

2016

BAOSTEEL
GUIDEBOOK

From the Editors

To let people from all circles, including partners of Baosteel, users, related departments, and internal staff of Baosteel, understand the basic situation of Baosteel in a comprehensive and accurate manner, Baosteel has decided to edit and publish Baosteel Guidebook each year from 2010.

Baosteel Guidebook 2016 is a compilation of the basic information about Baosteel Group Corporation in 2015. All data has been provided by the related departments of Baosteel and has been reviewed and approved by department heads. (The deadline for submission of materials was December 2015).

Editors

June 2016

Baosteel Group Corporation

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Corporate Operation



Corporate Operation

Profile of the Enterprise

Baosteel Group Corporation (abbreviated to Baosteel or Baosteel Group; its English name is BAOSTEEL GROUP CORPORATION) is one of the super-scale iron and steel complexes with the highest level of modernization and the most complete varieties of steel in the world. With a registered capital of RMB 52.791 billion, it is a wholly state-owned enterprise (the State-owned Assets Supervision and Administration Commission of the State Council performs the responsibilities of investors on behalf of the State Council). Business scope: state-owned assets within the scope authorized by the State Council and related investment business; iron & steel, metallurgical mineral resources, coal, chemicals (except dangerous materials), electric power, wharf, warehousing, transportation, and other industries related with iron & steel; technology development, technology transfer, technical service, and technical management consultancy; import and export practices approved by the Ministry of Foreign Trade and Economic Cooperation, as well as domestic and foreign trade (except special provisions) and its service, etc. Baosteel Group is headquartered at 370 Pudian Road, Pudong New Area, Shanghai.

Baosteel (called Shanghai Baoshan General Iron & Steel Works before 1993) was established initially on December 23, 1978. It is a super-scale modern steel complex invested and constructed by the state. Covering a land area of 18.98 square kilometers and being approximately 26 kilometers away from the city's center, the People's Square, the main factory of Baosteel is located in the northern part of Shanghai along the Yangtze River. On September 15, 1985, Baosteel's first-phase project with an annual output of 3 million tons of steel was successfully put into production, which was the first of its kind that had been introduced in a complete-set manner in New China. In June 1991, Baosteel's first and second-phase projects with a designed annual output

of 6.71 million tons of steel were totally completed. The third-phase project constructed using the capital raised by the enterprise itself was completed in 2000, which enabled Baosteel to become one of the few super-large modern iron& steel enterprises with a production capacity of over ten-million tons in the world.

On November 17, 1998, with the approval of the State Council, Baoshan Iron & Steel (Group) Corporation (the original Shanghai Baoshan General Iron & Steel Works which was renamed in 1993) merged Shanghai Metallurgical Holding (Group) Corporation and Shanghai Meishan (Group) Co., Ltd. to establish Shanghai Baosteel Group Corporation. In October 2005, Shanghai Baosteel Group Corporation was reorganized into a standard solely state-owned enterprise in accordance with the Company Law of the P.R.C., and renamed as Baosteel Group Corporation.

On February 3, 2000, based on original Baosteel's assets, Shanghai Baosteel Group Corporation exclusively established Baoshan Iron & Steel Co., Ltd. (abbreviated to Baosteel Co., Ltd.) , which was listed on Shanghai Stock Exchange on December 12 of the same year.

On January 16, 2007, Xinjiang Bayi Iron and Steel Group Co., Ltd. was reorganized after an agreement was signed between Baosteel and the Government of Xinjiang Uygur Autonomous Region; on April 28, 2007, Xinjiang Bayi Iron and Steel Group Co., Ltd. officially joined the Baosteel Group, and was renamed as Baosteel Group Xinjiang Bayi Iron & Steel Co., Ltd. (abbreviated to Bayi Iron & Steel).

On March 1, 2009, Ningbo Iron & Steel Co., Ltd. (abbreviated to Ningbo Iron & Steel) was reorganized after an agreement was signed between Baosteel and Hangzhou Iron & Steel Corporation. On December 16, 2014, Baosteel became the second largest shareholder of Ningbo Iron & Steel.

On December 31, 2010, Fujian Desheng Nickel Products Co., Ltd. was reorganized and named as Baosteel Desheng Stainless Steel Co., Ltd. (abbreviated to Baosteel Desheng) after an agreement was signed between Baosteel and Fujian Wugang Group Corporation; on March 18, 2011, Baosteel Desheng Stainless Steel Co., Ltd. was unveiled.

