right to use one or more leased assets, and the increased consideration is equal to the stand-alone price of the extended part of the lease scope

When the amount adjusted according to the contract situation is equivalent, the lease modification is accounted for as a separate lease. If it is not accounted for as a separate lease, the apportionment changes.

After updating the consideration of the contract, the lease term is re-determined and the lease liability is re-measured.

Short-term leases and low-value asset leases

The company recognizes the lease with a lease term of no more than 12 months on the lease start date and does not include a purchase option as a short-term lease;

Leases of lower value assets are considered leases of low value assets. If the company subleases or expects to sublease the leased assets, the original lease is not recognized as a low-value asset lease. Ben Gong

The company chooses not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, and assigns lease payments on a straight-line basis or other basis over each period of the lease term.

A unified and reasonable method is included in the relevant asset cost or current profit and loss.

Sales and leaseback transactions

For sale-and-leaseback transactions, the company evaluates and determines whether the asset transfer in the sale-and-leaseback transaction is in accordance with the provisions of Accounting Standards for Business Enterprises No. 14 - Revenue.

If it is a sale or a sale, the right-of-use asset formed by the sale and leaseback shall be measured according to the portion of the original asset's book value related to the right of use obtained by leaseback, and only for

The right transferred to the lessor is recognized as the relevant gain or loss; if it is not a sale, the transferred asset shall be recognized continuously, and a financial liability equal to the transfer income shall be recognized at the same time.

(2) The company as the lessor

The Company classifies leases into financial leases and operating leases on the lease commencement date, essentially transferring almost all risks and rewards related to the ownership of leased assets.

The leases are finance leases, and in addition are operating leases. When the company acts as a sublease lessor, it classifies the sublease based on the right-of-use asset arising from the original lease.

γFinancial leasing

On the commencement date of the lease period, the Company recognizes the finance lease receivables for the finance lease and derecognizes the finance lease assets. Initial accounting for financial lease receivables

When the amount of the lease investment is determined, the net amount of the lease investment shall be taken as the entry value of the finance lease receivables. The net lease investment is the unguaranteed residual value and lease receipts not yet received at the commencement date of the lease term

The sum of the present values discounted at the interest rate implicit in the lease.

Lease receipts refer to the amount that the company should collect from the lessee for transferring the right to use the leased assets during the lease term, including: A. The lessee needs to pay

Fixed payments and in-substance fixed payments, if there is a lease incentive, deduct the amount related to the lease incentive; B. Variable lease payments that depend on an index or ratio; C. Purchase

The exercise price of the option, provided that it is reasonably certain that the lessee will exercise the option; D. The amount to be paid by the lessee for exercising the option to terminate the lease, provided that the lease term is reversed.

It is reflected that the lessee will exercise the option to terminate the lease;

Guaranteed residual value provided.

The company calculates and recognizes the interest income in each period of the lease period according to the fixed periodic interest rate. The company obtains non-inclusive lease investment net measurement

The variable lease payments are included in the current profit and loss when they are actually incurred.

γOperating lease

During each period of the lease term, the Company adopts the straight-line method to recognize lease receipts from operating leases as rental income. Variable lease payments not included in lease receipts

The amount is included in the current profit and loss when it actually occurs.

If the operating lease is changed, the company will account for it as a new lease from the effective date of the change.

Lease receipts are considered new lease receipts.

(3) Sale and leaseback transactions

For sale-and-leaseback transactions, the company evaluates and determines whether the asset transfer in the sale-and-leaseback transaction is in accordance with the provisions of Accounting Standards for Business Enterprises No. 14 - Revenue.

If it is a sale, if it is a sale, the asset purchase and asset disposal shall be accounted for according to the applicable accounting standards; if it is not a sale, the transferred asset shall not be recognized, but

Recognize a financial asset equal to the transfer income.

27. Preferred shares, perpetual bonds and other financial instruments

(1) Distinction between financial liabilities and equity instruments

The company combines financial assets, financial liabilities and equity instruments in accordance with the contractual terms of the financial instruments issued and the economic substance they reflect, not only in legal form

The definition of the financial instrument or its components is classified as a financial asset, financial liability or equity instrument at initial recognition.

(2) Accounting treatment of perpetual bonds

The financial instruments issued by the company are initially recognized and measured in accordance with the financial instrument standards; thereafter, interest or dividends are accrued on each balance sheet date, according to

Relevant specific enterprise accounting standards for processing. That is, on the basis of the classification of the issued financial instrument, the accounting treatment of interest expense or dividend distribution of the instrument is determined. for

For financial instruments classified as equity instruments, their interest expenses or dividend distribution are regarded as profit distribution of the company, and their repurchase and cancellation are treated as changes in equity;

For a financial instrument classified as a financial liability, its interest expense or dividend distribution shall be treated as borrowing costs in principle, and the gain or loss arising from its repurchase or redemption shall be included in the

Current profit and loss.

If the company issues financial instruments, the transaction fees such as handling fees and commissions incurred, if classified as debt instruments and measured at amortized cost, are included in the issued instruments.

Initial measurement amount; if classified as an equity instrument, it shall be deducted from equity.

28. Withdrawal and use of security fees

In accordance with the Ministry of Finance and the State Administration of Work Safety, the "Administrative Measures for the Extraction and Use of Work Safety Expenses for Enterprises" issued by the State Administration of Work Safety

According to the Circular of Caiqi [2012] No. 16, the company shall accrue safety production expenses by means of excess regressive method based on the operating income of the previous year (deducting the income of alum products), because

Alum products are dangerous goods. According to the production and storage industry of dangerous goods, the safety production cost is accrued in an excess and regressive manner, which is specially used for improving, transforming and maintaining safety facilities.

Equipment, fire equipment expenditure, special equipment, lightning protection grounding, anti-static grounding inspection and testing expenditure, etc.

The safety production expenses drawn by the company are listed in "administrative expenses" and "manufacturing expenses", and are reflected separately in special reserve items.

If the company uses the extracted safety production time, which is an expense, it will directly write down the special reserve. If an enterprise uses the extracted safety production expenses to form fixed assets,

Expenses incurred through the collection of "construction in progress" will be recognized as fixed assets when the safety project is completed and ready for use.

The cost of depreciation is offset against the special reserve, and the accumulated depreciation of the same amount is recognized. The fixed asset will not be depreciated in subsequent periods.

29. Other significant accounting policies and accounting estimates

(1) Termination of operation

Termination of operation refers to a separately distinguishable component of an enterprise that meets one of the following conditions, and the component has been disposed of or classified as held for sale:

① This component represents an independent main business or a separate main business area;

② The component is part of an associated plan to dispose of a separate main business or a separate main business area;

③ This component is a subsidiary acquired exclusively for resale.

For the accounting treatment method of discontinued operation, please refer to the relevant description in Note III, 12 "Assets Held for Sale".

30. Significant accounting judgments and estimates

In the process of applying accounting policies, due to the inherent uncertainty of operating activities, the company needs to make adjustments to the book value of statement items that cannot be accurately measured.

Make judgments, estimates and assumptions. These judgments, estimates and assumptions are made based on the past historical experience of the management of the Company and other relevant factors.

These judgments, estimates and assumptions affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities at the balance sheet date. However, these estimates are not

The actual results caused by the certainty may be different from the current estimates of the management of the company, which will result in re-assessment of the carrying amounts of the assets or liabilities affected in the future.

Big adjustment.

The company regularly reviews the aforementioned judgments, estimates and assumptions on a going concern basis. If changes in accounting estimates only affect the current period of changes, the amount of impact is in

The current period of the change is confirmed; if it affects both the current period of the change and the future period, the affected amount is confirmed in the current period of the change and the future period.

On the balance sheet date, the important areas where the Company needs to make judgments, estimates and assumptions on the amounts of financial statement items are as follows:

(1) Provision for inventory depreciation

As stated in Note (3), 10, inventories are measured at the lower of cost and net realizable value. Net realisable value is the estimated selling price of inventories less the estimated sales at the time of completion.

costs incurred, estimated selling expenses, and the amount after applicable taxes.

The Company will periodically conduct a comprehensive review of inventories to determine whether there is any impairment. The review procedure includes comparing the carrying amount of the inventory to its corresponding net realisable value

A comparison is made to determine whether a provision has been made in the financial statements for any inventory that is at risk of depreciation. The selling price of inventories used for net realisable value will be

Appropriate accounting estimates are required for the amount of costs to be incurred, selling expenses and related taxes. Management has based on best estimates taking into account historical experience and current

production costs and selling expenses to ensure the reasonableness of its accounting estimates. Based on the above procedures, the management of the Company believes that sufficient depreciation reserves have been made for inventories.

(2) Impairment of financial instruments

The Group uses the expected credit loss model to assess the impairment of financial instruments. The application of the expected credit loss model requires significant judgments and estimates, and it is necessary to consider all

Information that is reasonable and substantiated, including forward-looking information. When making such judgments and estimates, the Group based on historical repayment data combined with economic policies, macroeconomic indicators

The expected changes in the credit risk of the debtor are inferred from factors such as the target, industry risk, major changes in the debtor, early warning customer list, collateral and other factors.

(3) Deferred income tax assets

The realization of deferred tax assets mainly depends on future actual profits and the effective tax rate of temporary differences in future years of use. If the actual profit generated in the future is less

If expected, or if the actual tax rate is lower than expected, the recognized deferred tax asset will be reversed and recognized in the consolidated income statement in the period in which the reversal occurs. for the ability to carry over to

Deductible losses in subsequent years, due to the uncertainty of whether some subsidiaries can obtain sufficient taxable income in the future, these subsidiaries have not confirmed the corresponding deductible losses.

tax-deferred assets.

(4) Provision for impairment of fixed assets

The company checks whether there is any sign of possible impairment of fixed assets on the balance sheet date. Impairment occurs when there is an indication that the carrying amount is not recoverable

test. When the book value of the asset or asset group is higher than the recoverable amount, that is, the higher of the net amount after deducting disposal costs from the fair value and the present value of the expected future cash flow.

If the value is higher, it indicates that impairment has occurred. The net amount after the fair value minus disposal costs, with reference to the sale agreement price or observable market price of similar assets in an arm's length transaction,

It is determined by subtracting incremental costs that are directly attributable to the disposal of the asset. When estimating the present value of future cash flows, management estimates the expected future cash of the asset or asset group

flow, and choose an appropriate discount rate to determine the present value of future cash flows. Based on the above procedures, the management of the Company believes that sufficient impairment provision has been made for fixed assets.

31. Changes in major accounting policies and accounting estimates

(1) Changes in accounting policies

• New lease standards

On December 7, 2018, the Ministry of Finance issued the revised Accounting Standards for Business Enterprises No. 21 – Leases (Cai Kuai [2018] No. 35) (hereinafter referred to as the "New Lease Standards"),

The company will implement the new lease standards from January 1, 2021. According to the relevant provisions of the new lease standards, the company adjusts the cumulative impact of the first implementation of this standard.

The amount of retained earnings and other relevant items in the financial statements at the beginning of the year in which this standard is implemented for the first time will not be adjusted for comparable period information. Implementation of the new lease standards for the 2021 opening report

Table items are affected as follows:

report item	December 31, 2020 __ __	January 1, 2021 __ __
right-of-use asset		528,099,249.77
Non-current liabilities due within one year	10,678,057,028.17	10,725,319,146.61
lease liability		480,837,131.33

• Changes in other accounting policies

No other accounting policy changes

(2) Changes in accounting estimates

There were no changes in accounting estimates in the current period.

6. Tax

1. Main taxes and tax rates

tax	tax basis	tax rate
VAT	Product sales and other income	6%, 13%, 9%
Urban maintenance and construction tax	VAT	7%, 5%
Education fee surcharge	VAT	3%
local education surcharge	VAT	2%
environmental protection tax	Note 1	Note 1
corporate income tax	Taxable income	15%, 25%, 30%

Note 1: Environmental protection tax accrual standard: Air pollutants: Calculated and paid according to the pollution equivalent number*4.8 converted from the pollutant discharge;

Water pollutants: Calculated and paid according to the pollutant equivalent amount*5.6; Fixed waste: Calculated and paid according to the discharge amount of fixed waste*25; Noise: Excessive noise comprehensive

The combined factor*350, 700, 2800 or 1400 is calculated and paid.

Note 2: The overseas subsidiary Hebei Iron and Steel (Australia) Company is subject to a 30% income tax rate.

Note 3: Tax benefits

The subsidiary Tangshan Medium Thick Plate Co., Ltd. was recognized as a national high-tech enterprise on December 1, 2020, with a validity period of 3 years. According to the corporate income tax law

The 15% corporate income tax rate for high-tech enterprises will be applied for three years from 2020.

7. Notes to Items in Consolidated Financial Statements

Unless otherwise specified, the following note items refer to the beginning of the period [January 1, 2020], the end of the period to [December 31, 2021], the current period refers to 2021, and the previous period refers to 2020

year.

1. Monetary funds

project	Ending balance	Opening Balance
cash	55,439.39	43,944.45
Bank savings	24,181,874,992.31	13,930,476,627.37
Other monetary fund	10,834,530,991.42	14,489,376,725.29
total	35,016,461,423.12	28,419,897,297.11
Of which: total amount deposited abroad	788,111,839.39	704,207,674.90
Including: Deposits with Hegang Group Finance Co., Ltd.	11,094,321,460.03	7,842,890,204.09

Note 1: The restricted use of monetary funds at the end of the period was RMB 10,875,935,152.81, mainly including bank acceptance bill deposits, letter of credit deposits and bank deposits

Freeze funds.

2. Notes receivable

(1) Notes receivable:

Category listing of notes receivable:

category	Closing amount		
	Book balance	bad debt provision	Book value
bank acceptance bill	7,058,384,153.18		7,058,384,153.18
trade acceptance draft	1,461,691,542.11		1,461,691,542.11
total	8,520,075,695.29		8,520,075,695.29

Continued table:

category	Beginning amount		
	Book balance	bad debt provision	Book value
bank acceptance bill	5,796,707,890.59		5,796,707,890.59
trade acceptance draft	539,283,732.12		539,283,732.12
total	6,335,991,622.71		6,335,991,622.71

3. Accounts receivable

(1) Accounts receivable measured at amortized cost

project	Closing amount		
	Book balance	bad debt provision	Book value
accounts receivable	2,697,354,879.89	844,777,089.80	1,852,577,790.09
total	2,697,354,879.89	844,777,089.80	1,852,577,790.09

Continued table:

project	Beginning amount		
	Book balance	bad debt provision	Book value
accounts receivable	2,322,879,296.82	628,968,753.36	1,693,910,543.46
total	2,322,879,296.82	628,968,753.36	1,693,910,543.46

(2) Provision for bad debts

For accounts receivable, regardless of whether there is a significant financing component, the Company measures the loss provision based on the expected credit loss of the entire duration.

On December 31, 2021, separate provision for bad debts:

project name	Book balance	lifetime expectation	bad debt provision	reason
		Credit loss rate %		
Tangshan Jiayuan Trade Development Co., Ltd.	65,559,910.25	100.00	65,559,910.25	Note 1.
Tangshan Dongsheng Sintering Co., Ltd.	11,281,920.00	100.00	11,281,920.00	Note 2.
Handan Yirun Trading Co., Ltd.	44,329,664.88	100.00	44,329,664.88	Note 3,
Beijing Xinsheng Tongyuan Materials Co., Ltd.	87,715,475.01	100.00	87,715,475.01	Note 3,
Shandong Qingtao Metal Materials Co., Ltd.	89,544,744.17	100.00	89,544,744.17	Note 3,
other companies	12,859,603.42	100.00	12,859,603.42	Recycling possible low sex

total	311,291,317.73		311,291,317.73	
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Note 1. Tangshan Medium Thick Plate Co., Ltd. (hereinafter referred to as "Tangshan Medium Thick Plate Company"), a subsidiary of the company, and Tangshan Jiayuan Trade Development Co., Ltd.

Plate purchase and sales business, and signed a three-party confirmation warehouse business agreement with China Everbright Bank. According to the agreement, Tangshan Medium Thick Plate Company shall be jointly and severally liable for the confirmation warehouse business.

Due to the inability of the other party to repay, Tangshan Medium and Thick Plate Company shall bear joint and several liabilities. In 2018, according to (2018) Ji 02 Min Chu No. 533 Judgment, Tangshan Jiayuan Trade Development Co., Ltd.

limited liability company to repay the relevant amount and its interest; the guarantor, Tangshan Lishengyuan Precision Manufacturing Co., Ltd., within the scope of the mortgaged property, namely 49.82 million yuan, interest and attorney fees

Jointly and severally liable. In April 2020, Tangshan Medium Thick Plate Company applied to the Supreme Court for retrial, (2020) Supreme Court Minshen No. 2979 Civil Ruling: Reject Tangshan Medium Thickness

Board company's retrial application. In May 2021, the medium and heavy plate company applied to Tangshan Intermediate People's Court for compulsory execution, and seized the guarantor Tangshan Lishengyuan Precision Manufacturing Co., Ltd.

Co., Ltd.'s related real estate, the case is now entering the evaluation and auction stage. As of December 31, 2021, Tangshan Medium and Heavy Plate Company has not received the remittance, based on the principle of prudence

Otherwise, the provision for bad debts shall be made in full.

Note 2. The blast furnace gas transaction between the company and Tangshan Dongsheng Sintering Co., Ltd. has not been resolved due to disputes over settlement between the two parties;

In case of non-payment, based on the principle of prudence, the provision for bad debts is fully accrued.

Note 3. The company and Handan Yirun Trading Co., Ltd., Beijing Xinsheng Tongyuan Materials Co., Ltd., and Shandong Qingtao Metal Materials Co., Ltd. have repeatedly collected each other's one

If it has not been returned or returned, it is not expected to be recovered, so the full amount of bad debt provision is made.

As of December 31, 2021, the bad debt provision for the portfolio was accrued:

Portfolio - aging portfolio

aging	Book balance	lifetime expected credit losses Rate%	bad debt provision
within 1 year	725,227,699.50	4.88	35,412,084.47
1-2 years	181,358,860.70	14.53	26,344,479.70
2-3 years	41,401,097.00	28.24	11,690,046.02
over 3 years	742,067,461.52	61.99	460,039,161.88
total	1,690,055,118.72		533,485,772.07

Portfolio - related party portfolio

combination	Book balance	lifetime expected credit losses Rate%	bad debt provision
Related party portfolio	696,008,443.44		
total	696,008,443.44		

Changes in bad debt provision

project	Beginning amount	Increase in this period	Decrease in this period		Closing amount
			turn back	write off	
accounts receivable	628,968,753.36	215,808,336.44			844,777,089.80
bad debt provision					

(3) Accounts receivable with top five ending balances collected by debtors:

During the reporting period, the total amount of the top five accounts receivable with the closing balance collected by the arrears was RMB 1,590,428,434.21, which accounted for the proportion of the total closing balance of accounts receivable.

58.96%, the closing balance of the corresponding provision for bad debts is 400,823,497.43 yuan.

4. Receivables financing

project	Closing amount	Beginning amount
Measured at fair value through other		
Notes receivable of comprehensive income	4,182,554,580.33	6,689,049,437.85
total	4,182,554,580.33	6,689,049,437.85

Note 1: The company discounts or endorses some bank acceptance bills in daily fund management, and the management business model both aims at collecting contractual cash flows and

Therefore, it is classified as a financial asset at fair value through other comprehensive income, and is presented as receivables financing.

(1) At the end of the period, the company has endorsed or discounted the notes receivable that are not yet due on the balance sheet date:

project	End-of-period derecognition amount	Amount not terminated at the end of the period
bank acceptance bill	28,674,461,326.10	
trade acceptance draft		
total	28,674,461,326.10	

Note: Handan Branch of HBIS Co., Ltd. pledged the bills receivable to the bill pool of Shijiazhuang Branch of China Merchants Bank, and handled the pledged loan or bill within the bill pool limit

According to the data, the pledged loan amount at the end of the period was RMB 2,312,000,000.00.

5. Advance payment

(1) Prepayments are listed by aging:

aging	Ending balance		Opening Balance	
	Amount (original value)	Proportion(%)	Amount (original value)	Proportion(%)
within 1 year	763,906,946.77	65.95	1,743,796,517.62	79.4

1-2 years	342,635,617.38	29.58	276,846,757.07	12.61
2-3 years	10,461,902.53	0.90	25,038,844.75	1.14
over 3 years	41,237,305.37	3.56	150,464,945.38	6.85
total	1,158,241,772.05	100.00	2,196,147,064.82	100.00

Note 1: The total amount of important prepayments aged over 1 year is RMB 177,347,137.72, which is not carried forward because it has not yet been settled.

(2) The prepayments of the top five in the year-end balance collected by prepayment objects:

During the reporting period, the total amount of the top five prepayments in the closing balance collected by the prepayment objects was RMB 673,281,818.52, accounting for 58.13% of the total closing balance of the prepayments.

6. Other receivables

project	Closing amount	Beginning amount
Interest receivable		
Dividends receivable	227,570,000.00	540,550,409.30
Other receivables	918,223,144.81	567,888,188.92
total	1,145,793,144.81	1,108,438,598.22

(1) Dividends receivable:

Project (or investee)	Ending balance	Opening Balance
Hebei Iron and Steel Group Luan County Sijaying Iron Ore Co., Ltd.	227,570,000.00	97,530,000.00
CHINA GAS INDUSTRY INVESTMENT HOLDINGS CO. LTD.		148,771,487.40
Wuyang Iron and Steel Co., Ltd.		248,921.90
Hegang Group Finance Co., Ltd.		294,000,000.00
total	227,570,000.00	540,550,409.30

(2) Other receivables:

project	Ending balance		
	Book balance	bad debt provision	Book value
Other receivables	1,050,660,693.19	132,437,548.38	918,223,144.81
total	1,050,660,693.19	132,437,548.38	918,223,144.81

Continued table:

project	Beginning amount		
	Book balance	bad debt provision	Book value

Other receivables	697,741,917.37	129,853,728.45	567,888,188.92
total	697,741,917.37	129,853,728.45	567,888,188.92

ÿ Provision for bad debts

A. On December 31, 2021, the provision for bad debts of other receivables in the first stage is as follows:

project	Book balance	Expected credit in the next 12 months Loss rate %	bad debt Prepare	reason
Related party portfolio	447,601,765.11			Low risk and expected to be recovered
Personal business loan, deposit and security deposit, government payment	470,240,863.05			Low risk and expected to be recovered
total	917,842,628.16			

B. On December 31, 2021, the provision for bad debts of other receivables in the second stage is as follows:

project	Book balance	the entire duration Expected credit loss rate %	bad debt provision
Aging portfolio	17,477,584.33	97.82	17,097,067.68
total	17,477,584.33	97.82	17,097,067.68

C. On December 31, 2021, the provision for bad debts of other receivables in the third stage is as follows:

Single item provision:	Book balance	lifetime expectation Credit loss rate %	bad debt provision	reason
Tangshan Wangte Technology Development Co., Ltd.	25,622,090.25	100.00	25,622,090.25	is not expected to be recovered
Tianjin Airport Jinshui International Trade Co., Ltd.	11,994,518.46	100.00	11,994,518.46	is not expected to be recovered
Jiangxi Blue Ocean Logistics Technology Co., Ltd.	54,400,000.00	100.00	54,400,000.00	is expected to be unrecoverable
Ganye International Trade (Shanghai) Co., Ltd.	13,800,000.00	100.00	13,800,000.00	is not expected to be recovered
Tangshan Coking Group	2,297,865.27	100.00	2,297,865.27	is not expected to be recovered
Tangshan Boda Electromechanical Equipment Engineering Co., Ltd.	2,270,597.68	100.00	2,270,597.68	Expected to be unrecoverable
Inner Mongolia Minxing Vanadium Industry Co., Ltd.	2,831,576.29	100.00	2,831,576.29	Expected to be unrecoverable
other companies	2,123,832.75	100.00	2,123,832.75	Expected to be unrecoverable
total	115,340,480.70	100.00	115,340,480.70	

Note 1: Tangshan Medium Thick Plate Co., Ltd. prepaid Tangshan Wangte Technology Development Co., Ltd. 25,622,090.25 yuan, and the other party has not shipped or refunded. Since (2009)

After Tang Min Chu Zi No. 35 Civil Mediation Letter, the other party has not paid off the money, and it has not been returned after repeated demands. At the same time, Tangshan Wangte Technology Development Co., Ltd.

The business license is not expected to be recovered, so the full amount of bad debt provision is made.

