

3rd, Non-recurring gains and losses and the amount of PUBLIC RECORD

unit: yuan

Project	2014 Amounts	2013 Amounts	2012 Amounts	Amounts Description
Non-current assets (including provision for asset impairment write-off part of)	-6,961,014.52	329,643,935.67	5,759,298.53	
Profit or loss of government subsidies (closely related to their business, except in accordance with the national standard fixed or quantitative government grants)	43,805,311.10	262,945,051.12	10,257,650.00	
In addition to effective hedging business related to normal operations, the changes in fair value of held for trading financial assets and trading financial liabilities, as well as the disposal of trading financial assets and trading financial liabilities and available-for-sale financial assets investment income	2,402,137.43	-1,828,894.89	-3,054,697.06	
Impairment of receivables separate impairment test back	285,889.78	4,142,148.31	8,391,006.56	
In addition to the above items other operating income and expenses	2,407,769.17	16,448,214.00	7,323,750.64	
Less: Effect of income tax	364,466.77	100,996,882.48	3,802,196.65	
Minority interest (after tax)	7,343,145.48	26,453,000.86	1,662,085.46	
TOTAL	34,232,480.71	483,900,570.87	23,212,726.56	--

According to the company "public offering of securities companies to disclose information interpretative bulletin No. 1 - non-recurring gains and losses" non-recurring items as defined in the definition, and the "public offering of securities to disclose information interpretative bulletin No. 1 - - non-recurring gains and losses "in the list of non-recurring items defined as recurring profit and loss items, shall state the reasons

√ Applicable □ Not applicable

Project	Involving an amount (yuan)	The reason
Comprehensive utilization of resources VAT tax refund	131,437,586.56	A subsidiary of Valin Xiangtan Steel, Valin Lianyuan Steel utilization of industrial waste heat and pressure conditions for the production of electricity in line with the comprehensive utilization of resources, the VAT Jizhengjitui enjoy preferential policies, take into account this tax rebate and business are closely related, and in the more It can be continuously and stably over a long period of time to obtain these benefits, so this issue will be included in its recurring profit and loss.

- [p. 26] (B) the protection of workers rights
1, to protect the interests of employees

The company and its subsidiaries strictly implement the "Labor Law", "Labor Contract Law" and other relevant laws and regulations in the employment system, to develop and improve the employees leave the tube [p.27 begins] management system, and strictly ensure that employees on leave, wages, social security, labor protection of the legitimate rights and interests, the interests of all employees involved in the employment system through the company posted congress for consideration or inform public employees, reached a standardized employment, protect the legitimate rights and interests of employees purpose. Social insurance company in the strict implementation of the relevant national staff policies and regulations.

Labor protection. The company will spend total of about 9,333 million for labor protection, labor protection products including fees, health costs, summer cooling costs, water costs, medical examinations, occupational health, employee safety performance incentive fees, occupational health and safety measures for fee other projects category.

Caring staff. The company through helping the poor, warmth, and visit, etc., the "double love" campaign, helping to set the Fund, helping to strengthen the central management, the annual aid and condolences employees 12,431 passengers, issuing difficulty grants (relief funds) 1,165.36 million. Meanwhile, the company also carried out through the mass line educational practice, and effectively solve production and living of workers in practical difficulties, protect the legitimate rights and interests of workers demands, investment completed some workers bathhouse, transformation canteen, increased to more than 100 front-line positions to install air-conditioning units, night shift allowance increase frontline staff and improve working standards between meals, focus on improving front-line staff working conditions.

Rights Protection. Companies adhere to the congress as the basic form of democracy, deepening publicized factory affairs democratic management, carefully organize congress start good company, association, democratic, collective work contracts and wage negotiations. Discloses the production and management company, the strategic investment projects, material procurement and plant division level and above cadres income. Company employees organized annual satisfaction survey, employee satisfaction continues to improve.

