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## **Chongqing Iron & Steel Company Limited** **重慶鋼鐵股份有限公司**

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*  
*(在中華人民共和國註冊成立的股份有限公司)*

(Stock Code: 1053)

### **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **I IMPORTANT NOTICE**

- 1 This annual results announcement is abstracted from the full text of the annual report. In order to comprehensively understand the operating results, financial position and future development plans of Chongqing Iron & Steel Company Limited (the “**Company**”), investors shall refer to the website of the Shanghai Stock Exchange at <http://www.sse.com.cn> and the website of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) at <https://www.hkexnews.hk> to carefully read the full text of the annual report.
- 2 The board of directors (the “**Board**”), the supervisory committee, the directors, the supervisors and members of senior management of the Company guarantee the authenticity, accuracy and completeness of the contents of the annual report, in which there are no false representations, misleading statements contained or material omissions, and assume the several and joint responsibilities as well.
- 3 All directors of the Company attended the Board meeting.
- 4 Ernst & Young Hua Ming LLP has issued a standard and unqualified audit report for the Company.
- 5 The profit distribution proposal or proposal to transfer capital reserve to share capital for the reporting period as passed by the Board meeting

According to the auditing by Ernst & Young Hua Ming LLP, the realized net loss attributable to the parent company for 2024 amounted to RMB3.169 billion, and the unappropriated profit by parent company as at the end of 2024 amounted to RMB-12.335 billion. As the parent company recorded a negative unappropriated profit as at the end of 2024, the Board suggested not to make profit distribution or transfer capital reserve to share capital in 2024 pursuant to Article 250 of the Articles of Association.

## II BASIC INFORMATION OF THE COMPANY

### 1 Company Profile

#### *Stock profile*

Stock type	Relevant exchange that stock listed on	Stock abbreviation	Stock code	Stock abbreviation before change
A Share	Shanghai Stock Exchange	Chongqing Iron & Steel	601005	N/A
H Share	The Hong Kong Stock Exchange	Chongqing Iron	01053	N/A

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### 2 Main Business Profile during the Reporting Period

The Company, belonging to the manufacturing industry/ferrous metal smelting and rolling processing industry, is mainly engaged in the production and sale of hot rolled sheets, medium plates, rebars, wire rods, billets, steel by-products and coking and coal chemical products, etc. The Company has an annual steel production capacity of 10 million tons with the following main production lines: 4,100mm wide and thick plate, 2,700mm medium plate, 1,780mm hot rolled sheet, double high rods, high speed wire rods and bar materials.

With rich production lines, the Company is able to provide a diversified portfolio of products. The products include the a variety of medium plates, heavy plates, hot coil and long products. The Company's products are widely applied in various sectors, such as railways, airports, bridges, tunnels, ships, as well as urban high-rise buildings. The products of the Company are mainly sold in Chongqing and southwestern regions, and have met the development demands in southwestern regional markets. The products are highly recognized in regional markets. The Company's steel products used in hull structure, boilers and pressure vessels were rewarded the title of "Chinese brand products" and four other products were awarded the title of "Chongqing's brand products". The Company successively obtained the following titles of honor: national Labor Day certificate, National Advanced Enterprise in Implementing the Performance Excellence Model, Chongqing famous trademark, Chongqing quality benefit enterprise, Chongqing contract-abiding and trustworthy enterprises and national metallurgical greening advanced unit. In 2024, the Company was awarded the honorary titles of "cultivation enterprise for benchmark demonstration plants in dual-carbon best practices and energy efficiency" and "advantageous enterprise in terms of national intellectual property".

In 2024, the domestic steel industry continued to exhibit the "three highs and three lows" pattern characterized by "high output, high costs, high inventory, low demand, low prices, and low profitability." The industry as a whole remained in a bottoming phase, with persistently weak orders and demand, supply outpacing demand, and bulk raw material prices remaining at high levels. The actual decrease in cost centers was smaller than the decline in steel prices, leading to a continuous narrowing of market prices on both the purchasing and sales ends. To proactively address the long-term downward risks in the industry, the Company has firmly established the awareness that "all costs can be reduced." The Company has strengthened its accounting and operational capabilities through "intelligent" systems, enhanced marginal and cash flow management, and promoted the allocation of resources towards high-efficiency products and high-profit regions, ensuring effective alignment between the market and on-site operations, as well as compelling improvements in manufacturing capabilities.

### 3 Major Financial Data and Financial Indicators of the Company

#### 3.1 Major financial data and financial indicators for the last three years

Unit: RMB'000

	2024	2023	Increase/ decrease from last year (%)	2022
Total assets	<b>35,479,244</b>	37,357,035	-5.03	39,364,800
Net assets attributable to shareholders of listed company	<b>16,606,636</b>	19,854,331	-16.36	21,341,918
Operating income	<b>27,244,169</b>	39,318,142	-30.71	36,561,531
Operating revenue net of business revenue not related to principal business and income lacking commercial substance	<b>26,997,779</b>	39,030,451	-30.83	36,273,788
Net profit attributable to shareholders of listed company	<b>-3,195,561</b>	-1,494,417	N/A	-1,019,409
Net profit attributable to shareholders of listed company, netting non-recurring gains and losses	<b>-3,206,738</b>	-1,514,298	N/A	-1,086,273
Net cash flow from operating activities	<b>1,309,863</b>	1,022,039	28.16	1,470,087
Weighted average return on net assets (%)	<b>-17.53</b>	-7.26	Decreased by 10.27 percentage points	-4.66
Basic earnings per share (RMB/share)	<b>-0.36</b>	-0.17	N/A	-0.11
Diluted earnings per share (RMB/share)	<b>-0.36</b>	-0.17	N/A	-0.11

### **3.2 Major financial data by quarter during the reporting period**

*Unit: RMB'000*

	1st Quarter (January– March)	2nd Quarter (April– June)	3rd Quarter (July– September)	4th Quarter (October– December)
Operating income	7,736,438	7,349,581	5,512,048	6,646,102
Net profit attributable to shareholders of listed company	-333,758	-355,455	-660,538	-1,845,810
Net profit attributable to shareholders of listed company, netting non- recurring gains and losses	-334,357	-356,264	-663,240	-1,852,877
Net cash flow from operating activities	-832,893	1,655,643	267,467	219,646

## **4 Shareholders**

### **4.1 Total number of ordinary shareholders, preferred shareholders with restored voting rights and total number of shareholders with special voting rights and shareholdings of the top 10 shareholders as at the end of the reporting period and as of 28 February 2025**

*Unit: share*

As of the end of the reporting period, the total number of ordinary shareholders ( <i>accounts</i> )	193,388
As of 28 February 2025, the total number of ordinary shareholders ( <i>accounts</i> )	183,210
As of the end of the reporting period, the total number of preferred shareholders with restored voting rights ( <i>accounts</i> )	0
As of 28 February 2025, the total number of preferred shareholders with restored voting rights ( <i>accounts</i> )	0

## The top 10 shareholders (excluding lending of shares through refinancing)

Name of shareholder (Full name)	Changes during the reporting period	Period-end number of stock	Ratio (%)	Number of restricted stock held	Pledged, marked or frozen		Nature of shareholders
					Stock Status	Quantity	
Chongqing Changshou Iron & Steel Company Limited	0	2,096,981,600	23.51	0	Nil	0	State-owned legal person
HKSCC NOMINEES LIMITED	425,750	533,490,891	5.98	0	Unknown	-	Foreign legal person
Chongqing Qianxin Group Co., Ltd.	0	427,195,760	4.79	0	Pledged	427,190,070	State-owned legal person
Chongqing Rural Commercial Bank Co., Ltd.	0	289,268,939	3.24	0	Nil	0	State-owned legal person
Chongqing Urban Construction Investment (Group) Co., Ltd.	278,288,059	278,288,059	3.12	0	Nil	0	State-owned legal person
Bank of Chongqing Co., Ltd.	0	226,042,920	2.53	0	Nil	0	State-owned legal person
Baowu Group Zhongnan Steel Co., Ltd	0	224,831,743	2.52	0	Nil	0	State-owned legal person
Industrial Bank Co., Ltd. Chongqing Branch	0	219,633,096	2.46	0	Nil	0	Others
China Shipbuilding Industry Complete Logistics Co., Ltd.	0	211,461,370	2.37	0	Nil	0	State-owned legal person
Bank of Communications Co., Ltd. Chongqing Branch	0	140,760,305	1.58	0	Nil	0	Others

The above shareholders' connected relationship or acting in concert

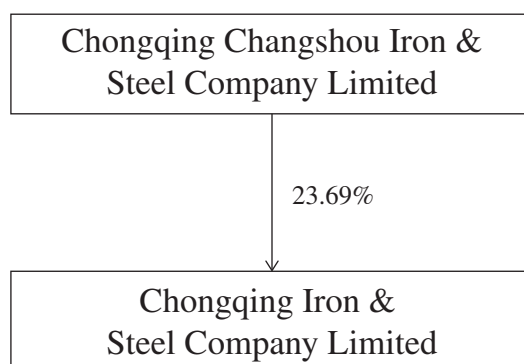
Chongqing Changshou Iron & Steel Company Limited is the controlling shareholder of the Company; Chongqing Changshou Iron & Steel Company Limited and Baowu Group Zhongnan Steel Co., Ltd. are under common control by China Baowu Steel Group Corporation Limited, a de facto controller of the Company, thus the two are related parties, and has no associated relationship with the other 8 shareholders and they are not parties acting in concert regulated in Measures for the Administration of the Takeover of Listed Companies. The Company is also not aware of any connected relationship among the other 8 shareholders or whether they are acting in concert

