

### III. Capital and Shareholders

#### (I) Changes in Share Capital

##### 1. Changes in share capital

	(Share)								
	Beginning of year		Changes in the period (+, -)					End of year	
	Shares	%	Shares issued	Bonus share	Share transferred from reserve	Others	Sub-total	Shares	%
I. Shares subject to conditional sales									
II. Shares not subject to conditional sales	17,512,048,088	100						17,512,048,088	100
1. RMB ordinary shares	17,512,048,088	100						17,512,048,088	100
2. Domestic listed international investment shares									
3. Overseas listed international investment shares									
4. Others									
III. Total	17,512,048,088	100						17,512,048,088	100

##### 2. Changes in shares subject to conditional sales

The Company has no shares subject to conditional sales in the reporting period.

#### (II) Issuance of Securities

##### 1. Issuance of securities in the previous three years

In the previous three years, there is no issuance of securities.

##### 2. Changes of the Company's total shares and share structure

No changes of the Company's total shares and share structure occurred during the reporting period due to complimentary shares or share allotment.

##### 3. Status of existing employee stocks

During the reporting period, no shares for employees of the Company were in issue.

### III. Capital and Shareholders

#### (III) Shareholders and Actual Controllers

##### 1. Shareholders and their shares

(Unit: Share)

Number of shareholders in the end of 2011	601,660
Number of shareholders in the end of the previous month before this disclosure of this report	588,168

##### Top 10 shareholders

Name	Type of Investor	Percentage (%)	Total shares	Increase during the period	Shares subjected to conditional sales	Shares pledged or frozen
BAOSTEEL GROUP CORP.	State-owned	74.87	13,111,255,230	157,737,789	0	None
RUGAO CHANGRONG ORE STORAGE LIMITED	Others	0.40	70,185,347	12,955,835	0	None
ZHANGJIAGANG FREE TRADE ZONE QIANXING INVESTMENT & TRADING CO., LTD.	Others	0.36	63,419,861	40,809,317	0	None
ZHANGJIAGANG FREE TRADE ZONE LIXIN INVESTMENT CO., LTD.	Others	0.33	58,626,601	24,403,417	0	None
INDUSTRIAL AND COMMERCIAL BANK OF CHINA—SHANGHAI STOCK EXCHANGE 50 ETF FUND	Others	0.32	56,389,527	2,891,925	0	None
UBS AG (Bank, Switzerland)	Others	0.30	52,959,082	-17,969,311	0	None
BANK OF COMMUNICATION—E FUND 50 INDEX SECURITIES INVESTMENT FUND	Others	0.30	51,875,729	-19,400,000	0	None
ZHANGJIAGANG FREE TRADE ZONE RIXIANG INTERNATIONAL TRADE CO., LTD.	Others	0.29	51,612,776	14,980,855	0	None
INTERNATIONAL FINANCE—STANDARD CHARTERED (GOVERNMENT OF SINGAPORE INVESTMENT CORPORATION PTE LTD.)	Others	0.27	47,747,549	35,255,453	0	None
ZHANGJIAGANG HONGDA TRANSPORTATION CO., LTD.	Others	0.24	42,414,158	14,811,871	0	None