2, staff training

To further improve the company's "lean production, marketing, research and industry integration, marketing services," the three support system, promote talent and skills upgrading strategic reserve capacity in 2014, the company carried out a total of 1,521 items of various types of training courses, participating in the training staff Total 121,923 passengers per 20 hours. Offer a total of more senior workers highly skilled employees vocational skills training and identification of 82, has trained 764 senior workers and technicians 129 people, 57 senior technicians. Annual organization of special operations forensics training and review 68, participating in the training staff 3,732 people, more than 90% pass rate. Group leaders to carry out safety knowledge training class in rotation 10, head of training 924 people. The year were carried out in a total of 81 subsidiaries types of skills competition, the participating staff of 3,760 people. In addition, according to the actual situation subsidiaries, were held occupational health protection knowledge, the assigned parties and other special safety training safety management training, opened the workshop director to enhance the quality security training, "People's Republic of China Special Equipment Safety Law," new " production safety law "Publicizing training courses.

3, Employee Benefits

Company annual welfare fee 17,135 yuan. They are used in the post and retired employees, health, life and logistics service, staff dining allowance, holiday sympathy with disabilities living allowance, hardship assistance, employee ill health, injury escort, sunstroke subsidized utilities subsidies, workers, only child care.

In addition, three companies vigorously promote the reform, downsizing to improve efficiency at the same time, the initiative to fulfill their social responsibility, acceptance and placement of veterans and other 378 people, promote social employment. Active actively communicate with the provincial social security institutions, negotiated settlement of the old injury problems, Valin Xiangtan Steel has been integrated into the social old injury, Valin Lianyuan Steel, Valin Steel Tube old injury problems are solved in the study.

(iii) suppliers, customers protection

The company has always adhere to the "quality of conduct market to service to win customers" strive to build customer confidence, satisfaction of Valin Iron & Steel brand, the quality of the transfer of responsibility to use our products every user. At the same time, improve supplier management system, implementation of the "Sunshine procurement", to prevent commercial bribery and other acts of violation of discipline.

1, to strengthen prevention and supervision, to prevent commercial bribery, to ensure that the interests of suppliers and customers

First, the company developed and strictly enforce the "honest business management approach", "sensitive positions Practitioners regulations," and the company serving officers of kinship, leaving the company personnel, personnel dismissal occurred business relationship with the company to standardize on sensitive posts staff tenure regulate, organize regular exchange positions to ensure that the interests of businesses and consumers. At the same time carry out the anti-commercial bribery education, enhance staff awareness of anti-commercial bribery, organizing anti-corruption education in key positions to watch videos, to strengthen the positive and negative sides typical education. Secondly, strengthen supervision by the masses consciousness, the specification of power. The company continued to promote parity tender as the main means of public procurement system, promote the online centralized procurement projects, to create the sun and transparent procurement environment, with suppliers in good faith and fair cooperation. Strengthen supervision of the bidding, the bidding behavior by full supervision to prevent commercial bribery and other acts of violation of discipline. Third, strengthening the integrity risk prevention and control, increase accountability efforts. Signed with the customer "honest integrity agreement" honest and pay deposit, standardize business between us. Implementation booked, cancel delivery, blacklisting and other penalties for illegal suppliers. 2014 There are 17 suppliers in violation of the integrity of honest market access provisions, included in the company "blacklist." Signed with key employees in sensitive positions like the responsibility and integrity confidentiality agreement, a clear Honest Government, the implementation of anti-commercial bribery commitment system. The preparation of "sensitive positions integrity risk analysis, prevention and control measures table" to prevent and control commercial bribery. Smooth channel letters and visits, and give full play to report mail, telephone hotlines, online reporting and letters reporting, and improve the quality of clues. Efforts to expand the investigation of cases of commercial bribery and other acts of violation of discipline does not punish Yi. Adhere to establish long-term and stable strategic partnership with powerful domestic and foreign suppliers, strengthen strategic channel construction. Expansion of direct supply channels, the introduction of superior stability...