On April 18, 2011, Baosteel Zhanjiang Iron & Steel Co., Ltd. (abbreviated to Zhanjiang Iron & Steel) was registered and established in Zhanjiang, Guangdong Province. On May 24, 2012, National Development and Reform Commission issued an official document to approve Baosteel to undertake the construction of Zhanjiang Iron &

Steel project; on May 31, 2012, Baosteel Guangdong Zhanjiang Iron & Steel Base Project was in full-scale construction on Donghai Island of Zhanjiang. In 2013, the main projects of Zhanjiang Iron & Steel including iron-making, steel-making, continuous casting, hot rolling, and cold rolling were started in succession.

On August 22, 2011, Baosteel signed agreements with the State-owned Assets Supervision and Administration Commission of Guangdong Province (SASAC) concerning reorganization of Guangdong Shaoguan Iron & Steel Group Co., Ltd.; On April 18, 2012, Baosteel Group Guangdong Shaoguan Iron & Steel Co., Ltd. (abbreviated to Shaoguan Iron& Steel) was established.

On July 4, 2012, the Shanghai Municipal Government signed the Cooperation Agreement on Iron and Steel Industry Structural Adjustment in Shanghai Baoshan District with Baosteel. According to the agreement, Baosteel Group would implement structural adjustment of iron and steel industry in Shanghai Baoshan District in principle of "output reduction, efficiency increase, adjustment, and development", aiming to reduce the output capacity of iron and steel by about 6.6 million tons in Shanghai.

With its primary operation in iron and steel, Baosteel produces three series of iron & steel products featuring high added value and technology, including plain carbon steel, stainless steel, and special steel. Through marketing network covering the whole world, all the super quality iron & steel products are promoted to satisfy domestic demands as well as being exported to more than 40 countries and regions in Asia, Africa, Europe, and America. These products are widely used in automobiles, household electrical appliances, petrochemical works, machinery manufacturing, energy industry, transportation, metal ware, aeronautics and astronautics industry, nuclear power equipment, electronic instruments, etc. In the field of auto sheet, Baosteel is the world's first manufacturer which have the capability to supply the first, second, and third generation high-strength steel. Centering on the development demands of iron and steel industry, Baosteel vigorously develops diversified industries. By mainly centering on the supply chain, technology chain, and resources utilization chain of iron and steel industry, and through strengthening the integration of internal and external resources to enhance its comprehensive competitiveness and its position in the industry, Baosteel forms a business structure including resources development and logistics, extended steel processing, engineering technological service, coal chemical industry,

financial investment, production service, IT service, information service, iron and steel service, real estate development, etc., which develops in coordination with the iron and steel industry.

Baosteel 2010-2015 Development Plan makes clear the following development goals: to be the leader in iron and steel technology; to be the driving force of green industry; and to be the role model of common development of employees and enterprises. In order to achieve the goals, Baosteel will undertake industrial transformations from manufacturing to service, iron & steel to materials, from China-oriented to global-oriented and will focus on such five aspects as technology innovation, service first, environmental management, digitization, and the combination of production and finance to boost the competitiveness and build competitive advantages for the future.

In 2015, Chinese iron and steel industry was still in the "market winter" of "high production, low price, high cost, and low profit". Through vigorously implementing the adjustment of industrial structure and making efforts in service transformation, Baosteel has been listed among the Fortune Global 500 by the U.S. Fortune magazine for 12 consecutive years and ranked 218th, and won the award of the "Most Admired Chinese Company" again, being the only iron & steel company in China to win this award. In addition, Baosteel Co., Ltd. was rated A-, A3 and A- by Standard & Poor's, Moody's and Fitch respectively, the highest credit rating in the iron & steel industry across the world, showing a sound and stable outlook. Baosteel Zhanjiang Iron & Steel Base Project is in smooth progress. The main part of the project of 1,550 mm cold rolling is under construction, and No.1 blast furnace is tapping iron, and No.1 converter, No.2 continuous casting, and 2,250 mm hot rolling mills are under thermal load trial run.

2016-2021 Development Plan, which was formulated by Baosteel at the end of 2015, makes clear the following development goals: To be the global leader of iron and steel industry. The mission of the company is: To drive the development of green iron and steel ecosystem and be the role model of common development of employees and enterprises".

Strategic orientation is: to build a state-owned capital operating company of "one body, two wings" (the main body is the iron & steel industry, the two wings are green, high-quality, and smart manufacturing and platform service of iron and steel ecosystem).

By the end of 2015, Baosteel had a total of 126,272 employees around the world.