Preferred shareholders with restored voting rights and their shareholding

Not applicable

**4.2 Chart of equity and the controlling relationship between the Company and the controlling shareholder**

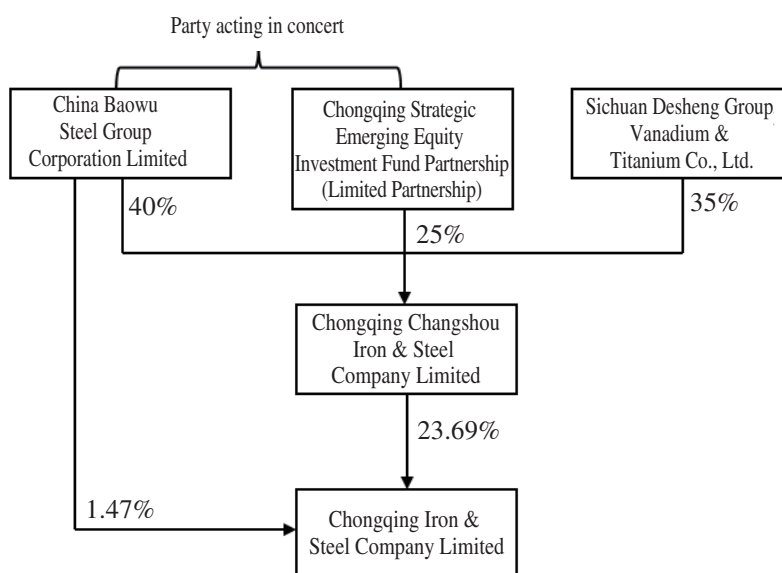
Applicable       Not applicable



*Note:* As of 31 December 2024, Chongqing Changshou Iron & Steel Company Limited held 23.51% of the Company's shares; on 18 February 2025, the Company processed the cancellation of the repurchased shares, after which the total number of the Company's shares was changed from 8,918,602,267 to 8,851,763,767, and as a result of which the shareholding ratio of Chongqing Changshou Iron & Steel Company Limited was changed from 23.51% to 23.69%.

**4.3 Chart of equity and the controlling relationship between the Company and the actual controllers**

Applicable       Not applicable



*Note:* On 18 February 2025, the Company processed the cancellation of the repurchased shares, after which the total number of the Company's shares was changed from 8,918,602,267 to 8,851,763,767, as a result of which the shareholding ratio of Chongqing Changshou Iron & Steel Company Limited, the controlling shareholder, was changed from 23.51% to 23.69%, and the direct shareholding ratio of China Baowu Steel Group Corporation Limited, the de facto controller, was changed from 1.46% to 1.47%.

### III SIGNIFICANT EVENTS

- 1 The Company shall explain the significant changes in the operation of the Company during the reporting period under the principle of materiality and events that occurred during the reporting period had material impact on the operation of the Company and expected to have a material impact in the future.

Applicable  Not applicable

- 2 If there is a delisting risk warning or termination of listing after the disclosure of the annual report of the Company, the reasons resulting the delisting risk warning or termination of listing shall be disclosed.

Applicable  Not applicable

**3 Major operations during the reporting period**

During the reporting period, the Group produced 6.7680 million tonnes of iron, 7.5829 million tonnes of steel and 7.6129 million tonnes of commodity billet, representing year-on-year increase of 3.87% and 6.57% of iron and steel and a year-on-year decrease of 25.53% of commodity billet. The sales volume of commodity billet was 7.5994 million tonnes, representing a year-on-year decrease of 26.14%. The operating income was RMB27.244 billion, while the total profit was RMB-3.292 billion.



### 3.1 Main business analysis

#### (1) Analysis of changes in certain items from Income Statement and Cash Flow Statement

Unit: RMB'000

Item	Current period	Corresponding period of last year	Change (%)
Operating income	27,244,169	39,318,142	-30.71
Operating cost	28,599,482	40,002,413	-28.51
Selling expenses	56,788	75,804	-25.09
Administrative expenses	370,595	334,986	10.63
Financial expenses	200,673	242,279	-17.17
R&D expenses	41,784	31,949	30.78
Net cash flow from operating activities	1,309,863	1,022,039	28.16
Net cash flow from investing activities	-789,202	-801,075	N/A
Net cash flow from financing activities	459,916	-2,327,132	N/A

Reasons for change in operating income: The decrease in operating income was mainly due to the decrease in sales volume and lower selling price of commodity billet.

Reasons for change in R&D expenses: The increase in R&D expenses was mainly due to the increase in R&D projects.

Reasons for change in net cash flow from financing activities: The increase in net cash flow from financing activities was mainly due to the increase in new borrowings during the current period.

#### (2) Revenue and cost analysis

In 2024, the Group's revenue from main business amounted to RMB26.998 billion, representing a year-on-year decrease of 30.83%. In particular, the income from sales of commodity billet products amounted to RMB25.585 billion, representing a decrease of RMB11.850 billion as compared with the same period of the previous year. Firstly, the sales volume of commodity billet was 7.5994 million tonnes, representing a year-on-year decrease of 26.14%, resulting in a decrease in the sales income of RMB9,369 million; secondly, the sales price of commodity billet was RMB3,367/tonne, representing a year-on-year decrease of 7.45%, resulting in a decrease in the sales income of RMB2,481 million.

Composition of income from main businesses:

Type	2024		2023		Year-on-year Increase in amount (%)
	Amount (RMB'000)	Percentage (%)	Amount (RMB'000)	Percentage (%)	
Plate	8,355,106	30.95	9,604,212	24.61	-13.01
Hot rolling	15,085,578	55.88	17,998,354	46.11	-16.18
Bars	-	-	3,250,795	8.33	-100.00
Double high rods	940,105	3.48	3,969,804	10.17	-76.32
Profiles	165,320	0.61	1,371,770	3.51	-87.95
billets	1,038,791	3.85	1,239,556	3.18	-16.20
Subtotal	<u>25,584,900</u>	<u>94.77</u>	<u>37,434,491</u>	<u>95.91</u>	<u>-31.65</u>
Other	<u>1,412,879</u>	<u>5.23</u>	<u>1,595,960</u>	<u>4.09</u>	<u>-11.47</u>
Total	<u>26,997,779</u>	<u>100.00</u>	<u>39,030,451</u>	<u>100.00</u>	<u>-30.83</u>

Sales prices of commodity billet:

Item	2024	2023	Year-on-year growth (%)	Income increase (RMB'000)
	Sales price (RMB/tonne)	Sales price (RMB/tonne)		
Plate	3,547	3,941	-10.00	-928,028
Hot rolling	3,318	3,613	-8.16	-1,341,188
Bars	-	3,427	-	-
Double high rods	3,224	3,384	-4.73	-46,640
Profiles	3,518	3,632	-3.14	-5,358
billets	2,893	3,338	-13.33	-159,800
Total of commodity billet	<u>3,367</u>	<u>3,638</u>	<u>-7.45</u>	<u>-2,481,014</u>

## Sales volumes of commodity billet:

Item	Sales volume for 2024 (Ten thousand tonnes)	Sales volume for 2023 (Ten thousand tonnes)	Year-on-year growth (%)	Income increase (RMB'000)
Plate	235.54	243.67	-3.34	-321,078
Hot rolling	454.64	498.22	-8.75	-1,571,588
Bars	-	94.85	-100.00	-3,250,795
Double high rods	29.15	117.31	-75.15	-2,983,059
Profiles	4.70	37.77	-87.56	-1,201,092
billets	35.91	37.13	-3.29	-40,965
Total of commodity billet	<b>759.94</b>	<b>1028.95</b>	<b>-26.14</b>	<b>-9,368,577</b>

## 1) Main business by sectors, products and regions and sales model

*Unit: RMB'000*

### Main business by sectors

By sectors	Operating income	Operating cost	Gross margin (%)	Year-on-year increase/decrease in operating income (%)	Year-on-year increase/decrease in operating cost (%)	Year-on-year increase/decrease in gross margin (%)
Iron and steel	26,997,779	28,381,563	-5.13	-30.83	-28.58	Decreased by 3.31 percentage points

### Main business by products

By products	Operating income	Operating cost	Gross margin (%)	Year-on-year increase/decrease in operating income (%)	Year-on-year increase/decrease in operating cost (%)	Year-on-year increase/decrease in gross margin (%)
Commodity billet	25,584,900	26,963,525	-5.39	-31.65	-29.42	Decreased by 3.34 percentage points
Other	1,412,879	1,418,038	-0.37	-11.47	-7.83	Decreased by 3.97 percentage points

