

公司实录  
FACT BOOK | **2018**

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## 注:

- 1、 本实录中使用的汇率为美元 / 人民币 = 1: 6.5342  
(2017 年 12 月 29 日银行间外汇市场人民币汇率中间价)
- 2、 国家审计署于 2016 年对公司控股股东原宝钢集团有限公司开展了经济责任审计, 延伸到本公司, 并对审计范围内涉及的部分事项延伸审计至相关年度。根据审计署的审计意见, 公司对以前年度财务数据进行了追溯调整, 分别调增 2014 年度及 2015 年度合并资产减值损失 5.9 亿元及 0.9 亿元, 调减 2014 年度及 2015 年度合并所得税费用 1.5 亿元及 0.2 亿元, 同时调增 2014 年度及 2015 年度合并其他综合收益 4.4 亿元及 0.7 亿元, 对本公司 2014 年末及 2015 年末的合并股东权益无影响。
- 3、 公司于 2017 年一季度完成对武钢股份的吸收合并, 2016 年财务数据实施了重述, 生产经营数据未重述。相关数据请阅读年度报告。

## Note:

1. Exchange rate applied herein is USD/CNY=1: 6.5342  
(Central parity rate of RMB in Inter-bank foreign exchange market on December 29th, 2017)
2. The National Audit Office of the People's Republic of China carried out an economic responsibility audit to the company's controlling shareholder of former Baosteel Group Corporation in 2016, which was extended to our Company, where the items with in the audit scope were extended to the relevant years. According to Audit Office's audit opinion, the Company retrospectively adjusted the previous year's financial data, increasing the impairment losses of consolidated assets in 2014 and 2015 by RMB 590 million and RMB 90 million respectively, reducing the consolidated income tax expenses for 2014 and 2015 by RMB 150 million and RMB 20 million, while at the same time, increasing the consolidated other comprehensive income of 2014 and 2015 by RMB 440 million and RMB 70 million, without affecting the consolidated shareholders' equity as of the end of 2014 and 2015.
3. As the Company completed the absorption and merger of Wuhan Iron and Steel Co., Ltd. in the first quarter of 2017, the financial data of 2016 was restated, but the production and operation data was not. For related data, please refer to the annual report.

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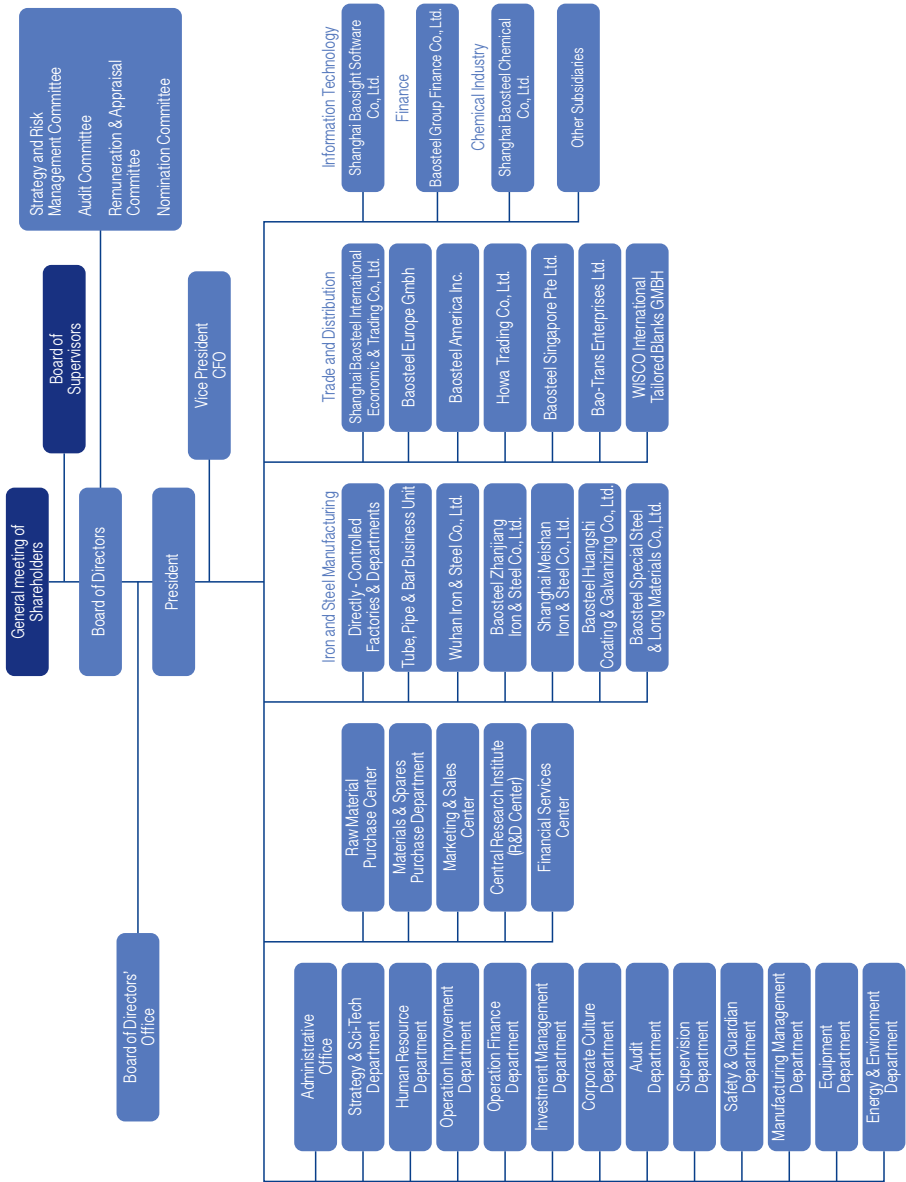
# I. Overview

	Unit	2014	2015	2016	2017
<b>Production</b>					
Crude steel	kiloton	21,529	22,642	27,449	47,053
Steel products	kiloton	21,868	22,655	26,961	45,732
<b>Sales</b>					
Steel products <sup>[Note]</sup>	kiloton	21,818	22,148	24,087	46,170
<b>Staff</b>					
Number	person	37,838	38,089	37,183	55,469

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

	Unit	2014	2015	2016	2017	2017 (USD)
<b>Income Statement</b>						
Gross Revenue	Million RMB/USD	187,789	164,117	246,421	289,498	44,305
Net profit	Million RMB/USD	5647	646	9,339	20,403	3,123
Earning per share	RMB/USD	0.35	0.06	0.41	0.86	0.13
<b>Balance Sheet</b>						
Total assets	Million RMB/USD	228,653	234,123	359,068	350,235	53,600
Total liabilities	Million RMB/USD	104,448	111,977	198,815	175,762	26,899
Shareholders' equity	Million RMB/USD	124,205	122,146	160,252	174,472	26,701
<b>Share information</b>						
Number of shares <sup>(Note)</sup>	Million shares	16,471	16,468	16,450	22,268	-
Share Capital	Million RMB/USD	16,471	16,468	16,450	22,268	3,408
Number of shareholders	1000 persons	393	323	293	386	-
Year-end share price	RMB/USD	7.01	5.58	6.35	8.64	1.32