Note 2: Tangshan Medium Thick Plate Co., Ltd. prepaid Tianjin Airport Jinshui International Trade Co., Ltd. 11,994,518.46 yuan, and the other party has not delivered or refunded the goods. (2011)

After the announcement of the civil judgment No. 0056 of Jin Gao Min Er Zhong Zi No. 0056, the other party has not paid off the money, and it has not been returned after repeated reminders and is not expected to be recovered.

ready.

Note 3: Tangshan Medium Thick Plate Co., Ltd. prepaid Jiangxi Lanhai Logistics Technology Co., Ltd. 29,900,000.00 yuan, but the other party has not shipped or refunded, September 2017

In January, the company filed a lawsuit against Jiangxi Lanhai Logistics Technology Co., Ltd. During the trial, the court added Hangzhou Tengxiang Materials Co., Ltd. as the third party to participate in the lawsuit.

The trial was held on January 31, 2018. After losing the first instance, the company applied for an appeal. The case was passed by the Tangshan Intermediate People's Court and the Hebei Provincial Higher People's Court.

Four trials. On December 26, 2019, the Tangshan Intermediate People's Court made a first-instance judgment for retrial of the case. The court held that the Medium and Heavy Plate Company and Jiangxi Blue Ocean Company did not exist.

Therefore, it was ruled according to the law that the lawsuit of the Medium and Heavy Plate Company was dismissed. The Medium and Heavy Plate Company appealed to the Higher People's Court of Hebei Province. August 10, 2020

The Higher People's Court of Hebei Province made a ruling: the appeal was dismissed and the original ruling was upheld. The plate company is preparing to re-litigate, and the case is currently in the process of perfecting the litigation evidence materials. company

According to the judgment of the case, the possibility of recovery is expected to be small, so the full amount of bad debt provision is made.

Tangshan Medium and Thick Plate Co., Ltd. has business dealings with Hangzhou Tengxiang Materials Co., Ltd. and Greenstar Group Co., Ltd. In January 2014, Hangzhou Tengxiang

Materials Co., Ltd. entrusted Jiangxi Blue Ocean Logistics Technology Co., Ltd. to pay RMB 24,500,000.00 for purchasing plates. In April 2014, Greenstar Group Co., Ltd. entrusted

Ganye International Trade (Shanghai) Co., Ltd. paid RMB 13,800,000.00 for the purchase of plates on behalf of the company, and the company shipped and settled according to the sales contract. June 30, 2016

The People's Procuratorate of Nanchang City, Jiangxi Province charged Hangzhou Tengxiang Materials Co., Ltd., Hangzhou Hanxiang Industrial Co., Ltd., and Greenstar Group Co., Ltd. for alleged contract fraud.

The case was prosecuted to the Intermediate People's Court of Nanchang City, Jiangxi Province. The judgment found that the deposit of RMB 38,300,000.00 in the bank account of the medium and heavy plate company involved in the case belonged to the

The illicit proceeds from the crime should be returned to Jiangxi Lanhai and Ganye Company, and at the same time, it was ordered to continue to recover the defendant's unit and refund the losses of the Medium and Heavy Plate Company. July 31, 2018 Nanchang, Jiangxi Province

The Municipal Intermediate People's Court deducted RMB 38,300,000.00 from the account of Tangshan Medium Thick Plate Co., Ltd. Our company has entrusted a lawyer to prepare for criminal retrial proceedings in accordance with the law.

Protect the legitimate rights and interests of the company and realize the implementation of reversal. On July 1, 2019, the company has submitted an application for enforcement to the Intermediate People's Court of Nanchang City, Jiangxi Province, September 2020

On the 24th, the company submitted the criminal complaint materials to the Higher People's Court of Jiangxi Province. In order to make the best possible complaint channels, the company submitted the materials to the Jiangxi Provincial People's Procuratorate in January 2021.

For the complaint materials, the lawyers have been entrusted to contact the Jiangxi Provincial High Court and the Jiangxi Provincial Procuratorate for many times to follow up on the progress of the case.

The court did not respond to the complaint. It is difficult to recover the amount, so the full amount of bad debt provision is made based on the principle of prudence.

Note 4: Tangshan Coking Group has a long aging time, and it is difficult to contact the other party. Out of the principle of prudence, the full amount of bad debts is withdrawn.

Note 5: Tangshan Boda Electromechanical Equipment Engineering Co., Ltd. has been cancelled and is not expected to be recovered, so the full amount of bad debts has been accrued.

Note 6: Inner Mongolia Minxing Vanadium Industry Co., Ltd. has a long aging time, and it is difficult to contact the other party. Out of the principle of prudence, the full amount of bad debts is withdrawn.

Changes in bad debt provision

bad debt provision	The first stage	second stage	The third phase	total
	Expected lifetime expected credit losses within the next 12 months	Expected lifetime expected credit losses within the next 12 months	Expected lifetime expected credit losses within the next 12 months	

	period credit loss (no credit impairment occurred)	loss (credit impairment occurred)	
Opening Balance	17,344,824.04	112,508,904.41	129,853,728.45
Opening balance in the current period			
- Transfer to the first stage			
- Transfer to the second stage			
- Transfer to the third stage	-283,157.63	283,157.63	
Provision for this period	35,401.27	2,548,418.66	2,583,819.93
Turn back in this period			
Resale in this period			
Write-off in this period			
other changes			
Ending balance	17,097,067.68	115,340,480.70	132,437,548.38

Classification of other receivables by nature

nature of payment	Ending balance	Opening Balance
cash flow	1,012,867.70	
Margin	223,963,664.98	334,762,923.14
personal business loan	10,063,037.39	8,751,627.63
deposit	1,391,429.16	4,239,136.17
payroll security	14,597,359.00	14,597,359.00
payment	113,216,647.95	113,216,647.95
Asset usage fee	28,026,677.88	28,026,677.88
land temporary deposit	77,787,900.00	77,787,900.00
government borrowing	149,701,673.47	99,701,673.47
advance payment	6,210,902.12	5,763,329.94
liquidated damages	419,562,219.53	
other	5,126,314.01	10,894,642.19
total	1,050,660,693.19	697,741,917.37

The situation of the top five units with the closing balance of other receivables:

company name	Is it	payment	end of period	aging	account for other receivables	bad debt provision
	Related party	nature	balance		Closing balance	Ending balance

				ratio of total example(%)	
Tangshan Tangshan Steel Construction Development Co., Ltd.	Yes liquidated damages	419,562,219.53		39.93 under 1 year	
Leting Investment Group Co., Ltd.	No government loan	50,000,000.00	less than 1 year	9.52	
		50,000,000.00	2-3 years		
Bank of Communications Financial Leasing Co., Ltd.	No margin	106,000,000.00	2-3 years	10.09	
Jiangxi Blue Ocean Logistics Technology Co., Ltd.	No payment	24,500,000.00	3-4 years	5.18	54,400,000.00
		29,900,000.00	5+ years		
Hebei Leting Economic Development Zone Management Committee rejects government loan		15,000,000.00	1-2 years	3.33	
		20,000,000.00	2-3 years		
total			714,962,219.53	68.05	54,400,000.00

7. Inventory

(1) Inventory classification:

project	Ending balance		
	Book balance	Price drop preparation	Book value
raw materials	9,091,372,629.83	32,239,022.28	9,059,133,607.55
Semi-finished	4,783,577,558.96		4,783,577,558.96
stock item	3,900,875,169.27	7,144,446.05	3,893,730,723.22
purchase ingredients	1,561,043,126.60		1,561,043,126.60
commissioned processing materials	87,002,264.66		87,002,264.66
total	19,423,870,749.32	39,383,468.33	19,384,487,280.99

Continued table:

project	Opening Balance		
	Book balance	Price drop preparation	Book value
raw materials	11,836,042,860.21	32,239,022.28	11,803,803,837.93
Semi-finished	3,645,160,348.22		3,645,160,348.22
stock item	3,761,283,622.73	7,144,446.05	3,754,139,176.68

purchase ingredients	1,303,591,159.37		1,303,591,159.37
commissioned processing materials	76,143,387.49		76,143,387.49
total	20,622,221,378.02	39,383,468.33	20,582,837,909.69

(2) Provision for inventory depreciation

Inventory type	Opening Balance	Amount accrued for the current period	Decrease in this period		Ending balance
			turn back	resell	
raw materials	32,239,022.28				32,239,022.28
stock item	7,144,446.05				7,144,446.05
total	39,383,468.33				39,383,468.33

Note: The basis for accruing inventory depreciation reserves is the lower of cost and net realizable value, and the reason for accruing inventory devaluation reserves is that the net realizable value at the end of the year is lower than the cost.

8. Other current assets

project	Ending balance	Opening Balance
Prepaid taxes and input tax to be deducted and certified	1,639,873,964.45	1,823,695,895.42
Prepaid Payments	53,125,416.99	198,008,841.82
total	1,692,999,381.44	2,021,704,737.24

9. Long-term equity investment

(1) Long-term equity investment

investee	Opening Balance	Changes in this period				
		additional investment	reduce investment	Recognition under the equity method investment profit and loss	Other comprehensive earnings adjustment	other rights change
Associates						
Hebei Iron and Steel Group Luan County Sijaying Iron Mine Co., Ltd.	973,372,609.46			263,789,000.59		25,338.90

Tangshan Iron and Steel Group International Trade easy co., ltd.	204,602,502.88		204,602,502.88			
Tangshan Steel Source Metallurgical Charge limited company	77,991,409.52			355,957.53		10,608.74
CHINA GAS INDUSTRY INVESTMENT HOLDINGS CO. LTD.	516,936,843.77			-55,854,925.23	320,631.67	
Beijing Zhonglianhong Investment Co., Ltd. company	19,802,283.39			2,662,834.12		
Hegang Group Finance Co., Ltd. company	3,152,252,155.10	294,000,000.00		.310,065,547.41		
Chengde Yanshan Gas Co., Ltd. company	146,422,849.02			2,862,445.04		-1,579,817.66
total	5,091,380,653.14	294,000,000.00	204,602,502.88	523,880,859.46	320,631.67	-1,543,870.02

Continued table:

investee	Changes in this period			Ending balance	Impairment provision
	Declaring cash dividends or dividends	Provision for impairment other			Ending balance
	Run				
Associates					
Hebei Iron and Steel Group Luan County Sijiaiyang Iron Ore Co., Ltd.	130,040,000.00			1,107,146,948.95	
Tangshan Iron and Steel Group International Trade Co., Ltd.					
Tangshan Gangyuan Metallurgical Charge Co., Ltd.				78,357,975.79	
CHINA GAS INDUSTRY INVESTMENT HOLDINGS CO. LTD.				461,402,550.21	
Beijing Zhonglianhong Investment Co., Ltd.				22,465,117.51	
Hegang Group Finance Co., Ltd.	269,500,000.00			3,486,817,702.51	
Chengde Yanshan Gas Co., Ltd.				147,705,476.40	
total	399,540,000.00			5,303,895,771.37	

Note: The long-term equity investment was tested for impairment at the end of the period, and no impairment occurred.

10. Investment in other equity instruments

(1) Details

project	cost	Accumulated in other comprehensive income	Fair value
		Changes in fair value	
Tangshan Zhongrun Coal Chemical Co., Ltd.	77,962,400.00		77,962,400.00
Tangshan Cobbs Kailuan Carbon Chemical Co., Ltd.	24,518,493.00		24,518,493.00
Asia Securities Co., Ltd.	200,000,000.00	-200,000,000.00	
Wuyang Iron and Steel Co., Ltd.	188,244,767.39		188,244,767.39
north peace industrial co., ltd.	100,000.00	-100,000.00	
Qingdao Hegang New Material Technology Co., Ltd.	37,712,582.76		37,712,582.76
total	528,538,243.15	-200,100,000.00	328,438,243.15

Continued table:

project	Dividend income for the current period		Designated at fair value
	The current derecognition is still held at the end of the period		amount and its changes are included in other Reasons for Comprehensive Income
Tangshan Zhongrun Coal Chemical Co., Ltd.			Note 3
Tangshan Cobbs Kailuan Carbon Chemical Co., Ltd.			
Asia Securities Co., Ltd.			
Wuyang Iron and Steel Co., Ltd.			
north peace industrial co., ltd.			
Qingdao Hegang New Material Technology Co., Ltd.			
total			

Note 1: As of December 31, 2021, the company has not disposed of other equity instrument investments, and no accumulated gains and losses have been transferred from other comprehensive income to retained earnings.

Note 2: Asia Securities Co., Ltd. invested by the Company is in the process of bankruptcy and liquidation and has not yet been judged by the court. As of December 31, 2021, this company

The company has not disposed of other equity instrument investments, and no accumulated gains and losses have been transferred from other comprehensive income to retained earnings. North Peace Industrial Co., Ltd. invested by the company has

Write-off, so the full amount of the investment cost of 100,000.00 yuan of impairment loss was accrued.

Note 3: Since the company does not hold the above company shares for the purpose of trading, it is designated as the right to be measured at fair value and its changes are included in other comprehensive income.

Investment in beneficial instruments.

11. Fixed assets and liquidation of fixed assets

project	Closing amount	Beginning amount
fixed assets	111,400,819,805.77	111,745,072,367.8
Fixed Assets Liquidation	22,249,192,154.51	36,762,465,663.03
total	133,650,011,960.28	148,507,538,030.83

(1) Fixed assets

Fixed assets:

A. Holding fixed assets for own use

project	houses and buildings	mechanical equipment	Transportation Equipment	other devices	total
1. Original book value					
1. Balance at the beginning of the year	43,483,886,141.13	110,000,858,225.38	3,502,663,703.21	3,772,637,457.45	160,760,045,527.17
2. Increase in amount this year	6,909,090,373.57	417,443,129.17	-7,524,478.56	995,490,113.03	8,314,499,137.21
(1) Purchase		71,433,274.99	14,249,157.10	10,237,876.51	95,920,308.60
(2) Construction in progress transferred to	4,447,920,050.58	4,377,132,094.13	11,367,419.79	382,191,788.57	8,218,611,353.07
(3) Financial leasing					
(4) Exchange rate changes				-32,524.46	-32,524.46
(5) Classification adjustment	3,461,170,322.99	-4,031,122,239.95	-33,141,055.45	603,092,972.41	
(6) Transfer of right-of-use assets					
3. Amount reduced this year	479,451,032.96	1,347,847,124.50	33,786,828.02	2,254,452.44	1,863,339,437.92
(1) Disposal or scrap	287,880,759.47	502,921,821.35	33,786,828.02	2,254,452.44	826,843,861.28
(2) Transfer to construction in progress	191,570,273.49	844,925,303.15			1,036,495,576.64
(3) Decrease in finance lease					
4. Year-end balance	49,913,525,481.74	109,070,454,230.05	3,461,352,396.63	4,765,873,118.04	167,211,205,226.46
2. Accumulated depreciation					
1. Balance at the beginning of the year	9,030,766,135.52	36,595,724,613.31	1,725,655,413.35	1,310,469,610.30	48,662,615,772.48
2. Increase in amount this year	1,278,495,512.83	5,975,726,573.61	184,635,268.38	313,399,256.42	7,752,256,611.24
(1) Provision	1,231,149,149.69	6,027,405,420.57	184,773,255.91	308,951,502.91	7,752,279,329.08
(2) Exchange rate changes				-22,717.84	-22,717.84
(3) Classification adjustment	47,346,363.14	-51,678,846.96	-137,987.53	4,470,471.35	
(4) Transfer of right-of-use assets					
3. Amount reduced this year	205,045,755.37	574,053,742.35	31,947,748.47	1,643,249.70	812,690,495.89
(1) Disposal or scrap	157,373,564.93	417,980,025.17	31,947,748.47	1,643,249.70	608,944,588.27

(2) Transfer to construction in progress	47,672,190.44	156,073,717.18			203,745,907.62
(3) Decrease in finance lease					
4. Year-end balance	10,104,215,892.98	41,997,397,444.57	1,878,342,933.26	1,622,225,617.02	55,602,181,887.83
3. Provision for impairment					
1. Balance at the beginning of the year	188,474,349.48	151,690,014.28	1,458,947.15	10,734,075.98	352,357,386.89
2. Increase in amount this year					
(1) Provision					
3. Amount reduced this year	103,520,025.62	39,667,607.24	916,886.15	49,335.02	144,153,854.03
(1) Disposal or scrap	103,520,025.62	39,667,607.24	916,886.15	49,335.02	144,153,854.03
4. Year-end balance	84,954,323.86	112,022,407.04	542,061.00	10,684,740.96	208,203,532.86
4. Book value					
1. Book value at the end of the year	39,724,355,264.90	66,961,034,378.44	1,582,467,402.37	3,132,962,760.06	111,400,819,805.77
2. Book value at the beginning of the year	34,264,645,656.13	73,253,443,597.79	1,775,549,342.71	2,451,433,771.17	111,745,072,367.80

γThe amount of fixed assets and the reasons for which the certificate of title has not been completed

project	Book value	Reasons for not completing the title certificate
building	10,510,933,742.06	in progress
total	10,510,933,742.06	

(2) Liquidation of fixed assets:

category	2021.12.31	2020.12.31	Reason for moving in
Fixed Assets Liquidation	37,120,102,348.39	36,842,065,660.75	Note:
Less: Income from liquidation of fixed assets	14,647,672,715.76		
Less: Impairment provision for liquidation of fixed assets	223,237,478.12	79,599,997.72	
total	22,249,192,154.51	36,762,465,663.03	

Note: The liquidation of fixed assets in this period is mainly due to Tangsteel's withdrawal from the city and relocation. The asset liquidation procedure is complicated and takes a long time. Currently, it is still in the process of liquidation.

state.

12. Construction in progress

project	Closing amount	Beginning amount
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Construction in progress	20,168,680,636.29	12,909,486,844.66
Engineer material	1,043,846,616.13	1,043,746,124.43
total	21,212,527,252.42	13,953,232,969.09

(1) Construction in progress

Construction in progress

project	Ending balance		
	Book balance	Impairment provision	Book value
Small technical change	67,879,110.08		67,879,110.08
Plate Project	303,371,362.41		303,371,362.41
Renovation Project of No. 1 Blast Furnace in North Iron-making District	137,015,656.52		137,015,656.52
HBIS Industrial Upgrade and Xuangang Production Capacity Transfer Project	11,414,901,866.90		11,414,901,866.90
Raw material conveyor belt conveyor corridor project	246,774,670.95		246,774,670.95
Comprehensive management of factory area	2,727,200.00		2,727,200.00
Technical transformation of 90 square meters sintering machine			
3-6# coke oven dry quenching project	1,544,162.40		1,544,162.40
Technical Transformation of Medium Plate Production Line	7,658,542.27		7,658,542.27
Product research and development and technological transformation of energy saving and environmental protection in the east area	1,130,211.87		1,130,211.87
Hydrogen filling and transportation system modification			
Industry University Research Project	12,889,418.27		12,889,418.27
Reconstruction of Comprehensive Pumping Station of Tielian West Road	675,625.73		675,625.73
Improvement of the iron front system in the old area	174,674,724.44		174,674,724.44
The overall project of structural optimization and industrial upgrading of Handan Iron and Steel Group	5,269,115,546.95		5,269,115,546.95
Old district retreat integration project - iron and steel making	1,368,627,157.85		1,368,627,157.85
Coking relocation project in the old district of Handan Iron and Steel Co., Ltd.	260,266,638.00		260,266,638.00
other	902,245,768.51	2,817,026.86	899,428,741.65
total	20,171,497,663.15	2,817,026.86	20,168,680,636.29

Continued table:

project	Opening Balance		
	Book balance	Impairment provision	Book value
Small technical change	233,134,720.85		233,134,720.85

Plate Project	38,612,066.52		38,612,066.52
Renovation Project of No. 1 Blast Furnace in North Iron-making District	136,973,761.17		136,973,761.17
HBIS Industrial Upgrade and Xuangang Production Capacity Transfer Project	6,551,233,329.54		6,551,233,329.54
Raw material conveyor belt conveyor corridor project	52,766,886.95		52,766,886.95
Comprehensive management of factory area	53,146,518.38		53,146,518.38
Technical transformation of 90 square meters sintering machine	22,117,041.99		22,117,041.99
3-6# coke oven dry quenching project	1,800,000.00		1,800,000.00
Technical Transformation of Medium Plate Production Line	7,300,545.82		7,300,545.82
Product research and development and technological transformation of energy saving and environmental protection in the east area	1,106,783.00		1,106,783.00
Hydrogen filling and transportation system modification	13,489,182.65		13,489,182.65
Industry University Research Project	12,335,452.79		12,335,452.79
Reconstruction of Comprehensive Pumping Station of Tielian West Road	600,000.00		600,000.00
Improvement of the iron front system in the old area	171,322,067.44		171,322,067.44
The overall project of structural optimization and industrial upgrading of Handan Iron and Steel Group	4,821,597,646.69		4,821,597,646.69
other projects	794,767,867.73	2,817,026.86	791,950,840.87
total	12,912,303,871.52	2,817,026.86	12,909,486,844.66

Changes of important engineering projects this year

project name	Budget number	Sources of funds	Project investment as a percentage of budget	project
	(10,000 yuan)		proportion%	schedule%
Small technical change	186,000.00	self-financing, borrowing		Note
Plate Project	874,482.00	self-financing, borrowing	80.00	80.00
Renovation Project of No. 1 Blast Furnace in North Iron-making District	128,471.00	self-funded	100.54	99.00
HBIS Industrial Upgrade and Xuangang Production Capacity Transfer Project	4,197,174.00	self-financing, borrowing	95.00	95.00
Raw material conveyor belt conveyor corridor project	63,431.00	self-financing, borrowing	100.00	100.00
Comprehensive management of factory area	193,050.10	self-financing, borrowing	98.66	Note
Technical transformation of 90 square meters sintering machine	182,885.00	self-financing, borrowing	97.30	Note
3-6# coke oven dry quenching project	100,400.00	self-financing, borrowing	96.36	Note
Technical Transformation of Medium Plate Production Line	286,560.00	self-financing, borrowing	92.24	Note
Product research and development and technological transformation of energy saving and environmental protection in the east area	6,689.00	self-financing, borrowing	98.58	Note
Hydrogen filling and transportation system modification	3,730.00	self-financing, borrowing	46.59	Note
Industry University Research Project	4,749.00	self-financing, borrowing	27.14	Note
Reconstruction of Comprehensive Pumping Station of Tielian West Road	8,000.00	self-financing, borrowing	13.38	Note

Improvement of the iron front system in the old area	400,000.00	self-financing, borrowing	97.63	Note
The overall project of structural optimization and industrial upgrading of Handan Iron and Steel Group	3,035,551.45	self-financing, borrowing	80.32	Note
Old district retreat integration project - iron and steel making	3,052,989.90	self-financing, borrowing	4.48	Project under construction
Coking relocation project in the old district of Handan Iron and Steel Co., Ltd.	319,175.85	self-financing, borrowing	8.15	Project under construction

Note: Some of the projects have been completed and transferred to solid state, while others are still under construction

Continued table:

project name	Opening Balance	Increase in this period	
		amount	Of which: capitalization of interest amount
Small technical change	233,134,720.85	40,684,446.75	
Plate Project	38,612,066.52	2,187,457,157.23	7,118,427.72
Renovation Project of No. 1 Blast Furnace in North Iron-making District	136,973,761.17	41,895.35	
HBIS Industrial Upgrade and Xuangang Production Capacity Transfer Project	6,551,233,329.54	10,599,169,710.07	244,280,344.66
Raw material conveyor belt conveyor corridor project	52,766,886.95	199,119,727.61	
Comprehensive management of factory area	53,146,518.38	606,600.00	
Technical transformation of 90 square meters sintering machine	22,117,041.99	171,559.63	
3-6# coke oven dry quenching project	1,800,000.00	200,000.00	
Technical Transformation of Medium Plate Production Line	7,300,545.82	357,996.45	
Product research and development and technological transformation of energy saving and environmental protection in the east area	1,106,783.00	23428.87	
Hydrogen filling and transportation system modification	13,489,182.65	568,700.00	
Industry-University-Research Project	12,335,452.79	553,965.48	
Reconstruction of Comprehensive Pumping Station of Tielian West Road	600,000.00	75,625.73	
Improvement of the iron front system in the old area	171,322,067.44	3,352,657.00	
The overall project of structural optimization and industrial upgrading of Handan Iron and Steel Group	4,821,597,646.69	465,961,571.25	
Old district retreat integration project - iron and steel making		1,368,627,157.85	
Coking relocation project in the old district of Handan Iron and Steel Co., Ltd.		260,266,638.00	
total	12,117,536,003.79	15,127,238,837.27	251,398,772.38

Continued table:

project name	Decrease in this period		Ending balance	
	transferred into fixed assets	other reduction	balance	Of which: capitalization of interest amount
Small technical change	205,940,057.52		67,879,110.08	60,712,344.57

Plate Project	1,922,697,861.34		303,371,362.41	6,708,912.83
Renovation Project of No. 1 Blast Furnace in North Iron-making District			137,015,656.52	
HBIS Industrial Upgrade and Xuangang Production Capacity Transfer Project	5,701,786,847.78	33,714,324.93	11,414,901,866.90	264,527,318.80
Raw material conveyor belt conveyor corridor project	5,111,943.61		246,774,670.95	
Comprehensive management of factory area	51,025,918.38		2,727,200.00	
Technical transformation of 90 square meters sintering machine	22,288,601.62			
3-6# coke oven dry quenching project	455,837.60		1,544,162.40	
Technical Transformation of Medium Plate Production Line			7,658,542.27	
Product research and development and technological transformation of energy saving and environmental protection in the east area			1,130,211.87	
Hydrogen filling and transportation system modification	14,057,882.65			
Industry-University-Research Project			12,889,418.27	
Reconstruction of Comprehensive Pumping Station of Tielan West Road			675,625.73	
Improvement of the iron front system in the old area			174,674,724.44	5,613,488.69
The overall project of structural optimization and industrial upgrading of Handan Iron and Steel Group	18,443,670.99		5,269,115,546.95	261,857,291.02
Old district retreat integration project - iron and steel making			1,368,627,157.85	
Coking relocation project in the old district of Handan Iron and Steel Co., Ltd.			260,266,638.00	
total	7,941,808,621.49	33,714,324.93	19,269,251,894.64	599,419,355.91

(2) Impairment provision for construction in progress

project name	Opening balance	Increase in current period	Decrease in current period	Closing balance
1-6 Hot Rolling Kaiping Production Line	2,605,808.91			2,605,808.91
Vanadium extraction project	211,217.95			211,217.95
total	2,817,026.86			2,817,026.86

(3) Engineering materials

project	Ending balance	Opening Balance
Professional setting	1,043,846,616.13	1,043,746,124.43
total	1,043,846,616.13	1,043,746,124.43

13. Right-of-use assets

project	houses and buildings	mechanical equipment	land use rights for transportation equipment	total
1. Original book value				

1. Balance at the beginning of the year				528,099,249.77	528,099,249.77
2. Increase in amount this year	3,067,048.16	3,622,036,196.76			3,625,103,244.92
3. Amount reduced this year					
4. Year-end balance	3,067,048.16	3,622,036,196.76		528,099,249.77	4,153,202,494.69
2. Accumulated depreciation					
1. Balance at the beginning of the year					
2. Increase in amount this year	851,957.82	98,960,928.28		58,360,275.94	158,173,162.04
3. Amount reduced this year					
4. Year-end balance	851,957.82	98,960,928.28		58,360,275.94	158,173,162.04
3. Provision for impairment					
1. Balance at the beginning of the year					
2. Increase in amount this year					
3. Amount reduced this year					
4. Year-end balance					
4. Book value					
1. Book value at the end of the year	2,215,090.34	3,523,075,268.48		469,738,973.83	3,995,029,332.65
2. Book value at the beginning of the year				528,099,249.77	528,099,249.77

Note 1: For the difference between the opening balance and the closing balance of the previous period (December 31, 2020), please refer to the explanations in Note III 31, (1), ȳ of this financial statement.

