



FACT BOOK 2017
公司实录



 **BAOSTEEL**
宝山钢铁股份有限公司
BAOSHAN IRON & STEEL CO., LTD.

I. Overview

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FACT BOOK 2017

	Unit	2013	2014	2015	2016
Production					
Crude steel	kiloton	21,996	21,529	22,642	27,449
Steel products	kiloton	22,058	21,868	22,655	26,961
Sales					
Steel products ^[Note]	kiloton	21,994	21,818	22,148	24,087
Staff					
Number	person	37,487	37,838	38,089	37,183

Note: The figures for sales of steel products have been adjusted due to the change in scope of consolidation.

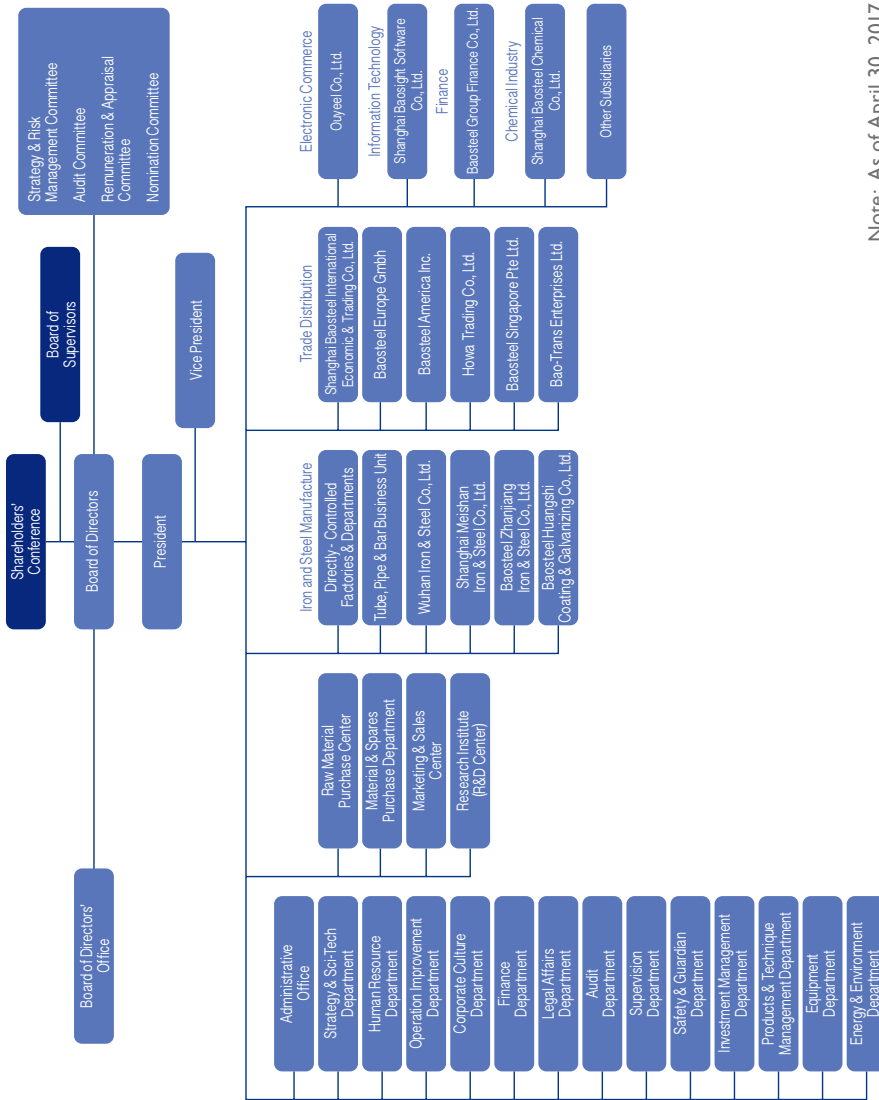
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FACT BOOK 2017

	Unit	2013	2014	2015	2016	2016 (USD)
Income Statement						
Gross Revenue	Million RMB/USD	190,026	187,789	164,117	185,710	26,771
Net profit	Million RMB/USD	6,040	5,647	646	9,205	1,327
Earnings per share	RMB/USD	0.35	0.35	0.06	0.55	0.08
Balance Sheet						
Total assets	Million RMB/USD	226,704	228,653	234,123	267,983	38,631
Total liabilities	Million RMB/USD	106,747	104,448	111,977	136,562	19,686
Shareholder' s Equity	Million RMB/USD	119,957	124,205	122,146	131,421	18,945
Stock Details						
Number of Shares	Million shares	16,472	16,471	16,468	16,450	-
Capital stock	Million RMB/USD	16,472	16,471	16,468	16,450	2,371
Number of shareholders	Thousand persons	485	393	323	293	-
Year-end share price	RMB/USD	4.09	7.01	5.58	6.35	0.92

Note: In February, 2017, the Company and WISCO conducted the share-swap and consolidation by merger to issue additional 5.65 billion tradable shares without trading limited conditions and new company was listed on February 27, 2017. As of April 30, 2017, the total number of common stock for the Company was 22.103 billion shares.

II. Organization Chart



Note: As of April 30, 2017

III. Directors, Supervisors and Senior Executives

Board of Directors

Position	Name	Title in BOD's Special Committee
Chairman	Dai Zhihao	Chairman of Strategy & Risk Management Committee
		Member of Nomination Committee
Director, President	Zou Jixin	Member of Strategy & Risk Management Committee
		Member of Audit Committee
Director	Zhang Jingang	Member of Strategy & Risk Management Committee
	Zhu Junsheng	Member of Strategy & Risk Management Committee
	Zhao Changxu	Member of Nomination Committee
	Buck Pei	Member of Strategy & Risk Management Committee
		Member of Remuneration & Appraisal Committee
		Member of Strategy & Risk Management Committee
Independent Director	Yuh-chang Hwang	Member of Remuneration & Appraisal Committee
		Member of Nomination Committee
	Liu Wenbo	Member of Strategy & Risk Management Committee
		Member of Remuneration & Appraisal Committee
		Member of Nomination Committee
		Member of Strategy & Risk Management Committee
	Xia Dawei	Member of Remuneration & Appraisal Committee
		Member of Audit Committee
		Member of Nomination Committee
		Member of Strategy & Risk Management Committee
	Li Li	Member of Remuneration & Appraisal Committee
		Member of Audit Committee
		Member of Nomination Committee
	Zhang Kehua	Member of Remuneration & Appraisal Committee
		Member of Nomination Committee

Board of Supervisors

Senior Executives

Chairman	Zhu Yonghong	President	Zou Jixin
Supervisors	Yu Hansheng		Chu Shuangjie
	Liu Guowang		Liu An
	Zhang Helei	Vice President	Sheng Genghong
	Zhang Yong		Wang Jing
	He Meifen		Zhi Xiwei
	Ma Jiangsheng	CFO	Wu Kunzong
		Board Secretary	Wu Yiming

Note: As of April 30, 2017

IV. Medium- and Long-Term Planning

1. Business Environment

Macro economy trend	<p>In 2017, weakness in global economic growth and recovery, growing trade protection, declining investment, interest rate raised by the Federal Reserve, "New Policy" by Donald Trump and the populism emerged in Europe all contributed to increasing uncertainty of global economy. Global GDP growth rate is expected at 3.4% for 2017, developed economy at 1.8% (USA at 2.2% and Euro Zone at 1.5%), and emerging market and developing economy at 4.6%.</p>
	<p>2017 is a year for China to deepen supply-side structural reform and to tackle overcapacity. China is going to continue its efforts in deepening decapacity, destocking, deleveraging, cutting costs and overcoming weakness, to actively seek for new economic growth driving force and pay more attention to higher quality and efficiency in economic development. China's economy is expected to be smooth in 2017 overall, its structure more balanced and GDP growth rate at around 6.5%.</p>
Changes in steel industry	<p>Global crude steel output is expected to grow to 1.622 billion tons, a year-on-year growth of 0.1% in 2017. Declines are expected in China output, while robust increase will continue in India and growth will maintain in USA and EU.</p> <p>In 2017, infrastructure construction and auto industry are expected to serve as major source to drive China's iron and steel demand. Iron ore market is expected to go upward with small shocks, coke price may remain high with shocks, support for steel cost still seems strong. Decapacity in iron and steel industry shall be further moving forward, indicating more ratio in total decapacity and with improved supply-demand relations. More trading conflicts will be seen while Chinese iron and steel export is dropping. China's domestic steel price will remain its frequent volatility.</p>