## II. Organization Chart



Strategy and Risk Management Committee  
 Audit Committee  
 Remuneration & Appraisal Committee  
 Nomination Committee



### III. Directors, Supervisors and Senior Executives (As of April 2018)

#### Board of Directors

Position	Name	Positions 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 (Pei Kewei)	Member of Strategy & Risk Management Committee
		Member of Remuneration & Appraisal Committee
Independent Director	Yuh-chang Hwang	Director of Audit Committee
		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
	Xia Dawei	Director of Remuneration & Appraisal Committee
		Member of Audit Committee
		Member of Nomination Committee
	Li Li	Director of Nomination Committee
Member of Audit Committee		
Member of Remuneration & Appraisal Committee		
Zhang Kehua	Member of Audit Committee	
	Member of Remuneration & Appraisal Committee	
		Director of Nomination Committee

#### Board of Supervisors

#### Senior Executives

Chairman	Zhu Yonghong	President	Zou Jixin
Supervisor	Yu Hansheng	Vice President	Chu Shuangjie
	Liu Guowang		Liu An
	Zhu Hanming		Sheng Genghong
	Zhang Yong	Yao Linlong	
	He Meifen	CFO	Wu Kunzong
	Ma Jiangsheng	Secretary of the Board	Wang Juan

## IV. Medium- and Long-Term Planning

### 1. Business Environment

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In 2018, the global economy continues its moderate recovery. It is expected that the economic growth rate will be the same as the previous year, which will help China's foreign trade grow steadily. However, various uncertain risks such as global financial risks, anti-globalization and geopolitical conflicts still exist.

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Macro economy trend

In 2018, China will continue the main tone of structural adjustment, transformation and development, and deepening supply-side structural reform. It is expected that the growth of exports and consumption will basically remain stable, and the growth rate of investment will continue trending downward. Among them, downward pressure on real estate investment and infrastructure investment will increase, and investment in manufacturing industry is going to rebound. It is expected that China's annual economic growth will be around 6.7%.

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Changes in steel industry

In 2018, global steel demand is expected to maintain growth, but China's crude steel production and apparent consumption will remain flat or will be declining slightly compared to the previous year. Continued deepening of domestic economic restructuring will curb demand for steel products, and the development of key industries generating steel demand such as infrastructure construction and the automobile industry will be touching a low point.

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In 2018, the national steel industry policy will focus on deepening steel de-capacity and consolidating achievements to promote de-leveraging and mergers and acquisitions of the company, and more rigorous environmental protection and control measures will be introduced. The steel and iron supply-side situation will continue to improve, and it is expected that the supply and demand condition of steel and iron will be basically the same as the previous year.

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### 2. Business Philosophy

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Corporate Vision

To become the most competitive steel company and the most valuable listed company in the world

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Mission

Creation Beyond Vision

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Core Value

Integrity, cooperation

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### 3. Development strategy



### 4. 2018 Annual Operation Objective and Plan

Operation Policy	<p>A Body with Two Wings, Synergy Among Four Places, Development Through Reform and Innovation</p> <p>Differentiated Competition, Cost Reform, Better Performance Through Green Development and Lean Operation</p>
Operation Objectives	<p>Top 1 in Business Performance in China</p> <p>Top 3 in EBITDA Per Ton in the World</p> <p>RMB 2 Billion in Cost Reduction</p> <p>RMB 2 Billion Profit from Bao-Wu Synergy</p> <p>Efficiency of Formal Employee Improved by More Than 8%</p>
Operation Plan	<p>45.63 Million Tons of Iron Output, 47.37 Million Tons of Steel Output, 45.68 Million Tons of Steel Product Sales</p> <p>RMB 278.6 Billion of Total Operating Revenue, RMB 242 Billion of Operating Cost</p>

## V. Shareholders and Shareholding

As of December 29, 2017, the Company issued 22.268 billion common shares in total.

As of December 29, 2017, top 10 shareholders of the Company and their shareholding are listed as follows:

Ranking	Shareholder Name	Shareholding (Unit: share)	Shareholding (%)
1	China Baowu Steel Group Corp., Ltd.	11,523,385,833	51.75
2	Wuhan Iron and Steel Group Corp.	2,982,172,472	13.39
3	China Securities Finance Corporation Limited	1,082,979,555	4.86
4	China National Petroleum Corporation	800,000,000	3.59
5	Beijing Chengtong Financial Investment Co., Ltd.	541,926,376	2.43
6	China Reform Investment Co., Ltd.	540,873,376	2.43
7	Hong Kong Securities Clearing Company Ltd.	403,062,615	1.81
8	China Ocean Shipping (Group) Company	280,000,000	1.26
9	Central Huijin Asset Management Ltd.	194,224,180	0.87
10	GIC PRIVATE LIMITED	80,088,078	0.36

## VI. Dividends

### 1. Dividends

	Unit	2014	2015	2016	2017	2017 (USD)
Net profit <sup>Note 1</sup>	Million RMB/USD	5,792	1,013	8,966	19,170	2,934
Dividend per Share	RMB/USD	0.18	0.06	0.21	0.45	0.07
Dividend/Net Profit	%	51.2	97.6	51.8	52.3	52.3
Dividend Yield Rate <sup>Notes 2</sup>	%	2.57	1.08	3.31	5.21	5.21

Note: 1. The net profit in the table is the net profit attributable to the parent company in the consolidated statements, without considering the impact of retrospective adjustment.

2. Dividend yield rate = dividend per share/year-end stock price.

### 2. Policies for Profits Distribution

The 2004 Annual Shareholders' 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 Shareholders' Meeting reviewed and approved the "Proposal on Revision of Company's Articles of Association" in which the clause about cash distribution was revised to: "Cash dividend distributed shall be no less than 50% of the net profit attributable to the parent company in the audited consolidated financial statements of the year".

## VII. Incentive Measures

### 1. A-share restricted stock plan

The Company in 2014 implemented Baosteel A Share Restricted Stock Plan, with senior executives, core managers and technical experts as the incentive objectives. 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 the unlocking period lasts for 3 years from the next day when the lockup period ends.