14. Intangible assets

(1) Intangible assets

project	Land use rights	patent	Unpatented technology	total
1. Original book value				
1. Opening balance	1,116,627,891.32	8,603,467.89	161,157,403.68	1,286,388,762.89
2. The increase in the current period	1,034,990,880.17	496,592.92	33,714,324.93	1,069,201,798.02
(1) Purchase	1,034,990,880.17	496,592.92	33,714,324.93	1,069,201,798.02
3. The amount reduced in the current period				
(1) Disposal or scrap				
4. Closing balance	2,151,618,771.49	9,100,060.81	194,871,728.61	2,355,590,560.91
2. Cumulative amortization				
1. Opening balance	103,965,352.07	7,706,319.72	50,613,841.94	162,285,513.73
2. The increase in the current period	45,504,503.76	860,394.98	22,421,982.71	68,786,881.45

(1) Provision	45,504,503.76	860,394.98	22,421,982.71	68,786,881.45
3. The amount reduced in the current period				
(1) Disposal or scrap				
4. Closing balance	149,469,855.83	8,566,714.70	73,035,824.65	231,072,395.18
3. Provision for impairment				
1. Opening balance				
2. The increase in the current period				
(1) Provision				
3. The amount reduced in the current period				
(1) Disposal				
4. Closing balance				
4. Book value				
1. Book value at the end of the period	2,002,148,915.66	533,346.11	121,835,903.96	2,124,518,165.73
2. Book value at the beginning of the period	1,012,662,539.25	897,148.17	110,543,561.74	1,124,103,249.16

Note: The subsidiary Tangshan Medium Thick Plate Co., Ltd. used the land as collateral to open letter of credit financing in this period.

(2) Status of land use rights for which the certificate of title has not been obtained

project	Book value	Reasons for not completing the title certificate
Land use rights	63,621,075.65	in progress

15. Goodwill

Investee name	Opening Balance	Increase in current period	Decrease in current period	Ending balance
Chengde Chenggang Zhuyu Vanadium Titanium Co., Ltd.	87,924.78			87,924.78

Note 1: Goodwill refers to the holding and merger of Chengde Chenggang Zhuyu Vanadium and Titanium Co., Ltd. by the company in the form of capital increase in monetary funds in 2008. The actual investment amount on the trading day is comparable to that of the company.

Identify the difference between the net asset values.

Note 2: Goodwill was tested for impairment at the end of the period, and no impairment occurred.

16. Deferred tax assets

(1) Deferred income tax assets that have not been offset

project	Ending balance		Opening Balance	
	Deferred tax assets deductible	temporary differences	Deferred tax assets deductible	temporary differences
credit impairment provision	226,700,862.97	975,335,832.47	172,079,374.12	756,943,676.10
Impairment of assets	80,638,729.07	322,639,403.35	83,386,625.92	333,630,990.88
Unrealized profit from insider transactions	996,378.55	3,985,514.17	2,961,633.76	16,928,393.80
fair value measurement loss	2,525,000.00	10,100,000.00	2,525,000.00	10,100,000.00
Depreciation of fixed assets	4,078,337.10	16,313,348.41	5,097,623.50	20,390,494.00
employee's salary	44,439,517.63	177,758,070.51	44,439,517.63	177,758,070.51
right-of-use asset	2,753,258.35	11,013,033.39		
total	362,132,083.67	1,517,145,202.30	310,489,774.93	1,315,751,625.29

(2) Temporary differences and deductible losses of unrecognized deferred tax assets are detailed as follows:

project	Ending balance	Opening Balance
credit impairment provision	1,878,805.71	1,878,805.71
deductible loss	212,018,056.79	676,962,503.93
total	213,896,862.50	678,841,309.64

(3) The deductible losses of unrecognized deferred tax assets will expire in the following years as follows:

years	Ending balance	Opening Balance
2021		66,777,961.06
2022	54,337,615.15	54,690,637.53
2023	52,965,457.61	63,829,159.54
2024	25,507,107.91	114,475,870.89
2025	20,588,816.62	377,188,874.91
2026	58,619,059.50	
total	212,018,056.79	676,962,503.93

17. Other non-current assets

project	Ending balance	Opening Balance
Prepaid engineering equipment, etc.	3,419,601,706.44	2,796,620,110.52
Trust Industry Protection Fund	70,000,000.00	70,000,000.00

total	3,489,601,706.44	2,866,620,110.52
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18. Short-term loans

(1) Classification of short-term loans:

project	Ending balance	Opening Balance
Credit loan	51,659,824,073.26	51,516,250,000.00
loan for sure	11,578,500,000.00	10,100,000,000.00
pledge loan	3,282,000,000.00	200,000,000.00
mortgage loan	1,072,000,000.00	
Accrued interest		1,734,446.34
total	67,592,324,073.26	61,817,984,446.34

Note 1: The Company has no short-term borrowings due but not repaid during the accounting period.

Note 2: The guaranteed loan amount at the end of the period was RMB 11,578,500,000.00, of which: the guarantee provided by Hegang Group Co., Ltd. for the Handan Branch of Hegang Co., Ltd.

1,440,000,000.00 yuan; Handan Iron and Steel Group Co., Ltd. provided a guarantee of 400,000,000.00 yuan for Handan Iron and Steel Group Handan Iron and Steel Co., Ltd.; Hegang Group Co., Ltd.

3,264,500,000.00 yuan of guarantee provided by the company for Handan Iron and Steel Group Handao Iron and Steel Co., Ltd.; Tangshan Iron and Steel Group Co., Ltd.

The guarantee is RMB 1,884,000,000.00; the guarantee provided by Chengde Iron and Steel Group Co., Ltd. for Chengde Branch of Hegang Co., Ltd. is RMB 2,670,000,000.00. Hegang Group has

Co., Ltd. provided a guarantee of RMB 1,920,000,000.00 for Chengde Branch of Hegang Co., Ltd.

Note 3: The pledged loan at the end of the period was RMB 3,282,000,000.00, of which: Handan Branch of HBIS Co., Ltd. pledged the notes receivable to Shijiazhuang Branch of China Merchants Bank

Bank bill pool, and handle pledged loans or bills within the bill pool quota, and the pledged loan amount at the end of the period is 2,312,000,000.00 yuan; Hegang Co., Ltd. Chengde Branch

Pledged to China Construction Bank Co., Ltd

Sichengde Shuanglun Sub-branch obtained a pledged loan of RMB 200,000,000.00. Chengde Branch of Hegang Co., Ltd. pledged the accounts receivable of Chengde Chenggang Trading Co., Ltd.

Obtained a factoring loan of RMB 140,000,000.00 from Zheshang Bank Co., Ltd., and Chengde Branch of Hegang Co., Ltd.

The accounts receivable were pledged to obtain a factoring loan of RMB 350,000,000.00 from Bank of China Chengde Branch, and Chengde Branch of Hegang Co., Ltd.

The company's accounts receivable were pledged to obtain a factoring loan of RMB 180,000,000.00 from China Construction Bank Chengde Shuanglun Sub-branch. Handan Iron and Steel Group Handao Iron and Steel Co., Ltd.

The accounts receivable of United Materials Supply Co., Ltd. was pledged to Chongqing Midea Commercial Factoring Co., Ltd. to obtain a short-term loan of RMB 100,000,000.00.

Note 4: At the end of the period, the mortgage loan amount was RMB 1,072,000,000.00, and the subsidiary Tangshan Medium Thick Plate Co., Ltd. mortgaged the land.

19. Notes payable

project	Ending balance	Opening Balance
bank acceptance bill	13,439,090,475.89	13,826,278,676.01
trade acceptance draft	1,060,860,650.79	1,104,195,886.96
domestic letter of credit	12,747,000,000.00	14,322,758,127.54
total	27,246,951,126.68	29,253,232,690.51

20. Accounts Payable

(1) List of accounts payable:

project	Ending balance	Opening Balance
Spare parts	1,552,780,166.30	2,654,200,069.14
material	14,836,055,849.72	19,252,662,411.61
Project money	1,400,462,943.14	1,521,192,433.89
maintenance fee	796,023,982.62	378,710,525.54
For equipment	318,107,722.91	538,265,218.78
Shipping fee	531,119,311.95	493,234,157.39
Technology fee	385,514,170.16	52,480,624.60
Maintenance fee	62,459,565.29	63,503,776.37
utility bill	165,978,237.02	118,114,071.94
other	335,297,296.63	120,380,522.58
total	20,383,799,245.74	25,192,743,811.84

(2) Important accounts payable aged over 1 year:

company name	Closing amount	Reason for non-payment
Tangsteel Meijin (Tangshan) Coal Chemical Co., Ltd.	1,785,175,593.81	Not yet settled
China 22nd Metallurgical Group Co., Ltd.	168,983,366.93	Not yet settled
total	1,954,158,960.74	

21. Contract liabilities

project	Ending balance	Opening Balance
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contract liabilities	8,128,519,928.47	5,120,648,756.59
Less: the portion presented in other non-current liabilities		
total	8,128,519,928.47	5,120,648,756.59

(1) Classification

project	Ending balance	Opening Balance
Advance sales payment	8,128,519,928.47	5,120,648,756.59
total	8,128,519,928.47	5,120,648,756.59

22. Payroll payable

(1) List of salaries payable to employees

project	Opening Balance	Increase in this period	Decrease in this period	Ending balance
1. Short-term compensation	454,757,251.41	4,626,893,167.32	4,559,802,737.24	521,847,681.49
2. Post-employment benefits - setting Withdrawal plan	887,076.83	538,568,063.14	539,328,382.54	126,757.43
total	455,644,328.24	5,165,461,230.46	5,099,131,119.78	521,974,438.92

(2) List of short-term remuneration

project	Opening Balance	Increase in this period	Decrease in this period	Ending balance
1. Wages, bonuses, allowances and subsidies	195,103,453.72	3,490,156,022.25	3,463,005,277.95	222,254,198.02
2. Employee benefits		302,602,357.08	302,602,357.08	
3. Social insurance premiums	563,882.52	340,358,664.58	340,922,547.10	
Of which: medical insurance premiums	421,221.60	261,582,937.58	262,004,159.18	
Work injury insurance premium	138,176.76	74,703,269.51	74,841,446.27	
maternity insurance premium	4,484.16	4,072,457.49	4,076,941.65	
4. Housing provident fund	445,961.56	378,516,141.71	378,962,103.27	
5. Trade union funds and employee education funds	258,582,055.76	115,002,414.05	73,990,986.34	299,593,483.47
6. Short-term paid absences				
7. Other	61,897.85	257,567.65	319,465.50	

total	454,757,251.41	4,626,893,167.32	4,559,802,737.24	521,847,681.49
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(3) List of set withdrawal plans

project	Opening Balance	Increase in this period	Decrease in this period	Ending balance
1. Basic pension insurance	840,419.90	516,218,897.34	516,934,542.14	124,775.10
2. Unemployment insurance premiums	46,656.93	22,349,165.80	22,393,840.40	1,982.33
3. Annuity payment				
total	887,076.83	538,568,063.14	539,328,382.54	126,757.43

Note: There are no wages in arrears in the payable employee compensation.

23. Taxes payable

tax	Ending balance	Opening Balance
VAT	498,973,145.77	106,228,179.59
corporate income tax	244,949,869.23	127,884,702.57
Personal Income Tax	11,835,713.60	5,506,446.11
Urban maintenance and construction tax	20,596,881.75	7,785,996.48
property tax	9,813,061.25	10,500.00
Education fee surcharge	13,277,608.78	5,391,550.33
stamp duty	4,705,985.26	1,914,511.67
Resource tax	1,501,518.00	725,230.00
environmental protection tax	22,885,606.25	25,588,248.95
other	1,435,552.07	24,472.59
total	829,974,941.96	281,059,838.29

24. Other payables

project	Closing amount	Beginning amount
Interest payable		
dividends payable	25,343,582.94	23,255,582.94
Other payables	10,006,074,698.46	16,574,506,721.80
total	10,031,418,281.40	16,597,762,304.74

(1) List of interest payable:

project name	Ending balance	Opening Balance
Bond interest payable		
Interest payable on cash transactions		
total		

(2) List of dividends payable:

Investor name	Ending balance	Opening Balance
Legal person shares	23,255,582.94	23,255,582.94
individual shares		
Subsidiary Minority Shareholder Dividends	2,088,000.00	
total	25,343,582.94	23,255,582.94

Note: The amount of dividends payable for more than one year in this report period is RMB 23,255,582.94, because the company has no relevant payment materials and does not meet the payment conditions.

(3) List of other payables:

ÿ List other payables according to the nature of the payment

project	Ending balance	Opening Balance
Payment of social security and provident fund	6,679,846.56	6,241,464.95
cash flow	179,022,169.64	6,088,796,800.55
Engineering materials	8,909,935,274.43	9,574,433,500.63
deposit	50,119,838.25	48,483,310.75
Margin	149,576,825.06	133,704,723.74
reserve	1,698,141.29	1,434,438.56
repair fee	931,309.32	928,609.32
withholding tax	1,262,051.27	1,262,051.27
freight	16,059,720.80	51,080,661.83
utility bill	66,438,228.12	61,335,793.88

Government placement fee	48,197,576.01	85,003,665.57
corporate loan	292,910,600.00	282,910,600.00
other	283,243,117.71	238,891,100.75
total	10,006,074,698.46	16,574,506,721.80

• Important other payables with aging over 1 year in the current period:

company name	Closing amount	Reason for non-payment
MCC Jingcheng Engineering Technology Co., Ltd.	1,316,243,660.00	Billing conditions not met
Leting Capital Atmospheric Environment Technology Co., Ltd.	619,631,187.28	Billing conditions not met
China 20th Metallurgical Group Co., Ltd.	589,650,844.00	Billing conditions not met
total	2,525,525,691.28	

25. Non-current liabilities due within one year

project	Ending balance	Opening Balance
Long-term borrowings due within one year	7,255,154,475.00	886,020,000.00
Long-term payables due within one year	3,214,898,978.19	9,792,037,028.17
Lease liabilities due within one year	581,555,717.64	47,262,118.44
total	11,051,609,170.83	10,725,319,146.61

Note 1: Please refer to Note V 27, 29 and 30 for details.

Note 2: For the difference between the opening balance and the closing balance of the previous period (December 31, 2020), please refer to the explanations in Note III 31, (1), ȳ of this financial statement.

26. Other current liabilities

project	Ending balance	Opening Balance
output tax to be transferred	1,056,449,039.67	724,175,573.13
blockchain financing	65,000,000.00	
total	1,121,449,039.67	724,175,573.13

27. Long-term loans

(1) Classification of long-term loans:

project	Ending balance	Opening Balance
Credit loan	11,645,506,187.50	7,412,593,125.00
loan for sure	13,112,000,000.00	12,961,000,000.00
Less: Long-term borrowings due within one year	7,255,154,475.00	886,020,000.00
total	17,502,351,712.50	19,487,573,125.00

Note 1: The Company has no long-term borrowings that have expired but not repaid.

Note 2: The guaranteed loan amount at the end of the period was RMB 13,112,000,000.00, of which: HBIS Group Co., Ltd. provided the handan branch of HBIS Co., Ltd.

As a guarantee of RMB 6,996,000,000.00, HBIS Group Co., Ltd. provided a guarantee of RMB 492,000,000.00 to Handan Iron and Steel Group Handao Iron & Steel Co., Ltd. Tangshan Iron and Steel Group Co., Ltd.

The responsible company provided a guarantee of RMB 2,039,000,000.00 for Tangshan Medium and Thick Plate Co., Ltd.; Hegang Group Co., Ltd. provided a guarantee for Hegang Laoting Iron and Steel Co., Ltd.

A guarantee of RMB 2,380,000,000.00; Hegang Group Co., Ltd. provided a guarantee of RMB 1,005,000,000.00 for Chengde Branch of Hegang Co., Ltd.; Chengde Chuangyuan Industry and Trade Co., Ltd. and Chengde Iron & Steel Group Co., Ltd. provided a guarantee of RMB 200,000,000.00 for Chengde Branch of Hegang Co., Ltd.

Note 3: The interest rate of long-term loans is generally 4.00%--5.23% per annum.

28. Bonds payable

(1) Bonds payable

project	Ending balance	Opening Balance
18 HBIS Green Bond	726,325,643.84	727,919,500.00
19 Hegang 01	1,527,629,528.49	1,503,991,509.54
19 Hegang 02	1,504,264,252.76	1,502,030,024.11
20HBIS01	1,502,213,255.82	1,533,989,779.91
20HBIS02	1,534,150,685.11	1,525,282,476.82
Less: Bonds payable due within one year		
total	6,794,583,366.02	6,793,213,290.38

Increase or decrease in bonds payable (excluding preferred shares, perpetual bonds and other financial instruments classified as financial liabilities)

bond name	face value	issue date	bond maturity	Issue amount
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18 HBIS Green Bond	700,000,000.00	2018.3.26	5 years	700,000,000.00
19 Hegang 01	1,500,000,000.00	2019.11.26	5 years	1,500,000,000.00
19 Hegang 02	1,500,000,000.00	2019.12.12	5 years	1,500,000,000.00
20HBIS01	1,500,000,000.00	2020.4.17	5 years	1,500,000,000.00
20HBIS02	1,500,000,000.00	2020.7.29	5 years	1,500,000,000.00
Less: portion due within one year				
total	6,700,000,000.00			6,700,000,000.00

Continued

bond name	Opening Balance	Issued in this issue	Interest is accrued at face value
18 HBIS Green Bond	727,919,500.00		37,940,000.04
19 Hegang 01	1,503,991,509.54		61,200,000.00
19 Hegang 02	1,502,030,024.11		61,650,000.00
20HBIS01	1,533,989,779.91		50,700,000.00
20HBIS02	1,525,282,476.82		63,000,000.00
Less: portion due within one year			
total	6,793,213,290.38		274,490,000.04

Continued

bond name	Amortization of premium and discount	Repayment in the current period	Ending balance
18 HBIS Green Bond	283,018.94	37,940,000.04	728,202,518.94
19 Hegang 01	283,018.92	61,200,000.00	1,504,274,528.46
19 Hegang 02	283,018.92	61,650,000.00	1,502,313,043.03
20HBIS01	283,018.92	50,700,000.00	1,534,272,798.83
20HBIS02	237,999.94	63,000,000.00	1,525,520,476.76
Less: portion due within one year			
total	1,370,075.64	274,490,000.04	6,794,583,366.02

29. Lease liabilities

project	Ending balance	Opening Balance
Lease Payments	5,209,824,851.62	687,995,744.18
Less: Unrecognized financing charges	877,307,488.92	159,896,494.41

Subtotal	4,332,517,362.70	528,099,249.77
Less: lease liabilities due within one year	581,555,717.64	47,262,118.44
total	3,750,961,645.06	480,837,131.33

Note: For the difference between the opening balance and the closing balance of the previous period (December 31, 2020), please refer to the explanations in Note III 31, (1), ȳ of this financial statement.

30. Long-term payables

project	Ending balance	Opening Balance
Long-term payables - finance lease payables	10,592,178,814.75	12,937,365,058.26
Unrecognized financing charges	1,528,180,781.31	447,772,021.90
Less: Long-term payables due within one year	3,214,898,978.19	9,792,037,028.17
total	5,849,099,055.25	2,697,556,008.19

31. Estimated liabilities

project name	Ending balance	Opening Balance
Expenses for relocating the village site	1,083,080,000.00	1,083,080,000.00
total	1,083,080,000.00	1,083,080,000.00

Note: Estimated liabilities are the estimated costs for the relocation and resettlement of villages in the protection zone in accordance with the requirements of the Ministry of Environmental Protection.

32. Deferred income

project	Ending balance	Opening Balance
government subsidy	629,208,471.93	608,175,143.49
Unrealized sale and leaseback gains and losses	10,358,683.35	10,718,225.55
total	639,567,155.28	618,893,369.04

Note 1: The unrealized sale and leaseback profit and loss is the difference between the selling price of the fixed assets sold by the finance lease transaction and the original book value.

Amortized on a straight-line basis.

Among them, projects involving government subsidies:

project	Opening Balance	New subsidy for this period amount	Included in other Income amount	other reduction	Ending balance
High-tech R&D and application subsidies	37,874,563.94	465,000.00	6,226,427.70	1,650,000.00	30,463,136.24
Special subsidies for environmental protection	339,689,193.08	9,112,700.00	15,725,808.81	2,700,000.00	330,376,084.27
Subsidy for energy saving and environmental protection renovation	136,734,225.42	40,000,000.00	11,336,235.06		165,397,990.36
Subsidies for overcapacity projects	93,098,333.32	10,000,000.00	1,000,000.00		102,098,333.32
Talent training subsidy funds	778,827.73	200,000.00	105,899.99		872,927.74
total	608,175,143.49	59,777,700.00	34,394,371.56	4,350,000.00	629,208,471.93

Note: Other reductions in this period are due to appropriation of funds to partners.