##### Top 10 tradable-share holders

Shareholders	Shareholdings of unconditional share	Share type
BAOSTEEL GROUP CORP.	13,111,255,230	RMB ordinary share
RUGAO CHANGRONG ORE STORAGE LIMITED	70,185,347	RMB ordinary share
ZHANGJIAGANG FREE TRADE ZONE QIANXING INVESTMENT & TRADING CO., LTD.	63,419,861	RMB ordinary share
ZHANGJIAGANG FREE TRADE ZONE LIXIN INVESTMENT CO., LTD.	58,626,601	RMB ordinary share
INDUSTRIAL AND COMMERCIAL BANK OF CHINA—SHANGHAI STOCK EXCHANGE 50 ETF FUND	56,389,527	RMB ordinary share
UBS AG (Bank, Switzerland)	52,959,082	RMB ordinary share
BANK OF COMMUNICATION—E FUND 50 INDEX SECURITIES INVESTMENT FUND	51,875,729	RMB ordinary share
ZHANGJIAGANG FREE TRADE ZONE RIXIANG INTERNATIONAL TRADE CO., LTD.	51,612,776	RMB ordinary share
INTERNATIONAL FINANCE—STANDARD CHARTERED (GOVERNMENT OF SINGAPORE INVESTMENT CORPORATION PTE LTD.)	47,747,549	RMB ordinary share
ZHANGJIAGANG HONGDA TRANSPORTATION CO., LTD.	42,414,158	RMB ordinary share

Remarks on affiliation, alliance or collusion among the aforementioned top ten shareholders: According to the Medium-term Notes Prospectus published by Jiangsu Shagang Group Co., Ltd. (Shagang Group) in May and November of 2011, Rugao Changrong Ore Storage Limited is the joint stock company of the subsidiary controlled by Shagang Group; the shareholders of Zhangjiagang Free Trade Zone Qianxing Investment & Trading Co., Ltd. is Shagang Group's shareholders; 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. 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.

Note: During the period from 27 September 2011 to 28 December 2011, Baosteel Group purchased 157,737,789 more shares of the Company through the trading system of Shanghai Stock Exchange, increasing its holding of the Company's share to 74.87%. On 16 January 2012, Baosteel Group purchased another 17,570,037 shares of the Company through the same trading system. After the two purchases, the Group owns 13,128,825,267 shares of the Company, accounting for 74.97% of the total issued shares of the Company.

Baosteel Group planned to continue purchasing shares of the Company in its own name from the secondary market in the following 12 months after its first increase of shares on 27 September 2011. The accumulated share increase holding percentage shall not exceed 2% of the Company's issued shares (including this increase). Baosteel Group promised that during the share increase period and the legal time limit, they would not reduce its holding of shares.

The Company published the details of the share increase in China Securities News, Shanghai Securities News and Securities Times, as well as on the website of Shanghai Stock Exchange on 28 September 2011 and 17 January 2012.

## 2. Holding company and actual controller

### (1) Holding company

Name	Shanghai Baosteel Group Corporation
Legal representative:	Xu Lejiang
Date of incorporation	17 November 1998
Authorized capital	RMB 51,082,620,998.89
Principal businesses and operations	As a governmental authorized investment vehicle and a state-owned holding company, Baosteel Group Corporation mainly deals with state-owned assets within the authorized scope set by the State Council. The Corporation has also been involved in investments in areas of iron & steel manufacturing, metallurgy and mineral products, non-toxic chemicals, electricity, piers, warehousing, transportation, and steel-related business, technological development, technology transfer, technical supporting, and technical management consulting, as well as in areas of import and export businesses approved by the Ministry of Foreign Trade & Economic Cooperation (MOFTEC), domestic and international trading where allowed, and import and export services of products and technology.

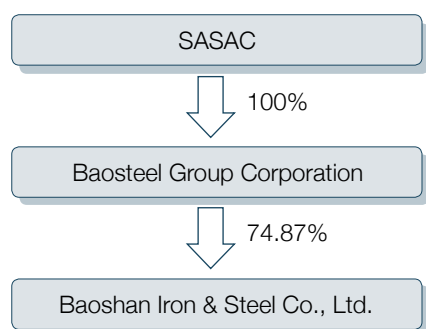
### (2) Actual controller

Baosteel's actual controller is the State-owned Assets Supervision and Administration Commission of the State Council (SASAC).

### (3) Changes of the holding company and actual controller

The holding company and actual controller remained unchanged in the reporting period.

### (4) The enterprise property rights and controlling relationship between the Company and its actual controller



## 3. Other corporate shareholders holding over 10% shares

As at the end of the reporting period, the Company has no other corporate shareholders holding over 10% shares.