In 2015, as the Company's performance did not meet the performance condition for the first unlocking as stipulated in the restricted stock plan, the first batch of 1/3 restricted stocks could not be unlocked, and was thus repurchased and written off by the Company according to the granting price.

In 2016, the performance of the Company met the unlocking condition. In 2017, the 18th Meeting of the 6th Board of Directors of the Company reviewed and passed the "Proposal on the Unlocking of Baosteel Restricted Stock Plan in the Second Unlocking Period", and the Company unlocked a total of 12,930,700 restricted stocks for 114 incentive objects in the second unlocking period.

### 2. A-share restricted stock plan (Phase II)

In 2017, the Company implemented the second phase of the restricted stock plan in order to build a sustained and stable medium and long-term incentive and restraint mechanism, accelerate the process of integration, merger and combination of Baowu, and enhance the synergy effect among the bases and the long-term and stable development of the Company. A total of 166,828,200 restricted stocks were granted to 1,067 incentive objectives and the stock source was the targeted issuance of A-share common stocks by "Baosteel" to the incentive objects.

## VIII. Financial Data

### Income Statement

Unit: Million RMB/USD

	2014	2015	2016	2017	2017 (USD)
Total operating income	187,789	164,117	246,421	289,498	44,305
Total operating costs	181,142	163,402	235,680	267,978	41,012
Including: Business tax and surcharges	471	466	654	1,880	288
Sales expenses	2200	2,153	2,928	3,366	515
Administrative expenses	7,728	7,287	9,155	9,632	1,474
Financial expenses	488	2,393	3,977	3,370	516
Impairment loss of assets	1066	1,578	557	1,125	172
Investment income, etc.	379	1,038	1,075	3,042	466
Operating profit	7,050	1,759	11,919	24,924	3,814
Net non-operating income and expenses	637	4	-30	-889	-136
Total profit	7,687	1,763	11,889	24,035	3,678
Income tax expenses	2039	1,117	2,550	3,632	556
Net profit	5647	646	9,339	20,403	3,123
Net profit attributable to owners of companies	5349	944	9,076	19,170	2,934

### Balance Sheet

Unit: Million RMB / USD

	2014	2015	2016	2017	2017 (USD)
Current assets	74,386	69,903	136,763	133,293	20,399
Fixed assets	82,897	91,068	163,882	154,222	23,602
Total assets	228,653	234,123	359,068	350,235	53,600
Current liabilities	89,254	91,860	170,306	163,207	24,977
Non-current liabilities	15,193	20,117	28,509	12,556	1,922
Total liabilities	104,448	111,977	198,815	175,762	26,899
Share capital	16,471	16,468	16,450	22,268	3,408
Capital reserve	33,254	33,740	53,792	48,715	7,455
Surplus reserve	25,851	26,517	27,894	29,775	4,557
Retained earnings	39,322	36,637	51,921	64,570	9,882
Shareholders' equity attributable to owners of the company	114,258	112,803	149,778	164,433	25,165
Shareholders' equity	124,205	122,146	160,252	174,472	26,701

## Financial Indicators

	2014	2015	2016	2017
<b>Growth (%)</b>				
Total operating income	-1.18	-12.61	50.15	17.48
Net profit attributable to owners of the company	8.07	-82.34	8.61	111.22
<b>Profitability (%)</b>				
Return on total assets	4.00	1.28	4.62	7.8
Return on net assets (weighted)	4.78	0.84	6.25	12.24
Operating profit ratio	3.75	1.07	4.84	8.46
EBITDA rate	10.45	8.28	13.53	15.62
<b>Stability</b>				
Equity/Total assets (%)	54.32	52.17	44.63	49.82
Current assets/current liabilities (%)	83.34	76.10	80.3	81.67
Liabilities/net asset	0.84	0.92	1.24	1.01
EBITDA/net interest expenditure	55.20	21.06	9.36	13.28
<b>Turnover capacity</b>				
Total operating income / total assets	0.82	0.7	0.69	0.83
Total operating income / equity	1.51	1.34	1.54	1.66
Total operating income / fixed assets	2.27	1.8	1.5	1.88
Total operating income / inventory	7.00	6.98	4.97	7.33
Total operating income / accounts receivable	18.69	17.92	15.93	23.97

## IX. Credit Rating

In 2017 three major international rating agencies--S&P, Moody's and Fitch, gave the Company long-term corporate credit ratings of BBB+, Baa1, and A respectively. The Company continued to maintain the highest credit rating among global integrated steel companies, wherein: S&P and Moody's raised the Company's rating outlook to stable, while Fitch upgraded the Company's credit rating from A- to A and the rating outlook from observation to stable.

The adjustment of the ratings is indicative that international rating agencies recognized the Company's good performance and sound asset-liability structure, and the Company's intangible assets such as brand value and corporate rating have been further improved.





## Main Production Equipment

	Qty.	Model	Operation Year (Major overhaul)	Designed Capacity (Production capacity 10,000 tons/year)
<b>Baoshan Base</b>				
1# Blast Furnace	1	4966m <sup>3</sup>	1985 (2008)	350 (402)
2# Blast Furnace	1	4707m <sup>3</sup>	1991 (2006)	350 (354)
3# Blast Furnace	1	4850m <sup>3</sup>	1994 (2013)	350 (404)
4# Blast Furnace	1	4747m <sup>3</sup>	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 Strip 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 (2017.10 shutdown)	60 (70)
2030mm Cold Strip Mill	1	2030mm	1988	210 (255)
Single Stand Cold Rolling Mill	1		2015	30
1420mm Cold Strip Mill	1	1420mm	1997	77.86
1550mm Cold Strip Mill	1	1550mm	2000(2007)	106 (140)
1220mm Cold Strip Mill	1	1220mm	1991(2007)	77 (69)
1730mm Cold Strip Mill	1	1730mm	2008	173 (204)
1800mm Cold Strip 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