[p. 30] XVII. Reception of investigations, communications and interviews and visits following lodgement of registration forms during the reporting period

Date of interview	Location of interview	Interview type	Interviewer type	Interview subject	Main topics of discussion and information provided
... [p. 31]					
March 5, 2014	Company's conference room	Field research	Institutions	Huatai Securities (2 persons)	The main elements: the scale of production, iron ore import ratio, for example, environmental protection investment, the resulting government subsidies; ArcelorMittal and progress in the right line; Valin e-commerce mode of operation. It did not provide other information.
April 10, 2014	Company's conference room	Field research	Institutions	Citibank, Sumitomo Mitsui, Fidelity, Northern Trust (6 persons)	The main elements: iron and steel industry production capacity to the case; a quarter of the steel sector; and the production and management company with ArcelorMittal and other cooperation. It did not provide other information.
April 10, 2014	Company's conference room	Field research	Institutions	Changjiang Securities, Dacheng Fund (2 persons)	The main elements: a quarter of the steel sector; iron and steel industry overcapacity situation; thought to the steel industry and other e-commerce. It did not provide other information.
May 7, 2014	Company's conference room	Field research	Institutions	Qilu Securities (1 person)	The main elements: steel market conditions; production and management company, electricity supplier business and promoting SOE reform and so on. It did not provide other information.
May 22, 2014	Company's conference room	Field research	Institutions	Harvest Fund (1 person)	The main elements: steel market prices; ArcelorMittal exercise progress, etc; production and operation; the company in 2014 capital expenditures; the Company to promote the reform of state-owned enterprises. It did not provide other information.
June 12, 2014	Company's conference room	Field research	Institutions	UBS Securities, Brigade, Philo Capital Advisers, Covalis, Goldman Sachs (7 persons)	The main elements: downstream steel demand conditions; and national macroeconomic trends Yangtze River Economic Belt strategy; environmental impact of energy policy on the company's operations; production and management company and so on. It did not provide other information.
June 26, 2014	Company's conference room	Telephone conference	Institutions	Changjiang Securities, Harvest Fund, ICBC Credit Suisse Fund, Everbright Pramerica Fund, calm assets, PICC assets (total of 7)	The main elements: macroeconomic trends; reform of state-owned enterprises in Hunan Province; production and management company in the second quarter; auto sheet sales order and so on. It did not provide other information.
July 2, 2014	Company's conference room	Field research	Institutions	Citibank Research Department, Sumitomo Mitsui Asset Management, the asset management company of Yian, Mizuho Trust (6 persons)	The main elements: cross-regional restructuring of the steel industry; downstream steel demand; the price of iron ore and steel prices; auto sheet demand for our products and the like. It did not provide other information.
July 17, 2014	Company's conference room	Field research	Institutions	Goldman Sachs, the US Capital Group (6 persons)	The main elements: iron and steel industry mergers and acquisitions; downstream steel demand; the Company's steel exports; major domestic automotive steel mills and other competition. It did not provide other information.
July 18, 2014	Company's conference room	Field research	Institutions	Guangdong Development Fund (1 person)	The main elements: raw material prices and steel price is determined; production and management company and so on. It did not provide other information.
August 7, 2014	Company's conference room	Field research	Institutions	Qilu Securities, ICBC Credit Suisse, Yi Gang information through Rising Assets (5 persons)	The main elements: production and operation of the company; and progress in the reform of state-owned enterprises in Hunan Province; auto sheet demand for products the company situation. It did not provide other information.
August 7, 2014	Company's conference room	Field research	Institutions	Changjiang Securities, Societe Generale Global Fund, Cathay Pacific Fund (5 persons)	The main elements: iron and steel industry to produce energy situation; production and management company and so on. It did not provide other information.
August 11, 2014	Company's conference room	Telephone conference	Institutions	Luminus Management (1 person)	The main elements: iron and steel industry trends; steel stocks and so on. It did not provide other information.
August 11, 2014	Company's conference room	Field research	Institutions	Fidelity Fund (1 person)	The main elements: downstream steel demand; Steel Company Ferroelectric's views; Hunan SOE reform progress; and progress in auto sheet production company. It did not provide other information.

2. The specific method of revenue recognition

The company sells products such as steel. Domestic revenue is recognized must meet the following conditions: the company has agreed to deliver the product to the buyer under the contract, the amount of revenue and product sales has been determined, the money has been recovered or made payment vouchers and related economic benefits are likely to flow, product-related the cost can be measured reliably. Export revenue is recognized must meet the following conditions: the company has a product declaration in accordance with the contract, departure to obtain bills of lading, and product sales revenue amount has been determined, the money has been recovered or made payment vouchers and related economic benefits are likely to flow, costs associated with the product can be measured reliably.

