

Baoshan Iron & Steel Co., Ltd.

600019

2013

First Quarter Report

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§ 1 IMPORTANT NOTICE

1.1 The Board of Directors and the Board of Supervisors of Baoshan Iron & Steel Co., Ltd. (hereinafter the Company), along with their directors, supervisors and senior executives, hereby guarantee that the *2013 First Quarter Report* (hereinafter the Report) is free from false statement, misleading information or grave material omission, and assume relevant separate and joint responsibilities in regard to the truth, the accuracy and the integrity of the contents of the Report.

1.2 Nine directors shall attend the board meeting, but only seven directors attended actually, Director Zhao Zhouli and Director Zhu Junsheng did not attend the meeting due to occupation of work, and Director Ma Guoqiang was entrusted by both of them to vote on their behalf.

1.3 The first quarter financial report of the Company is unaudited. The Company completed, in January 2013, the equity transfer registration of Baosteel Zhanjiang Iron & Steel Co., Ltd. (hereinafter “Zhanjiang Steel”). Therefore, Zhanjiang Steel is included in the consolidated financial report. In accordance with “Accounting Standards for Business Enterprise,” restatement has been made to the beginning amount of the consolidated debt sheet. According to the principle of importance, no restatement has been made to the consolidated profit and cash flow sheets of the same period last year. Unless otherwise stated, all figures at the beginning of the year in this Report are restated ones.

1.4 He Wenbo, Chairman of the Company, Zhu Keping, chief accountant, and Li Qiqiang, Director of the Finance Department in charge of the accounting affairs, attest to the truthfulness and completeness of the financial statements in this *Report*.

§ 2 COMPANY PROFILE

2.1 Major accounting and financial indicators

Currency: RMB

	As at the end of this period	As at the beginning of this period	Increase/decrease compared to the beginning of this report (%)
Total assets (million RMB)	227,159	220,876	2.8
Owner's equity (shareholders' equity attributable to the listed company) (million yuan)	111,146	110,766	0.3
Net assets per share attributable to shareholders of the listed company (RMB/share)	6.49	6.47	0.3
	From the beginning of the year to the end of the reporting period		Year-on-year increase/decrease (%)

Net cash flow from operating activities (million RMB)		1,886	-72.8
Net cash flow per share from operating activities (RMB/share)		0.11	-72.2
	The reporting period	From the beginning of the year to the end of the reporting period	Year-on-year increase/decrease (%)
Net profit attributable to shareholders of the listed company (million RMB)	1,628	1,628	33.3
Basic earnings per share (RMB/share)	0.10	0.10	36.9
Deducted Basic earnings per share net of non-recurring gains and losses (RMB/share)	0.09	0.09	68.0
Diluted earnings per share (RMB/share)	0.10	0.10	36.9
Weighted average return on equity (%)	1.46	1.46	+0.3 ppts
Deducted average return on equity net of non-recurring gains and losses (%)	1.44	1.44	+0.5 ppts

Items after non-recurring gains and losses and amounts:

Unit: Million RMB Currency: RMB

Item	Amount from the beginning of the year to the end of this reporting period
Profit and loss from disposal of non-current assets	-28
Investment income from disposal of available-for-sale financial assets	0.2
Net increase from other non-operating activities	64
Effect of income taxes	-9
Effect of minority interest	-6
Total	22

2.2 Total number of shareholders and particulars of the top 10 tradable shareholders without trading restriction as at the end of the reporting period:

Unit: Share

Total number of shareholders at the end of the reporting period		524,689
Shares held by the top 10 tradable shareholders without trading restriction		
Shareholder (full name)	Number of tradable shares not subject to trading restriction held at the end of the reporting period	Type of share
Baosteel Group Corp.	13,128,825,267	RMB ordinary share

Zhangjiagang Free Trade Zone Qianxing Investment & Trading Co., Ltd.	63,419,861	RMB ordinary share
Rugao Changrong Ore Storage Limited	59,617,182	RMB ordinary share
Zhangjiagang Free Trade Zone Rixiang International Trade Co., Ltd.	41,711,139	RMB ordinary share
Ningbo Free Trade Zone Hongguang International Trade Co., Ltd.	40,504,594	RMB ordinary share
Zhangjiagang Free Trade Zone Rongrun International Trade Co., Ltd.	39,021,351	RMB ordinary share
Zhangjiagang Free Trade Zone Lixin Investment Co., Ltd.	37,754,853	RMB ordinary share
Industrial and Commercial Bank of China—Shanghai Stock Exchange 50 ETF Fund	35,772,109	RMB ordinary share
Zhangjiagang Hongda Transportation Co., Ltd.	35,682,858	RMB ordinary share
Bank of China--Harvest Shanghai Shenzhen 300 ETF Fund	34,292,250	RMB ordinary share
Remarks on affiliation, alliance or collusion among the aforementioned top ten shareholders	<p>According to the Medium-term Notes Prospectus published by Jiangsu Shagang Group Co., Ltd. (Shagang Group) in May and November of 2011, the shareholders of Zhangjiagang Free Trade Zone Qianxing Investment & Trading Co., Ltd., Zhangjiagang Free Trade Zone Rongrun International Trade Co., Ltd., and Ningbo Free Trade Zone Hongguang International Trade Co., Ltd. are Shagang Group's shareholders. Rugao Changrong Ore Storage Limited is the joint stock company of the subsidiary controlled by Shagang Group. The actual controllers of Zhangjiagang Free Trade Zone Lixin Investment Co., Ltd., and Zhangjiagang Free Trade Zone Rixiang International Trade Co., Ltd. are both the major shareholders of Shagang Group. The controlling shareholder of Zhangjiagang Hongda Transportation Co., Ltd. is the shareholder of Shagang Group.</p> <p>The Company is not aware of any connection among or between the top ten shareholders and top ten shareholders of shares without selling restrictions or that they are persons acting in concert as provided for in the Measures for the Administration of Acquisitions by Listed Companies.</p>	