	Qty.	Model	Operation Year (Major overhaul)	Designed Capacity (Production capacity 10,000 tons/year)
<b>Qingshan Base</b>				
1# Blast Furnace	1	2200m <sup>3</sup>	1958 (2016)	180 (175)
4# Blast Furnace	1	2600m <sup>3</sup>	1970 (2007)	220 (215)
5# Blast Furnace	1	3200m <sup>3</sup>	1991 (2007)	284 (275)
6# Blast Furnace	1	3200m <sup>3</sup>	2004 (2014)	284 (275)
7# Blast Furnace	1	3200m <sup>3</sup>	2006	284 (275)
8# Blast Furnace	1	3800m <sup>3</sup>	2009	338 (355)
1# Converter of 1st Steelmaking	1	120t Combined Blow	1998/2010	240 (160)
2# Converter of 1st Steelmaking	1	120t Combined Blow	1998/2008	
1# Converter of 2nd Steelmaking	1	90t Combined Blow	1977/1992	154 (150)
2# Converter of 2nd Steelmaking	1	90t Combined Blow	1977/1992	
1# Converter of 3rd Steelmaking	1	250t Combined Blow	1996	730 (700)
2# Converter of 3rd Steelmaking	1	250t Combined Blow	1996	
3# Converter of 3rd Steelmaking	1	250t Combined Blow	2005	
1# Converter of 4th Steelmaking	1	180t Combined Blow	2007	400
2# Converter of 4th Steelmaking	1	180t Combined Blow	2007	
CSP1# Converter	1	150t Combined Blow	2009	254 (220)
CSP2# Converter	1	150t Combined Blow	2009	
CSP Rolling Mill	1	1780mm	2009	250 (215)
1st Hot Rolling	1	1700mm	1978/2008	350 (405)
2nd Hot Rolling	1	2250mm	2003	450 (500)
3rd Hot Rolling	1	1580mm	2007	330 (355)
Beam-and-rail line	1	In tandem	2007	105 (70)
High Speed Wire	1	120m/s, φ5.5~17mm	1996/2006	70
1700 Cold Rolling	1	1700mm pickling continuous rolling	1978/2003	175
2180 Cold Rolling	1	2180mm pickling continuous rolling	2005	230 (220)
1550 Cold Rolling	1	1550mm pickling continuous rolling	2009	120

	Qty.	Model	Operation Year (Major overhaul)	Designed Capacity (Production capacity 10,000 tons/year)
<b>Dongshan Base</b>				
1# Blast Furnace	1	5050m3	2015	411.5
2# Blast Furnace	1	5050m3	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 Rolling Strip Mill	1	2250mm	2015	547
2030 Cold Rolling	1	2030 pickling continuous rolling mill unit	2016	226
1550 Hot Rolling Pickling Line	1		2016	100
1550 Cold Rolling		1550 pickling continuous roll- ing mill unit	2017	160
4200mm Heavy Plate Rolling Mill	1	4200mm	2016	120
<b>Meishan Base</b>				
2# Blast Furnace	1	1280M2	2004.4	107
4# Blast Furnace	1	3200M2	2009.5	246.4
5# Blast Furnace	1	4070 M2	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 Continuous Rolling Line	1	Six-stand 1422 hot continuous rolling line	1994	300
1420 Cold Rolling	1	1420 pickling continuous rolling mill unit	2009	80
Hot Rolling Pickling Line	1		2011	100
1780 Hot Continuous Rolling Line	1	1780mm	2012	400

## Output

Unit: kiloton

	2014	2015	2016	2017
Pig iron	20,988	22,174	26,613	45,207
Crude steel	21,529	22,642	27,449	47,053
Steel products				
Hot rolled (HRC)				19,122
Pickled coil	6,489	7,352	9,949	
Heavy plate	1,265	1,156	1,706	2,484
CRC	4,322	4,332	4,983	7,914
Hot-dip galvanized steel	3,086	3,114	3,821	5,766
Electro-galvanized steel	762	716	768	923
Color-coated sheet	672	673	679	742
Tin plate	897	866	872	804
TFS	180	178	184	170
Electrical steel	1,495	1,465	1,183	2,973
Tube	1,477	1,637	1,525	1,966
Billet	721	679	697	1,141
High speed wire rod	502	487	593	1,204
Section bar				509
Bar				13
Total steel products	21,868	22,655	26,961	45,732

## XI. Sales

### Sales of Steel Products

Unit: Kiloton

	2014	2015	2016	2017
HRC	6,674	7,303	8,224	19,455
Heavy plate	1,278	1,170	1,460	2,506
CRC	11,700	11,326	12,092	19,482
Steel tube	1,603	1,611	1,563	2,129
Billet	555	593	699	1,230
Wire rod	504	490	592	1,215
Section bar	0	0		495
Bar	0	0		16
Total	22,314	22,493	24,629	46,528

Notes: The sales volume of steel products includes various steel production units and Baosteel-NSC Automotive Steel Sheets Co., Ltd. (excluding the trading unit). Sales in 2014, 2015, 2016 and 2017 listed in the table includes 1.996 million tons, 1.881 million tons, 2.359 million tons and 2.3797 million tons of cold rolled products respectively sold by Baosteel-NSC Automotive Steel Sheets, but excluding 1.5 million tons, 1.536 million tons, 1.817 million tons and 1.8875 million tons of hot rolled products sold by the Company to Baosteel-NSC Automotive Steel Sheets.

### Market Shares of Principal Products in China

Product	2014	2015	2016	2017
Cold rolled automotive sheet	50%	50%	50%	60%
Tin plate <sup>Note 1</sup>	21.2%	23.6%	20.2%	16.9%
Non-oriented electrical steel <sup>Note 2</sup>	17.0%	14.3%	24%	35%
Non-standard oil pipe	28.0%	30%	30%	35%

Notes: 1. The shutdown of the production line affected the sales of tin plate, resulting in a decrease in the market share;  
2. Refers to high-efficiency and high-grade non-oriented electrical steel.

## Distribution by Region

Unit: kiloton

	2014	2015	2016	2017
China	20,048	19,938	21,306	42,689
Overseas	2,266	2,555	3,324	3,839
East Asia	693	594	616	781
Southeast Asia	707	982	1,633	1,829
America	460	367	319	389
Europe & Africa	406	612	755	840
Total	22,314	22,493	24,629	46,528

## China by Products

Unit: kiloton

	2014	2015	2016	2017
HRC & heavy plate	7,187	7,475	7,925	19,992
CRC	10,536	10,140	10,903	17,849
Steel pipe	1,292	1,280	1,214	1,908
Billet	533	554	678	1,215
High speed wire	500	488	586	1,214
Section bar	0	0		495
Bar	0	0		16
Total	20,048	19,938	21,306	42,689

## Overseas Breakdown by Products

Unit: kiloton

	2014	2015	2016	2017
HRC & heavy plate	766	998	1,758	1,969
CRC	1,163	1,186	1,190	1,633
Steel pipe	311	331	349	221
Billet	22	38	21	15
High-speed wire	4	2	6	0
Heavy rail	0	0		2
Total	2,266	2,555	3,324	3,839



## XII. Raw Material Procurement

	2014	2015	2016	2017
				Unit: kiloton
<b>Imported raw material</b>				
Iron ore	30,486	34,460	40,229	67,810
Coal	2,429	2,610	4104	4,796
<b>Raw material purchased in China</b>				
Iron ore	2,620	925	5,155	4,410
Coal	14,919	15,827	19,737	33,356
Carbon steel scrap (including pig iron)	1,080	1,012	1,528	3,229
Limestone	3,087	2,880	3,623	5,514
Ferroalloy	315	321	391	683

### XIII. Fixed-asset Investment

Unit: Million RMB/USD

Project Name	2014	2015	2016	2017	2017 (USD)
Carbon steel	16,641	22,859	13,111	9,723	1,488
Infrastructure	11,884	17,793	8,782	3,332	510
Technical revamping	4,483	3,846	3,564	5,966	913
Non-steel Industries	1,617	1,953	1,636	1,263	193
Infrastructure	1,155	1,579	1,405	1,045	160
Technical revamping	380	296	616	175	27
Total	18,258	23,812	14,747	10,986	1,681

Notes: Carbon steel includes: Baoshan Base, Qingshan Base, Dongshan Base, Meishan Base, Huangshi Company, etc.  
 Non-steel industries include: Baosteel Chemical , Baosight, Baosteel International, Finance Co., overseas companies, etc.