2. Business Philosophy

Corporate Vision	To become the most competitive steel company and the most valuable listed company in the world
Mission	Creation Beyond Vision
Core Value	Integrity, synergy

3. Development strategy



4. 2017 Annual Operation Objective & Plan

Operation Policy	<p>A Body with Two Wings, Synergy Among Four Bases, Development Through Reform and Innovation.</p> <p>Differentiated Competition, Cost Reform, Better Performance Through Green Development and Lean Operation.</p>
Operation Objective	<p>Top 1 in Business Performance in China, Top 3 in Profit of Steel Per Ton in the World.</p> <p>More Than RMB 6 Billion in Cost Reduction.</p> <p>More Than RMB 1 Billion Profit from Bao-Wu Synergy.</p> <p>Overall Profit Earning of Zhanjiang Steel.</p> <p>Labor efficiency of formal employee increase by more than 6%.</p>
Operation Plan	<p>45.22 Million Tons of Iron Output, 46.19 Million Tons of Steel Output, 43.94 Million Tons of Steel Product Sales.</p> <p>RMB 338.5 Billion of Total Operating Revenue, RMB 310.2 Billion of Operating Cost.</p>

V. Shareholders and shareholding

As of December 31, 2016, the Company issued 16.450 billion common shares in total. In February, the Company and WISCO conducted the share-swap and consolidation by merger to issue additional 5.65 billion tradable shares without trading limited conditions and new company was listed on February 27, 2017. The number of common shares of the Company is increased to 22.103 billion.

As of March 31, 2017, top 10 shareholders of the Company and their shareholding are listed as follows:

Ranking	Shareholder Name	Shareholding (Unit: share)	Percentage (%)
1	China Baowu Steel Group Corporation	11,523,385,833	52.14%
2	Wuhan Iron and Steel (Group) Corp.	2,982,172,472	13.49%
3	China National Petroleum Corporation	800,000,000	3.62%
4	China Securities Finance Corporation Limited	633,249,556	2.87%
5	Beijing Chengtong Financial Investment Co., Ltd.	541,926,376	2.45%
6	China Reform Investment Co., Ltd.	541,926,376	2.45%
7	China Ocean Shipping(Group) Company	280,000,000	1.27%
8	Hong Kong Securities Clearing Company Ltd.	228,841,644	1.04%
9	Central Huijin Asset Management Ltd.	194,224,180	0.88%
10	GIC PRIVATE LIMITED	51,528,798	0.23%

VI. Dividends

1.Dividends

	Unit	2013	2014	2015	2016	2016 (USD)
Net profit ^{Note 1}	Million RMB/USD	5,818	5,349	944	8,966	1,292
Dividend per Share ^{Notes 2}	RMB/USD	0.29	0.18	0.06	0.21	0.03
Dividend/Net Profit	%	81	55	105	51.8	51.8
Dividend Yield Rate ^{Notes 3}	%	7.02	2.57	1.08	3.31	3.31

Note: 1. Here net profit refers to the net profit attributable to the parent company in consolidated financial statements.
 2. According to relevant rules of Shanghai Stock Exchange, the cash paid by listed companies for stock buyback in the year should be regarded as cash dividends. The Company's cash dividends in 2013 consisted of the cash for stock buyback (RMB 3.083 billion) and cash dividends (RMB 1.647 billion).
 3. Dividend yield---Dividends per share / year-end stock price.

2. Policies for Profits Distribution

The 2004 Annual Shareholder's Meeting reviewed and approved the "Proposal on Cash Dividends Policy of Baoshan Iron & Steel Co., Ltd." which states that yearly distribution of cash dividend shall be no less than 40% of the net profit of the year.

The 2012 Annual Shareholder's Meeting reviewed and approved the "Proposal on Revision of Company's Articles of Association" in which the clause about cash dividends was revised as follows: "cash dividend distribution shall be no less than 50% of net profit attributable to owners of the Company in audited consolidated financial statements for the year".

VII. Incentive Measures

In active response to China's policies, the Company has energetically explored and tried to innovate in such aspects as reform for state-owned companies and equity incentive and established medium- and long-term incentive and control system. The Company in 2014 implemented Baosteel A Share Restricted Stock Plan, with incentive objective as senior executives, core managers and technical experts. Bought back from secondary market, 47,446,100 shares were granted to 136 incentive objectives in the initial award at 1.91 Yuan/ share. The lockup period is 2 years and unlocking period lasts for 3 years from the next day when lockup period ends.

When reaching the unlocking conditions in any year of the unlocking period, incentive objectives are able to apply for unlocking at a constant interval; when the Company performance or personnel performance did not reach the unlocking conditions in a year, the Company would buy back and cancel corresponding restricted stock yet to be unlocked per relevant rules.

	Quit restricted stock plan through adjustment	Restricted stocks failing to satisfy unlocking conditions	Corresponding share capital reduction
2014	2 persons	698,900 shares	698,900 Yuan
2015	9 persons	3,508,500 shares	3,508,500 Yuan
2016	11 persons	3,160,500 shares	3,160,500 Yuan

Meanwhile, business performance of the Company for 2015 did not reach the initial unlocking conditions defined by Restricted Stock Plan, therefore, the first 1/ 3 restricted stock may not be unlocked. 14,216,800 restricted stock unable to unlock shall be bought back and cancelled by the Company at the granting price with corresponding share capital reduction of RMB 14,216,800.

VIII. Financial Highlights

Income Statement

Unit: Million RMB/USD

	2013	2014	2015	2016	2016 (USD)
Total operating income	190,026	187,789	164,117	185,710	26,771
Total operating cost	171,952	181,142	163,402	175,595	25,313
Including: Business tax and levies	414	471	466	523	75
Selling expenses	1,963	2,200	2,153	2,268	327
Administrative expenses	6,881	7,728	7,287	7,588	1,094
Financial expenses	-544	488	2,393	2,186	315
Impairment losses of assets	2,388	1,066	1,578	981	141
Investment income, etc.	684	379	1,038	1,377	199
Operating profit	7,684	7,050	1,759	11,595	1,672
Net non-operating income and expenses	326	637	4	-75	-11
Total profit	8,010	7,687	1,763	11,520	1,661
Income tax expenses	1,969	2,039	1,117	2,315	334
Net profit	6,040	5,647	646	9,205	1,327
Net profit attributable to owners of the Company	5,818	5,349	944	8,966	1,292

Balance Sheet

Unit: Million RMB / USD

	2013	2014	2015	2016	2016 (USD)
Current assets	78,056	74,386	69,903	102,210	14,734
Fixed assets	86,218	82,897	91,068	118,102	17,025
Total assets	226,704	228,653	234,123	267,983	38,631
Current liabilities	94,646	89,254	91,860	119,890	17,283
Non-current liabilities	12,101	15,193	20,117	16,672	2,403
Total liabilities	106,747	104,448	111,977	136,562	19,686
Share capital	16,472	16,471	16,468	16,450	2,371
Capital reserve	33,394	33,254	33,740	33,769	4,868
Surplus reserve	24,509	25,851	26,517	27,894	4,021
Retained earnings	36,963	39,322	36,637	43,236	6,233
shareholders' equity attributable to owners of the Company	110,413	114,258	112,803	121,266	17,481
Shareholder' s equity	119,957	124, 205	122,146	131,421	18,945