§ 3 SIGNIFICANT EVENTS

3.1 Particulars of and reasons for material changes in major accounting items and financial indicators of the Company

√ Applicable □ Not Applicable

In the first quarter of 2013, the global economic recovering remained slow, while the overall

situation of China's economy was good, showing a turn for the better. But the steel market in the first quarter was not optimistic. Since the fourth quarter last year, price for the imported iron ore has been soaring, resulting in a month-by-month price rise in domestic materials such as iron concentrates, coking coal, metallurgical coke, and steel scrap. Demand on steel increased slightly from that of last year the same period, and most steel plants have generally raised the factory price.

Faced with the improving demand in the steel market, the Company seized the opportunity and precisely anticipated the trend of demand. By continuously deepening the innovation in marketing, service and technology, optimizing the production and sales mode, and enhancing the system's capability in flexible production and resource guarantee, it achieved sound performance in the first quarter. In the reporting period, the Company's iron, steel, steel products and billets totaled 5.541 million, 5.799 million, and 5.458 million tons respectively, realizing a consold pre-tax profit of RMB 2.25 billion, a rise of RMB 0.75 billion from that of the same period last year.

In the second quarter, there will not be an obvious change from the first quarter in terms of the market demand, but the downstream demands may experience a polarized change. As the coal price will fluctuate within a certain range along with the steel price, it will be hard for the steel enterprises to achieve a considerable margin growth.

Particulars of and reasons for material changes in major accounting items and financial indicators of the Company:

Compared to the first quarter of 2012:

Fee and commission income decreased by RMB 2 million, or 56.6%, mainly due to the YoY decrease in fee income from entrusted loans in the Finance Co.

Business tax and surcharges increased by RMB 80 million, or 151.8%, mainly because of the YoY drop in the VAT on purchase, and an increase on surcharges caused by the VAT increase.

Administrative expenses reduced by RMB 0.75 billion, or 35.6%, mainly because of the sale of the related assets of Stainless Steel and Special Steel business and the shutdown of the Luojing area.

Financial expenses reduced by RMB 0.28 billion, or 86.1%, mainly due to the confirmation of interest for the installment of the long-term receivables.

Asset impairment loss increased by RMB 0.35 billion, mainly because of RMB 0.33 billion of provision for impairment of inventories in the same period last year.

Investment income decreased by RMB 0.2 billion, or 94.0%, mainly because in the same period last year, dividends were received from the companies in which Baosteel International has equity participation.

Income tax expenses increased by RMB 0.34 billion, or 146.0%, mainly because of the YoY rise in total profit.

In the first quarter of 2013, net profit totaled RMB 1.68 billion, the depreciation and amortization of fix assets totaled RMB 2.48 billion, other non-operating losses was RMB 0.14

billion, and the cash receivable from operating activities totaled RMB 4.30 billion. The inventory capital increased by RMB 3.07 billion, and the payables from operating activities decreased by RMB 0.66 billion, resulting in a RMB 1.89 billion cash inflow from operating activities, a drop of RMB 5.05 billion compared that of last year same time. Leaving the factor of the Finance Co. out of consideration, the Company's net cash inflow from operating activities was RMB 3.51 billion, decreasing by RMB 0.70 billion as compared to the inflow of RMB 4.21 billion at the same period last year. The main reasons for this decrease are as follows:

- ① Net profit was RMB 0.38 billion more than that of the same period last year, resulting in a flow increase;
- ② Cash flow increased by RMB 2.66 billion from the depreciation, amortization and other items. But this increased was RMB 3.14 billion in the same period last year. As a result, the YoY flow reduced by RMB 0.48 billion.
- ③ At the end of the first quarter, inventories increased RMB 3.07 billion from the beginning of the year. The inventory increased by RMB 0.51 billion at the same period last year. The YoY inventory flow decreased by RMB 2.56 billion.
- ④ Flow from receivables and payables as at the end of the period increased by RMB 2.29 billion, increasing RMB 1.96 billion from that of the same period last year, which was an increase of RMB 0.33 billion.