## XIV. Research & Development

### R&D Investment

	Unit	2014	2015	2016	2017
R&D investment	Million RMB	3,884	3,424	3,662	5,350
R&D investment rate	percentage	2.11	2.09	2.00	1.85

### R&D Organization and R&D Personnel

R&D Center of Baoshan Iron & Steel Co., Ltd (including such centers of its subsidiaries): 1,430 persons

Among them: Research staff: 1055 Technical staff: 311

Administrative staff: 64

### New Intellectual Property Rights in China in 2017

Authorized Invention Patent	Authorized Utility Mode	Software Copyrights
622 pieces	341 pieces	60 pieces

## Scientific and Technological Achievements

Year	Number of achievements	Main Achievements
2014	131	Research and Application of Steel Pipe for 600 °C Ultra-Supercritical Thermal Power Unit (First prize, China Metallurgical Science and Technology Progress Award)
		R&D of Core Technology and Complete Set for Cold-Rolled Hot-Galvanized Aluminizing and Zinc Unit (First prize, China Metallurgical Science and Technology Progress Award)
		Core Technology Research, Equipment Development, Application and Promotion of Band Steel Surface Quality Online Detection (Second prize, China Metallurgical Science and Technology Progress Award)
		R&D and Application of Heavy Plate Cold Straightening 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)
2015	111	Development and Application of Pickled Continuous Rolling Process of 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 Whole Process Collaborative Manufacturing System (First prize, China Metallurgical Science and Technology Progress Award)
		Hot And Rough Rolled Plate Shape Control and Quality Improvement Techniques (Second prize, China Metallurgical Science and Technology Progress Award)
		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)
2016	143	Continuous Casting and Rolling Process of Thin Stripe, Technical Integration of Equipment and Control Engineering and Product R&D (Special prize, China Metallurgical Science and Technology Progress Award)
		R&D and Application of Key Techs of Drill Pipe for Ultra-deep Complicated Well (First prize, China Metallurgical Science and Technology Progress Award)
		M-MES R&D and Application (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 Rolling Mill (Third prize, China Metallurgical Science and Technology Progress Award)
		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 QP-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 Plate (Worker) (Second prize, Shanghai Science and Technology Progress Award)		
R&D of CT80-CT100 Coiled Sheet for Coiled Tube (Third prize, Shanghai Science and Technology Progress Award)		

Year	Number of achievements	Main Achievements
2017	234	R&D and Application of High-Efficiency, Energy-Saving and Environmentally Friendly Sintering Technology and Equipment (Co-winner of Second Prize, National Prize for Progress in Science and Technology)
		R&D of Key Technology for New Energy-Saving and Environmental-Friendly Materials for Large-Scale Coke Ovens and Application of Serialized Products (First Prize, Metallurgical Science and Technology Progress Award)
		Development and Application of Coke Oven Gas Intensified Sintering Technology (First Prize, Metallurgical Science and Technology Progress Award)
		Research into the LCA-Based Production Process and Environment-Friendliness of Baosteel Products (First Prize, Metallurgical Science and Technology Progress Award)
		Development and Application of Technology for Producing Electrical Steel (Oriented and Non-Oriented) via Continuous Casting and Continuous Rolling of Sheet Billet (First Prize, Metallurgical Science and Technology Progress Award)
		Wuhan Iron and Steel Converter--Technical Innovation in Network Integration of RH Refining Process (Second Prize, Metallurgical Science and Technology Progress Award)
		Innovation of Manufacturing Technology for 600 ~ 750mpa High-Precision Yoke Steel for Large-Scale Hydropower Engineering (Second Prize, Metallurgical Science and Technology Progress Award)
		Improvement and Application of Key Components in the Bucket Wheel Machine for Conveying Bulk Materials (Second Prize, Metallurgical Science and Technology Progress Award)
		Automatic Control of and Quality Improvement Technology for Hot Rolled and Rough Rolled Plates (Second Prize, Shanghai Science and Technology Progress Award)
		Application Technology for High Environmental-Friendliness and High Efficiency of Coke Ovens (Third Prize, Shanghai Science and Technology Progress Award)
Wuhan Iron and Steel Converter- Technical Innovation in Network Integration of RH Refining Process (Second Prize, Hubei Province Science and Technology Progress Award)		
Research and Application of Key Technology for High-Quality Steel Desulfurization Based on CSP Process (Second Prize, Hubei Province Science and Technology Progress Award)		

## XV. Human Resources

	Unit	2014	2015	2016	2017
Year-end employees number	Person	37,838	38,089	37,183	57,154
Cash paid to employees and for employees	Million RMB	9,613	9,169	9,572	14,466
Steel industry	Person	24,164	23,378	25,772	47,188
Production staff	Person	16,222	15,591	18,052	33,815
Technical staff	Person	5,834	5,695	5,676	9,299
Administrative staff	Person	2,108	2,092	2,044	4,074
Non-steel industries	Person	13,674	14,711	11,411	9,966
Baosteel Headquarters (excluding subsidiaries)	Person	17,730	17,438	16,784	16,807
Operating income per capita <sup>note</sup>	Million RMB	5.0	4.3	4.9	5.1
Steel output per capita <sup>note</sup>	Tons	895	953	1,117	997

Notes: In view of the influence of the Company's absorption of Wuhan Iron and Steel in 2017, only year-end number of employees and employees in steel industry were selected as the base for the operating income per capita and steel output per capita in 2017.

## XVI. Environmental Operation

### Environment Management System:

In 2017, the Corporation's Baoshan Base completed the supervision audit of the environmental management system according to the requirements of ISO14001: 2015, the Meishan Base completed the supervision audit of the environmental management system, the Qingshan Base passed the certificate-renewal audit of the environmental management system, and the Dongshan Base passed the ISO14001: 2015 environment management system certification for the first time.