IX. Credit Rating

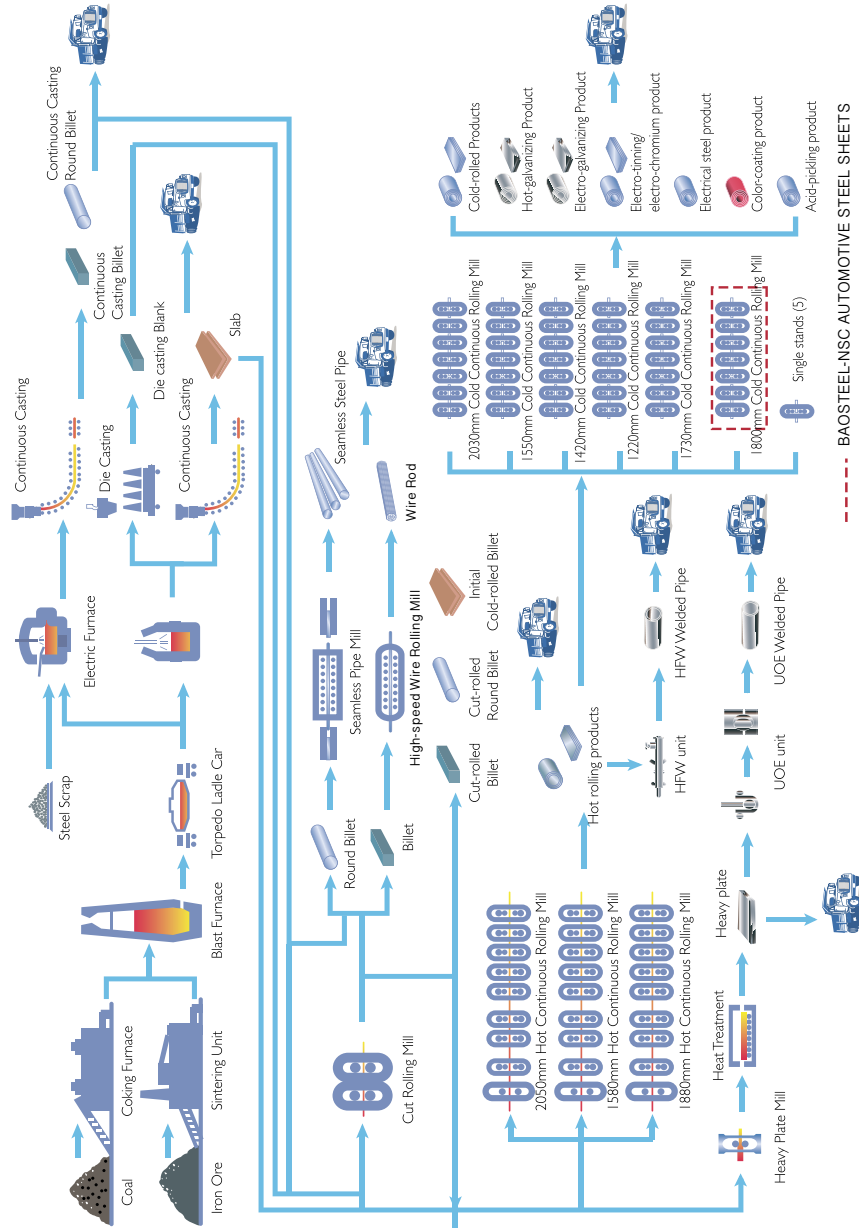
Financial Indicators

	2013	2014	2015	2016
Growth (%)				
Total operating income	-0.8	-1.18	-12.61	13.16
Net profit attributable to owners of the Company	-44.0	8.07	-82.34	849.33
Profitability (%)				
Return on total assets	4.28	4.00	1.28	5.48
Return on net assets (weighted)	5.29	4.78	0.84	7.68
Operating profit ratio	4.04	3.75	1.07	6.24
EBITDA rate	10.47	10.45	8.28	14.04
Stability				
Equity/Total assets (%)	52.97	54.32	52.17	49.04
Current assets/current liabilities (%)	82.48	83.34	76.10	85.25
Liabilities/net asset	0.89	0.84	0.92	1.04
EBITDA/net interest expenditure	54.85	55.20	21.06	13.43
Turnover capacity				
Total operating income/ total assets	0.85	0.82	0.70	0.69
Total operating income / equity	1.58	1.51	1.34	1.41
Total operating income / fixed assets	2.29	2.27	1.80	1.57
Total operating income / inventory	6.33	7.00	6.98	5.19
Total operating income / accounts receivable	19.17	18.69	17.92	17.83

In 2016, the Company was rated as AAA by China Chengxin Securities Rating Co., Ltd. with stable outlook.

In 2016, by virtue of robust financial performance and business results, the Company was given long-term corporate credit rating of BBB+, Baa1, and A- respectively by three major international credit rating agencies-- Standard & Poor's, Moody and Fitch, continuing to maintain the highest credit rating among global integrated steel companies.

Carbon Steel Process Flowsheet
Production Process Flow Diagram of Directly-controlled Factories & Departments



Main Production Equipment

	Qty.	Model	Operation Year (Major maintenance)	Designed Capacity (Production capacity) 10,000 tons/ year
Baoshan Base				
1# blast furnace	1	4966m ³	1985(2008)	350 (402)
2# blast furnace	1	4707m ³	1991(2006)	350 (354)
3# blast furnace	1	4850m ³	1994(2013)	350 (404)
4# blast furnace	1	4747m ³	2005(2014)	350 (399)
1# converter 300t	1	Top and bottom combined blow	1985(2007)	677.6 (752)
2# converter 300t	1	Top and bottom combined blow	1985(2007)	
3# converter 300t	1	Top and bottom combined blow	1986(2007)	
250t converter	2	Top and bottom combined blow	1998	488 (646)
250t converter	1	Top and bottom combined blow	2006	
150t EAF	1	Double furnace body DC electrical arc furnace	1996 (2006)	100 (115)
150t EAF	1	UHP AC electrical arc furnace	2008	100 (85)
2050mm Hot strip mill	1	2050mm	1989 (2014)	400 (591)
1580mm Hot strip mill	1	1580mm	1996 (2013)	279 (355)
5000mm heavy plate mill	1	5150mm	2005 (2014)	180 (204)
1880 hot rolling mill	1	1880mm	2007	370 (404)
2030 Hot rolling pickling line	1		1988(2013)	237 (290)
2030 New Hot rolling pickling line	1		2001	75
1220 Hot rolling pickling line	1		2011	60 (70)
2030mm Steel strip cold rolling mill	1	2030mm	1988	210 (255)
Single stand cold rolling mill	1		2015	30
1420mm Steel strip cold rolling mill	1	1420mm	1997	77.86
1550mm Steel strip cold rolling mill	1	1550mm	2000(2007)	106 (140)
1220mm Steel strip cold rolling mill	1	1220mm	1991(2007)	77 (69)
1730mm Steel strip cold rolling mill	1	1730mm	2008	173 (204)

	Qty.	Model	Operation Year (Major maintenance)	Designed Capacity (Production capacity) 10,000 tons/ year
Baoshan Base				
1800mm Steel strip cold rolling mill	1	1800mm	2005 (2012)	176.4 (240)
High speed wire rod mill	1	5-25mm, 120m/s	1999	40
Seamless steel tube	1	21.3-177.8mm	1985	50
Medium-diameter longitudinally welded pipe (HFW)	1	φ610	2005	30
Large-diameter longitudinally submerged arc welded pipe	1		2007	50

Meishan Base

2#blast furnace	1	1280M ³	2004.4	107
4#blast furnace	1	3200 M ³	2009.5	246.4
5#blast furnace	1	4070 M ³	2012.6	327
1#converter	1	150T	1999	120
2#converter	1	150T	1999	120
3#converter	1	150T	2008	120
250t converter	2	250T	2012	410
1422 hot strip mill	1	Six-stand 1422 hot rolling line	1994	300
1420 cold rolling mill	1	1420 picking continuous rolling mill unit	2009	80
Hot rolling pickling line	1		2011	100
1780 hot strip mill	1	1780mm	2012	400

Dongshan Base

1# blast furnace	1	5050m ³	2015	411.5
2# blast furnace	1	5050m ³	2016	411.5
350t converter	2	Top and bottom combined blow	2015	600
350t converter	1	Top and bottom combined blow	2016	300
2250mm Hot strip mill	1	2250mm	2015	547
2030 Cold rolling	1	2030 picking continuous rolling mill unit	2016	226
1550 Hot rolling pickling line			2016	100
4200mm heavy plate rolling mill	1	4200mm	2016	120