Net cash outflow from investing activities totaled RMB 3.33 billion, an increase of RMB 0.46 billion from that of the same period last year. The net cash outflow from investing activities was RMB 3.21 billion, which is roughly the same as the outflow at the same period last year.

Net cash inflow from financing activities increased totaled RMB 2.64 billion, decreasing by RMB 4.58 billion from that of the same period last years. Leaving the factor of the Finance Co. out of consideration, the net cash inflow from financing activities was RMB 2.52 billion. At the same period last year, there was an outflow of RMB 2.81 billion from financing activities (excluding the effect of a short-term borrowing of RMB 10 billion in relation to the sale of the related assets of Stainless Steel and Special Steel business). As a result, there was a RMB 5.33 billion increase of inflow. This was mainly caused by an outflow increase of RMB 1.05 billion for the stock buyback, and a RMB 6.00 billion increase of inflow due to the YoY increase of US dollar borrowing by the headquarters and the Company's overseas subsidiaries.

Compared to the beginning of 2013:

Monetary capital increased by RMB 0.25 billion, or 282.4%, mainly due to the increase in cash trust invest by the Finance Co. affiliated to the Company.

Accounts receivable increased by RMB 2.58 billion, or 30.2%. Among this, the accounts receivable from the units of the Group increased by RMB 1.47 billion, and those from users outside the Group by RMB 1.11 billion.

Interests receivable increased by RMB 0.30 billion, or 31.7%, mainly due to the interest from the installment payment related to the sale of the Stainless Steel and Special Steel business.

Capital borrowed decreased by RMB 0.60 billion, or 100%, mainly because the Finance Co. repaid all borrowings due.

Taxes payable increased by RMB 0.55 billion, or 50.3%, mainly due to the increase in VAT

payables. The VAT on purchase for Majishan Port, a shareholding legal person of the Company, decreased, but its VAT payables increased by RMB 0.40 billion. For Meishan Steel, its gross profit from products increased, its VAT on purchase from equipment procurement decreased, and the VAT payables increased by RMB 0.21 billion.

Treasury shares increased by RMB 1.046 billion, mainly due to the Company's stock repurchase.

3.2 Analysis and explanations of the progress of significant events and their impacts and solutions

Applicable Not Applicable

3.3 Performances of the undertakings given by the Company, its shareholders and its ultimate controllers

Applicable Not Applicable

Commitments of companies or shareholders with over 5% stake in and to the reporting period:

1. Commitments related with the initial issuance

Baosteel Group undertook the following two commitments as at the establishment of the Company:

(1) All related party transactions with the Company will be carried out in compliance with relevant laws, regulations and rules set by the authorities and will not damage the legitimate interest of the Company nor its non controlling shareholders.

(2) Baosteel Group will not directly participate in any business activity or directly own an interest in any business activity or entity that might pose competition to the Company's current operating business. However, Baosteel Group can maintain its existing shares in the Company, as well as manage and develop the existing business which may or may not be in competition with the Company. Should Baosteel Group (including its wholly-owned and holding subsidiaries or other associates) engage in any new business, investment or research that might be in competition with the principal products or services of the Company in the future, Baosteel Group has agreed to grant the Company pre-emptive rights to develop or acquire the said business.

These commitments will stay in force under two conditions: A. the Company is listed on the Hong Kong Stock Exchange and domestic stock exchange of China; and, B. Baosteel Group owns no less than 30% of the Company's issued shares.

In addition, on June 13, 2001, and September 6, 2002, Baosteel Group further pledged to uphold these two commitments after the Company's acquisition of the assets related to construction of its phase three project and all remaining assets thereof.

These commitments were published on *China Securities News*, *Shanghai Securities News* and *Securities Times* dated 21st June 2001 and 12th September 2002 and the official website of Shanghai Stock Exchange (<http://www.sse.com.cn>) as well.

2. Commitments related with re-financing

Commitments made in Issuance Prospectus by Baosteel Group:

(1) The Company has the right to acquire, at any time it thinks appropriate, Baosteel Group's assets and businesses which may be in competition with the Company.

(2) The Company shall enjoy the priority of similar business opportunities acquired by Baosteel Group, who will not invest until the Company gives up the commercial opportunities.

(3) Baosteel Group is committed to helping dealing with the relevant property certificates for buildings and lands after the Company completed the mergers and acquisitions.

These commitments were publicly posted on official website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) in April 2005.

3. Other commitments

Commitments Baosteel Group undertook about Luojing Land:

Baosteel Group Shanghai Pudong Iron and Steel Co., Ltd. (hereafter, Pudong Steel), a wholly owned subsidiary of Baosteel Group, was offering its construction-in-progress and related fixed assets in Luojing (hereafter, Luojing Assets), which the Company intended to purchase. Luojing Assets cover an area of 3.228 million m², for which Pudong Steel has paid some initial expenses, but not the land transfer expense. When the assets are to be purchased, the unpaid land transfer expense and the Pudong Steel's initial expenses as on the asset-assessing day (30 September 2007), RMB2.8 billion as preliminarily estimated, shall be paid by the Company. Baosteel Group promises:

(1) If the Company intends to purchase the Luojing assets, Baosteel Group and/or Pudong Steel would help the Company go over the transfer procedures and other matters as required by the Company.