### Energy Management System:

The Baoshan Base, Meishan Base and Qingshan Base of the Corporation all passed the audit of the energy management system (GB/T 23331-2012 idt ISO 50001:2011 "Energy Management System Requirements"), and completed the annual supervision audit of the system in 2017. The Dongshan Base plans to complete the audit of the energy management system in 2018.

### Clean Production Audit:

In 2017, the Corporation's Baoshan Base passed the third round of clean production acceptance.

### Energy Saving and Emission Reduction and Surplus Energy Recovery:

In 2017, the Company's comprehensive energy consumption per ton of steel fell by 3 kg of standard coal compared to its annual target, achieving a total energy saving of 118,500 tons of standard coal; a total of 23 energy-saving projects were completed, realizing a technical energy saving of 104,900 tons of standard coal; and the surplus energy recovery reached 3.52 million tons of standard coal in total. Compared with the target for 2017, the total NOx emission was 93% of the annual target, the total SO2 emission was 96% of the annual target, and the total COD emission was 99% of the annual target.

### Comprehensive utilization of renewable resources:

In 2017, the Company's comprehensive utilization rate of by-product resources reached 99.12%, and the utilization rate of by-product resources flowing back to production reached 25.58%.

### Demonstration of New Energy Technology Application:

Combined with environmental protection projects, the 2.4MWp photovoltaic project of reforming the raw material greenhouse OCOD strip roof at the Baoshan Base was completed and put into operation at the end of 2017, and is expected to generate 20 million kWh per year; the 10MWp user-side distributed photovoltaic power generation project of Meishan Iron and Steel at the Meishan Base has been established and is expected to start production in 2018. By then, the photovoltaic installation of the Corporation will reach more than 100MWp.



## Company's Environmental Protection Cost:

It includes expenditure cost and capitalized cost. In recent years, the Company has vigorously promoted emission reduction of pollutants, and the running and depreciation expense of environmental protection facilities together have been continuously accounting for a high proportion of the expenditure items, reaching 73.1% in 2017. In recent years, the Company's environmental protection costs are as follows:

### Composition of Environmental Protection Cost

Unit: RMB 100 million

Category	Items	2014	2015	2016	2017
Expenditure items and cost	Discharge fee, fee for system approval, environmental monitoring fee, facility operation fee, facility depreciation expense, labor fee, fee for transporting hazardous substances, fee for landscaping, fee for disposal of solid waste, investment in new projects as well as updating and expanding existing projects, research investment, and others	23.98	24.64	23.87	63.12
Capitalized items and cost	Investment in new environmental protection projects as well as updating and expanding existing projects, investment in supporting projects of "three concurrences"	8.03	13.74	15.90	17.22

In 2017, the Company's major indicators for energy saving and environmental protection remained at the international advanced level:

### Main Technology Indicators of Energy Saving and Emission Reduction

Items	Unit	2013	2014	2015	2016	2017
Flash water consumption per ton of steel	%	80.2	77.7	70.7	70.2	68.0
Total amount of the recovered waste energy	%	96.3	93.7	94.7	95.1	95.9
Comprehensive energy consumption per ton of steel	%	99.0	98.5	96.0	96.0	95.4
SO <sub>2</sub> emissions per ton of steel	%	30.1	26.6	23.9	22.3	26.2
COD emissions per ton of steel	%	60.0	60.0	54.9	53.8	53.6
Overall utilization rate of solid waste	%	98.9	99.2	99.4	99.1	99.1

Notes: The first five indicators indicate the progress that has been made. The data in the Table is the ratio of the actual performance during the year vs against that in 2008.

The sixth indicator-- "overall utilization rate of solid waste" is the actual performance during the year.

## XVII. Corporate Citizenship

### External Donation

Unit: RMB 1,000

	2014	2015	2016	2017
Poverty alleviation funds	9,610	9,550	13,860	19,470
Sponsorship	708	2,057	830	43
Total	10,318	11,557	14,690	19,513

### External Awards

- January ◆ Baosteel was awarded the 2016 Shanghai Golden Key Award for Energy Saving Industries—the title of Best Energy Management Enterprise. The award-winner evaluation and selection were conducted by Shanghai Energy Conservation Engineering and Technology Association and the Review Office of Shanghai Golden Key Award for Energy Saving, etc.
- May ◆ S&P Global Ratings confirmed Baosteel's credit rating as BBB+ with a “stable” outlook. So far, Baosteel's credit rating has remained at the optimal level among global comprehensive steel enterprises.
- June ◆ Moody's raised Baosteel's rating and rating outlook from Baa1 and “negative” to Baa1 and “stable”. This is another global rating agency that upgraded the rating of Baosteel after the Standard & Poor's.
- ◆ In the latest list released by the FTSE China A50 Index, Baosteel was included in the 50 constituent stocks of the Index with a weighting of 0.8%.
- ◆ Baosteel passed Caterpillar 1E1861 examination for the year of 2016-2017 by Caterpillar (China) Investment Co., Ltd. and was awarded the 2016 Caterpillar 1E1861 license.
- August ◆ Fortune China Top 500 list was released, and Baosteel ranked 35th.
- ◆ The 16 achievements declared by Baosteel were granted the 2017 Metallurgical Science and Technology Award by the China Iron and Steel Association and the Chinese Society for Metals.

- November ◆ The 28th Session of the Sub-Council of Chemical Composition Determination Methods of ISO Steel Council (ISO/TC17/SC1) agreed to establish a working group with Baosteel as the project convener to conduct joint international experiments and re-determine the detection limit and precision of analytical methods. This is the first international standard project under the charge of Baosteel as the convener in the field of chemical analysis technology for iron and steel.
- ◆ Fitch Ratings upgraded the credit rating of Baosteel from A- to A, and the rating outlook from observation to stable, the highest rating given by Fitch to the Company since Baosteel participated in the rating by international agencies in 2013.
  - ◆ Baosteel's "Making Advantage of Plant Resources to Develop Renewable Energy Resources" (Plant Rooftop Photovoltaic Power Generation) project was nominated for "Excellence in Sustainability" in the Steelie Award by the World Steel Association.
  - ◆ Baosteel's "Research into the LCA-Based Production Process and Environment-Friendliness of Baosteel Products was awarded the "LCA Leadership Award" by the World Steel Association, reaching the international advanced level.
  - ◆ At the China Business Top 100 Summit, Baosteel won the China Business Top 100 Award and China Ethical Enterprise Award. Chairman Dai Zhihao won the China Entrepreneur Top 100 Award.
- December ◆ Shanghai Stock Exchange (SSE) announced that it had adjusted the sample stocks of SSE 50, SSE 180, SSE 380 and SSE Dividend. Baosteel entered the SSE 50 Index and this adjustment took effect on December 11th. This is the second time that Baosteel entered the SSE 50 Index since it was recalled in December 2013.
- ◆ At the second "2017 China Summit on Achieving Sustainable Development Goals" hosted by the UN Global Compact Network China, Baosteel won the title of "Best Practices by Chinese Enterprises for Achieving Sustainable Development Goals (SDGs)".