33. Share capital

project	Opening Balance	Increase or decrease in this period					Ending balance
		issued	Other subtotals for conversion of bonus share reserve into shares				
		new shares					
Total number of shares	10,618,607,852.00						10,618,607,852.00

34. Other equity instruments

published	Opening Balance		Increase in this period		Decrease in this period		Ending balance
financial worker	Quantity	Book Value	Quantity	Book Value	Quantity	Book Value	
Tool							
perpetual bond		8,242,859,129.98				8,242,859,129.98	
total		8,242,859,129.98				8,242,859,129.98	

Note: On April 3, 2021, the company issued a public offering of renewable corporate bonds (first tranche) by HBIS Co., Ltd. in 2018 to qualified investors.

At the end of the first cycle of the current bond, the company decides not to exercise the option of renewal, that is, on April 3, 2021 (if it is not a trading day, it will be postponed to a later date).

On the first trading day of the tranche, the interest payment during the deferral period will not accrue additional interest), and the current bond will be paid in full.

On July 24, 2021, the company issued the Prospectus for the Public Issuance of Renewable Corporate Bonds (Second Tranche) by Hegang Co., Ltd. to Qualified Investors in 2018

According to the agreement, at the end of the first cycle of the current bond, the company decides not to exercise the option of renewal, that is, on July 24, 2021 (if it is a non-trading day, it will be postponed to the following day).

1 trading day, the interest payment during the postponement period will not accrue additional interest), and the full amount of the current bond will be redeemed.

35. Capital reserve

project	Opening Balance	Increase in this period	Decrease in this period	Ending balance
Equity premium	22,892,602,320.96	26,105,065.47	15,716,981.13	22,902,990,405.30
Other capital reserves	321,014,128.22			321,014,128.22
total	23,213,616,449.18	26,105,065.47	15,716,981.13	23,224,004,533.52

Note: The increase in the current period is due to the non-proportional capital increase of the subsidiary Hegang Laoting Iron & Steel Co., Ltd., which resulted in an increase in capital reserve of RMB 26,105,065.47; other decreases are

This is due to the repayment of perpetual bonds in this period.

36. Treasury stock

project	Opening Balance	Increase in this period	Decrease in this period	Ending balance
treasury stock	841,813,527.83			841,813,527.83
total	841,813,527.83			841,813,527.83

Note: The 21st meeting of the 3rd Board of Directors of the Company and the 1st Extraordinary General Meeting of Shareholders in 2019 reviewed and approved the "Repurchase of Partial Public Shares"

As of the close of trading on the afternoon of June 26, 2019, 281,486,760 shares of the company will be repurchased through centralized bidding, accounting for 2.6509% of the company's total share capital,

The total amount paid for the repurchase of treasury shares was RMB 841,813,527.83.

37. Other comprehensive income

project	beginning of the period	Amount incurred in the current period					end of period
	balance	Income tax issued before the current period	Less: upfront included in its	minus: all tax	Attributable to parent after tax	return after tax belong to less	balance

		Surplus	he integrated income when period transfer profit and loss	use	change	several shareholders	
One, can not be re-weighted later classified into profit or loss his comprehensive income	-150,075,000.00						-150,075,000.00
Investment in other equity instruments Changes in fair value of capital	-150,075,000.00						-150,075,000.00
Second, it will be re-divided later Others classified into profit and loss Comprehensive income	-59,674,844.87	-65,718,776.79			-65,718,776.79		-125,393,621.66
Of which: foreign currency finance Statement translation difference	-59,674,844.87	-65,718,776.79			-65,718,776.79		-125,393,621.66
total	-209,749,844.87	-65,718,776.79			-65,718,776.79		-275,468,621.66

38. Special Reserve

project	Opening Balance	Increase in this period	Decrease in this period	Ending balance
safety production fee	196,029,929.21	155,589,631.83	138,240,286.69	213,379,274.35

39. Surplus reserve

project	Opening Balance	Increase in this period	Other increase and decrease in the current period	Ending balance
Statutory surplus reserve 2,655,796,668.80		122,627,456.65		2,778,424,125.45
Discretionary surplus reserve				
total	2,655,796,668.80	122,627,456.65		2,778,424,125.45

40. Undistributed profits

project	amount	Withdrawal or distribution ratio
Undistributed profit at the end of the previous period	13,982,607,690.71	
Total amount of undistributed profits at the beginning of the period (increase +, decrease -)		

early undistributed profit	13,982,607,690.71	
Plus: Net profit attributable to owners of the parent company for the current period	2,492,896,089.73	
Less: Withdrawal of statutory surplus reserve	122,627,456.65	10%
Withdrawal of discretionary surplus reserve		
Extract general risk provision		
Common stock dividends payable	1,033,712,109.20	
Common stock dividends converted to share capital		
Minus: Other		
Undistributed profit at the end of the period	15,319,164,214.59	

41. Operating income and operating costs

(1) Operating income and operating costs are as follows:

project	2021 _		2020 _	
	income	cost	income	cost
Main business	140,881,507,048.32	125,053,169,119.75	104,064,752,993.90	91,429,388,109.35
Other business	8,744,706,775.46	8,150,526,644.42	3,592,305,676.58	2,909,307,821.37
total	149,626,213,823.78	133,203,695,764.17	107,657,058,670.48	94,338,695,930.72

(2) Main business (by product):

(Unit: ten thousand yuan)

product	2021 _		2020 _	
	Main business income	Main business cost	Main business income	Main business cost
steel	12,480,170.79	10,972,415.09	8,771,673.69	7,710,661.28
billet	260,007.62	238,010.05	246,522.21	224,476.94
Vanadium Products	170,996.91	130,138.87	130,639.78	86,675.25
other	1,176,975.38	1,164,752.90	1,257,639.62	1,121,125.34
total	14,088,150.70	12,505,316.91	10,406,475.30	9,142,938.81

(3) Main business (by region):

(Unit: ten thousand yuan)

area	2021 _		2020 _	
	Main business income	Main business cost	Main business income	Main business cost
North-east area	34,374.27	33,331.06	22,138.22	20,554.17
North China	9,527,434.10	8,423,094.29	7,255,656.45	6,331,074.44
Huadong Region	3,516,567.90	3,126,853.48	2,249,389.44	2,000,505.00
South China	8,552.80	7,667.34	7,199.52	6,452.87
North-west region	23,356.95	19,978.09	16,790.73	14,600.82
Southwest Region	45,286.76	38,913.49	66,566.91	60,140.30
South Central Region	547,395.87	502,884.05	348,308.22	323,770.98
overseas	385,182.05	352,595.11	440,425.81	385,840.23
total	14,088,150.70	12,505,316.91	10,406,475.30	9,142,938.81

(4) The operating income in 2021 is listed as follows according to the time of revenue recognition:

(Unit: ten thousand yuan)

project	Product sales	Engineering construction providing labor services	total
Recognize revenue over a period of time			
Recognize revenue at a point in time	14,962,621.38		14,962,621.38
total	14,962,621.38		14,962,621.38

(5) The relevant profits and losses of the lessor in the current year are listed as follows:

(Unit: ten thousand yuan)

Operating lease:	
rental income	137.41
Of which: Income related to variable lease payments not included in lease receipts	

42. Taxes and surcharges

project	2021 _	2020 _
Urban maintenance and construction tax	106,231,667.56	71,870,916.96
Education fee surcharge	76,933,796.07	55,105,890.32
property tax	179,497,725.79	130,999,599.31
land holding tax	210,389,642.61	168,413,377.21
stamp duty	123,703,678.30	65,167,540.07

Travel tax	170,516.80	101,826.36
environmental protection tax	115,101,344.13	111,892,373.69
other	99,929.40	83,015.70
total	812,128,300.66	603,634,539.62

43. Sales expenses

project	2021 _	2020 _
Office expenses	814,861.85	1,690,462.49
travel expenses	3,879,769.66	4,501,167.05
Material consumption	478,047.51	150,464,016.50
Business Hospitality	336,854.62	353,037.22
Depreciation	1,898,920.42	1,219,392.66
employee's salary	69,725,692.66	71,153,692.15
Storage fee	38,020.99	5,995,884.26
other	11,620,823.31	47,422,261.33
total	88,792,991.02	282,799,913.66

44. Administrative expenses

project	2021 _	2020 _
security fee	61,033,610.46	62,616,618.52
Office expenses	20,909,726.58	14,961,838.78
insurance	7,982,614.70	15,604,400.28
travel expenses	15,534,545.54	11,012,542.31
conference fee	6,507,701.32	3,490,054.64
transportation fee	46,522,676.99	34,314,310.91
Guard Fire Charges	1,930,383.38	2,257,259.06
Labour protection fee	12,738,276.56	11,263,875.65
utility bill	58,614,058.63	35,833,497.13
Amortization of intangible assets	50,297,855.38	9,006,445.67

Material consumption	66,485,699.59	36,619,601.64
repair fee	282,832,012.01	105,647,344.95
Business Hospitality	12,237,645.28	10,417,100.82
Depreciation	611,917,354.14	271,385,523.65
employee's salary	1,630,880,721.01	1,319,577,525.04
Comprehensive service fee	255,329,834.01	337,536,889.73
Rental fees	30,362,216.64	161,211,480.14
other	100,362,429.97	174,860,706.87
total	3,272,479,362.19	2,617,617,015.79

45. Research and development expenses

project	2021 _	2020 _
labor cost	237,725,807.41	185,718,084.78
material fee	2,851,719,665.38	2,030,927,912.34
Water, electricity and gas charges	297,593,661.06	250,998,418.33
Depreciation	230,265,087.07	259,105,961.32
other	83,436,563.50	93,979,295.17
total	3,700,740,784.42	2,820,729,671.94

46. Financial expenses

category	2021 _	2020 _
interest expense	5,476,680,482.09	4,339,241,832.50
Less: Interest income	627,803,877.25	417,008,944.50
Exchange gains and losses	30,333,056.62	3,960,984.17
other	972,473,838.83	1,113,756,757.62
total	5,851,683,500.29	5,039,950,629.79

Note: Among the financial expenses, the lease liability interest expense recognized in this year is RMB 288,324,893.45.

47. Other income

project	2021 _	2020 _
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government subsidy	250,703,828.56	83,185,826.31
tax refund	1,324,887.76	764,309.50
Debt Restructuring Proceeds	1,488,609.27	
total	253,517,325.59	83,950,135.81

(1) Government subsidies included in other income in the current period

project	2021 _	2020 _	Related to Assets/Related to Income related
High-tech R&D Application Grant	6,226,427.70	3,668,293.07	related to assets
Special subsidies for environmental protection	15,725,808.81	16,525,179.91	related to assets
Subsidy for energy saving and environmental protection renovation	11,336,235.06	6,677,241.95	related to assets
Subsidies for overcapacity projects	1,000,000.00	1,000,000.00	related to assets
Talent training subsidy funds	105,899.99		related to assets
Talent training subsidy funds	100,351.19	2,157,493.14	related to earnings
Technology research and development funds	305,400.00	48,860,736.72	related to earnings
tax incentive		4,296,881.52	related to earnings
Stable Job Subsidy	214,996,040.24		related to earnings
High-tech R&D Application Grant	50,000.00		related to earnings
Research grants	857,665.57		related to earnings
total	250,703,828.56	83,185,826.31	

48. Investment income

(1) Details of investment income:

project	2021 _	2020 _
Investment income recognized by equity method	523,880,859.46	395,261,651.71
Investment income recognized on disposal of long-term equity investment	90,272.52	
Dividend income obtained during the holding period of other equity instrument investments		248,921.90
Debt restructuring gains	5,445,038.12	24,419,208.45
structured deposit income		16,827,397.26
total	529,416,170.10	436,757,179.32

49. Credit impairment losses

project	2021	2020
Accounts receivable credit impairment loss	-215,808,336.44	-42,928,932.26
Credit impairment loss on other receivables	-2,583,819.93	-8,001,083.50
total	-218,392,156.37	-50,930,015.76

50. Income from asset disposal

project	2021 _	2020 _	Amount included in current non-recurring gains and losses
Total gains on disposal of non-current assets	7,782,515.40	2,781,805.63	7,782,515.40
Of which: gains from disposal of fixed assets	7,782,515.40	2,781,805.63	7,782,515.40
total	7,782,515.40	2,781,805.63	7,782,515.40

51. Non-operating income

(1) Non-operating income is listed by item as follows:

project	2021 _	2020 _	Amount included in current non-recurring gains and losses
fine income	666,359.96	1,760,943.41	666,359.96
other	3,642,024.69	1,781,224.42	3,642,024.69
liquidated damages	423,919,543.14		423,919,543.14
total	428,227,927.79	3,542,167.83	428,227,927.79

52. Non-operating expenses

project	2021 _	2020 _	Funds included in non-recurring gains and losses for the current period
Loss on retirement of non-current assets	5,470,408.35	2,225,822.77	5,470,408.35
Of which: Loss from the retirement of fixed assets	5,470,408.35	2,225,822.77	5,470,408.35
liquidated damages penalty	22,221,000.74	6,891,914.37	22,221,000.74
donation spending	1,564,100.00	1,480,900.00	1,564,100.00
other		3,301,579.20	
total	29,255,509.09	13,900,216.34	29,255,509.09

53. Income tax expenses

(1) Income tax expense table

project	2021 _	2020 _
current income tax	720,460,671.48	399,096,176.83
Deferred tax expense	-51,642,308.74	-12,668,241.44
total	668,818,362.74	386,427,935.39

(2) Adjustment process of accounting profits and income tax expenses

project	2021 _
Total profit	3,667,989,394.45
Income tax expense at statutory/applicable rates	916,997,348.62
The impact of different tax rates applied to subsidiaries	13,760,339.26
Adjusting the effect of prior period income tax	-6,015,452.82
The impact of non-taxable income	-282,029,117.24
Effects of non-deductible costs, expenses and losses	57,584,783.99
Effect of using deductible losses of deferred tax assets not recognised in prior periods	-46,134,303.96
The effect of deductible temporary differences or deductible losses of deferred tax assets not recognized in the current period	14,654,764.89
ring	
Changes in deferred tax assets/liabilities at the beginning of the period due to tax rate adjustments	
Income tax expense	668,818,362.74

54. Cash flow statement items

(1) Other cash received related to operating activities:

project	2021 _	2020 _
Government subsidies	275,229,491.43	115,581,536.53
Deposit interest income	613,103,983.61	417,008,944.50
Margin returned	31,498,912.10	14,979,267.08
fine income	2,858,683.57	1,760,943.41
tax refund	1,324,887.76	764,309.50
Collection and payment		7,000,000.00

personal business loan	2,686,199.69	3,285,287.56
other	1,696,169.00	246,519.42
total	928,398,327.16	560,626,808.00

(2) Other cash paid related to operating activities:

project	2021 _	2020 _
cash period fee	983,921,900.57	1,479,982,246.28
deposit, security deposit	4,149,394.60	24,173,200.00
donate	1,564,100.00	1,480,900.00
Liquidated damages and fines	22,221,000.74	74,690.75
handling fee	126,213,272.63	189,162,503.20
personal business loan	5,646,988.16	1,634,883.87
other	4,868,783.07	10,274,579.63
total	1,148,585,439.77	1,706,783,003.73

(3) Other cash received related to investment activities:

project	2021 _	2020 _
Receivables from related parties		309,000,000.00
government borrowing	110,000,000.00	
total	110,000,000.00	309,000,000.00

(4) Other cash paid related to investment activities:

project	2021 _	2020 _
Trust Guarantee Fund		40,000,000.00
government borrowing	150,000,000.00	15,000,000.00
Receivables from related parties		309,000,000.00
total	150,000,000.00	364,000,000.00

(5) Other cash received related to financing activities:

project	2021 _	2020 _
Receivables from related parties		2,373,652,561.46
lease payment	7,107,598,251.81	3,230,000,000.00

rental deposit	15,000,000.00	82,000,000.00
government borrowing		220,190,000.00
Fundraising Margin		2,500,000.00
Raise capital		100,000,000.00
total	7,122,598,251.81	6,008,342,561.46

(6) Other cash paid related to financing activities:

project	2021 _	2020 _
lease payment	11,352,228,490.97	3,784,358,962.89
Financial institution fees	241,360,556.66	229,383,763.70
rental deposit	38,718,100.00	50,000,000.00
perpetual bond		
Fundraising Margin		2,500,000.00
repayment of principal and interest		100,120,833.00
Related party transactions	6,349,516,222.41	1,178,000,000.00
Cash paid for business combination under the same control		1,000,799,400.00
gold		
Consideration paid for minority stake		2,115,800.00
total	17,981,823,370.04	6,347,278,759.59

55. Supplementary information on cash flow statement

(1) Supplementary information on cash flow statement:

additional materials	2021 _	2020 _
1. Adjust net profit to cash flow from operating activities:		
net profit	2,999,171,031.71	2,029,404,090.06
Plus: credit impairment losses	218,392,156.37	50,930,015.76
Asset impairment loss		
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	7,752,279,329.08	6,868,782,653.72
Depreciation of right-of-use assets	158,173,162.04	
Amortization of intangible assets	52,745,679.94	16,121,387.00
Amortization of long-term deferred expenses		
Asset disposal losses (incomes are listed with "-")	-7,782,515.40	-2,781,805.63

Losses from scrapping fixed assets (revenues are listed with "-")	5,470,408.35	2,225,822.77
Losses from changes in fair value (incomes are listed with "-")		
Financial expenses (revenues are listed with "-")	5,270,842,312.57	4,586,464,544.63
Investment losses (returns are listed with "-")	-529,416,170.10	-436,757,179.32
Decrease in deferred income tax assets (increase in "-")	-51,642,308.74	-12,638,555.89
Increase in deferred income tax liabilities (decreases are represented by "-")		
Decrease in inventory (increase is listed with "-")	1,198,350,628.70	1,134,969,283.37
Reduction of operating receivables (additions are listed with "-")	1,797,460,783.86	-2,727,190,134.44
Increase in operating payable items (decreases are listed with "-")	-4,162,235,832.15	-3,824,248,709.44
other		
Net cash flow from operating activities	14,701,808,666.23	7,685,281,412.59
2. Significant investment and financing activities that do not involve cash receipts and payments:		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Financing leased fixed assets		3,467,750,300.90
Determining the lease of a right-of-use asset	5,257,236,900.04	
3. Net changes in cash and cash equivalents:		
Closing balance of cash	24,140,526,270.31	13,884,203,623.71
Less: Opening balance of cash	13,884,203,623.71	11,479,603,589.59
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	10,256,322,646.60	2,404,600,034.12

(2) Composition of cash and cash equivalents:

project	2021 _	2020 _
1. Cash	24,140,526,270.31	13,884,203,623.71
Of which: Cash on hand	55,439.39	43,944.45
Bank deposits ready for payment	24,140,470,830.92	13,884,159,679.26
Funds in other currencies readily available for payment		
Deposits with central bank available for payment		
Deposits with other banks		
Loans from other banks		
2. Cash Equivalents		

Of which: Bond investments due within three months		
3. Balance of cash and cash equivalents at the end of the period	24,140,526,270.31	13,884,203,623.71

56. Assets with restricted ownership or right to use

project	Borrowed Amount / Restricted Amount	Restricted Reason
Money funds	10,875,935,152.81	Letter of credit margin, bill margin, frozen funds
fixed assets	9,827,128,634.34	Financial lease assets
intangible assets	12,372,099.22	mortgage loan
Receivables Financing	2,556,220,000.00	Bill pool pledge
total	23,271,655,886.37	

Note 1: Chengde Branch of Hegang Co., Ltd. uses the accounts receivable of Chengde Chenggang Shuangfu Mining Co., Ltd. to Chengde Branch of Hegang Co., Ltd.

250,000,000.00 yuan was pledged in Chengde Shuangluan Sub-branch of China Construction Bank Co., Ltd. to take 200,000,000.00 yuan of pledged loan.

57. Foreign currency monetary items

(1) Foreign currency monetary items

project	Closing foreign currency balance	Converted exchange rate	Period-end translation
			RMB balance
Money funds			
Of which: US dollars	3,057,589.42	6.3757	19,494,272.87
Australian dollar	170,513,163.00	4.6220	788,111,839.39
Other receivables			
Australian dollar	225,464.00	4.6220	1,042,094.61
accounts payable			
Of which: Australian dollar	627,395.00	4.6220	2,899,819.69
Other payables			
Of which: Australian dollar	422,012.00	4.6220	1,950,539.46
Long term loan			
Of which: Euro	4,375,000.00	7.2197	31,586,187.50

(2) Description of overseas business entities

The company's wholly-owned subsidiary, Hebei Iron and Steel (Australia) Company, is located in Australia.

58. Government subsidies

(1) Government subsidies confirmed in the current period

Subsidy Program	amount	related to assets		related to earnings			
		Deferred income	write down capital Produce book value value	Deferred income	other income	non-operating income enter	write down cost cost
Special subsidies for environmental protection	9,112,700.00	9,112,700.00					
Subsidy for energy saving and environmental protection renovation	40,000,000.00	40,000,000.00					
Subsidies for overcapacity projects	10,000,000.00	10,000,000.00					
Talent training subsidy funds	300,351.19	200,000.00			100,351.19		
High-tech R&D Application Grant	515,000.00	465,000.00			50,000.00		
Technology research and development funds	305,400.00				305,400.00		
tax incentive							
Stable Job Subsidy	214,996,040.24				214,996,040.24		
total	275,229,491.43	59,777,700.00			215,451,791.43		

(2) Government subsidies included in the current profit and loss

Subsidy Program	Related to assets/income included in	other income included in non-operating	income to offset costs	
High-tech R&D Application Grant	related to assets	6,226,427.70		
Special subsidies for environmental protection	related to assets	15,725,808.81		
Subsidy for energy saving and environmental protection renovation	related to assets	11,336,235.06		
Subsidies for overcapacity projects	related to assets	1,000,000.00		
Government grants for high-tech talents	related to assets	105,899.99		
Talent training subsidy funds	related to earnings	100,351.19		
Technology research and development funds	related to earnings	1,213,065.57		
Stable Job Subsidy	related to earnings	214,996,040.24		
total		250,703,828.56		

(3) Government subsidies returned in the current period

none

8. Changes in the scope of consolidation

1. Changes in the scope of consolidation due to other reasons

- (1) The company established a wholly-owned subsidiary, Shanghai Hegang East China Trading Co., Ltd. on February 8, 2021, with a registered capital of RMB 100,000,000.
- (2) On October 21, 2021, the company reviewed and approved the "Regarding the Joint Venture with Hebei Nengjia Company to Establish a Steel Project Company" at the 21st meeting of the fourth board of directors.

"Proposal" and "Proposal on Jointly Establishing a Coking Project Company with Hebei Nenghua High-tech Co., Ltd.", the joint venture company, Handang Nengjia Iron and Steel Co., Ltd., registered capital at the time of its establishment.

Originally 500 million yuan, of which the company invested 255 million yuan in cash, holding 51% of the shares; Hebei Nengjia Investment Co., Ltd. invested 245 million yuan in cash, holding 49% of the shares;

The registered capital of the joint venture company, Handan Iron and Steel Huafeng Energy Co., Ltd., was 280 million yuan when it was established, of which: the company invested 142.8 million yuan in cash, holding 51% of the shares; Hebei Nenghua Hi-Tech Co., Ltd.

Technology Co., Ltd. invested 137.2 million yuan in cash, holding 49% of the shares.