Supplementary Data

WISCO	Qty.	Model	Operation Year	Designed Capacity (Production capacity) 10,000 tons/ year
Qingshan Base				
1# blast furnace	1	2200m ³	2001	169.4
4# blast furnace	1	2600m ³	2007	209.3
5# blast furnace	1	3200m ³	2007	257.6
6# blast furnace	1	3200m ³	2004	246.4
7# blast furnace	1	3200m ³	2006	257.6
8# blast furnace	1	3800m ³	2009	332.5
Converter I	2	120t	2008(2009)	230
Converter II	2	80t	1992	160
Converter III	3	250t	1996(2005)	730
Converter IV	2	180t	2007	360
Converter for CSP production line	2	150t	2009	260
Hot rolling I 1700 production line	1	1700mm	2009	350
Hot rolling II 2250 production line	1	2250mm	2003	500
Hot rolling III 1580 production line	1	1580mm	2007	280
CSP production line	1	1600mm	2009	250
Medium and heavy plate production line	1	3000mm	2011	100

Output

	Unit: kiloton			
	2013	2014	2015	2016
Pig iron	21,220	20,988	22,174	26,613
Crude steel	21,996	21,529	22,642	27,449
Steel products				
Hot rolled (HRC)	6,515	6,489	7,352	9,949
Pickled coil				
Heavy plate	1,145	1,265	1,156	1,706
CRC	4,276	4,322	4,332	4,983
Hot-dip galvanized steel	3,007	3,086	3,114	3,821
Electro-galvanized steel	769	762	716	768
Color-coated sheet	686	672	673	679
Tin plate	904	897	866	872
Chrome-coated sheet	183	180	178	184
Electrical steel	1,331	1,495	1,465	1,183
Tube	1,536	1,477	1,637	1,525
Billet	981	721	679	697
High speed wire rod	499	502	487	593
Rebar	226			
Total steel products	22,058	21,868	22,655	26,961

XI. Sales

Sales of Steel Products

Unit: Kiloton

	2013	2014	2015	2016
HRC	6,564	6,674	7,303	8,224
Heavy plate	1,169	1,278	1,170	1,460
CRC	11,458	11,700	11,326	12,092
Steel tube	1,557	1,603	1,611	1,563
Billet	997	555	593	699
Wire rod	499	504	490	592
Rebar	227	0	0	0
Total	22,471	22,314	22,493	24,629

Notes: Sales of steel products includes steel production units and Baosteel-NSC Automotive Steel Sheets Co., Ltd. (excluding trading unit). Sales in 2013, 2014, 2015 and 2016 listed in the table includes 2.013 million tons, 1.996 million tons, 1.881 million tons and 2.359 million tons of cold rolled products respectively sold by Baosteel-NSC Automotive Steel Sheets, not including 1.535 million tons, 1.50 million tons, 1.536 million tons and 1.817 million tons of hot rolled products the Company sold to Baosteel-NSC Automotive Steel Sheets.

Domestic Market Shares of Major Products

Product	2013	2014	2015	2016
Cold rolled automotive sheet	50%	50%	50%	50%
Tin plate ^{Note}	22.4%	21.2%	23.6%	20.2%
Non-oriented electrical steel	13.8%	17.0%	14.3%	24%
Non-standard oil pipe	27.5%	28.0%	30%	30%

Notes: The Company exported more in 2016 and Chinese market share has accordingly declined.

Supplementary Date

Unit: 10 Kiloton

WISCO	2014		2015		2016		
	Product	Sales	Product	Sales	Product	Sales	
Hot rolled	Section steel	76	75	61	61	50	51
	Wire rod	76	62	52	52	59	58
	Bar	13	11	2	5	-	2
	Rolling plate	35	35	34	35	26	27
	CSP	132	134	117	117	203	129
	Hot rolled strip steel	581	590	555	552	581	557
	Subtotal	913	907	821	821	920	824
Cold rolled	Common cold rolled sheet	481	471	447	450	421	423
	Cold rolled electrical steel	174	178	165	154	144	160
	Subtotal	654	649	613	604	565	583
Total	1,567	1,556	1,434	1,425	1,485	1,407	

Distribution by Region

Unit: kiloton

	2013	2014	2015	2016
Inside China	20,546	20,048	19,938	21,306
Outside China	1,925	2,266	2,555	3,324
East Asia	899	693	594	616
Southeast Asia	445	707	982	1633
America	473	460	367	319
Europe & Africa	524	406	612	755
Total	22,471	22,314	22,493	24,629

Domestic Sales Breakdown by Products

Unit: kiloton

	2013	2014	2015	2016
Hot rolled & heavy plate	7,293	7,187	7,475	7,925
Cold rolled	10,290	10,536	10,140	10,903
Steel pipe	1,255	1,292	1,280	1,214
Billet	988	533	554	678
High-speed wire rod	721	500	488	586
Total	20,546	20,048	19,938	21,306

Overseas Breakdown by Products

Unit: kiloton

	2013	2014	2015	2016
Hot rolled & heavy plate	441	766	998	1,758
Cold rolled	1,168	1,163	1,186	1,190
Steel pipe	302	311	331	349
Billet	9	22	38	21
High-speed wire rod	5	4	2	6
Total	1,925	2,266	2,555	3,324

XII. Raw Material Procurement

	Unit: kiloton			
	2013	2014	2015	2016
Imported raw material				
Iron ore	30,472	30,486	34,460	40,229
Coal	1,245	2,429	2,610	4104
Carbon steel scrap (including pig iron)	106	-	-	
Raw material purchased in China				
Iron ore	2,890	2,620	925	5,155
Coal	17,416	14,919	15,827	19,737
Carbon steel scrap (including pig iron)	1,264	1,080	1,012	1,528
Limestone	3,297	3,087	2,880	3,623
Ferroalloy	305	315	321	391

XIII. Fixed-asset Investment

	Unit: Million RMB/USD				
Project Name	2013	2014	2015	2016	2016 (USD)
Baoshan Iron & Steel Co., Ltd	12,481	18,258	23,812	14,747	2,126
Carbon Steel	11,175	16,641	22,859	13,111	1,890
Infrastructure	7,715	11,884	17,793	8,782	1,266
Technical revamping	3,253	4,483	3,846	3,564	514
Non-steel industries	1,306	1,617	1,953	1,636	236
Infrastructure	1,088	1,155	1,579	1,405	203
Technical revamping	163	380	296	616	89

Notes: Carbon steel includes: Directly – controlled Factories & Departments, Meishan Steel, Tube, Pipe and Bar Business Unit, Huangshi, Zhanjiang Steel, Guangzhou Sheet.
Non-steel industry includes: Industrial Company, Baosteel Chemical, Baosight and Baosteel International, etc.

XIV. Research & Development

R&D Investment

	Unit	2013	2014	2015	2016
R&D investment	Million RMB	3,644	3,884	3,424	3,661
R&D investment rate	percentage	1.92	2.11	2.09	1.97

R&D Organization and R&D Personnel

R&D Center of Baoshan Iron & Steel Co., Ltd (including such centers of its subsidiaries): 1,008 persons

Among them: Researching staff: 709 persons Technical staff: 244 persons

Administrative staff: 55 persons

New Intellectual Property Rights Obtained in China in 2016

Authorized Invention Patent	Authorized Utility Mode	Software Copyrights
418 pieces	168 pieces	42 pieces