(2) In the event of the total actual expense exceeding RMB2.8 billion for the procedures, Baosteel Group and/or Pudong Steel shall fully cover the exceeding amount in time, by means of paying the Company and/or the government (as is required).

The aforementioned commitments were published on China Securities News, Shanghai Securities News and Securities Times and the official website of Shanghai Stock Exchange (<http://www.sse.com.cn>) of 12 December 2007.

Commitments Baosteel Group undertook about Desheng Nickel Project:

Baosteel Group sought the Company's opinion of investment on the Desheng Nickel Project on December 16, 2010 in written form of "Solicit Letter about Investment on Desheng Nickel Project", "Commitments about Desheng Nickel Project". The Company agreed that Baosteel Group could invest on the project, but retained that right to purchase the equity of the project. Baosteel Group promises: When the Company wants to acquire the equity of the project, it would transfer its share of equity of the project at a fair price in line with relative laws, regulations, and other documents and on basis of asset estimating results as conducted by an individual estimating organization.

These commitments stay in force under two conditions: (a) the company is listed at a stock exchange and (b) Baosteel Group owns no less than 30% of the Company's issued shares.

The aforementioned commitments were published on *China Securities News*, *Shanghai Securities News* and *Securities Times* and the official website of Shanghai Stock Exchange (<http://www.sse.com.cn>) of 23 December 2010.

During the reporting period, Baosteel Group and the Company did not commit any breach of the aforementioned commitments.

3.4 Warnings and explanations as to the reasons for accumulated net loss expected to be recorded from the beginning of the year to the end of the next reporting period (if only) or material changes of it as compared to the same period of last year

Applicable Not Applicable

Due to the sale of the related assets and equity of the Stainless Steel and Special Steel business in the second quarter of 2012, the Company's net profit in the first half of 2012 amounted to RMB 9.69 billion. It is expected that the net accumulated profit in the first half of 2013 will reduce over 50% from that of the same period last year.

3.5 Implementation of cash dividend policy during the reporting period

According to the Company's policy that the annual dividend distribution should not be lower than 40% of the year's net profit, with the total cash dividend not less than RMB 4,194,918,871.73. Taking into account the realized stock repurchase, the Company plans to dispatch a total dividend of RMB 2,278,400,000.00 (tax included) to all shareholders as registered on the equity registration date. The *Proposal for Company's Profit Appropriation in 2012* has been filed for the approval by the 2012 Shareholders' Meeting.

Baoshan Iron & Steel Co., Ltd.
Legal Representative: He Wenbo
25 April 2013

§ 4 APPENDIX
Consolidated Balance Sheet

31 March 2013

Compiled by: Baoshan Iron & Steel Co., Ltd. Unit: Yuan Currency: RMB Unaudited

Item	As at the end of the reporting period	As at the beginning of the reporting period (After adjustment)	As at the beginning of the reporting period (Before adjustment)
CURRENT ASSETS			
Monetary asset	10,224,593,887.67	8,851,124,979.28	8,840,469,097.21
Held-for-trading financial assets	342,559,382.59	89,577,809.31	89,577,809.31
Notes receivable	10,534,769,664.00	12,411,303,185.31	12,411,303,185.31
Accounts receivable	11,130,256,752.66	8,551,131,045.38	8,542,193,127.62
Payments in advance	4,320,070,408.11	3,716,337,443.68	3,716,337,443.68
Interests receivable	1,249,500,517.45	948,484,949.13	948,484,949.13
Dividends receivable	33,639,886.82	33,639,886.82	33,639,886.82
Other receivables	1,563,329,439.95	1,387,110,820.63	1,127,915,016.72
Inventories	31,902,076,993.41	28,872,423,689.21	28,790,882,932.79
Non-current assets due within one year	4,910,948,800.00	4,880,000,000.00	4,880,000,000.00
Total of current assets	76,211,745,732.66	69,741,133,808.75	69,380,803,448.59
NON- CURRENT ASSETS			
Disbursement of loans and advances	2,767,244,620.03	2,763,019,609.19	2,763,019,609.19
Available-for-sale financial assets	1,189,984,546.79	1,467,832,301.93	1,467,832,301.93
Long-term receivables	19,533,656,625.00	19,535,939,000.00	18,035,939,000.00
Long-term equity investment	10,525,123,158.23	10,539,022,615.18	9,118,968,766.28
Investment property	475,603,425.96	477,471,234.63	477,471,234.63
Fixed assets	81,800,222,501.31	79,451,375,744.49	79,440,015,016.44
Construction in progress	12,938,943,856.33	15,383,749,970.37	9,966,930,139.34
Construction materials	112,063,354.35	111,190,366.94	111,190,366.94
Intangible assets	6,812,402,364.49	6,759,050,173.46	6,152,529,015.20
Long-term deferred expenses	900,940,709.58	906,159,533.22	906,159,533.22
Deferred income tax assets	1,979,739,723.05	2,035,286,047.54	2,026,536,047.54
Other non-current assets	11,911,218,941.05	11,704,612,832.56	14,509,906,520.94
Total of non-current assets	150,947,143,826.17	151,134,709,429.51	144,976,497,551.65
Total Assets	227,158,889,558.83	220,875,843,238.26	214,357,301,000.24