(xxiv) Government grants

1. Government grants related to assets and is determined in accordance with accounting methods

Made for the acquisition, construction or otherwise formed long-term assets into government grants related to assets Government grants. Asset-related government subsidies are recognized as deferred income, equally distributed within the useful life of related assets, profit or loss.

2. Government grants related to income based on judgment and accounting treatment

In addition to government asset-related government grants and subsidies are divided into income-related government subsidies. Government grants related to income, compensation for related expenses or losses in subsequent periods are recognized as deferred income during the relevant expenses are recognized in profit or loss; compensation for related expenses or losses already incurred, directly profit or loss.

(xxv) The deferred tax assets and deferred tax liabilities

1. The difference between the book value of assets and liabilities and their tax bases according to in accordance with the expected recovery of assets or settlement of liabilities during the applicable tax rate deferred tax assets or deferred tax liabilities are calculated and recognized.

2. Deferred tax assets that may be obtained and used to deduct the deductible temporary differences taxable income amount. The balance sheet date, there is strong evidence showing that it is probable that sufficient taxable income to deduct deductible temporary difference, the deferred tax assets not recognized in previous accounting period.

3. At the balance sheet date, the carrying amount of deferred tax assets is reviewed if it is unlikely to obtain sufficient taxable income to offset the benefit of deferred tax assets, the write-down of deferred tax assets Book value. When it is probable that sufficient taxable income, reversed write-down amount.

4. Current income tax and deferred income tax expense or income as a profit or loss, excluding income tax in the following cases: (1) a business combination; (2) the owner's equity in the transaction or event directly recognized.

(xxvi) Operating lease

When the company is the lessee in the lease term in accordance with the straight-line method included in the rental cost of the underlying asset or recognized as profit or loss, initial direct costs incurred directly in profit or loss. Or actual rent expensed as incurred.

The company is lessor in the lease term in accordance with the straight-line method to confirm the rental profit or loss, initial direct costs incurred, in addition to a large amount are capitalized and staging outside profit or loss, which are recognized in the income statement. Or actual rent expensed as incurred.

(xxvii) significant changes in accounting policies

Content and reasons for the change in accounting policy	Approval procedures
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2) one year of Internally payable early retirement employee shall deduct the unrecognized net financing expenses detailed in the financial statements Notes to the balance sheet Notes to cope with the post description of work remuneration.

37. Deferred income

(1) Breakdown

Items	Opening Balance	Increase across period	Decrease across period	Closing Balance	Causes
Government subsidy	422,532,506.43	7,435,000.00	19,369,911.10	410,597,595.33	
Total	422,532,506.43	7,435,000.00	19,369,911.10	410,597,595.33	

(2) Details of government subsidies

Items	Opening Amount	New issue Subsidy Amount	Included in operating Income in this period	Other changes	Closing Balance	Relating to assets / Related to income
Energy saving	177,566,652.47	7,000,000.00	6,881,475.67		77,685,176.80	Relating to assets
Technology Development	208,826,406.80		11,763,140.59		197,063,266.21	Relating to assets
Land compensation	35,539,447.16		725,294.84		34,814,152.32	Relating to assets
Other	600,000.00	435,000.00			1,035,000.00	Relating to assets
Total	422,532,506.43	7,435,000.00	19,369,911.10		410,597,595.33	

38. Capital Stock

(1) Breakdown

Items	Opening Balance	Change the current decrease (reduction to "-" indicates)					Closing Balance
		Issued IPO	Bonus Shares	CPF Conversion	Other	Subtotal	
The total number of shares	3,015,650,025						3,015,650,025

(2) Other notes

December 31, 2014, Valin Group holds capital of the Company 1,806,560,875 yuan, 59.906% stake, Arcelor - Mittal's share capital held by the Company 303,939,125 yuan, 10.079% stake, other distribution shareholders equity holders of the company 905,150,025 yuan, 30.015% stake.