### III. Capital and Shareholders

#### (IV) Information of Convertible Corporate Bonds

##### 1. Issuance of convertible bonds

Approved by China Securities Regulatory Commission (CSRC) in the document [2008] 739, the Company issued, on June 20, 2008, RMB 10 billion convertible bonds with attached warrants with par value of RMB 100 per bond and a duration of six years. The coupon rate was 0.80%. On June 30, 2008, the convertible bond with warrants was separated into 100,000,000 corporate bonds (a worth of RMB 10 billion) and 1,600,000,000 stock warrants.

Approved by Shanghai Stock Exchange in the document [2008] 81, a total of RMB 10 billion of corporate bonds after separation were listed in Shanghai Stock Exchange on July 4, 2008. The bond was abbreviated as "08 Baosteel Bond" with the code of "126016". The duration is from July 4, 2008 to June 19, 2014 and they will be repaid in the five trading days after the maturity date (June 19, 2014).

Approved by Shanghai Stock Exchange in the document [2008] 11, a total of 1,600,000,000 stock warrants after separation were listed in Shanghai Stock Exchange on July 4, 2008. The stock warrant was abbreviated as "Baosteel CWBI" with the code "580024". The duration was from July 4, 2008 to July 3, 2010 and the exercising period was the trading days from June 28, 2010 to July 3, 2010, during which the warrants were to cease trading.

As at the market close on July 2, 2010, the exercise schedule for "Baosteel CWBI" was ended with 113,785 stock warrants exercised, resulting in an increase of 48,088 shares of the Company, and a total capital of RMB 567,438.40 raised. The raised capital has been used as stated in the prospectus. On July 7, 2010, the "Baosteel CWBI" stock warrants were delisted in Shanghai Stock Exchange.

##### 2. Holders and underwriter of the convertible bonds during the reporting period

Number of holders of convertible bonds at the end of the reporting period	9,474
Underwriter of the Company's Convertible Bonds	Baosteel Group Corp.

##### Top ten holders of Baosteel Convertible Bond

Holders	Bonds held at the end of the reporting period (RMB)	Percentage (%)
China Pacific Life Insurance Co., Ltd.	1,690,577,000	16.91
New China Insurance Co., Ltd.	1,449,378,000	14.49
National Council for Social Security Fund—305 Combo	499,158,000	4.99
China National Petroleum Corporation Enterprise Annuity Plan—Industrial and Commercial Bank of China	400,000,000	4.00
Huatai Life Insurance Company Ltd. — Dividend-unit-linked product	388,749,000	3.89
Bank of Communications Co., Ltd. — ICBC Ruixin bond security investment fund	385,336,000	3.85
New China Life Insurance Co., Ltd. — Wanneng-Deyi financial bond, fund account	384,108,000	3.84
China Petroleum Finance Co., Ltd.	383,936,000	3.84
China Petroleum Finance Co., Ltd.	377,073,000	3.77
Citic Securities Co., Ltd.	355,249,000	3.55

##### 3. Changes of the convertible bond price

Date of adjustment	Price after adjustment	Disclosure date	Disclosure media	Notes
15 June 2009	12.16	15 June 2009	<i>China Securities News, Shanghai Securities News and Securities Times</i> and the official website of Shanghai Stock Exchange ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> )	Dividend distribution
24 May 2010	11.80	24 May 2010	<i>China Securities News, Shanghai Securities News and Securities Times</i> and the official website of Shanghai Stock Exchange ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> )	Dividend distribution
Closing price for the convertible bond of the period		The exercise for "Baosteel CWBI" was ended		

4. The profitability, assets status and credit rating of Baosteel Group, the guarantee of the Company's "08 Baosteel Bond", have not experienced significant changes.

5. At the end of the reporting period, the asset-liability ratio was 47.9%, an indication of a stable capital structure. In the coming years, the Company would repay its due bonds by its own capital and debt financing.