

Company Code: 600019

Company Abbreviation: Baosteel

Baoshan Iron & Steel Co., Ltd.
Abstract of the 2018 Semi-annual Report

I. Important Notice

1. The Abstract of the Semi-annual Report is from the full text of the semi-annual report, for a comprehensive understanding of the Company's operating results, financial condition and future development planning, investors should carefully read the full text of Semi-annual Report at the Shanghai Stock Exchange website and such other media designated by China Securities Regulatory Commission.
2. The Board of Directors and the Board of Supervisors of Baoshan Iron & Steel Co., Ltd, along with the directors, supervisors and senior executives, hereby guarantee that this Semi-annual 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. .
3. Information about directors absent from the meetings

Title of Director Absent	Name of Director Absent	Explanations about the Reason why the Director is Absent from the Meeting	Name of the Appointed Person
Independent director	Lu Xiongwen	For the reason of work	Xie Rong

4. The semi-annual report is un-audited.

5. Proposed Profit Appropriation Plan and Capitalizing of Reverses Plan for the Reporting Period Reviewed by the Board of Directors

None

II. Basic Information of the Company

2.1 Company Profile

Company Stock				
Stock Type	Stock Exchanges	Stock abbreviation	Stock Code	Stock Abbreviation prior to Change
A-share	Shanghai Stock Exchanges	Baosteel	600019	G Baosteel

Contact Person and Contact Information	Secretary to Board of Directors	Representative of Securities Affairs
Name	Wang Juan	Xia Zhilong
Tel.	86-21-26647000	86-21-26647000
Office Address:	Board of Directors' Secretary Office of Baoshan Iron & Steel Co., Ltd., Baosteel Administration Center, 885 Fujin Rd. Baoshan District, Shanghai	Board of Directors' Secretary Office of Baoshan Iron & Steel Co., Ltd., Baosteel Administration Center, 885 Fujin Rd. Baoshan District, Shanghai
E-mail	ir@baosteel.com	ir@baosteel.com

2.2 Main Financial Data of the Company

Unit: Million Yuan Currency: RMB

	End of this Reporting Period	End of Last Year	Increase/Decrease of this Reporting Period Compared with the End of Last Year (%)
Total assets	351,802	350,235	0.45
Net assets attributable to the shareholders of the listed company	164,842	164,433	0.25
	This Reporting Period (Jan.-Jun.)	Same period of last year	Increase/Decrease of this Reporting Period Compared with the Same Period of Last Year
Net amount of cash flow arising from the operating activities	19,469	6,541	197.63
Operating income	148,534	145,373	2.17
Net profits attributable to the shareholders of the listed company	10,009	6,170	62.23
Net profits attributable to the shareholders of the listed companies after deduction of the non-recurring gains and losses	9,444	6,201	52.30
Weighted average return on equity (%)	5.97	4.06	Up 1.91 ppt
Basic earnings per share (EPS) (Yuan/Share)	0.45	0.28	60.71
Diluted earnings per share (Yuan/Share)	0.45	0.28	60.71

2.3 Shareholding of Top 10 Shareholders

Unit: Share

Total number of shareholders by the end of reporting period		351,445				
Total number of preferred shareholders whose voting rights are restored by the reporting period						
Information of Top 10 Shareholders' holdings						
Name of Shareholders	Nature of Shareholders	Proportion of Shareholding	Number of shares held	Number of Shares with Limited Sales Conditions	Number of Pledged or Frozen Shares	
China Baowu Steel Group Corporation Ltd. (Note 1)	State-owned legal person	50.75	11,300,148,999	0	Pledged	2,850,000

						0,000
Wuhan Iron & Steel (Group) Corporation	State-owned legal person	13.39	2,982,172,472	0	None	0
China Securities Finance Co., Ltd.	State-owned legal person	4.90	1,091,012,228	0	None	0
China National Petroleum Corporation	State-owned legal person	3.59	800,000,000	0	None	0
Guoxin Investment Co., Ltd.	State-owned legal person	2.93	653,544,817	0	None	0
Beijing Chengtong Jinkong Investment Co., Ltd.	State-owned legal person	2.93	653,544,793	0	None	0
HongKong Securities Clearing Company Ltd.	Unknown	2.50	557,364,269	0	None	0
China Cosco Shipping Corporation Ltd.	State-owned legal person	1.26	280,000,000	0	None	0
Central Huijin Asset management Co., Ltd.	State-owned legal person	0.87	194,224,180	0	None	0
GIC PRIVATE LIMITED	Unknown	0.65	144,880,062	0	None	0
Explanations about affiliation, alliance or collusion among the aforementioned shareholders	Wuhan Iron & Steel (Group) Corporation is the wholly-owned subsidiary of China Baowu Steel Group Corporation Limited. Besides, the Company is not aware if there is the association relationship among other shareholders of the Company mentioned above or any parties acting in concert specified in <i>Measures for the Administration of Acquisitions by Listed Companies</i> .					
Explanations about the preferred stockholders with voting right restored and their shares						

Note 1: On December 1, 2017, China Baowu Steel Group Corporation Limited finished the issuance of 2017 (initial) convertible bonds of China Baowu Steel Group Corporation Limited with the A-shares of the Company held by it as the object, took the 2,850,000,000 A-shares of the Company ready for conversion and corresponding interest as the guarantee and trust property, held the shares in the name of China International Capital Corporation Limited (CICC) and was recorded on the list of security holders as a security holder named "Special Account for China Baowu Group – CICC – No. 17 Baowu EB Guarantee and Trust Property". For details, please refer to the Announcement of the Company about Its Controlling Shareholders' Planning for Issuing Convertible Bonds to Go through the Guarantee and Trust Registration for Some Shares of the Company issued by the Company on November 11, 2017.