Customers	Honors
FAW-Volkswagen	Best Supplier Award
TBEA Shenyang Transformer Group	Excellent Supplier
SAIC General Motors Corporation Limited	Excellence Supplier for the year of 2016
FAW Car	"Common Goal and Firm Relationship" Award
Changan Mazda	Excellence Supplier for the year of 2016, marking the seventh consecutive year
Great Wall Motor	"Technical Cooperation Award" and "Sincere Partner Award", winning the highest awards by Great Wall Motor for five consecutive years
Hisense Electric Co., Ltd.	Excellent Supplier
Lingyun Industrial Corporation Limited	Best Supplier
Liuzhou Wuling Automobile Industry Co., Ltd.	Excellent Supplier
BORGWARD Group AG	Excellent Supplier for the year of 2016
DAIKIN AIR-CONDITIONING TECHNOLOGY, LTD.	Best Cooperation Award
Fiat Chrysler Automobiles	Raw Material Exporter of the Year in Asia-Pacific for the year of 2016
SAIC-GM-Wuling Automobile Co., Ltd.	"Excellent Supplier" and "Overseas Development Award"
Zhengzhou Yutong Bus Co., Ltd.	"Excellent Supplier" for the year of 2016, marking the fifth consecutive year
Changan Ford Automobile Co., Ltd.	Best Strategic Cooperation Award for the year of 2016
Changan Suzuki	"Strategic Cooperation Award" for the year of 2016
Dongfeng Honda	"Excellent Environmental Supplier " for the year of 2016
Haima Automobile	Excellent Supplier for the year of 2016, marking the 13th consecutive year
Dongfeng Liuzhou Motor Co., Ltd.	"Excellent Supplier" for the year of 2017, "Strategic Supplier" for the year of 2018-2019

Customers	Honors
Haima Automobile	Management Contribution Award for the year of 2017
Changan Ford Automobile Co., Ltd.	Excellent Supplier for the year of 2017
Jiangxi Isuzu Motors Co., Ltd.	Excellent Supplier for the year of 2017, marking the third consecutive year
Shaanxi Heavy Duty Automobile Co., Ltd.	Excellent Supplier for the year of 2017
Jianghuai Automobile	Excellent Supplier for the year of 2017
Siemens	Overall Best Award, Single Award Nomination for Best Trusted Product Award
Embraco	"Excellent Quality Supplier" for the year of 2017
Jingu Group	"Best Service Award" for the year of 2017
Guangzhou Automobile Group Motor Co., Ltd.	"Excellent Cooperative Supplier" at the 8th Supplier Conference, marking the second consecutive year

## XVIII. Subsidiaries and Major JVs

### Domestic Subsidiaries and Major JVs

#### SHANGHAI MEISHAN IRON & STEEL CO., LTD.

Date of establishment: June 26, 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 2017: 7.04 million tons

Staff: 4133

#### BAOSTEEL ZHANJIANG IRON & STEEL CO. LTD.

Date of establishment: April 18, 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 2017: 8.32 million tons

Staff: 4249

#### WUHAN IRON AND STEEL COMPANY LIMITED

Date of Establishment: December 19, 2016

Main Business Scope: manufacturing of metallurgical products and by-products, steel extended products; metallurgical product technology development; sales of iron and steel and by-products, etc.

Shareholding of the Company: 100%

Registered Capital: RMB 500 million

Capacity: 1.716 million tons (crude steel)

Sales Volume in 2017: 15.29 million tons

Staff: 20,665

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

Date of Establishment: July 30, 2004

Main Business Scope: production and sales of cold rolled and hot-galvanized steel plates 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 2017: 2.38 million tons

Staff: 702

**YANTAI LUBAO STEEL PIPE CO., LTD.**

Date of establishment: June 3, 1992

Main Business Scope: production and sales of seamless steel pipe

Shareholding of the Company: 100%

Registered Capital: RMB 2.5 billion

Capacity: 0.9 million tons

Sales Volume in 2017: 0.88 million tons (including materials of mutual supply)

Staff: 762

**BAOSTEEL HUANGSHI COATED AND GALVANIZED SHEET CO., LTD.**

Date of establishment: December 11, 1992

Main Business Scope: production and sales of cold rolled plate, aluminized steel, color-coated plate and relevant coated products

Shareholding of the Company: 50.63%

Registered Capital: RMB 170 million

Capacity: 0.45 million tons

Sales Volume in 2017: 0.38 million tons

Staff: 541

**SHANGHAI BAOSTEEL INTERNATIONAL ECONOMIC & TRADING CO., LTD.**

Date of establishment: June 13, 1985

Main Business Scope: self-operation of and agency for the import and export of state approved commodities and technology, import of steel products and scrap steel, feedstock processing and the "Three-plus-one" trading-mix", etc.

Shareholding of the Company: 100%

Registered Capital: RMB 2.25 billion

Staff: 3789

**SHANGHAI BAOSIGHT SOFTWARE CO., LTD.**

Date of establishment: June 14, 2001

Main Business Scope: research, design, development, manufacturing and integration of computer, automation, network communications systems and software and hardware products.

Shareholding of the Company: 55.5%

Registered Capital: RMB 780 million

Staff: 4055

**BAOSTEEL GROUP FINANCE CO., LTD.**

Date of establishment: October, 1992

Main Business Scope: taking deposits from and granting loans to member companies, as well as internal settlement services, etc.