## Main business by regions

By regions	Operating income	Operating cost	Gross margin (%)	Year-on-year increase/decrease in operating income (%)	Year-on-year increase/decrease in operating cost (%)	Year-on-year increase/decrease in gross margin (%)
Southwest	20,672,411	21,751,391	-5.22	-34.62	-32.64	Decreased by 3.10 percentage points
Other regions	6,325,368	6,630,172	-4.82	-14.63	-10.98	Decreased by 4.30 percentage points

## 2) Table of production and sales volume analysis

Main products	Unit	Production volume	Sales volume	Inventory	Year-on-year increase/decrease in production volume (%)	Year-on-year increase/decrease in sales volume (%)	Year-on-year increase/decrease in inventory (%)
Plate	Ten thousand tonnes	236.99	235.54	2.47	-0.99	-3.34	111.11
Hot rolling	Ten thousand tonnes	457.66	454.64	4.71	-7.43	-8.75	70.04
Bars	Ten thousand tonnes	-	-	-	-100.00	-100.00	-100.00
Double high rods	Ten thousand tonnes	27.32	29.15	-	-77.01	-75.15	-100.00
Profiles	Ten thousand tonnes	3.38	4.70	-	-91.34	-87.56	-100.00
Commodity billets	Ten thousand tonnes	35.94	35.91	0.03	-3.20	-3.29	-

### 3) Cost analysis table

*Unit: RMB'000*

#### By sectors

By sectors	Cost component	Amount for the period	Percentage of the amount	Amount for the corresponding period of last year	Percentage of the amount for the corresponding period of last year	Year-on-Year change (%)	explanation
			for the period in total costs (%)	for the corresponding period of last year	for the corresponding period of last year in total costs (%)		
Iron and steel	Raw material	23,278,452	82.02	33,511,420	84.33	-30.54	N/A
Iron and steel	Energy	920,090	3.24	1,366,040	3.44	-32.65	N/A
Iron and steel	Labor and other costs	4,183,021	14.74	4,862,944	12.23	-13.98	N/A

#### By products

By products	Cost component	Amount for the period	Percentage of the amount	Amount for the corresponding period of last year	Percentage of the amount for the corresponding period of last year	Year-on-year change (%)	explanation
			for the period in total costs (%)	for the corresponding period of last year	for the corresponding period of last year in total costs (%)		
Commodity billet	Raw material and energy costs	26,963,525	95.00	38,201,837	96.13	-29.42	N/A
Other	Raw material and energy costs	1,418,038	5.00	1,538,567	3.87	-7.83	N/A

#### 4) Major customers and major suppliers

##### (1) Major customers of the Company

The sales attributable to the five largest customers amounted to RMB9,919,980,000, representing 33.11% of the total sales for the year, of which the sales attributable to related parties amounted to RMB3,011,720,000, representing 11.05% of the total sales for the year.

##### (2) Major suppliers of the Company

Purchases from the top five suppliers amounted to RMB8,746,310,000, accounting for 30.58% of the total purchases for the year, of which purchases from related parties amounted to RMB5,771,370,000, accounting for 20.18% of the total purchases for the year.

##### (3) Expenses

*Unit: RMB'000*

<b>Item</b>	<b>Amount for the period</b>	<b>Amount for the previous period</b>	<b>Change in amount for the period as compared with the corresponding period of last year (%)</b>
Selling expenses	56,788	75,804	-25.09
Administrative expenses	370,595	334,986	10.63
Finance costs	200,673	242,279	-17.17
Research and development expenses	41,784	31,949	30.78

(4) *R&D investment*

1) Table of R&D investment

*Unit: RMB'000*

Expensed R&D investment for the period	1,045,009
Capitalised R&D investment for the period	–
Total R&D investment	1,045,009
Percentage of total R&D investment to revenue (%)	3.84
Percentage of capitalized R&D investment (%)	–

2) R&D personnel

Number of R&D personnel of the Company	921
Percentage of R&D personnel in the total number of employees of the Company (%)	16.73

**Educational structure of R&D personnel**

<b>Educational category</b>	<b>Number</b>
Doctoral graduate	2
Master's graduate	59
Undergraduate	482
Junior college	378
High school and below	0

**Age structure of R&D staff**

<b>Age category</b>	<b>Age structure number</b>
Under 30 years old (exclusive)	196
30-40 years old (including 30 years old, excluding 40 years old)	430
40-50 years old (including 40 years old, excluding 50 years old)	169
50-60 years old (including 50 years old, excluding 60 years old)	126
60 years old and above	0

### 3) Explanation

In 2024, the Group's total R&D investment in approved projects was RMB1,045,009,000, of which RMB41,784,000 was included in R&D expenses. The trial products in the course of R&D had been sold externally, and the corresponding cost expenditure of RMB1,003,225,000 had been included in operating costs.

### (5) Cash flow

*Unit: RMB'000*

<b>Item</b>	<b>2024</b>	<b>2023</b>	<b>Change (%)</b>	<b>Main reasons for changes</b>
Net cash flow from operating activities	<b>1,309,863</b>	1,022,039	28.16	–
Net cash flow from investing activities	<b>-789,202</b>	-801,075	N/A	–
Net cash flow from financing activities	<b>459,916</b>	-2,327,132	N/A	Increase in new borrowings for the current period
Net increase in cash and cash activities	<b>980,577</b>	-2,106,168	N/A	–



## 3.2 Analysis of assets and liabilities

### (1) Assets and liabilities

Unit: RMB'000

Item	Amount at the end of the period	Percentage of the amount at the end of the period in total assets (%)	Amount at the end of the previous period	Percentage of the amount at the end of the previous period in total assets (%)	Year-on-year Change (%)	Explanation
Cash and bank balances	3,019,606	8.51	1,935,398	5.18	56.02	Increase in net cash flows from operating activities.
Bills receivables	294,742	0.83	-	-	-	Non-derecognizable endorsed or discounted instruments that are not yet matured.
Trade receivables	16,605	0.05	30,630	0.08	-45.79	Recovery of amount.
Receivables financing	898,747	2.53	632,329	1.69	42.13	Increase in the proportion of invoice payment, and the decrease in the proportion of endorsement payment
Prepayments	187,853	0.53	633,937	1.70	-70.37	Decrease in prepayments for raw fuel due to increased credit management.
Other receivables	38,074	0.11	19,740	0.05	92.88	Mainly due to the increase in VAT receivable on demand.
Inventories	1,706,277	4.81	2,621,657	7.02	-34.92	Material decrease in both raw fuel and finished goods inventories due to utmost enhancement of inventory control.
Other current assets	125,476	0.35	178,296	0.48	-29.62	-
Long-term equity investments	108,765	0.31	110,935	0.30	-1.96	-
Other equity investments	60,364	0.17	60,364	0.16	-	-
Property, plant and equipment	24,523,532	69.12	26,159,118	70.02	-6.25	-

Item	Amount at the end of the period	Percentage of	Amount at the end of the previous	Percentage of	Year-on-year Change	Explanation
		the amount at the end of the period in total assets (%)		the amount at the end of the previous period in total assets (%)		
Construction in progress	861,172	2.43	1,244,272	3.33	-30.79	Mainly attributable to the consolidation of construction in progress.
Right-of-use assets	163,281	0.46	310,328	0.83	-47.38	Depreciation for the current period.
Intangible assets	2,470,418	6.96	2,512,168	6.72	-1.66	-
Goodwill	328,055	0.92	328,055	0.88	-	-
Deferred income tax assets	676,275	1.91	579,071	1.55	16.79	-
Other non-current assets	-	-	737	-	-100.00	Project consolidation.
Short-term borrowings	919,368	2.59	450,331	1.21	104.15	New borrowings.
Bills payable	1,933,511	5.45	1,938,301	5.19	-0.25	-
Trade payables	4,960,413	13.98	3,886,777	10.40	27.62	-
Contract liabilities	1,812,206	5.11	1,893,130	5.07	-4.27	-
Employee benefits payable	136,436	0.38	125,720	0.34	8.52	-
Tax payable	16,332	0.05	28,301	0.08	-42.29	Mainly due to the decrease in stamp duty payable.
Other payables	2,660,297	7.50	3,046,875	8.16	-12.69	-
Non-current liabilities due within one year	4,253,093	11.99	2,252,747	6.03	88.80	Increase in reclassification of long-term borrowings due within one year.
Other current liabilities	235,587	0.66	241,403	0.65	-2.41	-
Long-term borrowings	1,652,075	4.66	2,986,945	8.00	-44.69	Increase in reclassification of long-term borrowings due within one year.
Lease liabilities	30,545	0.09	183,493	0.49	-83.35	Payment for the current period.
Long-term payables	27,492	0.08	307,779	0.82	-91.07	Repayment in advance.
Long-term employee benefits payable	118,872	0.34	64,994	0.17	82.90	Impact on new internal retirees and deferred retirement policy.
Estimated liabilities	3,135	0.01	4,227	0.01	-25.83	-
Deferred income	107,052	0.30	85,732	0.23	24.87	-
Deferred income tax liabilities	6,194	0.02	5,949	0.02	4.12	-