Consolidated Balance Sheet (continued)

31 March 2013

Compiled by: Baoshan Iron & Steel Co., Ltd. Unit: Yuan Currency: RMB Unaudited

Item	As at the end of the reporting period	As at the beginning of the reporting period (After adjustment)	As at the beginning of the reporting period (Before adjustment)
NON- CURRENT ASSETS			
Short-term borrowings	35,454,743,339.81	31,647,325,209.64	28,964,525,209.64
Receipt of deposits and deposits from other financial institutions	7,340,102,931.43	8,071,462,806.92	8,071,462,806.92
Loans from other financial institutions	-	600,000,000.00	600,000,000.00
Held-for-trading financial liabilities	6,347,099.40	20,789,685.96	20,789,685.96
Notes payable	3,486,392,235.91	3,494,680,215.46	3,255,540,509.18
Accounts payable	21,749,065,058.69	18,658,642,474.67	18,655,403,230.17
Advance receipts	10,696,016,632.38	11,194,906,638.62	11,194,900,927.62
Financial assets sold for repurchase	535,175,872.71	437,705,880.63	437,705,880.63
Staff remuneration payable	1,822,357,468.24	1,567,218,556.73	1,565,024,385.52
Taxes payable	1,643,343,838.95	1,093,465,271.31	1,238,213,835.07
Interests payable	184,782,627.28	179,700,527.43	177,928,027.43
Dividends payable	22,254,913.51	22,155,313.83	22,155,313.83
Other payables	1,632,343,312.10	1,879,933,167.71	681,525,421.62
Non-current liabilities due within one year	4,716,275,000.00	4,502,840,000.00	4,402,850,000.00
Other current liabilities	1,030,040,000.09	1,017,012,500.06	2,938,659,947.30
Total of current liabilities	90,319,240,330.50	84,387,838,248.97	82,226,685,180.89
NON-CURRENT LIABILITIES			
Long-term borrowings	2,456,009,648.97	2,731,689,992.42	2,731,689,992.42
Bonds payable	9,944,134,401.57	9,835,739,000.07	9,835,739,000.07
Long-term payables	1,750,000,000.00	1,750,000,000.00	250,000,000.00
Specific payables	669,514,421.38	688,993,701.54	688,993,701.54
Deferred income tax liabilities	302,791,056.59	320,632,524.32	320,632,524.32
Other non-current liabilities	1,231,736,431.97	1,201,329,376.35	961,802,609.24
Total non-current liabilities	16,354,185,960.48	16,528,384,594.70	14,788,857,827.59
Total liabilities	106,673,426,290.98	100,916,222,843.67	97,015,543,008.48
SHAREHOLDER'S EQUITY			
Share capital	17,122,048,088.00	17,122,048,088.00	17,122,048,088.00
Capital reserve	35,865,874,398.92	36,008,969,346.05	35,892,221,131.19
Less: Treasury shares	1,161,410,196.17	115,785,165.80	115,785,165.80
Special reserve	26,493,153.13	17,894,916.86	17,894,916.86
Surplus reserve	23,229,714,608.04	23,229,714,608.04	23,229,714,608.04

Undistributed profits	36,430,684,055.79	34,802,934,026.47	35,540,808,913.80
Foreign currency translation difference	-367,281,764.95	-299,633,775.37	-299,633,775.37
Total shareholder's equity attributable to the parent company	111,146,122,342.76	110,766,142,044.25	111,387,268,716.72
Minority interest	9,339,340,925.09	9,193,478,350.34	5,954,489,275.04
Total shareholder's equity	120,485,463,267.85	119,959,620,394.59	117,341,757,991.76
TOTAL OF LIABILITIES & SHAREHOLDER'S EQUITY	227,158,889,558.83	220,875,843,238.26	214,357,301,000.24

The financial statements from page 11 to 22 were signed by the following:

Legal representative:
He Wenbo;

Person in charge of
accounting affairs:
Zhu Keping;