2.4 Information about the change of controlling shareholders or actual controllers

Applicable N/A

2.5 Information about the unmaturred and overdue unpaid debts of the Company

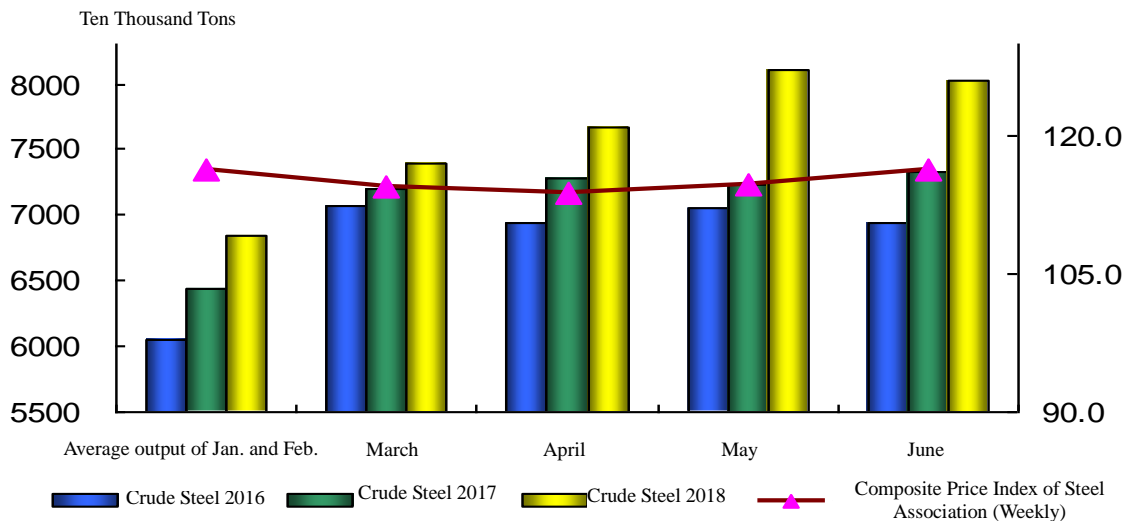
Applicable N/A

III. Discussion and analysis of operation conditions

3.1 Discussion and analysis of operation conditions

In the first half year, the overall national economy of China had been stable and tended to a good prospect, the economic structure had continuously optimized and upgraded and the demands of main downstream industries for steel had been relatively stable. The nationwide output of crude steel had been 450 million tons at a year-on-year increase rate of 6.0%; the comprehensive steel price index of CISA (China Iron and Steel Industry Association) had been 114.75 at a year-on-year rate of 15% compared with last year; the daily average value of Iron Ore Platts Index 62% had daily been USD 69.9 at a year-on-year decrease rate of 6% compared with last year, wherein the purchase and marketing price differentials of steel products had enlarged. Seen from the angle of quarterly comparison, the domestic steel market in the first half year had taken on the tendency of being first weak and then strong and large fluctuation. Since the second quarter, with the combined action of factors such as the relation between supply and demand, the policies on environmental protection and the inventory reduction, the domestic market prices had gradually tended to stably pick up and the overall fluctuation range had narrowed.

During the reporting period, the Company had output the iron of 22,767,000 tons and the steel of 23,956,000 tons, sold the billet steel of 23,261,000 tons and achieved the total consolidated profits of RMB 14.08 billion Yuan.



Looking forward to the second half year, the tendency that China's economy is stable and tends to a good prospect will not change. There are some reasons. To be specific, the demands of downstream manufacturing industry are released stably; the overcapacity cutting of the iron and steel industry and the supervision, examination and renovation of environmental protection are strengthened; the overall supply-demand environment of the iron and steel industry are relatively stable. However, the iron and steel industry will still suffer certain operational risk due to the influence of factors such as the continuous pressure-bearing of infrastructural investments, the launch of newly increased capacity and the rising of international trade protectionism.

In the second half year, the production and marketing scale of the Company will remain stable. However, facing the changes in objective conditions such as the increase in environmental protection investments, the concentration of periodical and annual repairs, the changes in exchange rates and the rise in material

purchasing prices, the Company will face multiple challenges and pressure in respect of remaining stable and smooth manufacture and sustainable cost reduction. With the help of the improvement in multiple manufacturing base management ability and the synergistic effect mining, the Company will accelerate the implementation of reform measures, consolidate the work achievements made from cost reduction, market development and efficiency improvement, effectively hedge the changes in internal and external business environment, strive to keep stable performance and ensure the realization of annual operation objectives.

3.2 Conditions, reasons and influence of changes in accounting policies, accounting estimates and accounting methods compared with the previous accounting period

Applicable N/A

3.3 Conditions of retroactive statements required for the correction of the important accounting errors, corrected amount, reasons and influence during the reporting period.

Applicable N/A

Chairman: Dai Zhihao
Baoshan Iron & Steel Co., Ltd.
August 27, 2018