Scientific and Technological Achievements

Year	Number of achievements	Main Achievements
2013	130	Manufacturing Technology Development and Industrialization of Low-Temperature High-Magnetic Induction Grain-Oriented Silicon Steel (First Prize, National Awards For Progress in Science and Technology)
		Manufacturing Technology and Industrialization of Advanced High-Strength Thin Strip Steel (Special Prize, China Metallurgical Science and Technology Progress Award)
		Key Technology and Industrial Application of High-Efficiency RH Vacuum Refining (First prize, China Metallurgical Science and Technology Progress Award)
2014	131	Research and Application of Steel Pipe for 600 °C Ultra-Supercritical Thermal Power Unit (First prize, China Metallurgical Science and Technology Award)
		Research and Application of Steel Pipe for 600 °C Ultra-Supercritical Thermal Power Unit (First prize, National Awards For Progress in Science and Technology)
		R&D of Core Technology and Complete Set of Equipment for Cold-Rolled Hot-dip Galvanizing and Aluminizing Unit (First prize, China Metallurgical Science and Technology Progress Award)
		Core Technology Research, Equipment Development, Application and Promotion of Steel Strip Surface Quality Online Detection (Second prize, China Metallurgical Science and Technology Progress Award)
2015	111	R&D and Application of Heavy Plate Cold Leveler Mechanism Model, Process and Equipment Technology (Second prize, China Metallurgical Science and Technology Progress Award)
		Development and Industrialization of High-Grade Non-Oriented Silicon Steel Manufacturing Technology (First prize, Shanghai Science and Technology Progress Award)
		Application of Pickling & Tandem Cold Mill Process Technology for High Grade Non-oriented Silicon Steel (First prize, China Metallurgical Science and Technology Progress Award)
		Iron & Nickel Base Alloy Oil Casing Product and Manufacturing Technology Development (First prize, China Metallurgical Science and Technology Progress Award)
		Development and Application of Customers-driven Metallurgical Enterprise Total Process Collaborative Manufacturing System (First prize, China Metallurgical Science and Technology Progress Award)
		Hot Rolling Roughing Mill Sheet Shape Control and Quality Improvement Techniques (Second prize, China Metallurgical Science and Technology Progress Award)
2016	143	Iron & Nickel Base Alloy Oil Casing Key Process and Product Development (Second prize, Shanghai Science and Technology Progress Award)
		Research and Development of South China Sea Liwan Project X65 And X70 Sea Pipe (Second prize, Shanghai Science and Technology Progress Award)
		Research, Development and Industrial Application of High Quality Iron Oxide Red Green Manufacturing Technology (Second prize, Shanghai Science and Technology Progress Award)
		Engineering Technology Integration and Product Development of Thin Strip Continuous Casting and Rolling Process, Equipment and Control (Special prize, China Metallurgical Science and Technology Progress Award)
		R&D and Application of Key Technologies of Drill Pipe for Ultra-deep Complicated Well (First prize, China Metallurgical Science and Technology Progress Award)
		R&D and Application of EMS for slab caster mould (Second prize, China Metallurgical Science and Technology Progress Award)
		Independent Integration Development and Application Technology of Special Production Line Continuous Caster (Third prize, China Metallurgical Science and Technology Progress Award)
Comprehensive Maintenance Technology of Breast Roll of Heavy Plate Mill (Third prize, China Metallurgical Science and Technology Progress Award)		
2016	143	Baosteel DCR Products and Key Techs Research (First prize, Shanghai Science and Technology Progress Award)
		Development and Engineering Application of SA738 Gr.B High Strength Steel Plates in Quenched and Tempered Condition for AP-1000 Containment of Nuclear Power Plant (Second prize, Shanghai Science and Technology Progress Award)
		R&D and Application of Welding Technology and Reporting of Cold-rolled High-strength Thin Steel Sheet (Worker team) (Second prize, Shanghai Science and Technology Progress Award)
		R&D of Steel Coils for CT80-CT100 Coiled Tubing (Third prize, Shanghai Science and Technology Progress Award)

XV. Human Resources

Employees

	Unit	2013	2014	2015	2016
Year-end employees number	Person	37,487	37,838	38,089	37,183
Cash paid to employees & for employees	Million RMB	9,059	9,613	9,169	9,572
Steel industry	Person	23,969	24,164	23,378	25,772
Production staff	Person	16,751	16,222	15,591	18,052
Technical staff	Person	5,257	5,834	5,695	5,676
Administrative staff	Person	1,961	2,108	2,092	2,044
Non-steel industries	Person	13,518	13,674	14,711	11,411
Baosteel Ltd. (excluding subsidiaries)	Person	17,995	17,730	17,438	16,784
Operating income per capita	Million RMB	5.1	5.0	4.3	4.9
Steel output per capita	Ton	902	891	953	1,117

XVI. Operation Improvement

Sparing No Efforts in Promoting Smart Manufacturing to Build New Generation Advantage

For smart manufacturing, the Company prepared and published Promotion Working Scheme, established a Promotion Committee, 13 Special Promotion Teams and a Promotion Office, and engaged the first batch of internal experts. The Company also energetically organized in-house professional technical staff and experts in smart manufacturing to prepare and outline special promotion for implementation and execution scheme of such 9 smart manufacturing plans and measures as construction plan of hot rolling 1580 smart workshop and automation reform for labor efficiency improvement and operating risk and workload reduction. A smart manufacturing program group has been formed, including comprehensive pilot of 1580 smart workshop construction and special pilot of smart equipment, smart plant, smart inter-connection and basic iconic IT program. Things went as planned and some periodic results have been achieved in certain projects.

Reinforcement in Lean Operation and Change in High-cost System

Cost improvement promotion system has been well founded. By virtue of cost reduction through systematic efforts, synergy and innovation, departments have finished ahead of schedule 2016 cost reduction goal. 2016 organization performance appraisal scheme has been formed pivoting cost reduction plan: underlined the guidance of performance appraisal scheme on cost reduction, revised bonus distribution approach of headquarters, guided departments to fulfill cost reduction goal and changed reward rules for major work by highlighting the critical part and emphasizing the performance to be more specific, timely and flexible.

Deepening State-owned Enterprise Reform and Boosting Corporate Operation Efficiency

The secondary institutions under business departments and directly controlled factories & departments are streamlined according to the principle of overlapped interface, crossed business and relatively small span of management. Secondary institutions at headquarters have been streamlined by 9.1% (annual goal is 7%) in 3 batches through business integration, delayering, professional centralization and others manners. Apparent results have been witnessed in the Company's guidance for and involvement in streamlining and integrated operation of business units and subsidiaries.

Based on the mode of "Virtual Team Marketization Operation", the Company has established a reform team for production, sale and R&D of non-oriented silicon steel, organized, advanced and implemented the signing of Responsibility Letter for Operation Objectives of Reform Team for Production, Sale and R&D of Non-oriented Silicon Steel.

The Company has formulated and distributed Baosteel Fitness Action Proposal to further identify the working objectives, specific measures and promotion system. This Proposal is designated to dispose of 11 subsidiaries within 3 years and realize a 10% reduction in legal persons of subsidiaries accordingly.

Active Exploration in Multi-base Administration Mode and Progress in Competiveness Convergence among Three Places

The Company established Iron Zone Technical Management and Promotion Committee and pinpointed relevant operation system to safeguard the proper function. The Company systematically prepared the centralization management scheme for relevant functions as Meishan steel marketing and purchasing and steadily implemented all measures. KPI was determined for Zhanjiang Steel on the basis of general principles of "Simplicity, High Efficiency and Low Cost". Also, Operation Improvement Department of Zhanjiang Steel was supported to prepare the performance appraisal scheme and developed the performance culture with a focus on guidance and more stress on standardized operation. Therefore, performance link system among the Headquarters and relevant departments of Zhanjiang Steel has been set up.

More Efforts in System Capacity Construction Centering around System Operation Management Requirements

The Company took the lead and organized the publicity training for managers of headquarter and directors of secondary factories and departments. Relevant work has been mapped out and implemented in combination with new standards and from the perspective of business perfection. Such planning and implementation have been written into relevant management documents. The Company has passed the external audit certification of new edition ISO 9001:2015 and ISO 14001:2015.

With an emphasis on strategy, market, finance and operation risk, the Company appraised and diagnosed 9 major risks such as declining profitability in automotive sheet, higher competitiveness of tin (chrome) products and fluctuation in market interest rate and foreign exchange rate. Implementation proposal has been accordingly prepared for annual major risk projects. System capacity construction for risk prevention has been enhanced based on deviation probability in risk trend analysis report.

The Company has prepared Action Scheme focusing on "Guaranteed Safety, Stable Production and Cost Reduction". By the means of monthly patrol over standard operation and quarterly evaluation on fundamental administration, the Company has further strengthened the implementation of standardized operation. Administration quality of operation zone has been improved through construction of golden-bull operation zone.

XVII. Ouyeel

Ouyeel Commerce Co., LTD (hereinafter referred to as the "Ouyeel") was established in February 2015 which integrated original steel electronic trading related resources of Baosteel, took "service production system" as business model, and served as ecological steel service platform created by new technological methods including Internet, Internet of things, big data and mobile.

Service System Layout for Ouyeel Bulk Commodities Market



Thanks to early development, Ouyeel made aggressive efforts in offline capacity construction in 2016 to perfect framework for service platform and speed up innovation in service product. Platform flow was accordingly and rapidly increasing, giving Ouyeel a leadership among the industry.