Head of the accounting
department: Li Qiqiang

Balance Sheet of the Parent Company

31 March 2013

Compiled by: Baoshan Iron & Steel Co., Ltd. Unit: Yuan Currency: RMB Unaudited

Item	31 March 2013	31 December 2012
CURRENT ASSETS		
Monetary asset	4,030,909,272.19	2,036,143,946.73
Notes receivable	12,441,124,259.45	13,473,619,237.43
Accounts receivable	11,903,725,419.34	8,987,172,230.07
Payments in advance	1,991,817,944.28	1,557,782,054.86
Interests receivable	1,237,613,424.66	938,024,383.57
Other receivables	241,370,291.74	315,767,588.48
Inventories	17,078,242,489.04	15,942,719,003.25
Non-current assets due within one year	4,500,000,000.00	4,500,000,000.00
Other current assets		1,565,650,761.38
Total of current assets	53,424,803,100.70	49,316,879,205.77
NON- CURRENT ASSETS		
Long-term receivables	18,000,000,000.00	18,000,000,000.00
Long-term equity investment	35,765,928,921.47	30,281,311,482.70
Fixed assets	46,292,733,074.13	46,760,734,784.44
Construction in progress	4,112,504,890.60	4,260,158,720.45
Construction materials	83,567,931.64	22,874,297.42
Intangible assets	1,522,433,711.43	1,531,135,771.95
Long-term deferred expenses	1,596,118.81	1,624,452.28
Deferred income tax assets	769,102,525.08	885,652,585.80
Other non-current assets	9,269,491,308.86	14,442,110,959.05
Total of non-current assets	115,817,358,482.02	116,185,603,054.09
TOTAL ASSETS	169,242,161,582.72	165,502,482,259.86

Balance Sheet of the Parent Company (Continued)

31 March 2013

Compiled by: Baoshan Iron & Steel Co., Ltd. Unit: Yuan Currency: RMB Unaudited

Item	31 March 2013	31 December 2012
CURRENT LIABILITIES		
Short-term borrowings	12,053,635,110.25	9,851,212,641.66
Held-for-trading financial liabilities	6,347,099.40	20,789,685.96
Notes payable	57,196,977.95	40,124,006.24
Accounts payable	23,633,169,402.06	19,832,191,712.82
Advance receipts	9,009,307,479.17	10,553,642,205.32
Staff remuneration payable	1,281,207,882.77	1,067,189,892.33
Taxes payable	2,650,425,279.99	102,072,321.44
Interests payable	94,435,786.89	66,764,924.11
Other payables	194,101,332.28	159,471,119.07
Non-current liabilities due within one year	4,701,675,000.00	4,399,850,000.00
Other current liabilities	287,065,212.16	1,921,647,447.24
Total of current liabilities	53,968,566,562.92	48,014,955,956.19
NON-CURRENT LIABILITIES		
Long-term borrowings	626,890,000.00	628,550,000.00
Bonds payable	9,447,769,812.99	9,339,778,162.83
Specific payables	607,930,041.38	627,409,321.54
Deferred income tax liabilities	298,006,027.57	2,518,457,144.21
Other non-current liabilities	611,690,385.31	586,978,435.75
Total non-current liabilities	11,592,286,267.25	13,701,173,064.33
Total liabilities	65,560,852,830.17	61,716,129,020.52
SHAREHOLDER'S EQUITY		
Share capital	17,122,048,088.00	17,122,048,088.00
Capital reserve	35,197,867,311.97	35,894,640,824.12
Less: treasury shares	1,161,410,196.17	115,785,165.80
Surplus reserve	23,229,714,608.04	23,229,714,608.04
Special reserve	3,108,869.97	-
Undistributed profits	29,289,980,070.74	27,655,734,884.98
Total shareholder's equity	103,681,308,752.55	103,786,353,239.34
TOTAL OF LIABILITIES & SHAREHOLDER'S EQUITY	169,242,161,582.72	165,502,482,259.86