(2) *Major restricted assets at the end of the reporting period*

*Unit: RMB'000*

<b>Item</b>	<b>Carrying balance</b>	<b>Carrying amount</b>	<b>Type of restriction</b>	<b>Restricted situation</b>
Cash and bank balances	176,915	176,915	Deposit and freeze	Bill and credit deposits and freeze
Bills receivables	288,473	288,473	Other	Endorsed/ discounted but not derecognized
Property, plant and equipment	128,091	123,046	Pledge	Secured borrowings, sale and leaseback
Intangible assets	<u>272,755</u>	<u>272,755</u>	Pledge	Secured borrowings
Total	<u><u>866,234</u></u>	<u><u>861,189</u></u>	\	\

#### **4 Management Discussion and Analysis on Future Development of the Company**

##### ***4.1 Industry pattern and development trend***

In 2025, the external environment is expected to become more challenging, with escalating trade protectionism and increasing risks of economic recession. Domestically, the basic trend of economic recovery and long-term improvement will remain unchanged, but we will need to overcome some unfavorable factors, including insufficient domestic demand and shrinking external demand. Within the industry, the steel industry will continue to face policy constraints on the supply side in 2025. The Ministry of Industry and Information Technology suspended capacity replacement, limiting new capacity additions. Simultaneously, existing capacities are being optimized through mergers, acquisitions, and the elimination of outdated production facilities. The emphasis on policy has shifted towards optimizing existing capacities, with the Steel Industry Standard Conditions (2025) strengthening requirements for green and intelligent development, and encouraging mergers and acquisitions to enhance industry concentration. It is anticipated that industry consolidation will accelerate, leading to the emergence of regional or niche market leaders and reducing excessive internal competition. Overall, the industry is still experiencing a cycle where supply exceeds demand, and the situation remains severe.

## ***4.2 Development strategy of the Company***

With the mission of “Keeping the national strength of steel alive and build a green and wonderful life”, the Company is committed to building “Beautiful Chongqing Iron & Steel, Pastoral Chongqing Iron & Steel” and becoming a leader in the steel industry in Southwest China and providing steel support for social development.

The Company is located in Southwest China, adjacent to the Yangtze River and enjoys a unique and important geographical location. Based in Chongqing, we will integrate into the construction of Chengdu Chongqing dual-city economic circle, promote the development of the Yangtze River Economic Belt, and facilitate the Western Development Strategy. The Company will strive to become a steel enterprise with sound governance structure, efficient management system with leading production technology, significant economies of scale, cost saving creed, low-carbon and environmental protection, strong ability to respond to changes in the external environment, and the most comprehensive strength and dominant market position in Southwest China. During the fourteenth Five-Year-Plan period, the Company will firmly follow the path of green development, build smart factories with technological innovation, seize opportunities, capitalize on the momentum, start a new journey of high quality development, and strive to achieve the development goal of high-quality green and intelligent steel enterprise.

In the face of a complex and severe external environment, the Company will maintain strategic focus, insist on development confidence, and shift its mindset. The Company will delve into benchmarking to identify differences and drive comprehensive reform. Guided by the principles of “four modernizations” and “four have,” and led by the ethos of “deepening transformation and creating value”, the Company will intensify the practice of accounting management, invigorate full staff participation in governance, and earnestly advance work in safety and environmental protection, energy conservation and emission reduction, cost reduction and efficiency enhancement, and market expansion. The Company will fully enhance its intrinsic motivation and core competitiveness to withstand the industry’s “severe winter”, and will be dedicated to success in the tough battle of reversing losses and overcoming difficulties.

### **4.3 Business plan**

In 2025, the Company plans to produce 6.67 million tons of iron, 8.01 million tons of steel, and 7.73 million tons of materials.

In 2025, the steel industry situation will still be severe, and the Company will focus on the following areas of work: (1) attaching great importance to safety shortcomings, and strengthening safety controls to completely achieve zero accidents in safe production; (2) establishing energy-efficiency benchmarks and promoting green development to create a model steel plant for energy conservation and emission reduction; (3) expanding proximity resources, accelerating inventory turnover, and empowering the Company's agile operations with utmost inventory; (4) expanding high-quality resources and optimizing logistics organization to establish a cost-effective procurement system. (5) pursuing optimal efficiency and maintaining stable and smooth operation to build highly efficient and intensive production lines; (6) adhering to the sales strategy of localization and promoting production, sales, and R&D as a whole to explore new opportunities in regional markets; (7) rebuilding the market competitiveness of "sanfeng" products advanced by technological innovation and based on quality; (8) constructing a large logistics system, strengthening all-process control, and driving down logistics costs by multiple engines; (9) focusing on on-site management, solidifying responsibility systems and enhancing the ability to protect the equipment system; (10) strengthening capital risk management and implementing "accountable investment" strategies to build a robust defense for the safety of the Company's capital; (11) deepening management reforms, stimulating organizational vitality and fostering a new mode of "front, middle and backstage" efficient synergy; (12) refining staffing and deepening collaborative reforms to enhance human resource efficiency; (13) expediting the layout of industrial parks and eco-circuits to create a new model of harmonious coexistence.

#### **4.4 Potential risks**

1. Risk: The global economic outlook is still uncertain, the prices of bulk raw materials and fuels used in the Company's production are influenced by a variety of factors, including supply-side elements such as mine output and transportation costs, demand-side factors such as steel production and the macroeconomic environment, as well as other influences like policies, international situations, and seasonal variations, exposing the Company to certain risks associated with fluctuations in raw material and fuel prices. Additionally, changes in the international trade environment pose challenges to the stability of the supply chain, including uncertainties in trade policies and geopolitical risks. Such factors may adversely affect the Company's procurement costs and supply chain security.

Response measures: In 2025, the Company will continue to uphold the principle of "cost reduction and efficiency improvement are key to risk resistance". It will deepen its procurement strategy of "resource expansion, structural optimization, channel optimization, logistics optimization, and model innovation". Strictly adhering to the requirements of the Implementation Guidelines for Internal Control of Enterprises (《企業內部控制應用指引》), the Company will conduct comprehensive risk identification and assessment across procurement business processes. The Company will be committed to building a more robust supply chain system and strengthening supplier entry evaluations, performance assessments, and annual reviews to enhance the overall quality and efficiency of the supply chain. Simultaneously, the Company will actively explore new procurement models to increase the flexibility and responsiveness of the supply chain, ensuring competitiveness in a complex and ever-changing market environment.

2. Risk: The complexity, severity, and uncertainty of the external environment are increasing, with insufficient domestic demand and shrinking external demand in the industry, posing certain operational pressures on the Company.

Response measures: In 2025, the Company will adhere to profit-based management, embracing the principle that “all costs can be reduced.” It will pursue extreme cost efficiency and focus on production efficiency and quality stability to enhance process efficiency. The Company will strive for ultimate efficiency and product innovation breakthroughs, with the principle of prioritizing profitability. It will refine the technological innovation system, intensify the development of high-quality products, and improve the capability to develop specialty steels. By pursuing low-cost and high-efficiency production and aligning with regional positioning, the Company will enhance its high-efficiency manufacturing capabilities.

#### **IV DISCLOSURE PURSUANT TO THE LISTING RULES**

##### **1 Compliance with the Corporate Governance Code**

To the best knowledge of the Board, the Company has complied with the requirements of the Corporate Governance Code set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) during the reporting period, and no deviation from the code has been identified.

##### **2 Model Code for Securities Transactions by Directors**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code for dealing in securities of the Company by the Directors. All directors of the Company confirmed upon specific enquiries that they had complied with the required standards as set out in the Model Code for the year ended 31 December 2024.

### **3 Purchase, Sale and Redemption of Listed Shares of the Company**

During the reporting period, the Company repurchased a total of 66,838,500 A shares. On 30 December 2024, the Company convened the extraordinary general meeting, the class meeting of A shareholders and the class meeting of H shareholders, at which the Resolution on Change of the Purpose and Cancellation of the Repurchased Shares and Reduction of Capital was considered and approved. The purpose of the repurchased 66,838,500 A shares was changed from “for equity incentive” to “for cancellation to reduce registered capital”. As at the date of this announcement, the cancellation of such repurchased shares has been completed, and the total number of issued shares of the Company has changed from 8,918,602,267 shares to 8,851,763,767 shares.

### **4 Major Acquisition and Disposal of Subsidiaries and Affiliates**

No major acquisition and disposal of subsidiaries and affiliates of the Company occurred during the reporting period.

### **5 Audit Committee**

The Audit Committee of the Company consists of three independent non-executive Directors and one non-executive Director, namely Mr. Guo Jiebin, Mr. Sheng Xuejun, Ms. Tang Ping and Mr. Zhou Ping. Mr. Guo Jiebin is the chairman of the Audit Committee.

The annual report of the Company for 2024 had been reviewed by the members of the Audit Committee before being submitted to the Board for approval.