With regard to offline capacity construction, relying on the unmanned controlled warehousing management system, Ouyeel Logistics integrated social surplus warehousing resources and advanced its cloud warehousing layout. "1000 Warehouses Scheme" was over fulfilled in 2016 and supervision capacity enhanced rapidly, safeguarding the expansion of financial services. With the "co-construction and sharing" concept and taking the advantage of franchise in warehousing and processing center, Ouyeel has built a multi-layer marketing network covering China and user-oriented. With regard to business mode innovation, Ouyeel has innovated iterative service products and through synergy among information flow, capital flow and tech flow, expanded such comprehensive products as consignment, green financing and processing finance to meet different demands of users and associate links of supply chain of bulk commodities. With regard to system reform, Ouyeel has made vigorous efforts make breakthrough in diversified ownership reform, shareholding of key staff and network-oriented administrative system, which pointed out a way of innovation and development for state-funded internet enterprises.

Ouyeel E-commerce	Trading volume	Settlement amount	Users
	38.76 million tons	16.95 million tons	55000+
Ouyeel Logistics	Ouyeel Cloud Warehousing	Warehouses covered	Managed franchised warehouses
	Ouyeel's Logistics E-Platform	1208	311
Ouyeel Finance	Carriers	Accumulated trading volume	
	1800+	17.41 million tons	
Ouyeel Technology	Financial balance	Payment scale	Financing balance
	RMB 1.5 billion	RMB 120.9 billion	RMB 4.9 billion
Ouyeel Materials	Users of technical products	Accumulated technical services	
	16000	For 1 million persons	
Ouyeel Procurement	Processing amount	Registered users	
	1,21 million tons	1629	
Ouyeel Chemical	Trading volume	Ouyeel Resource	Trading volume
	RMB 43.3 billion		7.03 million tons
Ouyeel International	Trading volume	Ouyeel International	Trading volume
	1.45 million tons		0.55 million tons

XVIII. Environmental Operation

Environment Management System: Baosteel headquarters passed supervision audit of BSI environment management system in October 2016 according to ISO14001: 2015 audit requirements; Baosteel Meishan Steel passed certification of BSI environment management system in January 2015 for the first time and completed renewal audit of environment management system in August 2016.

Energy Management System: The Company in July 2015 passed the audit of energy management system (GB/T23331-2012 idt ISO50001:2011 "Energy Management System Requirement") and RB/T103 -2013 "Energy Management System- Certification Requirements for Steel Companies", with the validity term to July 2017.

Clean Production Audit: In 2015, Baosteel passed second-round clean production acceptance and third-round assessment.

Energy Conservation and Emission Reduction and Complementary Energy Recycle: With regard to comprehensive energy consumption per ton, 1 kilogram standard coal has been reduced compared to annual objective and 118,500 tons of standard coal has been realized for comprehensive energy conservation. 20 energy conservation projects have been completed and 28,000 tons of standard coal for technical energy conservation has been realized. 1.91 million tons of standard coal has been recycled from waste energy in 2016. With regard to 2016 annual goal, NOX emission has reached 84.1 %, SO2 81.8% and COD 79.0%.

Comprehensive Utilization of Renewable Resources: In 2016, comprehensive utilization rate of by-product resource reached 99.1% and utilization rate of by-product resources returning to production reached 26.1%.

New Energy Technology Application Demonstration: In 2016, Baosteel Ltd. 70MWp golden sun photovoltaic power generation project produced 44.56 million KWH, equivalent to 13,000 tons of standard coal and reducing 30,000 tons of CO2 emission. Combined with environment protection projects, raw material greenhouse revamping OCO stripe roof 2.4 MWp photovoltaic project has been set up and was scheduled to start construction in 2017.

Environmental Protection Cost of the Company: The cost includes expenditure cost and capitalization cost. Pollutants emission reduction have been vigorously advanced in recent years. Proportion of total operation and depreciation cost for environmental protection facilities in expenditure items continued to remain high, reaching 75.1% in 2016. The Company's environmental protection costs in recent years are listed in the following table:

Environmental Protection Cost Composition

Unit: RMB 100 million

Category	Items	2012	2013	2014	2015	2016
Expensed projects & costs	Discharge fee, fee for system audit, environmental monitoring fee, facility operation fee, facility depreciation charge, labor fee, fee for transporting hazardous substances, fee for landscaping, fee for disposal of solid waste, investment in new projects and updating and expanding existing projects, research investment, and others	28.49	22.47	23.98	24.64	23.87
Capitalized projects & costs	Investment in new environmental protection projects and on updating and expanding existing projects and other supporting projects	4.23	4.81	8.03	13.74	15.90

In 2016, the Company's major indicators for energy saving and environmental protection remained at international advanced level:

Main Technical Indicators of Energy Saving and Emission Reduction

Items	Unit	2012	2013	2014	2015	2016
Fresh water consumption per ton of steel	%	85.6	80.2	77.7	70.7	70.2
Total amount of the recovered waste energy	%	111.1	96.3	93.7	94.7	95.1
Comprehensive energy consumption per ton of steel	%	98.7	99.0	98.5	96.0	96.0
SO ₂ emissions per ton of steel	%	35.7	30.1	26.6	23.9	22.3
COD emissions per ton of steel	%	62.2	60.0	60.0	54.9	53.8
Overall utilization rate of industrial solid waste	%	98.9	98.9	99.2	99.4	99.1

Note: The first five indexes indicate the indexes progress. The data given in the Table means the ratio of performance value that year against that in 2008.

The sixth index "overall utilization rate of industrial solid waste" is the performance value that year.

XIX. Corporate Citizenship

External Donation

Unit: RMB 1,000

	2013	2014	2015	2016
Poverty relief funds	9,050	9,610	9,550	13,860
Sponsorship	7,135	708	2,057	830
Total	16,185	10,318	11,557	14,690

External Awards

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- January ◆ Invention patents, e.g. A Kind of Cold Rolled Hot-dip Galvanized Duplex Steel and Its Manufacturing Method, High-strength Cold-formed Hot Continuous Rolling Steel Sheet and Its Production Approach and Production Approach for HIC-proof X80 Pipeline Steel and Its Hot -Rolled Sheet, applied by Baosteel Ltd. won 17th Excellent Chinese Patent by State Intellectual Property Office and World Intellectual Property Organization.
- Baosteel all-weather finished product wharf project won the title of demonstration project of "Safe Site" and "Safe Project" by Ministry of Transport of the People's Republic of China.
- April ◆ Baosteel awarded the Excellent title of "Supply Chain Improvement" by BSI at its news conference of Global Organizational Resilience held.
- May ◆ DNV GL officially awarded the certification of submarine pipeline manufacturing and coating process, leaving Baosteel the sole steel company in China who passes such certification.
- August ◆ At "Light Future-2016 SDGs Realization China Summit" hosted by UN Global Compact Network China and under joint guidance of National Development and Reform Commission and China Enterprise Confederation and UN Global Compact, Baosteel was selected as the first Chinese Enterprise Pioneer to "Achieve SDGs".
- November ◆ Baosteel Ltd. won the title of "China Greening Advanced Group", becoming one of the two steel companies who have won such title. The Title, as the highest honor for greening, is awarded every 5 years and by China Greening Commission, Ministry of Human Resources and Social Security of the People's Republic of China and State Forestry Administration
- ◆ Baosteel passed the certification of ABS, a global authoritative classification society, meaning it has obtained the highest-level certificate of low-temperature steel for LPG vessel and became a globally leading supplier of high-level low-temperature steel for super LPG vessels.
- December ◆ At the 2nd China (Shanghai) Listed Companies CSR Summit & the news conference of Shanghai Listed Companies CSR Blue Book (2016), Baosteel Ltd. won the title of "Excellent Company" and Dai Zhihao, president of Baosteel Ltd., won the title of "Excellent Entrepreneur" by the Summit.