9. Rights and interests in other entities

1. Interests in subsidiaries

(1) The composition of the enterprise group

Subsidiary name	Main business	Registration	business	Shareholding ratio (%) Voting rights ratio		get
				direct and indirect	example%	
Tangshan Desheng Coal Chemical Co., Ltd. limited company	Tangshan Tangshan	Luan County Taiwanese Industrial Park	production pin sale	51	51	not under the same control business combination
Chengde Chenggang Zhuyu Vanadium Titanium limited company	Shangbancheng, Chengde County, Chengde		production pin sale	51	51	
Chengde Chenggang Shuangfu Mining limited company	West Land, Luanping County, Chengde City, Chengde		production pin sale	51	51	
Tangshan Medium and Thick Plate Co., Ltd. company	Tangshan Wangtan Town, Leting County, Hebei Province		production pin sale	51	51	set up
Hebei Iron and Steel (Australia Asia) Company	Australia Australia		mining, trade easy	100	100	
Baoding Tangsteel Plate Co., Ltd. company	Baoding Baoding Private Science and Technology Park		Processing match deliver	100	100	
Tangsteel Qinglong Charge Limited company	Shanshen Town, Qinglong County, Qinhuangdao, Hebei Province		production pin sale	90	90	

Tianjin Hegang North China Trading limited company	Tianjin Tianjin		sale 100			100	
Hua Rui International Trade (Tianjin) limited company	Tianjin Tianjin		sale 100			100	
HBIS Chengde Vanadium and Titanium New Materials Materials Co., Ltd.	Chengde Luanhe Town, Shuangluan District, Chengde City		production pin sale	100		100	
Handan Iron and Steel Huafeng Energy Co., Ltd. company	Handan, Hebei Province Danshi	Longxi Engineering, She County, Handan City, Hebei Province Inside the Industry Aggregation Management Committee	Manufacturing 51			51	
Handan Steel Nengjia Steel Co., Ltd. company	Handan, Hebei Province Danshi	Longxi Engineering, She County, Handan City, Hebei Province Industrial Park	Manufacturing 51			51	
Shanghai Hegang East China Trading limited company	Shanghai Treasure mountains	Baoshan District, Shanghai	sale 100			100	
Chengde Yanshan Strip Steel Co., Ltd. company	West Land, Luanping County, Chengde City, Chengde		production pin sale	74		74	common control merger
Handan Iron and Steel GroupHandan Iron and Steel limited company	No. 232, Fuxing Road, Handan City, Handan		production pin sale	100		100	
Shanghai Huitang Zhihe Investment limited company	Shanghai	China (Shanghai) Free Trade Experiment Area	Consulting service business	100		100 established	
Hegang Laoting Steel Co., Ltd. company	Tangshan Hebei Leping Economic Development Zone		production with Sales	58.87		58.87 Incorporation of the same control	

(2) Important non-wholly owned subsidiaries

Unit: RMB ten thousand

Subsidiary name	Shareholding ratio of minority shareholders (%)	Attributable to minority shares in the current period	Distribution to minority shareholders in the current period	Balance of minority shareholders' equity at the end of the period
		East's profit and loss	dividends	
Tangshan Medium and Thick Plate Co., Ltd.	49.00	4,651.42		239,735.00
Hegang Laoting Iron and Steel Co., Ltd.	41.4252	20,682.45		443,690.82

(3) Major financial information of important non-wholly-owned subsidiaries

Unit: RMB ten thousand

Subsidiary name	Ending balance					
	Current assets, non-current assets, total assets, current liabilities, non-current liabilities, total liabilities					
Tangshan Medium and Thick Plate Co., Ltd.	146,379.09	1,610,608.30	1,756,987.39	1,050,474.04	217,268.08	1,267,742.12

Hegang Laoting Iron and Steel Co., Ltd. 1,499,593.91	3,894,113.76	5,393,707.67	3,659,611.61	663,031.04	4,322,642.65
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Continued table:

Subsidiary name	Opening Balance					
	Current assets, non-current assets, total assets	current liabilities, non-current liabilities, total liabilities				
Tangshan Medium and Thick Plate Co., Ltd.	384,298.18	1,540,085.42	1,924,383.60	1,281,203.05	163,809.14	1,445,012.19
Hegang Laoting Iron and Steel Co., Ltd.	644,371.05	2,649,215.71	3,293,586.76	2,888,742.93	310,200.00	3,198,942.93

Continued table:

Subsidiary name	Amount for this period			
	Operating income	net profit	Total comprehensive income	cash flow from operating activities
Tangshan Medium and Thick Plate Co., Ltd.	1,462,109.02	9,492.70	9,492.70	95,384.47
Hegang Laoting Iron and Steel Co., Ltd.	2,431,860.29	49,927.23	49,927.23	-42,137.75

Continued table:

Subsidiary name	Amount in the previous period			
	Operating income	net profit	Total comprehensive income	cash flow from operating activities
Tangshan Medium and Thick Plate Co., Ltd.	1,747,470.52	63,039.84	63,039.84	-88,394.29
Hegang Laoting Iron and Steel Co., Ltd.	241,587.33	-3,974.09	-3,974.09	-9,432.27

2. Changes in the share of the owner's equity in the subsidiary and still control the subsidiary's transactions

(1) Explanation of changes in the share of owners' equity in subsidiaries

On January 4, 2021, the company reviewed and approved the "About the Joint Share with Hebei Iron and Steel Industry Transformation and Upgrading Fund to Hegang Laoting Steel" at the 12th meeting of the fourth board of directors.

Proposal for Capital Increase of Iron and Steel Co., Ltd.", agreeing that the company and Hebei Iron and Steel Industry Transformation and Upgrading Fund will jointly increase the capital of Hebei Iron and Steel Laoting Iron and Steel Co., Ltd. The two parties agreed that the people

RMB 4.25 billion ("investor capital increase") and RMB 5 billion to increase the capital of the subsidiary Hegang Laoting Iron and Steel Co., Ltd. After the capital increase, Hebei Iron and Steel Industry will be transformed and upgraded

The fund and the company will hold 41.4252% and 58.5748% of the equity of Hegang Laoting Iron and Steel Co., Ltd. respectively.

(2) The impact of the transaction on the minority shareholders' equity and the owner's equity attributable to the parent company

project	Hegang Laoting Iron and Steel Co., Ltd.
Purchase cost/disposal consideration	
-cash	4,250,000,000.00
- Fair value of non-cash assets	

project	Hegang Laoting Iron and Steel Co., Ltd.
Total purchase cost/disposal consideration	4,250,000,000.00
Less: Share of net assets of subsidiaries calculated according to the proportion of equity acquired/disposed	4,223,894,934.53
difference	26,105,065.47
Of which: Adjusted capital reserve	26,105,065.47

3. Interests in joint ventures or associates

(1) Important associates

Affiliate company name	Main business land	The business nature of the place of registration	Shareholding ratio (%) Investment in joint ventures or associates		
			Direct	Indirect	accounting treatment
Hebei Iron and Steel Group Luan County Sijia ying iron ore co., Ltd.	Tangshan	Xiangtang Town, Luan County, Tangshan City Sijiaying	Production and sales	32.51	Long-term equity investments accounted for by the equity method
HBIS Group Finance Co., Ltd. Shijiazhuang		Shijiazhuang Sports Nanda University 10th Floor, 285 Street	related to finance off service	49.00	Long-term equity investments accounted for by the equity method

(2) Main financial information of important associates

Unit: RMB ten thousand

project	Closing balance / current period	Beginning Balance/Last Period Amount
	Hebei Iron and Steel Group Luan County Sijiaying Iron Mine Co., Ltd. company	Hebei Iron and Steel Group Luan County Sijiaying Iron Mine Co., Ltd. company
current assets	356,036.94	358,790.86
Non-current assets	177,088.80	185,578.16
Total assets	533,125.74	544,369.02
Current liabilities	178,616.59	231,248.88
Non-current liabilities	2,517.95	2,534.06
Total Liabilities	181,134.54	233,782.94
Minority interests	11,435.39	11,178.95
Equity attributable to parent company shareholders	340,555.81	299,407.14
Share of net assets by shareholding ratio	110,714.69	97,337.26
Adjustments		
- goodwill		

- Unrealized profits from insider transactions		
-other		
Book value of equity investments in associates	110,714.69	97,337.26
Fair value of equity investments in associates with publicly quoted prices		
Operating income	259,721.34	229,828.52
net profit	81,447.65	49,506.87
Net profit attributable to parent company	81,329.62	49,618.85
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income	81,329.62	49,618.85
Dividends received from associates during the year		16,255.00

Continued table:

project	Closing balance / current period	Beginning Balance/Last Period Amount
	Hegang Group Finance Co., Ltd.	Hegang Group Finance Co., Ltd.
current assets	456,025.19	977,310.44
Non-current assets	2,669,923.90	2,977,969.71
Total assets	3,125,949.09	3,955,280.15
Current liabilities	2,405,023.64	3,311,963.38
Non-current liabilities	9,330.00	
Total Liabilities	2,414,353.64	3,311,963.38
Minority interests		
Equity attributable to parent company shareholders	711,595.45	643,316.77
Share of net assets by shareholding ratio	348,681.77	315,225.22
Adjustments		
- goodwill		
- Unrealized profits from insider transactions		
-other		
Book value of equity investments in associates	348,681.77	315,225.22

Fairness of equity investments in associates with publicly quoted prices value		
Operating income	160,083.51	137,694.99
net profit	63,278.68	32,090.45
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income	63,278.68	32,090.45
Dividends received from associates during the year	56,350.00	29,400.00

(3) Aggregated financial information of unimportant associates

Unit: RMB ten thousand

project	Closing balance / current period	Beginning Balance/Last Period Amount
Associates:		
Total book value of investments	70,993.11	96,575.59
The total number of the following items based on shareholding ratio		
- net profit	-4,997.37	7,670.76
-Other comprehensive income	32.06	
-Total comprehensive income	-4,965.31	7,670.76

X. Risks associated with financial instruments

The company faces various financial risks in the course of operation: credit risk, market risk and liquidity risk. The company's management is fully responsible for risk management objectives and

Policy determination and ultimate responsibility for risk management objectives and policies. Operational management reviews the status of the implemented procedures through monthly work reports submitted by functional departments.

Effectiveness and soundness of risk management objectives and policies.

The company's risk management goal is to achieve an appropriate balance between risks and benefits, and minimize the negative impact of risks on the company's operating performance.

to maximize the interests of shareholders and other equity investors. Based on this risk management objective, the basic strategy of the company's risk management is to identify and analyze the risks faced by the company.

various risks, establish an appropriate risk tolerance bottom line and carry out risk management, and supervise various risks in a timely and reliable manner, and control the risks within a limited range.

Inside.

1. Credit risk

Credit risk refers to the risk that one party to a financial instrument fails to perform its obligations, resulting in financial losses to the other party. The company is mainly faced with customer credit risk caused by credit sales risk. Before entering into a new contract, the Company conducts an assessment of the new customer's credit risk, including external credit ratings and, in some cases, bank credit certificates (when the when information is available). The company sets a credit limit for each customer, which is the maximum amount that does not require additional approval.

The company ensures that the company's overall credit risk is within a controllable range through quarterly monitoring of existing customer credit ratings and monthly review of accounts receivable aging analysis inside. When monitoring the credit risk of customers, group them according to their credit characteristics. Clients rated as "High Risk" are placed on the Restricted Client List, and The company may sell it on credit in future periods only with additional approval, otherwise it must be required to pay the corresponding amount in advance.

2. Market risk

Market risk of financial instruments refers to the risk that the fair value or future cash flow of financial instruments will fluctuate due to changes in market prices, including interest rate risk, external foreign exchange risk and other price risks.

(1) Interest rate risk

It refers to the risk that the fair value or future cash flow of financial instruments will fluctuate due to changes in market interest rates. The interest rate risk faced by the company mainly comes from the short-term term loan. By establishing a good bank-enterprise relationship, the company reasonably designs the credit line, credit varieties and credit term to ensure that the bank's credit line is sufficient and fully satisfied. meet various short-term financing needs of the company. In addition, by shortening the term of a single loan, and specifically agreeing on early repayment terms, the risk of interest rate fluctuations can be reasonably reduced.

(2) Foreign exchange risk

Foreign exchange risk refers to the risk that the fair value or future cash flow of financial instruments will fluctuate due to changes in foreign exchange rates. The company tries to transfer foreign currency income to foreign Currency spending is matched to reduce foreign exchange risk. The foreign exchange risk faced by the company mainly comes from the financial assets and financial liabilities denominated in US dollars, euros and Australian dollars, and the translation of foreign currency financial assets and foreign currency financial liabilities

Please refer to Note V.57 for the amount in RMB.

11. Related parties and related transactions

1. The parent company of the company:

The nature of the business where the parent company name is registered			Registered capital (10,000 yuan)	parent company to the company shareholding	parent company's Proportion of voting rights	The company's most ultimate controller
Handan Iron and Steel Group Co., Ltd. LLC	Handan	Ferrous metal smelting, steel steel billet rolling, railway road freight	250,000.00	39.73%	39.73%	Hegang Group has limited company

During the reporting period, the changes in the paid-in capital of the parent company are as follows:

project	Beginning amount	Increase in this period	Decrease in this period	Closing amount
Paid-up capital	2,500,000.000.00			2,500,000.000.00

2. Subsidiaries:

For details of the subsidiaries of the Company, please refer to Note VII. 1 "Equity in Subsidiaries".

3. Information on the joint ventures and associates of the company:

For the important joint ventures and associates of the Company, please refer to Note VII. 3, "Equity in Joint Ventures or Associates". Other joint ventures are as follows:

Affiliate company name	Relationship with the company
Tangshan Gangyuan Metallurgical Charge Co., Ltd.	Associates
CHINA GAS INDUSTRY INVESTMENT HOLDINGS CO. LTD	Associates
Chengde Yanshan Gas Co., Ltd.	Associates
Beijing Zhonglianhong Investment Co., Ltd.	Associates

4. Other related parties of the company:

Other related party names	Relationship between other related parties and the company
Tangshan Stainless Steel Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Tangshan Tanglong New Building Materials Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Tangshan Tangang New Building Materials Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Hebei Tangyin Iron and Steel Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Hebei Iron and Steel Group Mining Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Tangshan Iron and Steel Group Weier Automation Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Tangshan Iron and Steel Group Heavy Machinery Equipment Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Chengde Iron and Steel Group Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Xuanhua Iron and Steel Group Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Tangshan Iron and Steel Group Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Tangshan Iron and Steel Group Jinheng Enterprise Development Corporation	Controlled by Hegang Group Co., Ltd.
Tangshan Zhongrun Coal Chemical Co., Ltd.	shareholding company
Chengde Chenggang Logistics Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Handan Iron and Steel Group Hengshui Sheet Co., Ltd.	Controlled by Hegang Group Co., Ltd.
HBIS Group Hengshui Board Industry and Trade Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Handan City Handan Iron and Steel Group Hang Seng Resources Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Handan Handan Iron and Steel Group Fengda Metallurgical Raw Materials Co., Ltd.	Controlled by Hegang Group Co., Ltd.

Handan Iron and Steel Group Equipment Manufacturing and Installation Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Handan Iron and Steel Group Import and Export Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Hebei Handan Steel Ruida Gas Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Handan Handan Iron and Steel Group Xinda Technology Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Handan Iron and Steel Group Design Institute Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Handan Iron and Steel Group Hotel Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Wuyang Iron and Steel Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Minmetals Handan Iron & Steel (Suzhou) Steel Processing Co., Ltd.	joint ventures of shareholders
Hebei Chenggang Industry and Trade Co., Ltd.	joint ventures of shareholders
Chengde Zhongluan Coal Chemical Co., Ltd.	joint ventures of shareholders
Tangsteel Meijin (Tangshan) Coal Chemical Co., Ltd.	joint ventures of shareholders
Cangzhou Huanghua Port Iron and Steel Logistics Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Tangsteel Huaye (Tianjin) Steel Marketing Co., Ltd.	Controlled by Hegang Group Co., Ltd.
HBIS Group Beijing International Trade Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Hegang Resources Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Chengde Chenggang Heishan Mining Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Tangshan Iron and Steel Group City Service Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Tangshan Huitang New Enterprise Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Tangshan Huitang Industrial Technology Service Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Tangshan Huitang New Business Development Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Tangshan Iron and Steel Group Gaoqiang Automobile Sheet Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Shijiazhuang Iron and Steel Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Hegang Group Materials Trading Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Chengde Chenggang Trading Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Chengde Chenggang Engineering Technology Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Hegang Financial Leasing Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Chengde Chenggang Zhengqiao Mining Development Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Handan Iron and Steel Group Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Chengde Chenggang Xingtong Vanadium Industry Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Hebei Huaao Energy Saving Technology Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Tangshan Tanggang Real Estate Development Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Qingdao Hegang Composite New Material Technology Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Qingdao Hegang New Material Technology Co., Ltd.	Controlled by Hegang Group Co., Ltd.
HBISGROUPHONGKONGCO.LIMITED	Controlled by Hegang Group Co., Ltd.

Tangshan Caofeidian Iron and Steel Logistics Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Harsco (Tangshan) Metallurgical Materials Technology Co., Ltd.	joint ventures of shareholders
Hebei Hegang Zhongjian Steel Structure Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Handan Handan Iron and Steel Group Xinda Technology Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Tangshan Shichuang High Temperature Materials Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Tangsteel Veolia (Tangshan) Water Co., Ltd.	joint ventures of shareholders
Tangshan Chuangyuan Fangda Electric Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Primetals (Tangshan) Metallurgical Technology Service Co., Ltd.	joint ventures of shareholders
Hegang Laoting Iron and Steel Co., Ltd.	Controlled by Hegang Group Co., Ltd.
HBIS Group International Logistics Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Chengde Zhenghe Charge Development Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Changshu Kehong Material Technology Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Hefei Hegang New Material Technology Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Tietie Smart Logistics (Tianjin) Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Handan Iron and Steel Auto Parts Huanghua Co., Ltd.	Controlled by Hegang Group Co., Ltd.
DUFERCO SA	Controlled by Hegang Group Co., Ltd.
Tangshan Jiahua Coal Chemical Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Tangshan Hongci Hospital Co., Ltd.	joint ventures of shareholders
Tangshan Huitang IoT Technology Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Tangshan Weier Electromechanical Installation Co., Ltd.	Controlled by Hegang Group Co., Ltd.
HBIS GROUP SINGAPORE PTE.	Controlled by Hegang Group Co., Ltd.
Chengde Chenggang Vanadium Titanium Cold Rolled Sheet Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Tangshan Tanggang Gas Co., Ltd.	Subsidiaries of associates
Tangshan Iron and Steel Group Co., Ltd. Trading Branch	Controlled by Hegang Group Co., Ltd.
Tangshan Iron and Steel Group Co., Ltd. Guangzhou Branch	Controlled by Hegang Group Co., Ltd.
Tangshan Iron and Steel Group Co., Ltd. Shanghai Iron and Steel Sales and Service Center	Controlled by Hegang Group Co., Ltd.
HBIS Cloud Merchant Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Handan Iron and Steel Group Co., Ltd. Qingdao Steel Sales Branch	Controlled by Hegang Group Co., Ltd.
Hebei Iron and Steel Group Luan County Sijiyang Iron Ore Co., Ltd.	joint ventures of shareholders
Tangsteel International Engineering Technology Co., Ltd.	joint ventures of shareholders
Tietie IoT Technology Co., Ltd.	Controlled by Hegang Group Co., Ltd.
China Gas Investment (Tangshan) Gas Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Hebei Xinyue Coking Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Tangsteel Pohang (Tangshan) New Light Source Co., Ltd.	joint ventures of shareholders

Handan Iron and Steel Group Co., Ltd. Mining Branch	Controlled by Hegang Group Co., Ltd.
Luan County Tangsteel Gas Co., Ltd.	The grandson of the joint venture
Beijing Handan Iron and Steel North Material Supply and Marketing Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Handan Iron and Steel Group Hengshui Sheet Co., Ltd.	Controlled by Hegang Group Co., Ltd.
HBIS Primetals Technology Service Co., Ltd.	Controlled by Hegang Group Co., Ltd.
HBIS Digital Technology Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Tangshan Tangshan Steel Construction Development Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Hebei United Iron and Steel Logistics Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Hebei Yanshan Vanadium and Titanium Industry Technology Research Co., Ltd.	Controlled by Hegang Group Co., Ltd.
Beijing Jiganglian International Trade Co., Ltd.	Controlled by Hegang Group Co., Ltd.

5. Related transactions

(1) Affiliated transactions of purchasing and selling commodities, providing and accepting labor services

a. Purchasing goods:

Affiliate name	Related party transaction content	2021 _	2020 _
Changshu Kehong Material Technology Co., Ltd.	steel		81,317,199.66
Chengde Chenggang Vanadium Titanium Cold Rolled Sheet Co., Ltd.	steel	1,986,648,731.26	77,805,613.01
Chengde Chenggang Engineering Technology Co., Ltd.	Spare parts and auxiliary materials	2,548,049.10	14,615,214.72
Chengde Chenggang Trading Co., Ltd.	Auxiliary materials	2,922,622.74	16,406,608.94
Chengde Chenggang Logistics Co., Ltd.	imported mine	228,415,023.12	103,375,375.43
Chengde Chenggang Logistics Co., Ltd.	Spare parts and auxiliary materials	8,449,197.64	423,551.00
Chengde Chenggang Zhengqiao Mining Development Co., Ltd.	lime	435,494,615.11	222,009,404.94
Chengde Yanshan Gas Co., Ltd.	gas	441,944,063.71	362,490,521.31
Chengde Zhenghe Charge Development Co., Ltd.	lime	177,752,313.91	129,016,222.46
Chengde Zhongluan Coal Chemical Co., Ltd.	coke	144,498,670.12	1,654,551,129.43
Chengde Zhongluan Coal Chemical Co., Ltd.	Auxiliary materials, steam, coal gas, electricity	175,095,595.37	158,860,076.30
Handan Iron and Steel Group Equipment Manufacturing and Installation Co., Ltd.	Materials and spare parts	113,011,410.21	42,821,036.96
Handan Iron and Steel Group Equipment Manufacturing and Installation Co., Ltd.	other materials		22,258,287.16
Handan Iron and Steel Group Co., Ltd.	Gas, water and electricity, etc.	1,867,872,717.59	1,959,478,934.78
Handan Iron and Steel Group Co., Ltd.	Ore, Mineral Powder	16,992,253,805.43	12,502,936,533.42
Handan Iron and Steel Group Co., Ltd.	Homegrown pellets	849,939,206.60	1,123,002,602.48

Handan Iron and Steel Group Co., Ltd.	billet	972,581,392.93	1,116,546,504.55
Handan Iron and Steel Group Co., Ltd. Mining Branch	steel		20,439.44
Handan Handan Iron and Steel Group Fengda Metallurgical Raw Materials Co., Ltd.	tar		2,753,167.89
Handan Handan Iron and Steel Group Fengda Metallurgical Raw Materials Co., Ltd.	white ash block	233,731,822.27	254,250,418.82
Handan Handan Iron and Steel Group Fengda Metallurgical Raw Materials Co., Ltd.	coal	66,836,352.93	73,965,234.57
Handan Handan Iron and Steel Group Xinda Technology Co., Ltd.	Materials and spare parts	24,754.10	2,510,573.30
Handan Handan Iron and Steel Group Xinda Technology Co., Ltd.	spare parts	4,018,874.51	7,862,275.86
Hebei Handan Steel Ruida Gas Co., Ltd.	Gas, water and electricity, etc.	89,097,922.63	114,943,943.95
Handan Iron and Steel Group Hengshui Sheet Co., Ltd.	steel		253,975.66
Hebei Iron and Steel Group Mining Co., Ltd.	Ore, stone powder, etc.	6,317,120,840.48	4,004,120,062.20
Hegang Resources Co., Ltd.	steel		3,344.00
HBIS Group Beijing International Trade Co., Ltd.	ore	3,324,132,732.76	1,403,009,610.54
HBIS Group Beijing International Trade Co., Ltd.	spare parts	21,796,162.32	5,347,462.50
HBIS Group Beijing International Trade Co., Ltd.	imported mine	3,181,121,530.67	1,778,416,808.10
Hegang Group Materials Trading Co., Ltd.	Excipients	42,002,657.37	3,062,767.85
Hegang Group Materials Trading Co., Ltd.	Coke, alloy, etc.	3,142,379,292.04	2,190,092,247.15
Hegang Group Materials Trading Co., Ltd.	Refractory	128,334,367.31	128,590,759.29
Hegang Group Materials Trading Co., Ltd.	coal		53,553,042.14
Hegang Group Materials Trading Co., Ltd.	Sinter	13,517,356.73	5,224,353.97
Hegang Group Materials Trading Co., Ltd.	Iron powder	227,380,525.13	
Hegang Group Co., Ltd.	coal	2,188,936,960.53	2,303,148,775.47
Hegang Group Co., Ltd.	steel	26,861,762.83	
Hegang Group Co., Ltd.	Iron powder	70,905,346.32	
Tangsteel Meijin (Tangshan) Coal Chemical Co., Ltd.	fuel	149,804,296.85	2,192,519,786.96
Tangshan Stainless Steel Co., Ltd.	steel	1,140,061,287.65	1,077,369,288.70
Tangshan Chuangyuan Fangda Electric Co., Ltd.	spare parts	1,649,430.23	2,907,146.99
Tangshan Iron and Steel Group City Service Co., Ltd.	spare parts		890,475.98
Tangshan Iron and Steel Group Gaoqiang Automobile Sheet Co., Ltd.	steel	1,918,034,301.46	302,274,359.36
Tangshan Iron and Steel Group Gaoqiang Automobile Sheet Co., Ltd.	steel scrap		39,183,834.34
Tangshan Iron and Steel Group Gaoqiang Automobile Sheet Co., Ltd.	Spare parts and accessories		47,906,130.79
Tangshan Iron and Steel Group Jinheng Enterprise Development Corporation	Excipients	46,672,575.16	127,821,713.18