Items	Current Amount	Same period last year	Period included non-recurring Amount of loss
Total gains on disposal of non-current assets	1,843,376.67	245,751.00	1,843,376.67
Of which: Gains on disposal of fixed assets	636,203.67	1,683.56	636,203.67
Gains from disposal of intangible assets	1,207,173.00	244,067.44	1,207,173.00
Government subsidy	175,242,897.66	262,945,051.12	43,805,311.10
Other	3,226,298.17	17,835,714.96	3,226,298.17
Total	180,312,572.50	281,026,517.08	48,874,985.94

(2) Details of government grants

Grant items	Current Amount	Same period last year	Relating to assets / Related to income
Saving and environmental protection	6,881,475.67	6,112,969.20	Relating to assets
Technology development	11,763,140.59	11,770,308.19	Relating to assets
Land compensation	725,294.84	725,294.84	Relating to assets
Comprehensive utilization of resources rebate	131,437,586.56	206,968,510.32	Related to income
Other rebate	15,040,000.00	21,040,000.00	Related to income
Financial interest subsidy	5,400,000.00	11,030,000.00	Related to income
Saving and environmental protection	1,595,400.00	1,100,000.00	Related to income
Technology development	2,400,000.00	4,000,000.00	Related to income
Other government grants related to income		197,968.57	Related to income
Subtotal	175,242,897.66	262,945,051.12	

(3) Other notes

According to "State Administration of Taxation on Adjusting the comprehensive utilization of resources products and services to improve value-added tax policy," (Cai Shui [2011] No. 115) and other relevant policies and regulations, the sale of industrial waste heat generated in the production process, the production of residual pressure electricity or heat, and other products Jizhengjitui VAT policy. Issue a subsidiary of Valin Xiangtan Steel, Valin Lianyuan Steel received a total resource utilization VAT tax refund 131,437,586.56 yuan, so closely related to the rebate item of business, and continuously acquire over a longer period, it will recurring gains and losses counted.

Income tax expense	27,760,477.02
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14. Other comprehensive income, net of tax

See other comprehensive income net of tax in the financial statements Notes to the balance sheet items of other comprehensive income of notes.

(C) Notes to consolidated cash flow statement

1. Other cash received relating to operating activities

Items	Current Amount
Interest income on bank deposits	233,096,158.69
Government grants related to income (excluding tax refund)	9,395,400.00
Other	11,352,531.60
Total	253,844,090.29

2. Other cash paid relating to operating activities

Items	Current Amount
Office insurance and maintenance expenditure category	813,839,528.45
Transportation, logistics, export expenses	565,261,907.76
Margin notes and other restricted cash Net increase (excluding central banks deposit reserve fund)	791,030,632.52
Credit card commissions and bank charges	85,860,677.65
Payment of the deposits	61,264,280.20
Other	361,547,480.14
Total	2,678,804,506.72

3. Other cash received relating to investing activities

Items	Current Amount
Government grants related to assets	7,435,000.00

Total	1,594,699.82	64,966.28
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16. OTHER supplementary information

(A) non-recurring gains and losses

1. Non-recurring gains and losses

Items	Amount	Description
Losses from disposal of non-current assets, including provision for asset impairment write-off part of	-6,961,014.52	
Ultra vires or without official approval document or incidental tax revenue return, relief		
Through profit or loss of government subsidies (and closely related to the Company's business, in line with national policies and regulations, except in accordance with certain fixed amounts on a continuous government subsidies)	45,805,311.10	
Profit or loss Capital adoption fee collected from non-financial enterprises		
Enterprises to obtain subsidiaries, associates and joint venture investment cost is less than the investment made eligible investment unit fair value of identifiable net assets of the revenue		
Non-monetary assets exchange gains and losses		
Loss from commissioned investment or asset management		
Due to force majeure, such as natural disasters and the impairment provision for the asset impairment		
Debt restructuring and losses		
Corporate restructuring costs, such as staffing expenses and integration costs		
Significant loss of fair trading price of the transaction over the fair value of the portion of gains and losses		
Subsidiary under common control business combination generated consolidated net profit or loss from the beginning to date		
Gains and losses unrelated to the Company's normal business operations or matters arising		
In addition to effective hedging business related to normal operations by holding at fair value through profit or loss are financial assets whose changes are recorded, change in fair value of financial liabilities arising from disposal at fair value and their changes profit or loss of financial assets, investment income financial assets and financial liabilities available for sale	2,402,137.43	
Impairment of receivables separate impairment test back	285,889.78	
The profit and loss commissioned loans		
Gains from changes in fair value of investment property using the fair value model for subsequent measurement of the resulting		