## 6 Interests or Short Positions

As at 31 December 2024, the interests and short positions (including interests or short positions which they were taken or deemed to have under relevant provisions of the Securities and Futures Ordinance (“SFO”)) of the directors, supervisors and senior management members in the shares or underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange, were as follows:

Name	The Company/ Associated Corporation	Capacity	Nature of interest	Number of Shares interested Total (Shares)	Percentage of the Company's A share Capital (%)	Percentage of total share capital of the Company (%)	Class of shares
Hu Enlong	the Company	Employee Supervisor	Beneficial interest	132,600 (Long position)	0.0016	0.0015	A share
He Hongxia	the Company	Employee Supervisor	Beneficial interest	4,500 (Long position)	0.0001	0.0001	A share
Xie Chao	the Company	Senior Vice President	Beneficial interest	1,057,400 (Long position)	0.0126	0.0119	A share

## 7 Pre-emptive Rights

There are no provisions for pre-emptive rights under the Articles of Association and the relevant laws of the People’s Republic of China which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

## 8 Public Float of H Shares

As at the date hereof, to the best knowledge of the directors, the Company has maintained sufficient public float as required by the Listing Rules.

## **9 Marketability Market Value**

Based on the available information to the Company, as at 31 December 2024, the circulating market capitalization of H Shares of the Company (circulating H Share capital x closing price of H Shares (HK\$0.89)) was approximately HK\$479 million and the circulating market capitalization of A Shares of the Company (circulating A Share capital x closing price of A Shares (RMB1.44)) was approximately RMB12.068 billion.

## **10 Final Dividend**

The Company's profit distribution policies are set out in detail in the Articles of Association, which provides the principles, forms and conditions of distribution, the justification procedures for distribution scheme and decision-making mechanism, as well as policy adjustments. When determining profit distribution (including dividend payment) and distribution proportion, the Company will follow several major principles including the continuity and stability of profit distribution policies, paying full attention to the reasonable investment return for investors, and considering the long-term interests of the Company, sustainable development and the interests of all shareholders as a whole, and the Board will prepare the proposal for profit distribution according to the operating situations and development of the Company, then submit it to the general meetings for approval. Please refer to the profit distribution policies set out in the Articles of Association for more details.

The Company does not have any predetermined dividend distribution proportion or dividend distribution ratio, and the distribution and the amount of dividend will be determined by the Board's discretion as aforesaid.

According to the auditing by Ernst & Young Hua Ming LLP, the realized net loss attributable to the parent company for 2024 amounted to RMB3.169 billion, and the unappropriated profit by the parent company as at the end of 2024 amounted to RMB-12.335 billion. As the parent company recorded a negative unappropriated profit as at the end of 2024, the Board suggested not to make profit distribution or transfer capital reserve to share capital in 2024 pursuant to Article 250 of the Articles of Association.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

Renminbi yuan

Assets	31 December 2024	31 December 2023
<b>Current assets</b>		
Cash and bank balances	<b>3,019,606,427.86</b>	1,935,398,455.91
Including: Funds deposited to finance companies	<b>927,845,862.51</b>	601,483,019.17
Notes receivables	<b>294,742,106.52</b>	–
Trade receivables	<b>16,605,149.32</b>	30,630,026.22
Receivables financing	<b>898,747,186.51</b>	632,329,098.48
Prepayments	<b>187,852,973.22</b>	633,937,474.09
Other receivables	<b>38,073,563.32</b>	19,739,557.29
Inventories	<b>1,706,277,340.05</b>	2,621,656,663.14
Other current assets	<b>125,476,498.63</b>	178,296,028.42
<b>Total current assets</b>	<b><u>6,287,381,245.43</u></b>	<u>6,051,987,303.55</u>
<b>Non-current assets</b>		
Long-term equity investments	<b>108,764,718.31</b>	110,934,705.02
Other equity investments	<b>60,364,499.70</b>	60,364,499.70
Property, plant and equipment	<b>24,523,532,163.82</b>	26,159,118,216.83
Construction in progress	<b>861,172,176.21</b>	1,244,271,745.73
Right-of-use assets	<b>163,281,425.80</b>	310,328,158.14
Intangible assets	<b>2,470,417,724.58</b>	2,512,167,799.59
Goodwill	<b>328,054,770.34</b>	328,054,770.34
Deferred tax assets	<b>676,275,218.36</b>	579,070,890.11
Other non-current assets	<b>–</b>	736,593.65
<b>Total non-current assets</b>	<b><u>29,191,862,697.12</u></b>	<u>31,305,047,379.11</u>
<b>Total assets</b>	<b><u>35,479,243,942.55</u></b>	<b><u>37,357,034,682.66</u></b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**

31 December 2024

Renminbi yuan

<b>Liabilities and shareholders' equity</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Current liabilities</b>		
Short-term borrowings	<b>919,368,395.79</b>	450,330,519.49
Notes payable	<b>1,933,510,510.45</b>	1,938,301,405.71
Trade payables	<b>4,960,412,820.44</b>	3,886,777,138.43
Contract liabilities	<b>1,812,205,815.86</b>	1,893,130,130.08
Employee benefits payable	<b>136,435,629.44</b>	125,719,847.89
Taxes payable	<b>16,332,462.83</b>	28,300,986.53
Other payables	<b>2,660,297,030.92</b>	3,046,874,537.02
Non-current liabilities due within one year	<b>4,253,092,856.67</b>	2,252,746,756.99
Other current liabilities	<b>235,586,756.06</b>	241,402,787.45
<b>Total current liabilities</b>	<b><u>16,927,242,278.46</u></b>	<u>13,863,584,109.59</u>
<b>Non-current liabilities</b>		
Long-term borrowings	<b>1,652,075,334.18</b>	2,986,945,100.00
Lease liabilities	<b>30,544,958.67</b>	183,493,200.13
Long-term payables	<b>27,491,726.81</b>	307,779,167.09
Long-term employee benefits payable	<b>118,872,475.11</b>	64,993,865.63
Provision	<b>3,135,452.93</b>	4,226,982.76
Deferred income	<b>107,051,670.39</b>	85,732,350.43
Deferred tax liabilities	<b>6,194,061.65</b>	5,948,955.06
<b>Total non-current liabilities</b>	<b><u>1,945,365,679.74</u></b>	<u>3,639,119,621.10</u>
<b>Total liabilities</b>	<b><u>18,872,607,958.20</u></b>	<u>17,502,703,730.69</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)***31 December 2024**Renminbi yuan*

<b>Liabilities and shareholders' equity</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Shareholders' equity</b>		
Share capital	<b>8,918,602,267.00</b>	8,918,602,267.00
Capital reserves	<b>19,282,146,606.55</b>	19,282,146,606.55
Less: Treasury stocks	<b>69,760,540.41</b>	–
Other Comprehensive Income	<b>1,585,194.71</b>	1,585,194.71
Special reserves	<b>31,581,736.68</b>	13,954,677.59
Surplus reserves	<b>607,679,608.13</b>	607,300,662.40
Unappropriated profit/Unappropriated profit	<b>(12,165,198,888.31)</b>	(8,969,258,456.28)
<b>Total shareholders' equity</b>	<b><u>16,606,635,984.35</u></b>	<u>19,854,330,951.97</u>
<b>Total liabilities and shareholders' equity</b>	<b><u><u>35,479,243,942.55</u></u></b>	<b><u><u>37,357,034,682.66</u></u></b>

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

Renminbi yuan

	2024	2023
<b>Revenue</b>	<b>27,244,169,261.07</b>	39,318,142,482.09
Less: Cost of sales	<b>28,599,481,666.56</b>	40,002,413,070.34
Taxes and surcharges	<b>148,499,039.47</b>	171,555,511.59
Distribution and selling expenses	<b>56,787,974.15</b>	75,803,809.64
General and administrative expenses	<b>370,594,975.82</b>	334,986,340.60
Research and development costs	<b>41,783,693.19</b>	31,948,556.02
Finance expenses	<b>200,672,865.83</b>	242,278,984.70
Including: Interest expenses	<b>185,550,737.25</b>	268,419,752.20
Interest income	<b>22,389,740.43</b>	47,286,994.74
Add : Other income	<b>82,935,653.30</b>	59,935,721.46
Investment income	<b>5,490,956.31</b>	7,380,890.39
Including: Share of profits and losses of joint ventures and associates	<b>5,062,810.57</b>	6,611,137.98
Impairment losses on credit	<b>(3,528,987.74)</b>	–
Impairment losses on assets	<b>(1,233,901,418.16)</b>	(303,326,699.55)
Gain/(Loss) on disposal of assets	<b>2,556,283.20</b>	12,625,015.26