Tangshan Iron and Steel Group Weier Automation Co., Ltd.	spare parts	2,394,172.92	1,263,123.00
Tangshan Iron and Steel Group Co., Ltd.	steel	18,157,755.92	14,787,630.52
Tangshan Iron and Steel Group Co., Ltd.	scrap	2,495,871,869.01	153,586,671.27
Tangshan Iron and Steel Group Co., Ltd.	imported mine	10,323,585,161.18	6,981,505,467.49
Tangshan Iron and Steel Group Co., Ltd.	spare parts		13,538,950.76
Tangshan Iron and Steel Group Co., Ltd.	Sinter		414,040,393.27
Tangshan Iron and Steel Group Co., Ltd.	Excipients and others	16,013,392,122.96	2,135,106,636.47
Tangshan Iron and Steel Group Heavy Machinery Equipment Co., Ltd.	spare parts	26,953,208.55	36,287,687.89
Tangshan Gangyuan Metallurgical Charge Co., Ltd.	Stone accessories	394,057,643.34	162,730,474.94
Tangshan Huitang New Business Development Co., Ltd.	Excipients	110,310.84	835,447.99
Tangshan Huitang New Enterprise Co., Ltd.	spare parts		17,332,193.70
Tangshan Huitang New Enterprise Co., Ltd.	Raw materials and accessories	1,209,495.53	28,637,096.01
Tangshan Huitang New Enterprise Co., Ltd.	steel		10,705.89
Tangshan Shichuang High Temperature Materials Co., Ltd.	Refractory	52,458,710.72	78,337,705.26
Tangshan Zhongrun Coal Chemical Co., Ltd.	coke	196,370,675.91	1,905,985,987.52
Tangshan Zhongrun Coal Chemical Co., Ltd.	coke oven gas	33,047,858.44	88,725,014.31
Tangshan Tanggang Gas Co., Ltd.	Power medium	271,303,078.05	1,052,893,717.29
Tangsteel Huaye (Tianjin) Steel Marketing Co., Ltd.	steel	49,880.23	
Tangsteel Pohang (Tangshan) New Light Source Co., Ltd.	pay electricity		103,619.00
Tietie IoT Technology Co., Ltd.	Spare parts and accessories	153,266,145.13	1,200,451.00
China Gas Investment (Tangshan) Gas Co., Ltd.	Power medium	505,874,950.51	95,044,251.22
HBIS Cloud Merchant Co., Ltd.	Scrap steel, iron powder, coal	214,986,889.49	96,639,042.89
Hebei Xinyue Coking Co., Ltd.	coke	96,077,421.35	111,617,881.56
Hebei Xinyue Coking Co., Ltd.	Iron powder	228,656,741.98	
Luan County Tangsteel Gas Co., Ltd.	Power medium		2,648,264.17
Harsco (Tangshan) Metallurgical Materials Technology Co., Ltd.	Excipients	47,840,828.58	
HBIS Primetals Technology Service Co., Ltd.	spare parts	17,999,500.00	
Chengde Iron and Steel Group Co., Ltd.	coke	2,614,646,562.95	
Beijing Handan Iron and Steel North Material Supply and Marketing Co., Ltd.	spare parts	1,398,342.16	
Xuanhua Iron and Steel Group Co., Ltd.	steel	1,250,524,294.54	
Shijiazhuang Iron and Steel Co., Ltd.	steel	5,082,511.80	

Wuyang Iron and Steel Co., Ltd.	steel	26,565,071.29	
Tietie Smart Logistics (Tianjin) Co., Ltd.	Iron powder	2,846,172.83	
Tangshan Huitang Industrial Technology Service Co., Ltd.	spare parts	3,171,441.32	
total		81,731,747,384.65	49,102,775,228.97

b. Accepting labor services:

Affiliate name	Related party transaction content	2021 _	2020 _
Tangshan Iron and Steel Group Co., Ltd.	maintenance fee	324,833,236.04	352,128,203.75
Tangshan Iron and Steel Group Weier Automation Co., Ltd.	Infrastructure Engineering	25,767,021.23	34,554,387.55
Tangshan Iron and Steel Group Weier Automation Co., Ltd.	maintenance fee		6,105,771.65
Tangshan Iron and Steel Group Jinheng Enterprise Development Corporation	Maintenance cost	52,834,029.98	52,548,028.21
Tangshan Iron and Steel Group Jinheng Enterprise Development Corporation	Infrastructure Engineering	1,778,531.00	17,005,007.45
Chengde Chenggang Logistics Co., Ltd.	freight	315,112,294.48	388,736,173.11
Tangshan Huitang New Enterprise Co., Ltd.	maintenance fee	66,405,010.45	46,676,091.13
Tangshan Huitang New Enterprise Co., Ltd.	Packaging fee		185,577,935.79
Tangshan Huitang Industrial Technology Service Co., Ltd.	Infrastructure Engineering	20,805,580.18	15,987,682.48
Chengde Chenggang Engineering Technology Co., Ltd.	Equipment maintenance communication service	267,881,575.58	145,193,332.03
Tangshan Chuangyuan Fangda Electric Co., Ltd.	Infrastructure Engineering	54,803,587.65	18,294,023.21
Hebei Huao Energy Saving Technology Co., Ltd.	Fees for technical services	160,181,283.04	81,624,188.49
Tangsteel Huaye (Tianjin) Steel Marketing Co., Ltd.	Processing fee		259,383.18
Harsco (Tangshan) Metallurgical Materials Technology Co., Ltd.	Processing fee	105,256,924.80	110,901,429.51
HBIS Group Beijing International Trade Co., Ltd.	Processing fee, agency fee, etc.	30,865,355.37	11,499,008.32
HBIS Group International Logistics Co., Ltd.	freight	242,109,917.47	119,335,801.22
Primetals (Tangshan) Metallurgical Technology Service Co., Ltd.	repair fee	138,449,828.65	179,076,855.41
Tietie Smart Logistics (Tianjin) Co., Ltd.	freight	290,493,419.46	240,297,544.81
Tangshan Huitang IoT Technology Co., Ltd.	Fees for technical services	33,357,848.73	6,246,017.70
Tangsteel International Engineering Technology Co., Ltd.	Infrastructure Engineering	867,949,629.97	2,359,313,062.74
Tangsteel International Engineering Technology Co., Ltd.	repair fee	2,662,068.21	20,734,838.94
HBIS Primetals Technology Service Co., Ltd.	Infrastructure Engineering	56,932,145.89	
Chengde Chenggang Vanadium Titanium Cold Rolled Sheet Co., Ltd.	Processing fee	5,175,251.07	
Tangshan Iron and Steel Group Heavy Machinery Equipment Co., Ltd.	Infrastructure Engineering	708,053.10	
Tangshan Huitang New Business Development Co., Ltd.	Lifting labor fee, etc.	3,479,075.95	

HBIS Digital Technology Co., Ltd.	Infrastructure Engineering	981,072.37	
Tangshan Tangshan Steel Construction Development Co., Ltd.	Repair fee, etc.	734,424.00	
Tangshan Hongci Hospital Co., Ltd.	Medical fees	5,858,261.95	
total		3,075,415,426.62	4,392,094,766.68

c. Sales of goods:

Affiliate name	Related party transaction content	2021 _	2020 _
DUFERCO SA	steel	1,391,938,231.16	1,455,275,053.44
HBIS GROUP HONG KONG CO. LIMITED	steel	1,082,762,566.51	858,472,574.45
HESTEEL SINGAPORE PTE. LTD.	steel	9,885,218.38	
Beijing Handan Iron and Steel North Material Supply and Marketing Co., Ltd.	steel	181,103,870.58	24,291,548.68
Cangzhou Huanghua Port Iron and Steel Logistics Co., Ltd.	steel		5,059,702.05
Chengde Chenggang Vanadium Titanium Cold Rolled Sheet Co., Ltd.	steel	4,503,528,102.45	1,600,199,036.48
Chengde Chenggang Engineering Technology Co., Ltd.	Water, electricity, steam, material spare parts	23,166,723.25	13,126,592.89
Chengde Chenggang Trading Co., Ltd.	steel	10,602,169,147.95	9,954,482,700.43
Chengde Chenggang Logistics Co., Ltd.	steel	28,217,468.99	32,624,364.85
Chengde Chenggang Xingtong Vanadium Industry Co., Ltd.	Water, electricity, steam, material spare parts	12,661,723.96	11,198,484.89
Chengde Chenggang Xingtong Vanadium Industry Co., Ltd.	Secondary slag, vanadium slime, iron vanadate mud	27,665,748.04	22,775,768.52
Chengde Chenggang Zhengqiao Mining Development Co., Ltd.	coal	1,528,903.80	11,690,781.36
Chengde Iron and Steel Group Co., Ltd.	spare parts		1,468,282.93
Chengde Iron and Steel Group Co., Ltd.	Auxiliary materials	990,767.72	2,195,477.11
Chengde Iron and Steel Group Co., Ltd.	Water, electricity and steam	4,341,452.91	14,022,685.12
Chengde Yanshan Gas Co., Ltd.	water, electricity, etc.	455,086,465.02	376,939,685.85
Chengde Zhenghe Charge Development Co., Ltd.	Water, electricity and steam	40,890,526.16	34,256,767.73
Chengde Zhonglun Coal Chemical Co., Ltd.	Water, electricity, steam, etc.	77,150,769.29	34,418,369.65
Harsco (Tangshan) Metallurgical Materials Technology Co., Ltd.	Power medium	76,690,305.04	5,034,708.20
Handan Iron and Steel Group Import and Export Co., Ltd.	Billets and Steel	198,866.53	8,466,194.31
Handan Iron and Steel Group Equipment Manufacturing and Installation Co., Ltd.	Gas, water and electricity, etc.	1,727,046.45	1,517,612.55
Handan Iron and Steel Group Equipment Manufacturing and Installation Co., Ltd.	spare parts	8,836,180.32	19,582,005.57
Handan Iron and Steel Group Equipment Manufacturing and Installation Co., Ltd.	steel		19,927,734.51
Handan Iron and Steel Group Co., Ltd.	Gas, water and electricity, etc.	1,281,421,093.24	1,527,901,557.52

Handan Iron and Steel Group Co., Ltd.	non-productive scrap	577,497,493.71	95,461,097.31
Handan Iron and Steel Group Co., Ltd.	Billets and Steel		1,790,840.23
Handan Iron and Steel Group Co., Ltd.	refractory, alloy	461,997,327.06	564,578,301.96
Handan Iron and Steel Group Co., Ltd.	Sinter	6,835,168.00	37,138,564.01
Handan Iron and Steel Group Co., Ltd.	molten iron	4,413,188,440.37	5,078,538,304.45
Handan Iron and Steel Group Co., Ltd.	Iron containing material	257,889,543.47	314,052,378.21
Handan Iron and Steel Group Co., Ltd.	Materials and spare parts	133,659,877.43	124,867,574.64
Handan Iron and Steel Group Co., Ltd.	Iron powder	1,286,172,771.92	129,538,985.76
Handan Iron and Steel Group Co., Ltd.	coke		450,376,305.98
Handan City Handan Iron and Steel Group Hang Seng Resources Co., Ltd.	steel	4,591,310,500.23	3,092,506,971.73
Handan City Handan Iron and Steel Group Hang Seng Resources Co., Ltd.	waste material	482,493,068.53	417,008,820.85
Hebei Handan Steel Ruida Gas Co., Ltd.	Gas, water and electricity, etc.	95,585,311.20	115,734,369.60
Handan Iron and Steel Auto Parts Huanghua Co., Ltd.	steel	1,033,668,738.68	203,601,975.79
Hefei Hegang New Material Technology Co., Ltd.	steel	540,582,703.04	536,982,478.31
Hebei Huao Energy Saving Technology Co., Ltd.	Excipients	13,189,602.30	72,322.54
Hebei Tangyin Iron and Steel Co., Ltd.	Water and electricity		8,362,474.85
HBIS Group Beijing International Trade Co., Ltd.	Outer mine	219,808,526.53	156,330,179.58
HBIS Group Beijing International Trade Co., Ltd.	steel	512,135,431.58	64,906,034.00
HBIS Group Hengshui Board Industry and Trade Co., Ltd.	steel	402,421,784.38	269,374,390.70
Hegang Group Materials Trading Co., Ltd.	fuel		139,810,401.94
Hegang Group Materials Trading Co., Ltd.	Iron powder	10,976,744.13	
Hegang Group Co., Ltd.	Vanadium Products	159,578,433.29	291,924,342.16
Hegang Group Co., Ltd.	Billets and Steel	21,628,736,838.39	15,757,910,656.89
Hegang Group Co., Ltd.	Feng Shui Electric, etc.	30,939,564.99	
Primetals (Tangshan) Metallurgical Technology Service Co., Ltd.	Power medium	4,329,673.53	3,143,932.45
Qingdao Hegang Composite New Material Technology Co., Ltd.	steel	356,495,274.13	230,740,006.67
Qingdao Hegang New Material Technology Co., Ltd.	steel	202,409,559.88	103,680,429.90
Tangsteel Huaye (Tianjin) Steel Marketing Co., Ltd.	steel	143,054,022.92	386,269,870.06
Tangshan Stainless Steel Co., Ltd.	steel	1,216,642,778.74	104,041,354.63
Tangshan Stainless Steel Co., Ltd.	Sinter	263,971,480.16	105,984,507.50
Tangshan Stainless Steel Co., Ltd.	Materials and Gases	8,405,101.60	382,557,674.17

Tangshan Stainless Steel Co., Ltd.	pellet	197,939.51	
Tangshan Iron and Steel Group Gaoqiang Automobile Sheet Co., Ltd.	steel	7,948,066,928.45	2,082,555,179.69
Tangshan Iron and Steel Group Gaoqiang Automobile Sheet Co., Ltd.	Water, electricity, gas, etc.	155,955,759.08	100,034,459.64
Tangshan Iron and Steel Group Jinheng Enterprise Development Corporation	materials, waste	39,094,183.80	107,078,429.84
Tangshan Iron and Steel Group Jinheng Enterprise Development Corporation	Water, electricity, gas, etc.	301,600.15	2,834,099.75
Tangshan Iron and Steel Group Weier Automation Co., Ltd.	Power medium	319,471.55	2,653,204.80
Tangshan Iron and Steel Group Co., Ltd.	steel	1,612,719,530.40	2,508,406,706.21
Tangshan Iron and Steel Group Co., Ltd.	Spare parts and accessories	519,464,444.43	152,017,233.31
Tangshan Iron and Steel Group Co., Ltd.	Water, electricity, gas, etc.	8,264,958.67	166,723,571.16
Tangshan Iron and Steel Group Co., Ltd.	alloy		160,792,683.57
Tangshan Iron and Steel Group Co., Ltd.	Outer mine		402,373,897.04
Tangshan Iron and Steel Group Co., Ltd.	pellet	344,992,857.29	
Tangshan Iron and Steel Group Co., Ltd.	Iron powder	2,715,578,508.37	
Tangshan Iron and Steel Group Heavy Machinery Equipment Co., Ltd.	scrap	16,602,629.66	10,025,524.30
Tangshan Iron and Steel Group Heavy Machinery Equipment Co., Ltd.	alloy		14,102,578.87
Tangshan Iron and Steel Group Heavy Machinery Equipment Co., Ltd.	Spare parts and others	2,111,570.52	33,541,184.77
Tangshan Huitang Industrial Technology Service Co., Ltd.	Water and electricity, accessories, spare parts	1,087,102.19	1,286,448.68
Tangshan Huitang New Business Development Co., Ltd.	scrap	38,848,288.30	109,714,739.35
Tangshan Huitang New Business Development Co., Ltd.	Water, electricity, gas, etc.	216,124.35	184,013.47
Tangshan Huitang New Business Development Co., Ltd.	steel	168,090,708.90	110,098,920.11
Tangshan Huitang New Business Development Co., Ltd.	other materials		10,448.23
Tangshan Huitang New Enterprise Co., Ltd.	Scrap steel, other materials	4,066,235.95	3,376,396.55
Tangshan Huitang New Enterprise Co., Ltd.	steel	200,627,634.29	51,243,312.66
Tangshan Huitang New Enterprise Co., Ltd.	Water, electricity, gas, etc.	1,323,447.27	6,202,814.30
Tangshan Tangang New Building Materials Co., Ltd.	Water slag, power, etc.	69,574,358.52	71,274,149.18
Tangshan Tanglong New Building Materials Co., Ltd.	Water slag, power, etc.	6,202,814.30	79,405,346.23
Tangshan Zhongrun Coal Chemical Co., Ltd.	Power medium	40,933,926.52	89,367,428.90
Minmetals Handan Iron & Steel (Suzhou) Steel Processing Co., Ltd.	steel	996,197.52	191,172.61
Tangshan Jiahua Coal Chemical Co., Ltd.	steam	9,937,027.52	10,852,697.24
Tangshan Tanggang Gas Co., Ltd.	Power medium	253,833,647.16	495,492,311.85
Tangshan Chuangyuan Fangda Electric Co., Ltd.	steel		42,427.21

Tangshan Gangyuan Metallurgical Charge Co., Ltd.	Power medium	129,628,022.08	11,073,260.32
China Gas Investment (Tangshan) Gas Co., Ltd.	Power medium	361,270,108.56	47,144,709.18
Changshu Kehong Material Technology Co., Ltd.	steel	146,152,167.22	64,491,631.66
HBIS Cloud Merchant Co., Ltd.	steel	377,983,913.30	61,463,755.56
Shijiazhuang Iron and Steel Co., Ltd.	coal		16,052,021.63
Tangshan Iron and Steel Group Co., Ltd. Huitang Legang Metal Section Technology Branch	steel	2,243,635.22	
Tangshan Tanggang Real Estate Development Co., Ltd.	Spare parts and accessories	4,313.20	
Tangshan Huitang IoT Technology Co., Ltd.	Excipients	220.00	
Beijing Jiganglian International Trade Co., Ltd.	Imported mine	63,292,138.89	
Hebei United Iron and Steel Logistics Co., Ltd.	steel	183,024,738.38	
Luan County Tangsteel Gas Co., Ltd.	Excipients	3,682.90	
Tangsteel International Engineering Technology Co., Ltd.	utility bill	63,000.06	
total		74,289,010,772.42	52,174,319,993.83

d. To provide labor services:

Affiliate name	Related party transaction content	2021 _	2020 _
Tangshan Stainless Steel Co., Ltd.	Shipping fee	4,156,283.28	11,928,752.87
Tangshan Iron and Steel Group Co., Ltd.	maintenance fee	114,198.47	526,197.43
Tangshan Iron and Steel Group Heavy Machinery Equipment Co., Ltd.	Repair fee, shipping fee, service fee	2,765,460.61	5,646,265.17
Tangshan Huitang New Enterprise Co., Ltd.	dust		261,611.07
Tangshan Iron and Steel Group Jinheng Enterprise Development Corporation	dust		1,069,424.05
Tangshan Iron and Steel Group Gaoqiang Automobile Sheet Co., Ltd.	Telephone fee, verification fee		19,563.65
Tangshan Iron and Steel Group Gaoqiang Automobile Sheet Co., Ltd.	loading fee		14,296,166.49
Chengde Zhongluan Coal Chemical Co., Ltd.	Warehousing	25,234,415.32	26,048,654.26
Chengde Zhongluan Coal Chemical Co., Ltd.	Inspection fee	848,359.63	956,179.19
Hebei Huao Energy Saving Technology Co., Ltd.	Operation and maintenance service fees, etc.	26,372,830.20	
Tangshan Iron and Steel Group Co., Ltd. Huitang Legang Metal Technology Branch	Shipping etc.	543,162.01	
Tangshan Jiahua Coal Chemical Co., Ltd.	Shipping etc.	36,975,517.17	
total		97,010,226.69	60,752,814.18

Note 1: The above amount is excluding tax.

Note 2: The above related party transactions are executed at market prices.

e. Fund settlement business

According to the "Financial Service Agreement" approved by the resolution of the general meeting of shareholders, the company and Hegang Group Finance Co., Ltd.

For settlement business, as of December 31, 2021, the settlement of funds between the Company and its subsidiaries and Hegang Finance Company is as follows:

project name	Opening Balance	Increase in this period	Decrease in this period
1. Deposits in Hegang Finance Company	7,842,890,204.09	120,738,782,898.03	117,487,351,642.09
2. Acceptance bills deposited in Hegang Finance Company			
3. Entrust Hegang Finance Company to issue the acceptance bill	812,640,000.00	2,660,407,571.07	1,432,945,518.67
4. Discount bills to Hegang Finance Company	238,000,000.00	100,000,000.00	238,000,000.00
V. Borrowing from Hegang Finance Company	3,280,000,000.00	4,183,500,000.00	7,463,500,000.00
6. Non-recourse factoring of accounts receivable with Hegang Finance Company			

Continued table:

project name	Ending balance	Interest to be charged or paid
1. Deposits in Hegang Finance Company	11,094,321,460.03	211,375,887.58
2. Acceptance bills deposited in Hegang Finance Company		
3. Entrust Hegang Finance Company to issue the acceptance bill	2,040,102,052.40	
4. Discount bills to Hegang Finance Company	100,000,000.00	7,220,000.00
V. Borrowing from Hegang Finance Company		143,360,972.24
6. Non-recourse factoring of accounts receivable with Hegang Finance Company		

(2) Associated entrusted management and entrusted management/outourcing

Statement of the Company's Entrusted Management Assets

Name of the entrusting party	Entrusted/contracted asset type	Entrusted start date	fiduciary termination day	Custody income Pricing basis	Confirmed this time Custody income	The trust confirmed in the previous period Tube income
Tangshan Iron and Steel Group Co., Ltd. any company	Xuanhua Iron and Steel Group Co., Ltd. the company's equity	2011/1/1		Escrow Agreement	943,396.23	943,396.23
Handan Iron and Steel Group Co., Ltd. any company	Wuyang Iron and Steel Co., Ltd. company's equity	2011/1/1		Escrow Agreement	943,396.23	943,396.23
Tangshan Iron and Steel Group Co., Ltd. any company	Tangshan Stainless Steel Co., Ltd. company's equity	2013/1/1		Escrow Agreement	943,396.22	943,396.22
Handan Iron and Steel Group Co., Ltd.	Handan Iron and Steel Group Co., Ltd.	2020/4/22	2025/4/21	Escrow Agreement	943,396.23	628,930.82

Name of the entrusting party	Entrusted/contracted asset type	Entrusted start date	fiduciary termination day	Custody income Pricing basis	Confirmed this time Custody income	The trust confirmed in the previous period Tube income
any company	company's equity					
Hegang Group Hengban Industry Co., Ltd. Company, Handan Iron and Steel Group limited liability company	Hengshui Plate Industry Co., Ltd. of Hegang Group Co., Ltd. Equity in limited company	2020/4/22	2025/4/21	Escrow Agreement 943,396.23		628,930.81
Tangshan Iron and Steel Group Co., Ltd. any company	Tangshan Iron and Steel Group High Strength Automobile Equity in Car Board Co., Ltd.	2020.4.22	2025.4.21	Escrow Agreement 943,396.23		943,396.23
total					5,660,377.37	5,031,446.54

Note: Types of custody assets include: equity custody.

(3) Related leases

γThe company as the lessor:

Unit: RMB ten thousand

lessee name	Situation of leased assets	Lease income recognized in the current year	Lease income recognized in the previous year
Handan Iron and Steel Group Co., Ltd.	Housing equipment rental		800.00
Handan Iron and Steel Group Design Institute Co., Ltd.	Housing equipment rental		800.00
Handan Handan Iron and Steel Group Xinda Technology Co., Ltd.	Housing equipment rental		66.06
Tangshan Tangang New Building Materials Co., Ltd.	land lease	69.37	69.37
total		69.37	1,735.43

γThe company as the lessee:

Unit: RMB ten thousand

lessor name	Leasing assets	Rental fee recognized in the current year	Rental fee recognized in the previous year
Handan Iron and Steel Group Co., Ltd.	land lease	761.25	761.25
Handan Iron and Steel Group Co., Ltd.	land lease	401.38	401.38
Chengde Iron and Steel Group Co., Ltd.	land lease	6,099.56	6,099.56
Chengde Iron and Steel Group Co., Ltd.	land lease	186.13	186.13
Chengde Zhongluan Coal Chemical Co., Ltd.	land lease	8.23	81.32
Chengde Chenggang Xingtong Vanadium Industry Co., Ltd.	land lease	5.10	

Tangshan Iron and Steel Group Co., Ltd.	land lease		7,735.91
Hegang Financial Leasing Co., Ltd.	equipment	428,155.67	35,358.85
total		435,617.32	50,624.40

Note: The company signed a financial lease agreement with Hegang Financial Leasing Co., Ltd., a related party, and paid tax-included rent of RMB 4,362,849,200 to Hegang Financial Leasing Co., Ltd. in the current period

Yuan.