Shareholding of the Company: 62.10%

Registered Capital: RMB 1.4 billion

Staff: 61

**SHANGHAI BAOSTEEL CHEMICAL CO., LTD.**

Date of Establishment: July 23, 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: 1607 Persons

## Overseas Subsidiary and Major JVs

Name	Establishment year	Share capital RMB Million	Shareholding Ratio	Main 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%	Ocean Cargo Transportation
Boly Pipe (Thailand) Co., Ltd.	2012	467	51%	Steel Tube Processing
BGM Co. Ltd.	2012	59	50%	Steel products processing and sales



# XIX. Global Marketing Network

## Domestic Dealers

### Shanghai Baosteel Steel Products Trading Co., Ltd.

Address: 4, 5, 9/F, No. 151, Mohe Road, Baoshan District, Shanghai, 201999  
Tel: 021-26640916 Fax: 021-26640888

### Guangzhou Baosteel Southern Trading Co., Ltd.

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

### Beijing Baosteel Northern Trading Co., Ltd.

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

### Chengdu Baosteel Western Trading Co., Ltd.

Address: 11/F, La Défense Mansion, No.1480 Tianfu Avenue (Northern section), High-tech Zone, Chengdu, 610041  
Tel: 028-85335388 Fax: 028-85335797

### Wuhan Baosteel Central China Trading Co., Ltd

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

### Shenyang Baosteel Steel Products Trading Co., Ltd.

Address: No. 78, Guanquan Road, Dadong District, Shenyang, Liaoning Province, 110044  
Tel: 024-31391117 Fax: 024-31391160

### Shanghai Baosteel Trading Co., Ltd.

Address: 7/F, No.151, Mohe Road, Baoshan District, Shanghai, 201999  
Tel: 021-26640781 Fax: 021-26640700

### Shanghai Baosteel Pudong International Trading Co., Ltd

Address: 6/F, No.151, Mohe Road, Baoshan District, Shanghai, 201999  
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 Trading Co.,Ltd.

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

## Overseas Dealers

### Howa Trading Co., Ltd.

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

### Baosteel Europe GMBH.

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

### Baosteel America Inc.

Address: 85 Chestnut Ridge Road Montvale NJ 07645, USA  
Tel:001-201-3073355 Fax:001-201-3073358

### Baosteel Singapore Pte Ltd.

Address: #40-02/03 Suntec Tower One, No.7 Temask Boulevard, 038987, Singapore  
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 Ltd.

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

### Bao-Trans Enterprises Ltd.

Address: 50/F, Convention and Exhibition Centre, 1 Harbour Road, Wanchai, Hong Kong  
Tel: 852-25285766 Fax: 852-28770166



## XX. 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	1.877 billion RMB common shares were issued.
December, 2000	Listed at Shanghai Stock Exchange (code: 600019)
June, 2001	Purchased Phase-3 project from Shanghai Baosteel Group and achieved a capacity of 11 million tons.
December, 2002	The opening ceremonies for major projects such as the Heavy Plate Mill Project and 1800 Cold Rolling Strip Steel Project were held.
April, 2004	Baosteel-NSC Automotive Steel Sheets Co., Ltd. was established. The Company's "tenth five year plan" project was officially put into operation.
April, 2005	Issued 5 billion new shares, acquired part of the assets and equity of Shanghai Baosteel Group Corporation, and successfully integrated the 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 the acquisition of Luojing Project and its related assets and on the issuance of 10 billion convertible bonds with call warrants.
June, 2008	10 billion convertible bonds with call warrants were issued.
April, 2012	Sold all assets of the stainless steel and special steel divisions to Baosteel Group Corporation.
September, 2012	The proposal with the Company as the main body to build Zhanjiang Iron & Steel project was approved by the general meeting of shareholders Initiated the stock buyback at a price no more than RMB 5 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. Acquired 71.8% of the equity of Zhanjiang Iron & Steel.
May, 2013	Completed the largest scale A share buyback in history, accumulatively spent RMB 5 billion on the buyback and cancellation of 1.04 billion shares.
November, 2013	Increased investment in Zhanjiang Iron & Steel for a second time totaling RMB 6.907, increasing the shareholding ratio to 85.71%.
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 into Zhanjiang Iron & Steel, increasing the shareholding ratio to 90%.
September, 2015	Zhanjiang No.1 blast furnace was ignited.
July, 2016	Zhanjiang No.2 blast furnace was ignited.
February, 2017	Absorbed Wuhan Iron & Steel by stock exchange, and increased 5.65 billion new shares.
December, 2017	Implemented the Company's Phase II A-share restricted stock plan.

## Annex: China Economic Indicators

### Domestic Economic Indicators

	Unit	2014	2015	2016	2017
GDP	Trillion RMB	63.65	67.67	74.41	82.71
GDP growth rate	%	7.4	6.9	6.7	6.9
Export	Hundred million RMB	143,912	141,255	138,455	153,321
Import	Hundred million RMB	120,423	104,485	104,932	124,602
Unemployment Rate	%	4.1	4.05	4.02	3.9
Consumer Price Index	100 for the previous year	100.2	101.4	102.0	101.6
Fixed Assets Investment	Trillion RMB	51.28	56.20	60.65	64.12
	%	15.3	9.8	7.9	7.0

### Iron and Steel Production

	Unit	2014	2015	2016	2017
Pig iron	Million tons	716	691	701	711
Crude steel	Million tons	823	804	808	832
Steel product	Million tons	1117	1123	1138	1048
Long product	Million tons	443	423	414	398
Flat product	Million tons	477	489	519	481
Tubular product	Million tons	89	98	98	79
Section steel	Million tons	80	80	76	70
Others	Million tons	34	38	36	26

### Apparent Iron and Steel Consumption

	Unit	2014	2015	2016	2017
Crude steel	Million tons	740	698	707	766
Consumption per capita	Kilogram	542	509	513	552
Steel product	Million tons	1038	1024	944	986
Long product	Million tons	414	380	348	383
Flat product	Million tons	445	451	444	449
Tubular product	Million tons	79	89	70	71
Section steel	Million tons	75	75	65	67
Others	Million tons	30	34	22	22

## Steel Export and Import

	Unit	2014	2015	2016	2017
Export	Million tons	93.78	112.40	108.49	75.41
Long product	Million tons	30.86	43.89	41.26	16.07
Flat product	Million tons	43.67	48.46	48.03	43.19
Tubular product	Million tons	10.06	9.98	9.67	8.75
Section steel	Million tons	5.19	6.05	5.53	3.53
Others	Million tons	4.00	4.02	4.00	3.86
Import	Million tons	14.43	12.78	13.21	13.30
Long product	Million tons	1.20	1.07	1.18	1.21
Flat product	Million tons	12.08	10.77	11.08	11.06
Tubular product	Million tons	0.48	0.38	0.39	0.41
Section steel	Million tons	0.43	0.35	0.34	0.39
Others	Million tons	0.24	0.22	0.21	0.23

## Global Iron and Steel Production

	Unit	2014	2015	2016	2017
North America	Million tons	121	111	111	116
USA	Million tons	88	79	79	82
EU (28 countries)	Million tons	169	166	162	169
Asia	Million tons	1122	1097	1106	1152
Japan	Million tons	111	105	105	105
Korea	Million tons	71	70	69	71
Russia	Million tons	71	71	71	71
Total	Million tons	1,647	1,600	1604	1675

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	600019	22.103 billion shares	Shanghai Stock Exchange
Bao-trans USD bonds	6004.HK	0.5 million bonds	The Stock Exchange of Hong Kong

As of April 30, 2018

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