## CONSOLIDATED INCOME STATEMENT (CONTINUED)

For the year ended 31 December 2024

Renminbi yuan

	2024	2023
<b>Operating profit/(loss)</b>	<b>(3,320,098,467.04)</b>	(1,764,228,863.24)
Add: Non-operating income	<b>5,665,157.48</b>	7,516,375.71
Less: Non-operating expenses	<b>(22,792,239.71)</b>	(12,453,853.76)
<b>Total profit/(loss)</b>	<b>(3,291,641,069.85)</b>	(1,744,258,633.77)
Less: Income tax expenses/(credit)	<b>(96,079,583.55)</b>	(249,841,735.24)
<b>Net Profit/(Loss)</b>	<b><u>(3,195,561,486.30)</u></b>	<b><u>(1,494,416,898.53)</u></b>
<b>Breakdown by continuity of operations</b>		
Net profit/(loss) from continuing operations	<b><u>(3,195,561,486.30)</u></b>	<b><u>(1,494,416,898.53)</u></b>
<b>Breakdown by attributable interests</b>		
Net profit/(loss) attributable to shareholders of the parent	<b>(3,195,561,486.30)</b>	(1,494,416,898.53)
Non-controlling interests	<b><u>—</u></b>	<b><u>—</u></b>

## CONSOLIDATED INCOME STATEMENT (CONTINUED)

For the year ended 31 December 2024

Renminbi yuan

	2024	2023
Other comprehensive income after tax	—	250,038.88
Other comprehensive income after tax attributable to shareholders of the parent	—	250,038.88
Items that will not be reclassified to profit or loss		
Changes in fair value of equity investments at fair value through other comprehensive income	—	250,038.88
Other comprehensive income after tax attributable to non-controlling interests	—	—
<b>Total comprehensive income/(loss)</b>	<b><u><u>(3,195,561,486.30)</u></u></b>	<b><u><u>(1,494,166,859.65)</u></u></b>
Including:		
Total comprehensive income attributable to shareholders of the parent	<b><u><u>(3,195,561,486.30)</u></u></b>	<b><u><u>(1,494,166,859.65)</u></u></b>
Total comprehensive income attributable to non-controlling interests	<u><u>—</u></u>	<u><u>—</u></u>
Earnings/(loss) per share:		
Basic earnings/(loss) per share	<b><u><u>(0.36)</u></u></b>	<b><u><u>(0.17)</u></u></b>
Diluted earnings/(loss) per share	<b><u><u>(0.36)</u></u></b>	<b><u><u>(0.17)</u></u></b>



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

Renminbi yuan

2024

	Share capital	Capital reserves	Less: Treasury stocks	Other comprehensive income	Special reserves	Surplus reserves	Unappropriated losses	Total shareholders' equity
I. Opening balances of the current year	<u>8,918,602,267.00</u>	<u>19,282,146,606.55</u>	<u>-</u>	<u>1,585,194.71</u>	<u>13,954,677.59</u>	<u>607,300,662.40</u>	<u>(8,969,258,456.28)</u>	<u>19,854,330,951.97</u>
II. Changes in the current year								
(I) Total comprehensive income	-	-	-	-	-	-	(3,195,561,486.30)	(3,195,561,486.30)
(II) Capital contribution and reduction by shareholders								
1. Repurchase of company shares	-	-	69,760,540.41	-	-	-	-	(69,760,540.41)
(III) Profit distribution								
1. Appropriation to surplus reserves	-	-	-	-	-	378,945.73	(378,945.73)	-
(IV) Special reserves								
1. Amount established during the year	-	-	-	-	60,951,736.63	-	-	60,951,736.63
2. Amount utilized during the year	-	-	-	-	(43,324,677.54)	-	-	(43,324,677.54)
III. Closing balance for the year	<u><u>8,918,602,267.00</u></u>	<u><u>19,282,146,606.55</u></u>	<u><u>69,760,540.41</u></u>	<u><u>1,585,194.71</u></u>	<u><u>31,581,736.68</u></u>	<u><u>607,679,608.13</u></u>	<u><u>(12,165,198,888.31)</u></u>	<u><u>16,606,635,984.35</u></u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 31 December 2024

Renminbi yuan

2023

	Share capital	Capital reserves	Other comprehensive income	Special reserves	Surplus reserves	Unappropriated losses	Total shareholders' equity
I. Opening balances of the current year	<u>8,918,602,267.00</u>	<u>19,282,146,606.55</u>	<u>(2,664,805.29)</u>	<u>7,374,566.33</u>	<u>606,990,553.42</u>	<u>(7,470,531,487.65)</u>	<u>21,341,917,700.36</u>
II. Changes in the current year							
(I) Total comprehensive income	-	-	250,038.88	-	-	(1,494,416,898.53)	(1,494,166,859.65)
(II) Profit distribution							
1. Appropriation to surplus reserves	-	-	-	-	310,108.98	(310,108.98)	-
(III) Transfer within equity							
1. Transfer of other comprehensive income to retained earnings	-	-	3,999,961.12	-	-	(3,999,961.12)	-
(IV) Special reserves							
1. Amount established during the year	-	-	-	69,531,928.45	-	-	69,531,928.45
2. Amount utilized during the year	-	-	-	(62,951,817.19)	-	-	(62,951,817.19)
III. Closing balance for the year	<u><u>8,918,602,267.00</u></u>	<u><u>19,282,146,606.55</u></u>	<u><u>1,585,194.71</u></u>	<u><u>13,954,677.59</u></u>	<u><u>607,300,662.40</u></u>	<u><u>(8,969,258,456.28)</u></u>	<u><u>19,854,330,951.97</u></u>

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

Renminbi yuan

	2024	2023
<b>I. Cash flows from operating activities:</b>		
Cash received from sale of goods and rendering of services	<b>24,200,962,058.28</b>	50,788,348,438.44
Receipts of taxes refunds	<b>58,687,379.46</b>	61,802,578.01
Other cash received relating to operating activities	<b>114,904,580.65</b>	224,194,735.92
Sub-total of cash inflows from operating activities	<b>24,374,554,018.39</b>	51,074,345,752.37
Cash paid for purchase of goods and services	<b>21,437,528,872.33</b>	48,169,812,475.25
Cash paid to and on behalf of employees	<b>1,132,765,665.62</b>	1,341,207,795.37
Cash paid for all types of taxes	<b>215,742,253.05</b>	393,321,914.51
Other cash paid relating to operating activities	<b>278,653,867.62</b>	147,965,016.03
Sub-total of cash outflows from operating activities	<b>23,064,690,658.62</b>	50,052,307,201.16
Net cash flows from operating activities	<b>1,309,863,359.77</b>	1,022,038,551.21

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 December 2024

Renminbi yuan

	2024	2023
<b>II. Cash flows from investing activities:</b>		
Cash received from return on investments	<b>7,232,797.28</b>	7,496,137.74
Proceeds from disposal of items of property, plant and equipment, intangible assets and other long-term assets	–	6,737,712.05
Net cash receipts from disposal of subsidiaries and other business units	–	1,073,144.51
Sub-total of cash inflows from investing activities	<b>7,232,797.28</b>	15,306,994.30
Cash paid for acquisition of property plant and equipment, intangible assets and other long-term assets	<b>766,085,126.85</b>	816,381,606.15
Cash paid for acquisition of investments	<b>30,350,000.00</b>	–
Sub-total of cash outflows from investing activities	<b>796,435,126.85</b>	816,381,606.15
Net cash flows from investing activities	<b>(789,202,329.57)</b>	(801,074,611.85)

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 December 2024

Renminbi yuan

	2024	2023
<b>III. Cash flows from financing activities:</b>		
Cash received from borrowings	<u>2,446,701,461.70</u>	<u>2,450,118,019.46</u>
Other cash received relating to financing activities	<u>34,247,786.00</u>	<u>–</u>
Sub-total of cash inflows from financing activities	<u>2,480,949,247.70</u>	<u>2,450,118,019.46</u>
Cash repayments of borrowings	1,152,678,019.46	2,562,355,799.63
Cash paid for distribution of dividends or profits, and for interest expenses	154,962,406.10	247,796,655.21
Other cash paid relating to financing activities	<u>713,393,254.54</u>	<u>1,967,097,860.10</u>
Sub-total of cash outflows from financing activities	<u>2,021,033,680.10</u>	<u>4,777,250,314.94</u>
Net cash flows from financing activities	<u>459,915,567.60</u>	<u>(2,327,132,295.48)</u>
<b>IV. Effect of changes in exchange rate on cash and cash equivalents</b>	<u>–</u>	<u>–</u>
<b>V. Net increase/(decrease) in cash and cash equivalents</b>	<b>980,576,597.80</b>	<b>(2,106,168,356.12)</b>
Add: Cash and cash equivalents at the beginning of the year	<u>1,831,764,477.16</u>	<u>3,937,932,833.28</u>
<b>VI. Cash and cash equivalents at the end of the year</b>	<u><u>2,812,341,074.96</u></u>	<u><u>1,831,764,477.16</u></u>