Ranking of Baosteel in Global Top 500 Companies

Year	Sales Revenue (USD 100 Million)	World Ranking (Position)	Year of Rating
2003	145.48	372	2004
2004	195.433	309	2005
2005	215.014	296	2006
2006	226.634	307	2007
2007	299.39	259	2008
2008	355.166	220	2009
2009	285.91	276	2010
2010	403.27	212	2011
2011	489.16	197	2012
2012	456.827	222	2013
2013	492.973	211	2014
2014	483.234	218	2015

Former and Current Top Leaders of the Corporation

Name	Time of Appointment	Title
Xu Yan	Dec. 1977	Director of the Engineering Headquarters and Secretary of the Party Committee of Shanghai Baoshan General Iron & Steel Works
Ye Zhiqiang	Oct. 1978	Director of the Engineering Headquarters and First Secretary of the Party Committee of Shanghai Baoshan General Iron & Steel Works
Li Feiping	Oct. 1981	Director of the Engineering Headquarters and First Secretary of the Party Committee of Shanghai Baoshan General Iron & Steel Works
Li Ming	Sep. 1983	Director of the Engineering Headquarters and Secretary of the Party Committee of Shanghai Baoshan General Iron & Steel Works; Director of the Shanghai Baoshan General Iron & Steel Works; Board Chairman of Baosteel Group (Jul. 1994 — Nov. 1998)

(Continued)

Name	Time of Appointment	Title
Xu Daquan	Nov. 1998	Chairman of Shanghai Baosteel Group Corporation
Xie Qihua	Feb. 2003	Chairman of Shanghai Baosteel Group Corporation; Chairman of Baosteel Group Corporation
Xu Lejiang	Jan. 2007	Chairman of Baosteel Group Corporation (Party Secretary and Chairman of Baosteel Group Corporation from Jan. 2014)

Business Performance

Performance Statement of Baosteel's Main Economic Indicators in 2015

Item	Number	Unit	Increase (Decrease) over the Previous Year (%)
Gross Industrial Output Value (current price)	2179.63	RMB 100 million	-26.66
Industrial Sales Value	2147.91	RMB 100 million	-27.00
Total Assets	5293.32	RMB 100 million	-1.00
Gross Revenue	2300.59	RMB 100 million	-22.73
Total Profit	10.34	RMB 100 million	-89.02
Return on Equity	-0.55	%	Decrease by 2.51%
Iron Output	3491	10,000 tons	-18.10
Steel Output	3611	10,000 tons	-18.86

Consolidated Profit Statement of Baosteel Group Corporation

(December 31, 2015)

Unit: yuan

Item	2015	2014
I. Gross Revenue	230,059,042,555.70	297,743,014,471.95
Minus: Operating Costs	212,016,542,006.67	269,236,607,975.23

(Continued)

Item	2015	2014
Business Taxes and Surcharges	1,441,140,425.99	1,358,542,782.16
Sales Expenses	5,563,736,126.67	6,075,530,147.36
Management Expenses	15,635,615,908.44	15,156,077,709.60
Financial Expenses	6,627,362,363.23	4,896,795,778.39
Assets Depreciation Loss	2,947,865,144.29	1,546,034,827.50
Plus: Profit and Loss from Fair Value Changes	(428,319,601.66)	(712,195,657.95)
Investment Income	14,672,658,723.38	7,208,775,656.97
Including: Investment Income from Associated Venture and Joint Venture	3,575,022,357.57	3,060,906,538.75
II. Operating Profits	71,119,702.13	5,970,005,250.73
Plus: Non-operating Revenues	1,893,285,356.95	4,283,029,803.96
Including: Disposal Income on Non-current Assets	315,335,850.35	579,418,934.13
Minus: Non-operating Expenses	930,238,181.28	785,975,769.30
Including: Disposal Losses on Non-current Assets	757,603,401.10	502,747,472.39
III. Total Profits	1,034,166,877.80	9,467,059,285.39
Minus: Income Tax Expenses	2,580,029,583.36	3,885,166,310.22
IV. Net Profits	(1,545,862,705.56)	5,581,892,975.17
Net Profits Attributable to Owners of the Parent Company	2,504,139,593.55	5,922,318,167.11
Minority Interest	(4,050,002,299.11)	(340,425,191.94)
V. Other Net After-tax Consolidated Income	(3,061,126,636.81)	5,173,561,329.66
Net After-tax Consolidated Income Attributable to Owners of the Parent Company	(2,791,016,784.46)	5,364,235,987.22
Other Consolidated Income that will be Reclassified into Profit and Loss	-	-