Customers	Honors
FAW-Volkswagen	Excellent Supplier for the Year of 2015, 6 consecutive times winning this title
FAW-Car	2015 Top 10 Best Supplier, the sole steel supplier who won this
Dongfeng Renault	Excellent Supplier for the Year of 2015
Chang' an Auto	"Excellent Supplier" for the Year of 2015, 7 consecutive times winning this title
Brilliance Auto	Excellent Supplier for the Year of 2015
Zhongtian Technology Group	2015 Strategic Partner
SAIC-GM	2015 "Outstanding Supplier"
Lingyun Industrial Corporation Limited	Best Supplier
Haier Group	"Gold Rubik's Cube Prize"; The sole steel supplier who has won this since 2014 around the world
TI Automotive	Outstanding Technical Support
Great Wall Motor	"Sincere Partner"; The sole steel supplier who has won this 4 consecutive times
GE	2015 Best Coordination; The sole steel supplier who has won this
GAC Toyota	"Excellent Quality" issued only to steel factories; Reelected
FTMS	Special Contribution
GAC Group	GAC Motor Top 10 Best Supplier
China North Industries Group Corporation	Excellent Partner
Geely Auto	2015 Excellent Supplier of Whole Vehicle Procurement System
Chang' an Suzuki	Best Coordination", the highest honor granted to excellent suppliers
Great Wall Motor	"Excellent Improvement"
China Petroleum Technology & Development Corporation	Title of Outstanding Supplier
GM Korea	Excellent Supplier
Jiaxipera Compressor Co., Ltd.	Best Strategy Supplier
Dongfeng Motor Parts and Components	Strategy Supplier
Dongfeng Honda	2016 "Excellent Environment Supplier"
Haima Motor	2016 Excellent Supplier; 13rd consecutive times to win this title

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XX. Subsidiaries and Major JVs

Domestic Subsidiaries and Major JVs

SHANGHAI MEISHAN IRON & STEEL CO., LTD.

Date of establishment: June 26th, 2001
Main Business Scope: Smelting, rolling, processing and sales of ferrous metals
Shareholding of the Company: 77.04%
Registered Capital: RMB 7.08 billion
Capacity: 7.60 million tons (Crude steel)
Sales volume in 2016: 6.33 million tons
Staff: 4126 persons

BAOSTEEL ZHANJIANG IRON & STEEL CO. LTD.

Date of establishment: April 18th, 2011
Main Business Scope: Smelting, rolling, processing and sales of ferrous metals
Shareholding of the Company: 90%
Registered Capital: RMB 20.0 billion
Capacity: 8.75 million tons (Crude steel)
Sales volume in 2016: Not applicable
Staff: 3553 persons

BAOSTEEL-NSC AUTOMOTIVE STEEL SHEETS CO., LTD. (joint venture)

Date of establishment: July 30th, 2004
Main Business Scope: Production and sales of cold rolled and hot-dip galvanized steel sheets used for auto and auto parts, and relevant subsidiary business
Shareholding of the Company: 50%
Registered Capital: RMB 3 billion
Capacity: 2.60 million tons
Sales volume in 2016: 2.36 million tons
Staff: 721 Persons

YANTAI LUBAO STEEL PIPE CO., LTD.

Date of establishment: June 3rd, 1992
Main Business Scope: production and sales of seamless steel pipe
Shareholding of the Company: 100%
Registered Capital: RMB 500 million
Capacity: 0.3 million tons
Sales volume in 2016: 0.24 million tons
Staff: 312 Persons

YANTAI BAOSTEEL STEEL PIPE CO., LTD.

Date of establishment: June 6th, 2007
Main Business Scope: production and sales of seamless steel tube
Shareholding of the Company: 80%
Registered Capital: RMB 4 billion
Capacity: 0.60 million tons
Sales volume in 2016: 0.41 million tons
Staff: 473 Persons

BAOSTEEL HUANGSHI COATED AND GALVANIZED SHEET CO., LTD.

Date of establishment: December 11st, 1992
Main Business Scope: Production and sales of cold-rolled sheet, aluminized steel, prepainted steel sheet and relevant coated products
Shareholding of the Company: 50.63%
Registered Capital: RMB 170 million
Capacity: 0.45 million tons
Sales volume in 2016: 0.48 million tons
Staff: 490 Persons

SHANGHAI BAOSTEEL INTERNATIONAL ECONOMIC & TRADING CO., LTD.

Date of establishment: June 13rd, 1985
Main Business Scope: Independent and agency imports and exports of goods and technology approved by the government, the imports of steel and scrap steel, processing with imported materials and the "three-plus-one" trading-mix
Shareholding of the Company: 100%
Registered Capital: RMB 2.25 billion
Staff: 3771 Persons

SHANGHAI BAOSIGHT SOFTWARE CO., LTD.

Date of establishment: June 14th, 2001
Main Business Scope: Research, designing, development, manufacturing and integration of computer, automation, network communication systems and software and hardware.
Shareholding of the Company: 55.5%
Registered Capital: RMB 780 million
Staff: 4100 Persons

BAOSTEEL GROUP FINANCE CO., LTD.

Date of establishment: October, 1992
Main Business Scope: Deposits and loan services for member companies and internal settlement services, etc.
Shareholding of the Company: 62.10%
Registered Capital: RMB 1.4 billion
Staff: 60 Persons

SHANGHAI BAOSTEEL CHEMICAL CO., LTD.

Date of establishment: July, 23rd, 2007
 Main Business Scope: Production and sales of chemical raw materials and products
 Shareholding of the Company: 100%
 Registered Capital: RMB 2.11 billion
 Staff: 1724 Persons

OUYEEL Co., Ltd.

Date of establishment: February 4th, 2015
 Main Business Scope: technology consulting and development in the field of electronic commerce
 Shareholding of the Company: 51%
 Registered Capital: RMB 2.4 billion
 Staff: 1082 Persons

Overseas Subsidiary and Major JVs

Name	Establishment year	Share capital Million RMB	Shareholding Ratio	Principal Business
Howa Trading Co. Ltd.	1993	69	100%	Trading Business and Agency
Baosteel Europe GMBH	1993	22	100%	Import and Export Business
Baosteel America Inc.	1996	8	100%	Trading Business and Agency
Baosteel Singapore Pte Ltd.	1997	8	100%	Trading Business and Agency
Bao-Island Enterprises Ltd. (JV)	1992	4	50%	Ocean Freight Transportation
Bao-Trans Enterprises Ltd.	1992	290	100%	Marine Cargo Transportation
Boly Pipe (Thailand) Co., Ltd.	2012	467	51%	Steel Tube Processing
BGM Co. Ltd.	2012	59	50%	Steel products processing and sales

XXI. Globalized Marketing Network**Domestic Dealers****Shanghai Baosteel Steel Products Trading Co., Ltd.**

Address: 3rd and 12th floor, No. 370, Pudian Road, Pudong New Area, Shanghai, 200122, China
 Tel: 021-50509696 Fax: 021- 68404700-6258/6356

Guangzhou Baosteel Southern Trading Co., Ltd.

Address: 13/F, Building A1, No.191, Science Avenue, Luogang District, Guangzhou City, Guangdong, 510663, China
 Tel: 020-32219999 Fax: 020-32219555

Beijing Baosteel Northern Trading Co., Ltd.

Address: 16th floor, Baosteel Building, No C12, Jianguomenwai Avenue, Chaoyang District, Beijing, 100022, China
 Tel: 010-56512000 Fax: 010-56512199-6706

Chengdu Baosteel Western Trading Co., Ltd.

Address: 11st floor, La Défense Mansion, No.1480 Tianfu Avenue, High-tech Zone, Chengdu
 Postcode: 610041
 Tel: 028-85335388 Fax: 028-85335787

Wuhan Baosteel Central China Trading Co., Ltd

Address: No.531, Jiangcheng Avenue, Economic & Technical Development Area, Wuhan, Hubei Province, 430056
 Tel: 027-84298800 Fax: 027-84298224

Shenyang Baosteel North-Eastern Trading Co., Ltd.

Address: 78 Guanquan Road, Dadong District, Shenyang City, Liaoning Province, 110044
 Tel: 024-31391158 Fax: 024-31391160

Shanghai Baosteel Trading Co., Ltd.

Address: 7th floor, 151 Mohe Road, Baoshan District, Shanghai, 201900, China
 Tel: 021-26640781 Fax: 021-26640700

Shanghai Baosteel Pudong International Trading Co., Ltd

Address: 6th floor, No.151, Mohe Road, Baoshan District, Shanghai, 201900, China
 Tel: 021-26640600 Fax: 021-26640666

Shanghai Baosteel Stainless Steel Trading Co., Ltd.