## STATEMENT OF FINANCIAL POSITION OF THE PARENT COMPANY

*As at 31 December 2024*

*Renminbi yuan*

Assets	<b>31 December 2024</b>	31 December 2023
<b>Current assets:</b>		
Cash and bank balances	<b>3,017,886,054.05</b>	1,932,761,844.24
Including: Cash in other financial institutions	<b>927,845,862.51</b>	601,483,019.17
Notes receivables	<b>294,742,106.52</b>	–
Trade receivables	<b>15,949,222.83</b>	82,672,548.13
Receivables financing	<b>898,747,186.51</b>	631,829,098.48
Prepayments	<b>184,665,612.33</b>	630,098,874.50
Other receivables	<b>98,850,007.77</b>	105,159,938.75
Inventories	<b>1,705,250,410.38</b>	2,608,142,027.73
Other current assets	<b>105,830,771.84</b>	158,929,714.60
<b>Total current assets</b>	<b><u>6,321,921,372.23</u></b>	<u>6,149,594,046.43</u>
<b>Non-current assets :</b>		
Long-term equity investments	<b>1,101,052,712.99</b>	1,103,222,699.70
Other equity investments	<b>60,364,499.70</b>	60,364,499.70
Property, plant and equipment	<b>23,658,825,519.25</b>	25,206,384,607.09
Construction in progress	<b>833,407,008.82</b>	1,240,904,345.23
Right-of-use assets	<b>163,281,425.80</b>	310,328,158.14
Intangible assets	<b>2,408,504,964.55</b>	2,448,410,130.65
Deferred tax assets	<b>676,246,440.70</b>	545,759,646.12
Other non-current assets	<b>–</b>	736,593.65
<b>Total non-current assets</b>	<b><u>28,901,682,571.81</u></b>	<u>30,916,110,680.28</u>
<b>Total assets</b>	<b><u><u>35,223,603,944.04</u></u></b>	<u><u>37,065,704,726.71</u></u>

**STATEMENT OF FINANCIAL POSITION OF THE PARENT COMPANY  
(CONTINUED)**

*As at 31 December 2024*

*Renminbi yuan*

<b>Liabilities and shareholders' equity</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Current liabilities :</b>		
Short-term borrowings	<b>919,368,395.79</b>	450,330,519.49
Notes payable	<b>1,933,510,510.45</b>	1,938,301,405.71
Trade payables	<b>4,948,586,113.44</b>	3,851,876,789.66
Contract liabilities	<b>1,812,200,398.98</b>	1,893,124,713.20
Employee benefits payable	<b>134,763,630.69</b>	124,602,850.64
Taxes payable	<b>5,070,745.25</b>	21,451,669.84
Other payables	<b>2,637,790,673.61</b>	3,014,378,772.11
Non-current liabilities due within one year	<b>4,253,092,856.67</b>	2,252,746,756.99
Other current liabilities	<b>235,586,051.87</b>	241,402,083.26
<b>Total current liabilities</b>	<b><u>16,879,969,376.75</u></b>	<u>13,788,215,560.90</u>
<b>Non-current liabilities :</b>		
Long-term borrowings	<b>1,652,075,334.18</b>	2,986,945,100.00
Lease liabilities	<b>30,544,958.67</b>	183,493,200.13
Long-term payables	<b>27,491,726.81</b>	307,779,167.09
Long-term employee benefits payable	<b>117,545,748.96</b>	64,780,458.09
Provision	<b>3,135,452.93</b>	4,226,982.76
Deferred income	<b>107,051,670.39</b>	85,732,350.43
<b>Total non-current liabilities</b>	<b><u>1,937,844,891.94</u></b>	<u>3,632,957,258.50</u>
<b>Total liabilities</b>	<b><u>18,817,814,268.69</u></b>	<u>17,421,172,819.40</u>

**STATEMENT OF FINANCIAL POSITION OF THE PARENT COMPANY  
(CONTINUED)**

*As at 31 December 2024*

*Renminbi yuan*

<b>Liabilities and shareholders' equity</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Shareholders' equity :</b>		
Share capital	<b>8,918,602,267.00</b>	8,918,602,267.00
Capital reserves	<b>19,313,089,864.55</b>	19,313,089,864.55
Less: Treasury stocks	<b>69,760,540.41</b>	–
Other Comprehensive Income	<b>1,585,194.71</b>	1,585,194.71
Surplus reserves	<b>577,012,986.42</b>	577,012,986.42
Unappropriated profit	<b>(12,334,740,096.92)</b>	(9,165,758,405.37)
<b>Total shareholders' equity</b>	<b><u>16,405,789,675.35</u></b>	<u>19,644,531,907.31</u>
<b>Total liabilities and shareholders' equity</b>	<b><u>35,223,603,944.04</u></b>	<u>37,065,704,726.71</u>



## INCOME STATEMENT OF THE PARENT COMPANY

For the year ended 31 December 2024

	2024	2023
Revenue	<b>27,286,800,239.92</b>	39,321,812,509.51
Less: Cost of sales	<b>28,619,666,820.93</b>	39,999,098,446.33
Taxes and surcharges	<b>135,640,649.57</b>	162,027,678.90
Distribution and selling expenses	<b>56,787,974.15</b>	75,803,809.64
General and administrative expenses	<b>364,825,739.58</b>	324,396,285.15
Research and development costs	<b>37,983,877.15</b>	29,432,637.79
Finance expenses	<b>200,548,294.68</b>	242,279,714.83
Including: Interest expenses	<b>185,399,196.75</b>	268,419,752.20
Interest income	<b>22,350,908.94</b>	47,274,596.05
Add: Other income	<b>12,062,463.32</b>	19,700,208.44
Investment income	<b>5,490,956.31</b>	7,380,890.39
Including: Share of profits and losses of joint ventures and associates	<b>5,062,810.57</b>	6,611,137.98
Impairment losses on assets	<b>(3,405,976.60)</b>	–
Impairment losses on credit	<b>(1,204,928,543.17)</b>	(301,117,341.53)
Gain on disposal of assets	<b>2,556,283.20</b>	12,625,015.26

## INCOME STATEMENT OF THE PARENT COMPANY (CONTINUED)

For the year ended 31 December 2024

	2024	2023
<b>Operating profit/(loss)</b>	<b>(3,316,877,933.08)</b>	(1,772,637,290.57)
Add: Non-operating income	<b>8,489,400.13</b>	4,362,034.15
Less: Non-operating expenses	<b><u>(8,920,046.82)</u></b>	<u>(3,561,249.87)</u>
Total profit/(loss)	<b>(3,299,468,486.13)</b>	(1,764,714,006.55)
Less: Income tax expenses/(credit)	<b><u>(130,486,794.58)</u></b>	<u>(253,810,331.43)</u>
Net Profit/(Loss)	<b><u><u>(3,168,981,691.55)</u></u></b>	<u><u>(1,510,903,675.12)</u></u>
Including: Net profit/(loss) from continuing operations	<b>(3,168,981,691.55)</b>	(1,510,903,675.12)
Other comprehensive income/(loss) after tax	–	250,038.88
Other comprehensive income that will not be reclassified to profit or loss		
Changes in fair value of other equity investments	–	250,038.88
	<u>–</u>	<u>250,038.88</u>
<b>Total comprehensive income/(loss)</b>	<b><u><u>(3,168,981,691.55)</u></u></b>	<u><u>(1,510,653,636.24)</u></u>

## STATEMENT OF CHANGES IN EQUITY OF THE PARENT COMPANY

For the year ended 31 December 2024

Renminbi yuan

2024

	Share capital	Capital reserves	Less : Treasury stocks	Other comprehensive income	Special reserves	Surplus reserves	Unappropriated losses	Total shareholders' equity
I. Opening balances of the current year	<u>8,918,602,267.00</u>	<u>19,313,089,864.55</u>	<u>-</u>	<u>1,585,194.71</u>	<u>-</u>	<u>577,012,986.42</u>	<u>(9,165,758,405.37)</u>	<u>19,644,531,907.31</u>
II. Changes in the current year								
(I) Total comprehensive income	-	-	-	-	-	-	(3,168,981,691.55)	(3,168,981,691.55)
(II) Capital contribution and reduction by shareholders								
1. Repurchase of company shares	-	-	69,760,540.41	-	-	-	-	(69,760,540.41)
(III) Special reserves								
1. Amount established during the year	-	-	-	-	41,544,953.11	-	-	41,544,953.11
2. Amount utilized during the year	-	-	-	-	(41,544,953.11)	-	-	(41,544,953.11)
III Closing balance for the year	<u><u>8,918,602,267.00</u></u>	<u><u>19,313,089,864.55</u></u>	<u><u>69,760,540.41</u></u>	<u><u>1,585,194.71</u></u>	<u><u>-</u></u>	<u><u>577,012,986.42</u></u>	<u><u>(12,334,740,096.92)</u></u>	<u><u>16,405,789,675.35</u></u>