(Continued)

Item	2015	2014
1. Share of Other Consolidated Income that will be Reclassified into Profit and Loss by the Investee in Accordance with the Equity Law	903,022,580.02	2,097,173,381.91
2. Profit and Loss from Fair Value Changes of the Available-for-sale Financial Assets	(2,970,444,011.22)	4,290,518,414.00
Balance of Foreign Currency Financial Statement Translation	(723,595,353.26)	(1,023,455,808.69)
Net After-tax Consolidated Income Attributable to Minority Shareholders	(270,109,852.35)	(190,674,657.56)
VI. Total Consolidated Income	(4,606,989,342.37)	10,755,454,304.83
Total Consolidated Income Attributable to Owners of the Parent Company	(286,877,190.91)	11,286,554,154.33
Total Consolidated Income Attributable to Minority Shareholders	(4,320,112,151.46)	(531,099,849.50)

Corporate Governance Structure

I. Corporate Governance Mechanism

Within the framework of Company Law, Articles of Association of Baosteel Group Corporation (hereinafter referred to as Articles of Association) and Rules of Procedure of the Board of Directors of Baosteel Group Corporation (hereinafter referred to as Rules of Procedure of the Board of Directors), SASAC under the State Council as the representative of the investors, the Board of Directors of Baosteel Group, the Board of Supervisors dispatched by SASAC and the Management of Baosteel Group perform their respective functions in a standard manner to form a highly efficient corporate governance mechanism of checks and balances.

(1). As the representative of the investors, SASAC under the State Council performs the responsibilities of investors within the corporation. By designating directors and supervisors, it reflects and realizes the investors' will in the process of decision-making and

supervision of the corporation.

(2). As the corporation's decision-making body, the Board of Directors is legally entitled to exercise the power and authority specified in the Articles of Association and exercise part of the rights of investors authorized by SASAC. All directors bear the responsibilities for the benefit of the investors and the corporation.

(3). The Board of Supervisors works as the supervising body that takes financial supervision as core and supervises the corporation's financial operation and management behavior of the person in charge of the corporation to ensure that state-owned assets and equity will not be infringed.

(4). Managers of the corporation are responsible for implementing various resolutions made by the Board of Directors, organizing production and operation, and maintaining the corporation's capability and vitality to quickly respond to the market and participate in market competition.

II. Basic Information of Board of Directors

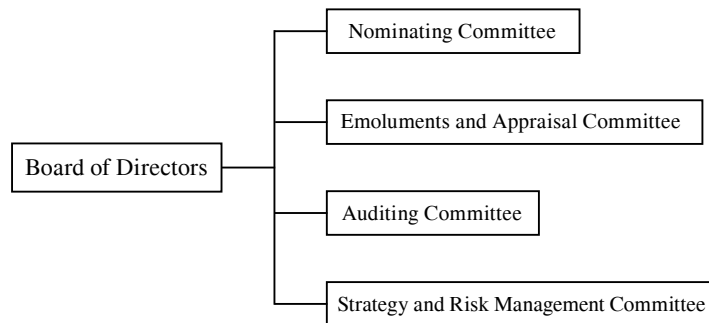
1. Members of Board of Directors

In April, 2015, the fourth Board of Directors was established. According to the arrangement of external directors delegated to central enterprises by SASAC of the State Council, Wang Xiaoqi, Bei Kewei, Wang Fucheng (newly appointed), Lin Jianxin (newly appointed) were appointed as external directors of Baosteel Group Corporation till January, 2018. Former external directors of the third Board of Directors, Gan Yong and Jing Tianliang, performed their duties to March, 2015. By December 31, 2015, 7 members of the Board of Directors are:

Chairman of the Board of Directors: Xu Lejiang

Directors: Xu Lejiang, Chen Derong, Wang Xiaoqi (external director), Bei Kewei (external director), Wang Fucheng (external director), Lin Jianqing (external director), and Zhu Yiming (worker director)

2. Special Committees Established under the Board of Directors



According to the newly revised Articles of Association, Rules of Procedure of the Board of Directors, and Rules of Procedure of Special Committees that were deliberated and approved at the twelfth meeting of the third Board of Directors on April 25, 2014, four special committees were set up under the Board of Directors of Baosteel Group. Main responsibilities and staffing of the special committees are as follows:

(1) Nomination Committee (5 members, including 3 external directors)

Main Responsibilities: discussing the standards, procedures, and methods for selection of senior executives and putting forward suggestions to the Board of Directors; examining and investigating candidates for the position of secretary of the Board of Directors nominated by the chairman, for the positions of vice president and chief financial officer nominated by the general manager, and offering suggestions to the Board of Directors; carrying out an evaluation of senior executives upon expiration of their probationary periods and offering suggestions to the Board of Directors; inspecting and evaluating candidates for the position of Board Director and Supervisor who are dispatched to core subsidiaries based on iron & steel industry and putting forward suggestions to the Board of Directors; headhunting talents in domestic and overseas talent markets as well as our company.