Consolidated Profit Statement

January-March 2013

Compiled by: Baoshan Iron & Steel Co., Ltd. Unit: Yuan Currency: RMB Unaudited

Item	Amount of this period	Amount of last period
I. TOTAL OPERATING REVENUE	46,435,928,935.33	47,419,467,218.88
Including: Operating income	46,354,667,221.49	47,311,228,116.51
Interest income	79,909,964.24	105,127,733.37
Handling charges and commission income	1,351,749.60	3,111,369.00
II. TOTAL OPERATING EXPENSE	44,249,941,901.63	46,461,271,812.85
Including: Operating cost	42,188,188,101.07	43,753,725,258.53
Interest expenses	59,638,352.28	65,777,191.57
Handling charges and commission expenses	143,132.84	156,304.81
Business tax and surcharges	128,292,445.95	50,952,608.97
Sales expenses	409,017,818.41	441,138,913.05
Administrative expenses	1,356,100,180.92	2,107,365,747.24
Financial expenses	45,222,789.96	324,862,661.03
Loss on the asset impairment	63,339,080.20	-282,706,872.35
Add: Gains from change in fair value (“-” for loss)	16,283,007.02	1,566,960.31
Investment gains (“-” for loss)	12,832,433.47	213,236,450.45
Including: Gains from investment in associates and joint ventures	-3,030,799.63	66,331,435.81
III. TOTAL OPERATING PROFIT (“-” for loss)	2,215,102,474.19	1,172,998,816.79
Add: Non-operating income	98,049,057.21	364,369,286.10
Less: Non-operating expenses	62,463,145.39	38,540,273.39
Including: Loss from disposal of non-current assets	29,321,923.49	22,908,719.65
IV PRE-TAX PROFIT (“-” for loss)	2,250,688,386.01	1,498,827,829.50
Less: Income tax expenses	573,855,862.92	233,246,488.25
V. NET PROFIT (“-” for loss)	1,676,832,523.09	1,265,581,341.25
Net profit attributable to the equity holder of the parent company	1,627,750,029.32	1,221,235,361.38
Minority interest income	49,082,493.77	44,345,979.87
VI. EARNINGS PER SHARE		
(I) Basic earnings per share	0.10	0.07
(II) Diluted earnings per share	0.10	0.07
VII. OTHER COMPREHENSIVE INCOME	-192,820,166.09	32,045,550.95
VIII. TOTAL COMPREHENSIVE INCOME	1,484,012,357.00	1,297,626,892.20
Total comprehensive income attributable to the equity holder of the parent company	1,436,701,708.96	1,254,061,091.73
Total comprehensive income attributable to minority shareholders	47,310,648.04	43,565,800.47

Profit Statement of the Parent Company

January-March 2013

Compiled by: Baoshan Iron & Steel Co., Ltd. Unit: Yuan Currency: RMB Unaudited

Item	Amount of this period	Amount of last period
I. OPERATING INCOME	29,106,159,512.93	36,870,438,375.95
Less: Operating cost	26,520,905,567.78	34,564,322,054.12
Business tax and surcharges	81,503,863.47	21,935,836.26
Sales expenses	151,397,252.79	174,551,975.89
Administrative expenses	957,096,572.15	1,682,750,819.69
Financial expenses	-206,928,739.32	146,694,568.18
Loss on the asset impairment	-516,236,835.62	-128,099,741.49
Add: Gains from change in fair value (“-” for loss)	14,442,586.56	-
Investment gains (“-” for loss)	7,012,818.47	56,761,941.37
Including: Gains from investment in associates and joint ventures	20,720,424.61	45,851,069.65
II. OPERATING PROFIT (“-” for loss)	2,139,877,236.71	465,044,804.67
Add: Non-operating income	31,139,204.78	312,948,346.64
Less: Non-operating expenses	44,131,193.26	24,777,864.90
Including: Loss from disposal of non-current assets	24,091,225.02	19,206,330.16
III. PRE-TAX PROFIT (“-” for loss)	2,126,885,248.23	753,215,286.41
Less: Income tax expenses	492,640,062.47	105,123,348.63
IV. NET PROFIT (“-” for loss)	1,634,245,185.76	648,091,937.78
V. OTHER COMPREHENSIVE INCOME	2,138,485.32	-617,030.70
VI. TOTAL COMPREHENSIVE INCOME	1,636,383,671.08	647,474,907.08

Consolidated Cash Flow Statement

January-March 2013

Compiled by: Baoshan Iron & Steel Co., Ltd. Unit: Yuan Currency: RMB Unaudited

Item	Amount of this period	Amount of last period
I. CASH FLOW FROM OPERATING ACTIVITIES		
Cash received from sales of goods and provision of services	52,338,158,448.61	54,167,530,805.42
Net increase in deposits from customers and placements from banks and other financial institutions	-	1,582,416,022.09
Net decrease in loans and advances to customers	-	82,048,748.48
Net increase in loans from other financial institutions	-	800,000,000.00
Cash received from interest, handling charges and commissions	78,673,995.33	93,280,516.07
Tax rebates	47,299,489.91	59,966,688.91
Other cash received from activities related to operation	279,486,516.01	898,046,677.65
Subtotal of cash inflow from operating activities	52,743,618,449.86	57,683,289,458.62
Cash paid for goods purchased and services rendered	45,053,131,370.38	46,121,570,543.90
Net decrease in deposits from customers and placements from banks and other financial institutions	21,084,951.33	-
Net increase in loans and advances to customers	600,000,000.00	-
Net increase in deposits with central bank and other financial institutions	224,162,381.48	242,389,402.63
Net decrease in loans from other financial institutions	731,445,564.46	-
Cash payment for interest, handling charges and commissions	85,092,219.28	55,701,397.30
Cash paid to and on behalf of employees	1,995,016,323.95	2,206,418,733.48
Taxes paid	1,634,866,670.58	1,182,646,542.71
Other cash paid for activities related to operating activities	512,844,465.84	941,624,103.44
Subtotal of cash outflow from operating activities	50,857,643,947.30	50,750,350,723.46
Net cash flow from operating activities	1,885,974,502.56	6,932,938,735.16
II. CASH FLOW FROM INVESTING		