## STATEMENT OF CHANGES IN EQUITY OF THE PARENT COMPANY (CONTINUED)

*For the year ended 31 December 2024*

*Renminbi yuan*

2023

	Share capital	Capital reserves	Other comprehensive income	Special reserves	Surplus reserves	Unappropriated losses	Total shareholders' equity
I. Opening balances of the current year	<u>8,918,602,267.00</u>	<u>19,313,089,864.55</u>	<u>(2,664,805.29)</u>	<u>–</u>	<u>577,012,986.42</u>	<u>(7,650,854,769.13)</u>	<u>21,155,185,543.55</u>
II. Changes in the current year							
(I) Total comprehensive income	–	–	250,038.88	–	–	(1,510,903,675.12)	(1,510,653,636.24)
(II) Transfer within equity							
1. Transfer of other comprehensive income to retained earnings	–	–	3,999,961.12	–	–	(3,999,961.12)	–
(III) Special reserves							
1. Amount established during the year	–	–	–	58,746,722.97	–	–	58,746,722.97
2. Amount utilized during the year	–	–	–	(58,746,722.97)	–	–	(58,746,722.97)
III Closing balance for the year	<u><u>8,918,602,267.00</u></u>	<u><u>19,313,089,864.55</u></u>	<u><u>1,585,194.71</u></u>	<u><u>–</u></u>	<u><u>577,012,986.42</u></u>	<u><u>(9,165,758,405.37)</u></u>	<u><u>19,644,531,907.31</u></u>

## STATEMENT OF CASH FLOWS OF THE PARENT COMPANY

For the year ended 31 December 2024

Renminbi yuan

	2024	2023
<b>I. Cash flows from operating activities:</b>		
Cash received from sale of goods and rendering of services	<b>24,308,783,491.12</b>	50,775,383,942.34
Other cash received relating to operating activities	<b>117,211,194.50</b>	<u>220,531,463.17</u>
Sub-total of cash inflows from operating activities	<b>24,425,994,685.62</b>	<u>50,995,915,405.51</u>
Cash paid for purchase of goods and services	<b>21,636,425,787.63</b>	48,202,142,768.76
Cash paid to and on behalf of employees	<b>1,087,010,040.67</b>	1,300,255,047.39
Cash paid for all types of taxes	<b>132,361,349.27</b>	340,425,243.05
Other cash paid relating to operating activities	<b>264,881,389.31</b>	<u>142,839,053.36</u>
Sub-total of cash outflows from operating activities	<b>23,120,678,566.88</b>	<u>49,985,662,112.56</u>
Net cash flows from operating activities	<b>1,305,316,118.74</b>	<u>1,010,253,292.95</u>

**STATEMENT OF CASH FLOWS OF THE PARENT COMPANY (CONTINUED)***For the year ended 31 December 2024**Renminbi yuan*

	<b>2024</b>	2023
<b>II. Cash flows from investing activities:</b>		
Cash received from return on investments	<b>7,232,797.28</b>	7,496,137.74
Proceeds from disposal of items of property, plant and equipment, intangible assets and other long-term assets	–	6,737,712.05
Net cash receipts from disposal of subsidiaries and other business units	–	1,073,144.51
	<hr/>	<hr/>
Sub-total of cash inflows from investing activities	<b>7,232,797.28</b>	15,306,994.30
	<hr/>	<hr/>
Cash paid for acquisition of property plant and equipment, intangible assets and other long-term assets	<b>760,621,647.96</b>	806,358,450.78
Cash paid for investments	<b>30,350,000.00</b>	–
	<hr/>	<hr/>
Sub-total of cash outflows from investing activities	<b>790,971,647.96</b>	806,358,450.78
	<hr/>	<hr/>
Net cash flows from investing activities	<b>(783,738,850.68)</b>	(791,051,456.48)

**STATEMENT OF CASH FLOWS OF THE PARENT COMPANY (CONTINUED)***For the year ended 31 December 2024**Renminbi yuan*

	<b>2024</b>	2023
<b>III. Cash flows from financing activities:</b>		
Cash received from borrowings	<u>2,446,701,461.70</u>	<u>2,450,118,019.46</u>
Other cash received relating to financing activities	<u>34,247,786.00</u>	—
Sub-total of cash inflows from financing activities	<u>2,480,949,247.70</u>	<u>2,450,118,019.46</u>
Cash repayments of borrowings	1,152,678,019.46	2,562,355,799.63
Cash paid for distribution of dividends or profits, and for interest expenses	154,962,406.10	247,796,655.21
Other cash paid relating to financing activities	<u>713,393,254.54</u>	<u>1,967,097,860.10</u>
Sub-total of cash outflows from financing activities	<u>2,021,033,680.10</u>	<u>4,777,250,314.94</u>
Net cash flows from financing activities	<u>459,915,567.60</u>	<u>(2,327,132,295.48)</u>
<b>IV. Effect of changes in exchange rate on cash and cash equivalents</b>	—	—
<b>V. Net increase/(decrease) in cash and cash equivalents</b>	<b>981,492,835.66</b>	<b>(2,107,930,459.01)</b>
Add: Cash and cash equivalents at the beginning of the year	<u>1,829,127,865.49</u>	<u>3,937,058,324.50</u>
<b>VI. Cash and cash equivalents at the end of the year</b>	<u><u>2,810,620,701.15</u></u>	<u><u>1,829,127,865.49</u></u>

## NOTES TO FINANCIAL STATEMENTS

### 1. TRADE RECEIVABLES

#### (1) Disclosed by aging:

	2024	2023
Within 1 year	<b>16,139,430.64</b>	27,820,943.29
1 to 2 years	<b>72,070.77</b>	701,272.85
2 to 3 years	<b>6,455.39</b>	425,944.30
3 to 4 years	<b>316,540.30</b>	1,748,247.49
4 to 5 years	<b>1,743,357.04</b>	68,839.67
Over 5 years	<b>595,833.77</b>	973,541.75
	<b>18,873,687.91</b>	31,738,789.35
Less: Bad debt provision	<b>2,268,538.59</b>	1,108,763.13
Total	<b><u>16,605,149.32</u></b>	<b><u>30,630,026.22</u></b>

#### (2) Disclosed by method of determining bad debt provision

	2024					2023				
	Book value		Bad debt provision		Carrying amount	Book value		Bad debt provision		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Bad debt provision based on credit risk characteristics	<b><u>18,873,687.91</u></b>	<b><u>100.00</u></b>	<b><u>2,268,538.59</u></b>	<b><u>12.02</u></b>	<b><u>16,605,149.32</u></b>	<b><u>31,738,789.35</u></b>	<b><u>100.00</u></b>	<b><u>1,108,763.13</u></b>	<b><u>3.49</u></b>	<b><u>30,630,026.22</u></b>

As at 31 December 2024 and at 31 December 2023, the Group had no accounts receivable for which bad debt provision is individually assessed.



Accounts receivable for which bad debt provision is made in combination are as follows:

	2024			2023		
	Book value	Provision for impairment	Provision ratio (%)	Book value	Provision for impairment	Provision ratio (%)
Within 1 year	16,139,430.64	-	-	27,820,943.29	-	-
1 to 2 years	72,070.77	-	-	701,272.85	-	-
2 to 3 years	6,455.39	-	-	425,944.30	-	-
3 to 4 years	316,540.30	191,851.14	60.61	1,748,247.49	66,381.71	3.80
4 to 5 years	1,743,357.04	1,480,853.68	84.94	68,839.67	68,839.67	100.00
Over 5 years	595,833.77	595,833.77	100.00	973,541.75	973,541.75	100.00
Total	<u>18,873,687.91</u>	<u>2,268,538.59</u>		<u>31,738,789.35</u>	<u>1,108,763.13</u>	

### (3) Bad debt provision

The movements of bad debt provision for accounts receivable are as follows:

	Opening balance	Provision for the year	Recovered or reversed in the current year	Write-off in current year	Closing balance
2024	<u>1,108,763.13</u>	<u>1,621,783.44</u>	<u>(122,105.10)</u>	<u>(339,902.88)</u>	<u>2,268,538.59</u>
2023	<u>1,108,763.13</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,108,763.13</u>

### (4) The top 5 largest accounts receivable at the end of 2024 collected by arrears are summarized as follows:

	Closing balance	Proportion in total closing balance of trade receivables (%)
Summary	<u>17,661,674.41</u>	<u>93.58</u>

## 2. TRADE PAYABLES

	<b>2024</b>	<b>2023</b>
Within 1 year	<b>4,893,457,972.13</b>	3,811,760,048.13
1-2 years	<b>32,256,379.04</b>	53,400,444.09
2-3 years	<b>13,275,859.52</b>	13,574,198.96
Over 3 years	<b>21,422,609.75</b>	8,042,447.25
	<hr/>	<hr/>
Total	<b><u>4,960,412,820.44</u></b>	<b><u>3,886,777,138.43</u></b>

The Company shall disclose the details of the notes in the annual report.

The annual report for the Company for the year ended 31 December 2024 will be published on the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.cqgt.cn](http://www.cqgt.cn)) respectively on or before 25 April 2025.

By order of the Board  
**Chongqing Iron & Steel Company Limited**  
**Kuang Yunlong**  
*Secretary to the Board*

Chongqing, the PRC, 28 March 2025

*As at the date of this announcement, the directors of the Company are: Mr. Wang Huxiang (Executive Director), Mr. Meng Wenwang (Executive Director), Mr. Kuang Yunlong (Executive Director), Mr. Song De An (Non-executive Director), Mr. Lin Changchun (Non-executive Director), Mr. Zhou Ping (Non-executive Director), Mr. Sheng Xuejun (Independent Non-executive Director), Ms. Tang Ping (Independent Non-executive Director) and Mr. Guo Jiebin (Independent Non-executive Director).*