(2) Main responsibilities of Emoluments and Appraisal Committee (composed completely of 4 external directors): drafting up performance management and salary management systems for senior executives;

setting annual and term-of-office performance targets for the general manager; drawing up a program for compensation, evaluation, reward, and punishment for the general manager; listening to and reviewing the program drafted by the general manager for compensation, evaluation, reward, and punishment of vice general managers and chief financial officer; drawing up mid- and long-term incentive programs, position-related consumption system, social welfare and security system for senior executives; discussing overall allocation strategy and salary system of the corporation and offering suggestions.

(3) Auditing Committee (composed completely of 4 external directors)

Main Responsibilities: reviewing and deliberating annual internal audits plan; supervising internal audit quality and financial information disclosure; examining financial report, reviewing accounting policies and policy changes, and offering suggestions to the Board of Directors; putting forward suggestions for the appointment and dismissal of personnel in charge of internal audit department; giving instructions to corporate internal audit department on how to carryout same-tier audits; supervising employing, replacing, and paying of social audits and other intermediary agencies; and examining the annual internal control evaluation report.

(4) Main responsibilities of Strategy and Risk Management Committee (5 members, including 3 external directors) : discussing and putting forward suggestions on corporate mid- and long-term development strategy planning, monitoring and guiding the operation of the risk management system; examining the annual work plan and annual report of overall risk management; reviewing risk management strategy and major risk management solution; being responsible for other things relevant to overall risk management authorized by the Board of Directors.

Effective operation of each special committee of Baosteel's Board of Directors refines the collective decision-making process of the Board of Directors, and brings into full play the professional knowledge and managerial experience of all directors, especially the outside directors. Various proposals submitted to the Board of Directors for final approval shall firstly be submitted to the relevant special committees for a preliminary review, which effectively improves the quality and efficiency of the Board of Directors in decision making.

Members of the Board of Directors and Special Committees

	Director	Nominating Committee	Emoluments and Appraisal Auditing	Auditing Committee	Strategy and Risk Management Committee
Chairman of the Board of Directors	Xu Lejiang	•(Director)			•(Director)
Managing Director	Chen Derong	•			•
Outside Director	Wang Xiaoji	•	•	•	•
Outside Director	Bei Kewei	•	•	•(Director)	•
Outside Director	Wang Fucheng	•	•(Director)	•	
Outside Director	Lin Jianqing		•	•	•
Worker Director	Zhu Yiming				

3. Articles of Association and Rules of Procedure of the Board of Directors

After Baosteel set up the Board of Directors in October 2005 on a pilot basis, the first Board of Directors built a working system with the Articles of Association, the Rules of Procedure for the Board of Directors, and the Rules of Procedure for Special Committees as the framework, constantly improved the operating mechanism of the Board of Directors, and standardized the meeting system and resolution mechanism of the Board of Directors and Special Committees, enabling the Board of Directors to operate efficiently, legally, and orderly. All members of the Board of Directors made it their mission to maximize the interests of the investors, actively participated in decision-making, and voiced their opinions independently and objectively. A modern corporate operating system was initially established featuring clear work division, efficient coordination, and effective checks and balances.

The second Board of Directors refined the Articles of Association and the Rules of Procedure of the Board of Directors; improved the mechanism by which Special Committees support the Board of Directors in decision making; and further rationalized the authorization and decision-making mechanisms for investors, the Board of Directors, and managers in the principle of "appropriate authorization, hierarchical decision making, and effective monitoring". All these enabled the Board of Directors to make decisions more scientifically and efficiently.