ACTIVITIES		
Cash received from disposal of investments	852,751,855.82	470,405,085.71
Cash received from gains in investments	29,052,397.91	363,936,551.53
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	32,976,007.47	4,574,406.56
Other cash received relating to investment activities	6,763,327.68	128,820,140.66
Subtotal of cash inflow from investment activities	921,543,588.88	967,736,184.46
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	3,236,973,812.66	3,302,200,531.45
Cash paid for investments	997,255,575.35	545,249,545.53
Cash received from subsidiaries and other companies	-	-17,557,703.60
Other cash paid related to investment activities	11,874,332.80	58,149.92
Subtotal of cash outflow from investment activities	4,246,103,720.81	3,829,950,523.30
Net cash flow from investment activities	-3,324,560,131.93	-2,862,214,338.84

Consolidated Cash Flow Statement (Continued)

January-March 2013

Compiled by: Baoshan Iron & Steel Co., Ltd. Unit: Yuan Currency: RMB Unaudited

Item	Amount of this period	Amount of last period
III. CASH FLOW FROM FINANCING ACTIVITIES		
Cash received by absorbing investments	98,000,551.63	14,365,995.04
Including: Cash received by subsidiaries from minority shareholder's investments	98,000,551.63	14,365,995.04
Cash received from borrowings	23,505,094,871.96	27,156,612,954.89
Subtotal of cash inflow from financing activities	23,603,095,423.59	27,170,978,949.93
Cash repayments of debts	19,659,866,390.19	19,573,397,264.87
Cash payments for distribution of dividends or profits, or cash payments for interests	257,127,950.72	376,861,362.88
Cash payment for repurchase of the Company's stock	1,045,625,030.37	-
Subtotal of cash outflow from financing activities	20,962,619,371.28	19,950,258,627.75
Net cash flow from financing activities	2,640,476,052.31	7,220,720,322.18
IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	-52,583,893.89	-18,869,955.05
V. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	1,149,306,529.05	11,272,574,763.45
Add: Balance of cash and cash equivalents at beginning of the period	7,632,107,621.86	13,180,223,388.65
VI. BALANCE OF CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	8,781,414,150.91	24,452,798,152.10

Cash Flow Statement of the Parent Company

January-March 2013

Compiled by: Baoshan Iron & Steel Co., Ltd. Unit: Yuan Currency: RMB Unaudited

Item	Amount of this period	Amount of last period
I. CASH FLOW FROM OPERATING ACTIVITIES		
Cash received from sales of goods and provision of services	30,678,246,314.12	39,403,150,902.26
Other cash received from activities related to operation	91,181,983.29	114,006,411.55
Subtotal of cash inflow from operating activities	30,769,428,297.41	39,517,157,313.81
Cash paid for goods purchased and services rendered	25,538,709,087.14	35,373,264,478.86
Cash paid to and on behalf of employees	1,247,005,683.16	1,468,122,300.40
Taxes paid	1,024,497,551.66	494,503,163.45
Other cash paid for activities related to operating activities	250,253,217.31	213,479,594.08
Subtotal of cash outflow from operating activities	28,060,465,539.27	37,549,369,536.79
Net cash flow from operating activities	2,708,962,758.14	1,967,787,777.02
II. CASH FLOW FROM INVESTING ACTIVITIES		
Cash received from disposal of investments	300,000,000.00	-
Cash received from gains in investments	171,102.74	11,797,438.16
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	4,903,048.72	2,846,356.10
Other cash received relating to investment activities	5,844,646.46	122,194,330.97
Subtotal of cash inflow from investment activities	310,918,797.92	136,838,125.23
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	1,162,491,561.46	1,331,404,632.27
Cash paid for investments	1,264,836,958.00	145,104,340.00
Other cash paid related to investment activities	11,874,332.80	58,149.92
Subtotal of cash outflow from investment activities	2,439,202,852.26	1,476,567,122.19
Net cash flow from investment activities	-2,128,284,054.34	-1,339,728,996.96
III. CASH FLOW FROM FINANCING ACTIVITIES		
Cash received borrowings	10,682,304,724.51	17,496,581,576.61
Cash received from other financing activities	72,343,933.62	1,006,586,868.41
Subtotal of cash inflow from financing activities	10,754,648,658.13	18,503,168,445.02

Cash repayments of debts	8,135,157,269.62	10,888,810,470.04
Cash payments for distribution of dividends or profits, or cash payments for interests	70,195,382.82	216,096,769.14
Cash payments for other financing activities	1,135,035,536.17	10,847,748.96
Subtotal of cash outflow from financing activities	9,340,388,188.61	11,115,754,988.14
Net cash flow from financing activities	1,414,260,469.52	7,387,413,456.88
IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	-173,847.86	-1,109,545.38
V. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	1,994,765,325.46	8,014,362,691.56
Add: Balance of cash and cash equivalents at beginning of the period	2,036,143,946.73	8,826,002,497.24
VI. BALANCE OF CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	4,030,909,272.19	16,840,365,188.80