Address: No.555, Yuanhe Road, Baoshan District, Shanghai, 200941
 Tel: 021-66933311 Fax: 021-66932879

Foshan Baosteel Stainless Steel Trade Co., Ltd.

Address: NO.16, Sanle East Road, Beiyao Town, Shunde District, Fushan City, Guangdong Province, 528311, China
 Tel: 0757-26602888 Fax: 0757-26602303

Overseas Dealers

Howa Trading Co., Ltd.

Address: 102-0082 No.25, 15 Banchi, Ichiban-Cho, Chiyoda-Ku, Tokyo, Japan
Tel: 81-3-32379121 Fax: 81-3-32379123

Baosteel Europe Co., Ltd.

Address: No.1, Nonnenstieg Avenue, Hamburg, Germany
Tel: 49-40-419940 Fax: 49-40-41994120

Baosteel America Trading Co., Ltd

Address: 85 Chestnut Ridge Road Montvale NJ 07645, USA
Tel: 201-307-3355 Fax: 201-307-3358

Baosteel Singapore Trading Co., Ltd

Address: No.7 Temask Boulevard #40-20/30 Suntec Tower One Singapore 038987
Tel: 65-63336818 Fax: 65-63336819

Baosteel Brazil Trading Co., Ltd

Address: Av Chucri Zaidan, 1550, Sala 1902, Chacara Santo Antonio, Sao Paulo – SP BRASIL
04711-130
Tel: +55-11-26678879 Fax: 55-11-26678879

Bao-Island Enterprises Limited

Address: 29/F., Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong
Tel: 852-39625300 Fax: 852- 25980268

Bao-Trans Enterprises LTD.

Address: 50F, Office Tower, Covention Plaza, 1 Harbour Road, Wanchai, Hong Kong
Tel: 852-25285766 Fax: 852-28770166



XXI. Brief History of Company

December, 1977	Baosteel project headquarters was set up; Shanghai Baoshan Iron & Steel General Plant was founded.
December, 1978	The construction commencement ceremony for Baosteel project was held.
September, 1985	No.1 blast furnace was ignited.
June, 1991	No.2 blast furnace was ignited.
July, 1993	Renamed " Baoshan Iron & Steel (Group) Corporation "
September, 1994	No.3 blast furnace was ignited.
November, 1998	Baoshan Iron & Steel (Group) Corporation merged with the former Shanghai Metallurgical Holding Group Corporation and former Shanghai Meishan Group Co., Ltd, to set up Shanghai Baosteel Group Corporation.
February, 2000	Baoshan Iron & Steel Co., Ltd. was established.
November, 2000	RMB 1.877 billion common shares were issued.
December, 2000	Listed at Shanghai Stock Exchange (code: 600019)
June, 2001	Purchased Phase-3 project from Shanghai Baosteel Group and achieve 11 million tons in capacity.
December, 2002	The opening ceremonies for Heavy Plate Mill Project and 1800 Cold Rolling Strip Steel Project were held.
April, 2004	BNA Automotive Steel Sheets Co., Ltd was established.
April, 2005	Company tenth five year plan project was officially put into operation. Issued 5 billion new shares, acquire part assets and equity of Shanghai Baosteel Group Corporation, and successfully integrated its steel business.
August, 2005	General meeting of shareholders approved the proposal on non-tradable shares reform and the reform had been completed.
December, 2007	General meeting of shareholders approved the proposal on acquisition of Luojing Project and its related assets and issuing 10 billion convertible bonds with call warrants.
June, 2008	RMB 10 billion convertible bonds with call warrants were issued.
May, 2009	Issued 5 billion Phase-I Medium Term Note (MTN)
June, 2009	Issued 5 billion Phase-II Medium Term Note (MTN)
April, 2012	Sold all assets of stainless steel and special steel division to Baosteel Group Corporation.
September, 2012	The proposal of the Company as the main body to build Zhanjiang Steel project was approved by general meeting of shareholders Initiated the stock buyback at a price no more than 5 RMB per share with the total amount within RMB 5 billion.
November, 2012	The COREX related assets and technology in Luojing area were sold to Baosteel Group Corporation. Acquired 71.8% of equity of Zhanjiang Steel.
May, 2013	Completed the largest scale A share buyback, accumulatively spent RMB 5 billion on buyback and cancelled 1.04 billion shares.
November, 2013	Additionally invested RMB 6.907 billion (twice) to Zhanjiang Steel; shareholding rose to 85.71%.
December, 2013	Issued USD 500 million bonds abroad.
May, 2014	Implemented A share restricted share incentive plan and capital management plan for staff in key positions.
August, 2014	Additionally invested RMB 6 billion to Zhanjiang Steel; shareholding rose to 90%.
September, 2015	Zhanjiang No.1 blast furnace was ignited.
July 2016	Zhanjiang No.2 blast furnace was ignited.
February 2017	The Company and WISCO conducted the share-swap and consolidation by merger to issue additional 5.65 billion shares

Annex: China Economic Indicators

Domestic Economic Indicators

	Unit	2013	2014	2015	2016
GDP	Trillion RMB	56.88	63.65	67.67	74.41
GDP growth rate	%	7.7	7.4	6.9	6.7
Export	Hundred million RMB	137,170	143,912	141,255	138,455
Import	Hundred million RMB	121,097	120,423	104,485	104,932
Unemployment Rate	%	4.15	4.1	4.05	4.02
Consumer Price Index	100 for last year	102.6	100.2	101.4	102.0
Fixed Assets Investment	Trillion RMB	44.71	51.28	56.20	60.65
	%	19.3	15.3	9.8	7.9

Steel Production

	Unit	2013	2014	2015	2016
Pig iron	Million tons	708	716	691	701
Crude steel	Million tons	815	823	804	808
Steel product	Million tons	1,077	1,117	1,123	1,138
Long product	Million tons	432	443	423	414
Flat product	Million tons	455	477	489	519
Tubular product	Million tons	84	89	98	98
Section steel	Million tons	82	80	80	76
others	Million tons	29	34	38	36

Apparent Steel Consumption

	Unit	2013	2014	2015	2016
Crude steel	Million tons	765	740	698	707
Consumption per capita	Kilogram	565	542	509	513
Steel product	Million tons	1,029	1,038	1,024	1,043
Long product	Million tons	416	414	380	374
Flat product	Million tons	439	445	451	482
Tubular product	Million tons	75	79	89	88
Section steel	Million tons	78	75	75	71
others	Million tons	26	30	34	32

Steel Export and Import

	Unit	2013	2014	2015	2016
Export	Million tons	62.34	93.78	112.40	108.49
Long product	Million tons	17.11	30.86	43.89	41.26
Flat product	Million tons	27.64	43.67	48.46	48.03
Tubular product	Million tons	9.57	10.06	9.98	9.67
Section steel	Million tons	4.48	5.19	6.05	5.53
others	Million tons	3.54	4.00	4.02	4.00
Import	Million tons	14.08	14.43	12.78	13.21
Long product	Million tons	1.03	1.20	1.07	1.18
Flat product	Million tons	11.89	12.08	10.77	11.08
Tubular product	Million tons	0.42	0.48	0.38	0.39
Section steel	Million tons	0.50	0.43	0.35	0.34
others	Million tons	0.24	0.24	0.22	0.21

Global Steel Production

	Unit	2013	2014	2015	2016
North America	Million tons	119	121	111	111
USA	Million tons	87	88	79	79
EU(28 countries)	Million tons	166	169	166	162
Asia	Million tons	1,096	1,122	1,097	1,106
Japan	Million tons	111	111	105	105
Korea	Million tons	66	71	70	69
Russia	Million tons	69	71	71	71
Total	Million tons	1,619	1,647	1,600	1,604

Data Source: National Bureau of Statistics of China, China Iron and Steel Association

Annex: Investor Relations Information

Securities Information

Abbreviation	Code	Quantity	Trading Place
Baosteel Ltd.	600019	22.103 billion shares	Shanghai Stock Exchange
Bao-trans US bonds	6004.HK	0.5 million bonds	Hong Kong Joint Stock Exchange
Bao-trans Eurobonds	BVY5P13 5877.HK	0.5 million bonds	Irish Stock Exchange Hong Kong Joint Stock Exchange

As of April 30th, 2017

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