(4) Related guarantees

The company as the guaranteed party

guarantor	Guaranteed amount	Guarantee start date	Guarantee start and end date	Has the guarantee been completed
Hegang Group Co., Ltd.	450,000,000.00	2020/4/8	2021/4/7	Yes
Hegang Group Co., Ltd.	125,000,000.00	2020/4/8	2021/4/7	Yes
Hegang Group Co., Ltd.	400,000,000.00	2020/4/15	2021/4/10	Yes
Hegang Group Co., Ltd.	450,000,000.00	2020/4/17	2021/4/12	Yes
Hegang Group Co., Ltd.	75,000,000.00	2020/12/10	2021/12/9	Yes
Hegang Group Co., Ltd.	375,000,000.00	2020/3/23	2021/3/23	Yes
Hegang Group Co., Ltd.	200,000,000.00	2021/10/15	2022/1/14	no
Hegang Group Co., Ltd.	410,000,000.00	2021/11/22	2022/1/12/22	no
Hegang Group Co., Ltd.	540,000,000.00	2021/10/29	2022/10/29	no
Hegang Group Co., Ltd.	70,000,000.00	2021/1/20	2022/1/20	no
Hegang Group Co., Ltd.	400,000,000.00	2021/8/23	2022/6/24	no
Hegang Group Co., Ltd.	300,000,000.00	2021/7/1	2022/6/24	no
Hegang Group Co., Ltd.	430,000,000.00	2021/1/8	2022/1/8	no
Hegang Group Co., Ltd.	450,000,000.00	2021/1/25	2022/1/25	no
Hegang Group Co., Ltd.	160,000,000.00	2021/11/25	2022/1/11/25	no
Hegang Group Co., Ltd.	400,000,000.00	2021/12/13	2022/12/13	no
Hegang Group Co., Ltd.	360,000,000.00	2021/2/26	2022/2/26	no
Hegang Group Co., Ltd.	397,500,000.00	2021/4/2	2022/4/2	no
Hegang Group Co., Ltd.	378,000,000.00	2021/4/8	2022/4/8	no
Hegang Group Co., Ltd.	338,000,000.00	2021/4/9	2022/4/9	no
Hegang Group Co., Ltd.	299,000,000.00	2021/3/22	2022/3/11	no
Hegang Group Co., Ltd.	296,000,000.00	2021/5/31	2022/2/18	no

Hegang Group Co., Ltd.	299,000,000.00	2021/6/11	2022/6/7	no
Hegang Group Co., Ltd.	299,000,000.00	2021/7/29	2022/6/2	no
Hegang Group Co., Ltd.	299,000,000.00	2021/9/3	2022/5/6	no
Hegang Group Co., Ltd.	299,000,000.00	2021/12/22	2022/10/30	no
Tangshan Iron and Steel Group Co., Ltd.	100,000,000.00	2020/1/17	2021/1/6	Yes
Tangshan Iron and Steel Group Co., Ltd.	220,000,000.00	2020/12/14	2021/12/9	Yes
Tangshan Iron and Steel Group Co., Ltd.	434,000,000.00	2020/7/24	2021/7/23	Yes
Tangshan Iron and Steel Group Co., Ltd.	500,000,000.00	2020/12/25	2021/12/24	Yes
Tangshan Iron and Steel Group Co., Ltd.	498,000,000.00	2020/12/25	2022/12/24	no
Tangshan Iron and Steel Group Co., Ltd.	397,000,000.00	2020/5/19	2023/4/25	no
Tangshan Iron and Steel Group Co., Ltd.	230,000,000.00	2018/7/21	2021/7/21	Yes
Tangshan Iron and Steel Group Co., Ltd.	30,000,000.00	2020/6/5	2022/6/4	no
Tangshan Iron and Steel Group Co., Ltd.	65,000,000.00	2020/6/5	2022/6/4	no
Tangshan Iron and Steel Group Co., Ltd.	150,000,000.00	2020/6/5	2022/6/4	no
Tangshan Iron and Steel Group Co., Ltd.	70,000,000.00	2020/6/5	2022/6/4	no
Tangshan Iron and Steel Group Co., Ltd.	50,000,000.00	2020/6/5	2022/6/4	no
Tangshan Iron and Steel Group Co., Ltd.	65,000,000.00	2020/6/5	2022/6/4	no
Tangshan Iron and Steel Group Co., Ltd.	90,000,000.00	2020/6/5	2022/6/4	no
Tangshan Iron and Steel Group Co., Ltd.	80,000,000.00	2020/6/5	2022/6/4	no
Tangshan Iron and Steel Group Co., Ltd.	249,000,000.00	2021/7/22	2023/4/20	no
Tangshan Iron and Steel Group Co., Ltd.	295,000,000.00	2021/4/29	2024/4/25	no
Tangshan Iron and Steel Group Co., Ltd.	100,000,000.00	2021/12/28	2022/12/28	no
Tangshan Iron and Steel Group Co., Ltd.	220,000,000.00	2021/12/14	2022/12/12	no
Tangshan Iron and Steel Group Co., Ltd.	250,000,000.00	2021/12/22	2022/12/21	no
Tangshan Iron and Steel Group Co., Ltd.	434,000,000.00	2021/3/30	2022/3/29	no
Tangshan Iron and Steel Group Co., Ltd.	80,000,000.00	2021/11/17	2022/5/16	no
Tangshan Iron and Steel Group Co., Ltd.	100,000,000.00	2021/11/29	2022/5/28	no
Tangshan Iron and Steel Group Co., Ltd.	100,000,000.00	2021/11/25	2022/5/24	no
Tangshan Iron and Steel Group Co., Ltd.	200,000,000.00	2021/11/4	2022/5/3	no
Tangshan Iron and Steel Group Co., Ltd.	400,000,000.00	2021/1/15	2022/1/15	no
Hegang Group Co., Ltd.	197,780,000.00	2018/11/1	2024/10/28	no
Hegang Group Co., Ltd.	72,220,000.00	2018/11/23	2024/10/28	no
Hegang Group Co., Ltd.	150,000,000.00	2018/12/12	2024/10/28	no
Hegang Group Co., Ltd.	90,000,000.00	2019/2/21	2024/10/28	no

Hegang Group Co., Ltd.	69,000,000.00	2018/12/29	2026/12/27	no
Hegang Group Co., Ltd.	70,000,000.00	2018/12/29	2026/12/27	no
Hegang Group Co., Ltd.	60,000,000.00	2018/12/29	2026/12/27	no
Hegang Group Co., Ltd.	80,000,000.00	2019/1/17	2026/12/27	no
Hegang Group Co., Ltd.	35,000,000.00	2019/1/17	2026/12/27	no
Hegang Group Co., Ltd.	50,000,000.00	2019/1/17	2026/12/27	no
Hegang Group Co., Ltd.	80,000,000.00	2019/1/17	2026/12/27	no
Hegang Group Co., Ltd.	36,000,000.00	2019/1/17	2026/12/27	no
Hegang Group Co., Ltd.	1,390,000,000.00	2019/8/23	2025/8/22	no
Chengde Iron and Steel Group Co., Ltd.	450,000,000.00	2020/1/9	2021/1/8	Yes
Chengde Iron and Steel Group Co., Ltd.	60,000,000.00	2020/2/13	2021/2/12	Yes
Chengde Iron and Steel Group Co., Ltd.	70,000,000.00	2020/4/2	2021/4/2	Yes
Chengde Iron and Steel Group Co., Ltd.	200,000,000.00	2020/12/16	2021/12/15	Yes
Chengde Iron and Steel Group Co., Ltd.	460,000,000.00	2020/12/18	2021/12/17	Yes
Chengde Iron and Steel Group Co., Ltd.	190,000,000.00	2020/12/11	2021/12/10	Yes
Chengde Iron and Steel Group Co., Ltd., Chengde Chuangyuan Industry and Trade Co., Ltd. limited company	200,000,000.00	2020/5/22	2023/5/18	no
Chengde Iron and Steel Group Co., Ltd.	300,000,000.00	2020/4/7	2021/4/6	Yes
Chengde Iron and Steel Group Co., Ltd.	240,000,000.00	2020/9/22	2021/9/21	Yes
Chengde Iron and Steel Group Co., Ltd.	450,000,000.00	2021/1/7	2022/1/6	no
Chengde Iron and Steel Group Co., Ltd.	60,000,000.00	2021/2/3	2022/2/2	no
Chengde Iron and Steel Group Co., Ltd.	70,000,000.00	2021/4/9	2022/4/7	no
Chengde Iron and Steel Group Co., Ltd.	270,000,000.00	2021/11/22	2022/11/18	no
Chengde Iron and Steel Group Co., Ltd.	130,000,000.00	2021/12/21	2022/12/20	no
Chengde Iron and Steel Group Co., Ltd.	460,000,000.00	2021/9/27	2022/9/26	no
Chengde Iron and Steel Group Co., Ltd.	390,000,000.00	2021/10/28	2022/10/27	no
Chengde Iron and Steel Group Co., Ltd.	300,000,000.00	2021/4/13	2022/4/5	no
Chengde Iron and Steel Group Co., Ltd.	300,000,000.00	2021/2/7	2022/1/24	no
Chengde Iron and Steel Group Co., Ltd.	240,000,000.00	2021/9/28	2022/9/13	no
Hegang Group Co., Ltd.	500,000,000.00	2020/6/29	2021/6/28	Yes
Hegang Group Co., Ltd.	100,000,000.00	2020/9/25	2021/8/20	Yes
Hegang Group Co., Ltd.	500,000,000.00	2020/11/9	2021/11/9	Yes
Hegang Group Co., Ltd.	250,000,000.00	2020/9/2	2021/3/2	Yes
Hegang Group Co., Ltd.	350,000,000.00	2020/8/28	2021/2/28	Yes

Hegang Group Co., Ltd.	540,000,000.00	2020/10/29	2021/10/29	Yes
Hegang Group Co., Ltd.	70,000,000.00	2020/1/14	2021/1/14	Yes
Hegang Group Co., Ltd.	160,000,000.00	2019/7/16	2022/7/16	no
Hegang Group Co., Ltd.	160,000,000.00	2019/7/22	2022/7/22	no
Hegang Group Co., Ltd.	160,000,000.00	2019/8/6	2022/8/6	no
Hegang Group Co., Ltd.	85,000,000.00	2019/9/11	2022/9/11	no
Hegang Group Co., Ltd.	175,000,000.00	2020/11/13	2023/11/13	no
Hegang Group Co., Ltd.	85,000,000.00	2021/5/19	2024/5/19	no
Hegang Group Co., Ltd.	180,000,000.00	2021/11/23	2024/11/23	no
Hegang Group Co., Ltd.	500,000,000.00	2020/1/15	2021/1/4	Yes
Hegang Group Co., Ltd.	3,000,000,000.00	2019/9/26	2025/9/26	no
Hegang Group Co., Ltd.	3,996,000,000.00	2020/3/31	2026/3/31	no
Handan Iron and Steel Group Co., Ltd.	50,000,000.00	2020/5/27	2021/1/6	Yes
Handan Iron and Steel Group Co., Ltd.	200,000,000.00	2020/8/14	2021/8/13	Yes
Handan Iron and Steel Group Co., Ltd.	150,000,000.00	2020/10/22	2021/10/22	Yes
Handan Iron and Steel Group Co., Ltd.	200,000,000.00	2021/8/12	2022/8/12	no
Handan Iron and Steel Group Co., Ltd.	150,000,000.00	2021/10/21	2022/10/21	no
Handan Iron and Steel Group Co., Ltd.	50,000,000.00	2021/12/27	2022/12/26	no
Hegang Group Co., Ltd.	299,000,000.00	2020/4/21	2021/3/22	Yes
Hegang Group Co., Ltd.	296,000,000.00	2020/6/18	2021/4/19	Yes
Hegang Group Co., Ltd.	299,000,000.00	2020/7/20	2021/6/14	Yes
Hegang Group Co., Ltd.	299,000,000.00	2020/8/18	2021/7/13	Yes
Hegang Group Co., Ltd.	299,000,000.00	2020/10/21	2021/8/16	Yes
Hegang Group Co., Ltd.	299,000,000.00	2020/12/29	2021/12/22	Yes
Hegang Group Co., Ltd.	492,000,000.00	2019/5/31	2022/5/30	no

(5) Remuneration of key management personnel

Unit: RMB ten thousand

project	2021	2020
Remuneration of key management personnel	728.34	443.62

(6) Current balance of related parties

Receivables balance

project	End of period		Beginning number	
	Book balance	bad debt provision	Book balance	bad debt provision
accounts receivable				
Chengde Zhonglun Coal Chemical Co., Ltd.	37,283,523.93	4,740,694.70	32,301,915.48	1,954,265.89
Hebei Tangyin Iron and Steel Co., Ltd.	19,943,226.70		26,712,176.42	
Tangsteel Huaye (Tianjin) Steel Marketing Co., Ltd.			272,978,273.52	
Tangshan Tanglong New Building Materials Co., Ltd.			6,678.65	
Hebei Chenggang Industry and Trade Co., Ltd.	565,528,459.41	291,545,169.20	565,513,490.97	117,743,862.78
Handan Iron and Steel Group Hengshui Sheet Co., Ltd.			7,047,185.79	
Tangshan Zhongrun Coal Chemical Co., Ltd.	13,681,459.20		34,031,231.00	
Qingdao Hegang Composite New Material Technology Co., Ltd.			56,708,258.74	
Hefei Hegang New Material Technology Co., Ltd.			74,846,579.56	
Tangshan Iron and Steel Group Jinheng Enterprise Development Corporation	195,319,986.19	11,760,847.97	151,621,582.19	11,152,133.68
Tangshan Tanggang Gas Co., Ltd.	81,554,995.03		80,483,795.76	
Handan Iron and Steel Auto Parts Huanghua Co., Ltd.			35,045,396.27	
Tangshan Jiahua Coal Chemical Co., Ltd.	35,359,053.79		6,372,480.00	
Primetals (Tangshan) Metallurgical Technology Service Co., Ltd.	5,030,450.14	181,266.80		
Tangshan Tanggang Real Estate Development Co., Ltd.	5,759.00	277.59	885.08	147.45
Shijiazhuang Iron and Steel Co., Ltd.			18,138,784.45	
Tangsteel International Engineering Technology Co., Ltd.	1,272,962.00	179,259.90		
China Gas Investment (Tangshan) Gas Co., Ltd.	461,216,326.92			
Harsco (Tangshan) Metallurgical Materials Technology Co., Ltd.	85,197,100.40	45,038.49		
total	1,501,393,302.71	308,452,554.65	1,361,808,713.88	130,850,409.80
Prepayments				
Xuanhua Iron and Steel Group Co., Ltd.			4,036,765.38	
Wuyang Iron and Steel Co., Ltd.			66,438,070.49	
Tangshan Zhongrun Coal Chemical Co., Ltd.	104,532,744.97			
total	104,532,744.97		70,474,835.87	
Other receivables				
Tangshan Tanggang Gas Co., Ltd.	28,039,545.58		28,145,527.88	
Tangshan Tangshan Steel Construction Development Co., Ltd.	419,562,219.53			
total	447,601,765.11		28,145,527.88	
Other non-current assets				
Tangshan Jiahua Coal Chemical Co., Ltd.			947,680,877.94	

Tangshan Iron and Steel Group Co., Ltd.			3,317,940.70	
total			950,998,818.64	

¥ Balance of payables

project	End of period	Beginning number
Contract liabilities (including other current liabilities)		
Tangshan Huitang New Enterprise Co., Ltd.	29,995,754.69	11,945,375.93
Minmetals Handan Iron & Steel (Suzhou) Steel Processing Co., Ltd.	997,483.08	1,503,186.28
Wuyang Iron and Steel Co., Ltd.	1,102,168.36	
Cangzhou Huanghua Port Iron and Steel Logistics Co., Ltd.		1,491,810.05
HBIS GROUP HONG KONG CO.LIMITED		297,901,555.64
Chengde Chenggang Trading Co., Ltd.		833,168,065.84
HBIS Group Hengshui Board Industry and Trade Co., Ltd.	1,717,253.70	2,223,690.04
Qingdao Hegang New Material Technology Co., Ltd.	3,861,899.96	2,497,226.46
Tangshan Huitang New Business Development Co., Ltd.		1,976,763.61
Chengde Yanshan Gas Co., Ltd.		163,210,622.01
Chengde Chenggang Logistics Co., Ltd.		236,463,087.87
Tangshan Iron and Steel Group Co., Ltd. Trading Branch		167,920,295.95
Tangshan Iron and Steel Group Co., Ltd. Guangzhou Branch		1,554,954.64
Tangshan Iron and Steel Group Co., Ltd. Shanghai Iron and Steel Sales and Service Center		13,799,490.88
HBIS Cloud Merchant Co., Ltd.		3,020,037.63
HBIS GROUP SINGAPORE PTE.LTD		210,147,325.83
Tangshan Stainless Steel Co., Ltd.	61,258.44	61,258.44
Changshu Kehong Material Technology Co., Ltd.	4,361,538.45	
Central China Sales Company of Hegang Group Co., Ltd.	5,174,983.20	
Hebei Yanshan Vanadium and Titanium Industry Technology Research Co., Ltd.	37,893.15	
Chengde Iron and Steel Group Co., Ltd.	2,700.00	
Beijing Tanggang Xingda Economic and Trade Co., Ltd.	174,866.06	
Tangshan Shichuang High Temperature Materials Co., Ltd.	1,000,000.00	
total	48,487,799.09	1,948,884,747.10
accounts payable		
Tangsteel Meijin (Tangshan) Coal Chemical Co., Ltd.	1,933,680,159.04	2,866,804,189.39
Tangshan Iron and Steel Group Jinheng Enterprise Development Corporation	242,169,611.17	173,009,285.39
Hebei Iron and Steel Group Mining Co., Ltd.	9,726,816.01	849,270,099.87

Tangshan Zhongrun Coal Chemical Co., Ltd.	5,659,598.63	145,829,901.43
Tangshan Iron and Steel Group Weier Automation Co., Ltd.	2,813,209.54	7,153,986.14
Tangshan Gangyuan Metallurgical Charge Co., Ltd.		156,289,536.14
Handan Iron and Steel Group Equipment Manufacturing and Installation Co., Ltd.		47,518,166.98
Tangshan Chuangyuan Fangda Electric Co., Ltd.	10,486,735.83	13,454,994.17
Tangshan Huitang New Enterprise Co., Ltd.		28,125,506.94
Tangshan Huitang Industrial Technology Service Co., Ltd.	17,276,624.74	
Tangsteel International Engineering Technology Co., Ltd.	17,352,186.00	21,072,887.54
Tangshan Huitang New Business Development Co., Ltd.	34,800.00	116,959.23
Handan Handan Iron and Steel Group Xinda Technology Co., Ltd.	397,137.00	397,137.00
Hebei Tangyin Iron and Steel Co., Ltd.	152,654.38	
Hegang Resources Co., Ltd.	414,124.34	414,124.34
Hebei Huao Energy Saving Technology Co., Ltd.	61,752,736.29	21,830,668.73
Chengde Chenggang Engineering Technology Co., Ltd.	13,480,380.22	117,947,234.50
Harsco (Tangshan) Metallurgical Materials Technology Co., Ltd.	155,144,713.35	65,151,904.62
Tangshan Stainless Steel Co., Ltd.		53,974,297.32
Tangshan Iron and Steel Group Heavy Machinery Equipment Co., Ltd.	222,306.52	18,565,879.97
Tangshan Shichuang High Temperature Materials Co., Ltd.		82,181,248.12
Chengde Chenggang Zhengqiao Mining Development Co., Ltd.		188,773,407.80
Chengde Chenggang Logistics Co., Ltd.		203,411,428.85
Tangshan Iron and Steel Group Co., Ltd.		1,144,593.51
Tangshan Huitang IoT Technology Co., Ltd.	10,587,500.00	
Tangshan Tanggang Gas Co., Ltd.	108,284,212.39	148,973,509.63
Primetals (Tangshan) Metallurgical Technology Service Co., Ltd.	102,846,806.56	47,913,863.10
Chengde Zhonglun Coal Chemical Co., Ltd.	378,424,317.55	517,880,297.85
Changshu Kehong Material Technology Co., Ltd.		29,061,198.57
Tietie Smart Logistics (Tianjin) Co., Ltd.		69,747,405.83
Tietie IoT Technology Co., Ltd.		1,003,042.01
China Gas Investment (Tangshan) Gas Co., Ltd.	665,917,300.70	41,770,729.85
Handan Iron and Steel Group Co., Ltd.		116,771,834.46
HBIS Cloud Merchant Co., Ltd.		7,381,150.97
Chengde Zhenghe Charge Development Co., Ltd.		18,945,477.17
Chengde Yanshan Gas Co., Ltd.		687,250.10
Chengde Chenggang Heishan Mining Co., Ltd.	1,944,852.44	2,222,186.59

Tangshan Hongci Hospital Co., Ltd.	3,074,642.00	
Beijing Jiganglian International Trade Co., Ltd.	30,099,314.46	
HBIS Primetals Technology Service Co., Ltd.	4,450,902.29	
Tangsteel Huaye (Tianjin) Steel Marketing Co., Ltd.	252,153.46	
Tangshan Caofeidian Iron and Steel Logistics Co., Ltd.	1,220,137.28	
Wuyang Iron and Steel Co., Ltd.	11,316.96	
HBIS Group International Logistics Co., Ltd.	2,197,341.73	
Tangshan Iron and Steel Group Weier Automation Co., Ltd.	104,000.00	
HBIS Digital Technology Co., Ltd.	2,550,470.00	
Shijiazhuang Iron and Steel Co., Ltd.	2,712,038.82	
total	3,785,441,099.70	6,064,795,384.11
Other payables		
Tangshan Huitang Industrial Technology Service Co., Ltd.	30,445,887.69	28,491,404.17
Tangshan Iron and Steel Group Co., Ltd.	164,416,046.66	833,092,797.86
Tangshan Iron and Steel Group Jinheng Enterprise Development Corporation	18,381,469.77	18,570,329.77
Tangshan Chuangyuan Fangda Electric Co., Ltd.	82,637,737.24	28,920,232.07
Tangshan Iron and Steel Group Weier Automation Co., Ltd.	126,959,791.49	96,214,063.45
Tangshan Iron and Steel Group International Trade Co., Ltd.	3,016,070.52	3,016,070.52
Tangsteel International Engineering Technology Co., Ltd.	19,216,008.70	1,996,409,270.45
Tangshan Weier Electromechanical Installation Co., Ltd.	48,950,610.15	48,726,388.91
Tangshan Iron and Steel Group Co., Ltd. Trading Branch		3,019,313.98
Primetals (Tangshan) Metallurgical Technology Service Co., Ltd.	10,651,022.59	10,651,022.59
Tangshan Shichuang High Temperature Materials Co., Ltd.	9,943,294.64	3,440,707.96
Tangshan Huitang IoT Technology Co., Ltd.	3,810,400.00	5,058,000.00
Hebei Xinyue Coking Co., Ltd.		118,378,417.81
Hegang Group Co., Ltd.		4,740,003,213.67
Hegang Group Materials Trading Co., Ltd.		232,384,799.34
Tangshan Iron and Steel Group Co., Ltd. Huitang Legang Metal Technology Branch	7,489,938.76	
HBIS Group Beijing International Trade Co., Ltd.	149,890.59	
HBIS Primetals Technology Service Co., Ltd.	6,945,952.21	
total	533,014,121.01	8,166,376,032.55

XII. Disclosure of fair value

1. Year-end fair value of assets and liabilities measured at fair value

project	Fair value at the end of the period			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	total
1. Continuous fair value measurement				
(1) Receivables financing			4,182,554,580.33	4,182,554,580.33
(II) Investment in other equity instruments			328,438,243.15	328,438,243.15

2. For continuous and non-continuous third-level fair value measurement items, the valuation techniques used and qualitative and quantitative information on important parameters

The third-level fair value measurement items of the company are other equity instrument investments and receivables financing. Other equity instrument investments are held by the company without control, The "three noes" equity investment under joint control and significant influence, because the invested entity's operating environment, operating conditions, financial status, etc. have not undergone major changes, so the company Measured at investment cost as a reasonable estimate of fair value. Receivables financing is the bank acceptance bill held by the company. Due to the short remaining maturity of the bill, The book balance is close to the fair value, so the company confirms the fair value at the face value

13. Contingencies

1. Major commitments

Significant commitments that the company does not need to disclose as of December 31, 2021

2. Contingencies

(1) Hegang Co., Ltd. (hereinafter referred to as "Hegang Group") received the "Shijiazhuang Intermediate People's Court Subpoena of Hebei Province" on September 27, 2020 (related to the

The relevant case numbers are: (2020) Ji 01 Min Chu No. 457, (2020) Ji 01 Min Chu No. 458), due to contract disputes, Asia Union (Hong Kong) International Investment Co., Ltd. (the following

referred to as "Asia Union") filed a lawsuit against the company and its subsidiaries.

The lawsuit number is Case No. (2020) Ji 01 Min Chu No. 457: As the first defendant, the Company, Tangshan Iron and Steel Group Co., Ltd. (hereinafter referred to as "Tangshan Iron and Steel Group"),

Shanxi Meijin Coal Coking Co., Ltd. (hereinafter referred to as "Shanxi Meijin"), as the second and third defendants, respectively, Tangsteel Meijin (Tangshan) Coal Chemical Co., Ltd.

(hereinafter referred to as "Tanggang Meijin"), Tangshan Desheng Coal Chemical Co., Ltd. (hereinafter referred to as "Desheng Company") as the third party, and its subsidiary Tangshan Desheng Coal Chemical Co., Ltd.

The second shareholder, Yalian Company, had a dispute over the termination of the contract, and Yalian Company demanded: 1) Release the contract signed by Yalian Company, Hegang Group, Tangshan Iron and Steel Group and Shanxi Meijin Quartet.

The Memorandum on Changes to the Implementation Subjects of Desheng Company's Coking Project Recording Certificate; 2) requesting Tangsteel Meijin to compensate for the loss of 450 million yuan or 1.5 million tons of coke quota,

All the defendants shall be jointly and severally liable; 3) All the litigation costs in this case shall be borne by the defendants, 4) Additional litigation matters: request your court to judge HBIS, Tangsteel Group and Shanxi Iron & Steel in accordance with the law

Meijin compensated Desheng Company for the loss of 237,476,402.82 yuan in fixed asset depreciation expenses, and the three defendants were jointly and severally liable.

On August 26, 2021, the Shijiazhuang Intermediate People's Court of Hebei Province rejected the lawsuit of Yalian Company.

Min Zhong No. 892, the ruling of Shijiazhuang Intermediate People's Court of Hebei Province (2020) Ji 01 Min Chu No. 457 was revoked, and Shijiazhuang Intermediate People's Court of Hebei Province was ordered to hear the case.

The lawsuit number is Case No. (2020) Ji 01 Min Chu No. 458: Yalian Company is the plaintiff, Hegang Co., Ltd. is the defendant, and the reason for the lawsuit is the contract of Sino-foreign joint venture

Disputes, claims: 1) The defendant shall be ordered to pay the plaintiff liquidated damages of RMB 74,086,795.00; 2) the defendant shall bear all the litigation costs of this case.

On August 26, 2021, the Shijiazhuang Intermediate People's Court of Hebei Province rejected the lawsuit of Yalian Company.

Min Zhong No. 893, the ruling of Shijiazhuang Intermediate People's Court of Hebei Province (2020) Ji 01 Min Chu No. 458 was revoked, and Shijiazhuang Intermediate People's Court of Hebei Province was ordered to hear the case.

As of the reporting date, the case has yet to go to trial.

13. Commitments

As of December 31, 2021, the company does not need to disclose major commitments.

15. Events after the balance sheet date

(1) On March 24, 2022, the company passed the "Proposal on Reducing Shares Repurchased by the Company" at the twenty-fourth meeting of the fourth board of directors. To complete the company 2019

In the follow-up disposal of the annual repurchased shares, the company plans to reduce the repurchased shares through centralized bidding transactions. The implementation period is 15 transactions from the date of the announcement of the reduction

Within six months, the number of reductions did not exceed the repurchased 281,486,760 shares.

(2) According to the company's 2021 profit and capital status, and with reference to the profit distribution of listed companies in the same industry, the 2021 profit distribution plan is determined as:

Based on the total share capital of 10,337,121,092 shares after deducting 281,486,760 shares of the company's existing shares of 10,618,607,852 shares for repurchase, it will be issued to all shareholders for every 10 shares.

A cash dividend of RMB 1.00 (tax included) will be distributed, and a total of RMB 1,033,712,109.20 in cash will be distributed, and the remainder will be carried forward to the next year. During the implementation of this profit distribution plan, if you enjoy the profit

If the total share capital of the distribution rights changes, the total share capital with the profit distribution rights on the share registration date of the implementation of the distribution plan shall be used as the base, and the cash dividend shall be distributed according to the amount of cash dividends.

1,033,712,109.20 yuan to adjust the amount of dividends per share. This year, no other forms of distribution, such as the conversion of capital reserve into share capital, will be carried out.

16. Other important matters

1. Leasing

(1) The company as the lessor

Operating lease undiscounted lease receipts to be received after the balance sheet date:

period	amount
Year 1	1,254,267.73
Year 2	1,254,267.73
Year 3	1,254,267.73
Year 4	1,254,267.73
Year 5	1,254,267.73
Undiscounted lease receipts to be received in remaining years	19,141,327.00
total	25,412,665.65

Note: It is mainly the income obtained by the subsidiary Tangshan Medium Thick Plate Co., Ltd. leasing the land use right to others.

2. Debt restructuring

debt restructuring	book value of debt	Debt Restructuring Gains and Losses
Amend the terms of the debt	50,224,279.33	5,445,038.12
Settling debts with assets other than financial assets	1,703,000.00	1,488,609.27
total	51,927,279.33	6,933,647.39

17. Notes to the main items of the parent company's financial statements

1. Accounts receivable

(1) Accounts receivable measured at amortized cost

project	Closing amount		
	Book balance	bad debt provision	Book value
accounts receivable	7,799,330,568.72	506,720,071.40	7,292,610,497.32
total	7,799,330,568.72	506,720,071.40	7,292,610,497.32

Continued

project	Beginning amount		
	Book balance	bad debt provision	Book value
accounts receivable	9,816,143,062.35	297,422,120.61	9,518,720,941.74
total	9,816,143,062.35	297,422,120.61	9,518,720,941.74

(2) Provision for bad debts

For accounts receivable, regardless of whether there is a significant financing component, the Company measures the loss provision based on the expected credit loss of the entire duration.

On December 31, 2021, the individual provision for bad debts:

project	Book balance	whole life expectancy credit loss Rate%	bad debt provision	reason
Tangshan Dongsheng Sintering Co., Ltd.	11,281,920.00	100.00	11,281,920.00	Note
Chengde City People's Procuratorate	3,713,200.02	100.00	3,713,200.02	Low possibility of recycling
Hebei Huida Construction Engineering Co., Ltd.	3,063,115.28	100.00	3,063,115.28	Low probability of recycling
Anhui Shengbo Metallurgical Environmental Protection Technology Co., Ltd.	130,157.09	100.00	130,157.09	Low probability of recycling
total	18,188,392.39		18,188,392.39	

Note: The blast furnace gas transaction between the company and Tangshan Dongsheng Sintering Co., Ltd. has not been resolved due to disputes over settlement between the two parties;

If the payment is not made, based on the principle of prudence, the provision for bad debts is fully accrued.

As of December 31, 2021, the bad debt provision for the portfolio was accrued:

Portfolio - aging portfolio

aging	Book balance	lifetime expected credit losses	bad debt provision
		Rate%	
within 1 year	404,055,313.24	6.07	24,530,152.92
1-2 years	181,358,860.59	14.53	26,344,476.17
2-3 years	31,961,930.58	29.15	9,316,368.71
over 3 years	702,825,669.62	60.95	428,340,681.21
total	1,320,201,774.03		488,531,679.01

Portfolio - use other methods to accrue bad debt risk-free portfolio

combination	Book balance	lifetime expected credit losses	bad debt provision
		Rate%	
Related party portfolio	6,460,940,402.30		
total	6,460,940,402.30		

Changes in bad debt provision

	Beginning amount	Increase in this period	Decrease in this period		Closing amount
			turn back	write off	
Accounts Receivable Bad Debt Standard prepare	297,422,120.61	209,297,950.79			506,720,071.40

(3) Accounts receivable with top five ending balances collected by debtors:

During the reporting period, the total amount of the top five accounts receivable at the end of the period collected by the arrears was RMB 6,499,460,467.57, which accounted for the proportion of the total amount of accounts receivable at the end of the period.

83.33%, the closing balance of the corresponding provision for bad debts is 303,306,017.17 yuan.

2. Other receivables

project	Closing amount	Beginning amount
Interest receivable		
Dividends receivable	246,362,000.00	525,650,421.90
Other receivables	8,617,565,492.64	852,537,558.30
total	8,863,927,492.64	1,378,187,980.20

(1) Dividends receivable:

Project (or investee)	Ending balance	Opening Balance
-----------------------	----------------	-----------------

Tangsteel Qinglong Charge Co., Ltd.	18,792,000.00	
Wuyang Iron and Steel Co., Ltd.		248,921.90
Hebei Iron and Steel Group Luan County Sijaying Iron Ore Co., Ltd.	227,570,000.00	97,530,000.00
Shanghai Huitang Zhihe Investment Co., Ltd.		133,871,500.00
Hegang Group Finance Co., Ltd.		294,000,000.00
total	246,362,000.00	525,650,421.90

(2) Other receivables:

project	Ending balance		
	Book balance	bad debt provision	Book value
Other receivables	8,623,857,360.27	6,291,867.63	8,617,565,492.64
total	8,623,857,360.27	6,291,867.63	8,617,565,492.64

Continued

project	Beginning amount		
	Book balance	bad debt provision	Book value
Other receivables	858,794,104.66	6,256,546.36	852,537,558.30
total	858,794,104.66	6,256,546.36	852,537,558.30

9 Provision for bad debts

A. On December 31, 2021, the provision for bad debts of other receivables in the first stage is as follows:

project	Book balance	within the next 12 months	bad debt	reason
		Expected credit loss rate %	Prepare	
Related party portfolio	8,385,492,588.77			Low risk and expected to be recovered
Personal business loans, deposits and guarantees money, government money	231,887,863.22			Low risk and expected to be recovered
total	8,617,380,451.99			

B. On December 31, 2021, the provision for bad debts of other receivables in the second stage is as follows:

project	Book balance	the entire duration	bad debt provision
		Expected credit loss rate %	
Aging portfolio	1,908,445.33	90.30	1,723,404.68
total	1,908,445.33		1,723,404.68

C. On December 31, 2021, the provision for bad debts of other receivables in the third stage is as follows:

project	Book balance	Lifetime Expectation Letter Use loss rate %	Reasons for bad debt provision	
Single item provision:				
Tangshan Coking Group	2,297,865.27	100.00	2,297,865.27	Note 1
Tangshan Boda Electromechanical Equipment Engineering Co., Ltd.	2,270,597.68	100.00	2,270,597.68	Note 2
total	4,568,462.95		4,568,462.95	

Note 1: Tangshan Coking Group has a long aging time, and it is difficult to contact the other party. Out of the principle of prudence, the full amount of bad debts is withdrawn.

Note 2: Tangshan Boda Electromechanical Equipment Engineering Co., Ltd. has been cancelled and is not expected to be recovered, so the full amount of bad debts has been accrued.

Changes in bad debt provision

	The first stage	second stage	The third phase	
bad debt provision	Expected credit losses over the next 12 months	Lifetime Expectation Letter With loss (no credit incurred impairment)	Lifetime Expectation Letter With loss (credit has occurred impairment)	total
January 1, 2021 Balance		1,688,083.41	4,568,462.95	6,256,546.36
Opening balance in the current period				
- Transfer to the first stage				
- Transfer to the second stage				
- Transfer to the third stage				
Provision for this period		35,321.27		35,321.27
Turn back in this period				
Resale in this period				
Write-off in this period				
other changes				
December 31, 2021 Balance		1,723,404.68	4,568,462.95	6,291,867.63

Classification of other receivables by nature

nature of payment	Ending balance	Opening Balance
Margin	141,729,267.24	164,529,733.86
personal business loan	9,580,648.25	8,331,673.90
Mortgage payments	120,233.10	140,000.00
cash flow	7,850,381,793.61	488,155,159.14
related loan	87,000,000.00	87,000,000.00

Asset usage fee	28,026,677.88	28,026,677.88
land temporary deposit	77,787,900.00	77,787,900.00
payment	4,568,462.95	4,568,462.95
liquidated damages	419,562,219.53	
other	5,100,157.71	254,496.93
total	8,623,857,360.27	858,794,104.66

γThe situation of the top five units with the closing balance of other receivables:

company name	Is it Related party	payment nature	end of period balance	aging	account for other receivables Total ending balance Proportion of numbers (%)	bad debt
						Prepare
						end of period balance
Hegang Laoting Iron and Steel Co., Ltd.		It is a fund transaction amount 5,520,403,888.89		less than 1 year	64.01	
Handan Steel Nengjia Steel Co., Ltd.		It is a cash flow of 1,028,455,754.61		less than 1 year	11.93	
Chengde Yanshan Strip Steel Co., Ltd.		It is a fund transaction amount of 448,705,357.75		less than 1 year	5.20	
Tangshan Tangshan Steel Construction Development Co., Ltd.		Yes liquidated damages 419,562,219.53		less than 1 year	4.87	
Tangshan Desheng Coal Chemical Co., Ltd.		It is a fund transaction amount 87,000,000.00		4-5 years	1.01	
total			7,504,127,220.78		87.02	

3. Long-term equity investment

(1) Classification of long-term equity investments

project	Ending balance		
	Book balance	Impairment provision	Book value
Invest in Subsidiaries	22,103,512,667.56		22,103,512,667.56
Investment in associates	4,842,493,221.16		4,842,493,221.16
total	26,946,005,888.72		26,946,005,888.72

Continued table:

project	Opening Balance		
	Book balance	Impairment provision	Book value
Invest in Subsidiaries	16,644,604,292.47		16,644,604,292.47
Investment in associates	4,574,443,809.37		4,574,443,809.37
total	21,219,048,101.84		21,219,048,101.84

(2) Investment in subsidiaries

investee	Opening Balance	Increase in current period	Decrease in current period	Ending balance
Hebei Iron and Steel (Australia) Company	229,640,868.80			229,640,868.80
Tangshan Medium and Thick Plate Co., Ltd.	513,181,819.60			513,181,819.60
Baoding Tanggang Plate Co., Ltd.	132,558,000.00			132,558,000.00
Tangshan Desheng Coal Chemical Co., Ltd.	100,774,514.74			100,774,514.74
Tangsteel Qinglong Charge Co., Ltd.	135,000,000.00			135,000,000.00
Shanghai Huitang Zhihe Investment Co., Ltd.	447,860,115.39			447,860,115.39
Hegang Laoting Iron and Steel Co., Ltd.	975,131,083.55	5,000,000,000.00		5,975,131,083.55
Handan Iron and Steel Group Handan Iron and Steel Co., Ltd.	12,524,328,903.31			12,524,328,903.31
Chengde Yanshan Strip Steel Co., Ltd.	161,419,606.04			161,419,606.04
Chengde Chenggang Zhuyu Vanadium Titanium Co., Ltd.	33,048,000.00			33,048,000.00
Chengde Chenggang Shuangfu Mining Co., Ltd.	40,800,000.00			40,800,000.00
HBIS Chengde Vanadium and Titanium New Materials Co., Ltd.	1,200,861,381.04	61,108,375.09		1,261,969,756.13
Tianjin Hegang North China Trading Co., Ltd.	100,000,000.00			100,000,000.00
Hua Rui International Trade (Tianjin) Co., Ltd.	50,000,000.00			50,000,000.00
Handan Iron and Steel Huafeng Energy Co., Ltd.		142,800,000.00		142,800,000.00
Handan Steel Nengjia Steel Co., Ltd.		255,000,000.00		255,000,000.00
Less: Allowance for impairment of long-term investments				
total	16,644,604,292.47	5,458,908,375.09		22,103,512,667.56

(3) Investment in associates and joint ventures

investee	Opening Balance	Changes in this period				
		additional investment	reduce investment	recognized under the equity method	Other comprehensive income	other rights
				investment profit and loss	profit adjustment	change
Associates						
Hebei Iron and Steel Group Luan County Siying Iron Mine Co., Ltd.	973,372,609.46			263,789,000.59		25,338.90
company						

Tangshan Iron and Steel Group international trading co., ltd.	204,602,502.88		204,602,502.88			
Tangshan Steel Source Metallurgical Furnace Materials Co., Ltd.	77,991,409.52			355,957.53		10,608.74
Tangshan Tangshan Steel Gas Co., Ltd. limited company						
Beijing Zhonglianhong Investment limited company	19,802,283.39			2,662,834.12		
HBIS Group Finance Co., Ltd. limited company	3,152,252,155.10	294,000,000.00		310,065,547.41		
Chengde Yanshan Gas Co., Ltd. limited company	146,422,849.02			2,862,445.04		-1,579,817.66
total	4,574,443,809.37	294,000,000.00	204,602,502.88	579,735,784.69		-1,543,870.02

(continued)

investee	Changes in this period			Ending balance	Closing balance of impairment provision Estimated
	Declared distribution of cash shares profit or profit	Impairment accrual standard prepare	other		
Associates					
Hebei Iron and Steel Group Luan County Sijiyang Iron Mine Co., Ltd. company	130,040,000.00			1,107,146,948.95	
Tangshan Iron and Steel Group International Trade Co., Ltd.					
Tangshan Gangyuan Metallurgical Charge Co., Ltd.				78,357,975.79	
Tangshan Tanggang Gas Co., Ltd.					
Beijing Zhonglianhong Investment Co., Ltd.				22,465,117.51	
Hegang Group Finance Co., Ltd.	269,500,000.00			3,486,817,702.51	
Chengde Yanshan Gas Co., Ltd.				147,705,476.40	
total	399,540,000.00			4,842,493,221.16	

Note 1: There is no provision for impairment of long-term equity investments in the current period

4. Operating income and operating costs

(1) Operating income and operating costs are as follows:

project	2021 _		2020 _	
	income	cost	income	cost
Main business	119,330,480,124.29	110,818,580,629.29	77,686,695,644.49	69,872,646,150.64
Other business	25,443,076,539.67	25,315,853,287.05	17,876,113,410.62	17,439,606,335.47
total	144,773,556,663.96	136,134,433,916.34	95,562,809,055.11	87,312,252,486.11

(2) Main business (by product):

(Unit: ten thousand yuan)

product	2021 _		2020 _	
	Main business income	Main business cost	Main business income	Main business cost
steel	10,175,447.90	9,313,708.12	6,442,501.87	5,741,194.13
billet	422,213.96	443,939.09	202,181.20	200,729.20
Vanadium Products	93,234.26	59,253.36	90,839.98	66,017.97
other	1,242,151.89	1,264,957.50	1,033,146.51	979,323.32
total	11,933,048.01	11,081,858.07	7,768,669.56	6,987,264.62

(3) Main business (by region):

(Unit: ten thousand yuan)

area	Amount for this year		Amount in the previous period	
	Main business income	Main business cost	Main business income	Main business cost
North-east area	17,012.75	15,846.28	8,552.05	7,494.10
North China	9,119,329.31	8,625,067.84	6,208,931.51	5,659,699.55
Huadong Region	2,193,940.82	1,905,567.34	959,647.25	804,703.09
South China	444.03	409.99		
North-west region	11,917.03	10,088.04	12,983.75	10,813.92
Southwest Region	32,855.62	27,862.80	34,439.37	30,474.08
South Central Region	223,490.63	195,430.85	114,374.92	98,592.04
Overseas area	334,057.82	301,584.93	429,740.71	375,487.84
total	11,933,048.01	11,081,858.07	7,768,669.56	6,987,264.62

(4) The operating income in 2021 is listed as follows according to the time of revenue recognition:

(unit:

million)

project	Product sales	Engineering construction providing labor services			total
Recognize revenue over a period of time					
Recognize revenue at a point in time	14,477,355.67				14,477,355.67
total	14,477,355.67				14,477,355.67

5. Investment income

(1) Details of investment income

project	Amount for this period	Amount in the previous period
Investment income recognized by equity method	579,735,784.69	326,184,923.33
Long-term equity investment income accounted for by cost method	23,554,643.94	4,901,477.99
Dividend income obtained during the holding period of other equity instrument investments		248,921.90
Investment income from disposal of long-term equity investment	90,272.52	
debt reorganization	2,759,775.39	14,126,561.79
structured deposit income		16,827,397.26
total	606,140,476.54	362,289,282.27

(2) Long-term equity investment income calculated by the cost method:

investee	Amount for this period	Amount in the previous period
Chengde Chenggang Zhuyu Vanadium Titanium Co., Ltd.	4,762,643.94	4,901,477.99
Tangsteel Qinglong Charge Co., Ltd.	18,792,000.00	
total	23,554,643.94	4,901,477.99

(3) Long-term equity investment income calculated by equity method:

investee	Amount for this period	Amount in the previous period
Hebei Iron and Steel Group Luan County Sijiyang Iron Ore Co., Ltd.	263,789,000.59	161,310,886.27
Tangshan Gangyuan Metallurgical Charge Co., Ltd.	355,957.53	-5,121,043.47
Chengde Yanshan Gas Co., Ltd.	2,862,445.04	9,536,043.57

Beijing Zhonglianhong Investment Co., Ltd.	2,662,834.12	3,215,842.02
Hegang Group Finance Co., Ltd.	310,065,547.41	157,243,194.94
total	579,735,784.69	326,184,923.33

18. Supplementary information:

1. Current non-recurring profit and loss statement

project	amount
Gains and losses on disposal of illiquid assets	7,782,515.40
Unauthorized approval, or no formal approval documents, or occasional tax refunds or exemptions	
Government subsidies included in the current profit and loss, but closely related to the normal operation of the enterprise, in line with national policies and regulations, according to Except for government subsidies that are continuously enjoyed by a certain standard or fixed amount	250,703,828.56
Capital occupation fees charged to non-financial enterprises included in current profit and loss	
The investment cost of acquiring subsidiaries, associates and joint ventures should be less than the identifiability of the investee when acquiring the investment.	
Income from fair value of net assets	
Gains and losses on exchange of non-monetary assets	
Gains and losses on entrusting others to invest or manage assets	
Various asset impairment provisions accrued due to force majeure factors, such as natural disasters	
Debt Restructuring Gains and Losses	6,933,647.39
Enterprise restructuring costs such as staff placement expenses, integration costs, etc.	
Profits and losses that exceed fair value from transactions where the transaction price is obviously unfair	
Net profit and loss for the current period from the beginning of the period to the date of merger of subsidiaries arising from business combination under the same control	
Profits and losses arising from contingent events unrelated to the normal operation of the company	
Except for the effective hedging business related to the normal operation of the company, the holding of trading financial assets, trading financial liabilities	
Gains and losses from changes in fair value arising from debt, derivative financial assets and derivative financial liabilities	
Disposal of held-for-trading financial assets, held-for-trading financial liabilities, derivative financial assets, derivative financial liabilities and other debt investments	
investment income	
Reversal of provision for impairment of receivables that have been individually tested for impairment	
Profits and losses from external entrusted loans	
Gains and losses arising from changes in the fair value of investment properties that are subsequently measured using the fair value model	
The impact of a one-time adjustment to the current profit and loss according to the requirements of tax, accounting and other laws and regulations on the current profit and loss	
Custody fee income from entrusted operations	5,660,377.37
Other non-operating income and expenses other than the above	398,972,418.70
Other profit and loss items that meet the definition of non-recurring profit and loss	1,324,887.76
Total non-recurring gains and losses	671,377,675.18

Less: Income tax impact of non-recurring gains and losses	171,145,700.01
Net non-recurring gains and losses	500,231,975.17
Less: Net effect of non-recurring gains and losses attributable to minority shareholders	-5,213,633.96
Non-recurring gains and losses attributable to the company's common stockholders	505,445,609.13

2. Return on equity and earnings per share

Profit during the reporting period	Weighted average Roe%	EPS	
		Basic EPS	Diluted EPS
Net profit attributable to common stockholders of the company	4.94	0.24	0.24
Attributable to ordinary shareholders of the company after deducting non-recurring gains and losses net profit	3.94	0.19	0.19