On March 28, 2012, the first meeting of the third Board of Directors deliberated and approved the newly revised Articles of Association, Rules of Procedure of the Board of Directors, and Rules of Procedure of Special Committees. Since authorization mechanism was further improved by the Board of Directors, operation frequency of the Standing Committee was gradually lowered, which led to revocation of the Standing Committee and authorization given to the Standing Committee was recalled to the Board of Directors; The Risk Management Committee was renamed as Strategy and Risk Management Committee, and the Board of Directors strengthened its guidance and attention on corporate strategic development; Partial authorization of the chairman and the general manager given by the Board of Directors was further refined and confirmed. In 2014, in response to changes of the Board of Directors, the Board of Directors timely adjusted the members of special committees and revised the Articles of Association, Rules of Procedure of the Board of Directors, as well as other documents, further detailing the decision-making rights of the chairman and general manager authorized by the Board of Directors. These moves provide organizational and institutional guarantee for the lawful and efficient operation of the Board of Directors.

4. Main Functions/Powers and Operation of the Board of Directors

As the core of corporate governance, the Board of Directors excises the following main functions and powers in strict accordance with the Articles of Association:

- Deciding on Baosteel's development strategy and mid- and long-term development plan in accordance with the examination result of the State-owned Assets Supervision and Administration Commission under the State Council;
- Deciding on Baosteel's business plan, investment & financing plan and program, approving the investment in non-leading industries and trading financial assets beyond the authorization scope, determining

the amount of corporation's major fixed investment and external long-term equity investment projects that should be determined by the Board of Directors, and approving investment projects with excess amount;

- Deciding on Baosteel's annual business objectives;
- Approving Baosteel's annual financial budget program and reporting to the State-owned Assets Supervision and Administration Commission for record;
- Formulating Baosteel's annual financial statement program and reporting to the State-owned Assets Supervision and Administration Commission for the record;
- Drawing up Baosteel's profit distribution program and loss recovery plan;
- Formulating the plan to increase or reduce the registered capital;
- Drafting the plan of merger, separation, change of corporate form, and dissolution;
- Deciding on the setup of internal management organizations and the establishment and revocation of branches of Baosteel;
- Appointing or dismissing the general manager of Baosteel; Appointing or dismissing the vice general manager and chief finance officer according to the nomination of the general manager;
- Deciding on salary strategy, salary management, and performance assessment system of senior executives; listening to the President's work-report, evaluating the President and determining his/her remunerations; determining remunerations of vice general managers and chief finance officer according to suggestions of the general manager; deciding position-related consumption and social welfare and security issues of senior executives;
- Deciding on the basic management system of Baosteel;
- Deciding on major reform and reorganization within Baosteel or making resolutions on relevant issues. In 2015, the Board of Directors held 14 meetings, in which 58 issues were discussed and reviewed; The Nomination Committee held 6 meetings, in which 6 issues were discussed and reviewed; The Emoluments and Appraisal Committee held 4 meetings, where 5 issues were discussed and reviewed; The Auditing Committee held 4 meetings, where 9 issues were discussed and reviewed; the Strategy and Risk Management Committee held 1 meeting, where 1 issue were discussed and reviewed.

III. Basic Information of the Board of Supervisors

In June 2013, SASAC dispatched the fifth Board of Supervisors to

Baosteel, members of which were as follows:

Chairman: Ma Liqiang

Director: Wang Zimin

In accordance with the Company Law of the P.R.C., the Interim Regulations on Boards of Supervisors in State-owned Enterprises, and other laws and regulations, the Board of Supervisors of Baosteel performs legal supervisions and inspections for the corporation. By taking supervising the operation of the Board of Directors, the duty performance of directors, the managers' execution of resolutions of the Board of Directors, and other situations as the main content of its work, the Board of Supervisors monitors the decision-making process, decision-execution process, and the execution of key operational activities, which has effectively ensured the security of state-owned assets, improved business operation and management, and standardized the operational activities of senior officials of the corporation.

Leaders of Baosteel Group Corporation (Dec. 2015)

Chairman of the Board of Directors: Xu Lejiang

Chairman of the Board of Supervisors: Ma Liqiang

Directors: Xu Lejiang, Chen Derong, Wang Xiaoqi

(external director), Bei Kewei (external director),

Wang Fucheng (external director),

Lin Jianqing (external director),

Zhu Yiming (worker director)

General Manager: Chen Derong

Vice general managers: Zhou Zhuping, Zhao Zhouli,

Chen Ying, Guo Bin, Zhang

Jingang

Secretary of the Party Committee: Xu Lejiang

Deputy Secretary of the Party Committee: Fu Zhongzhe

Members of the Standing Committee of the Party Committee:

Xu Lejiang, Chen Derong, Liu Zhanying, Fu Zhongzhe, Dai Zhihao,

Secretary of the Discipline Inspection Committee: Liu Zhanying

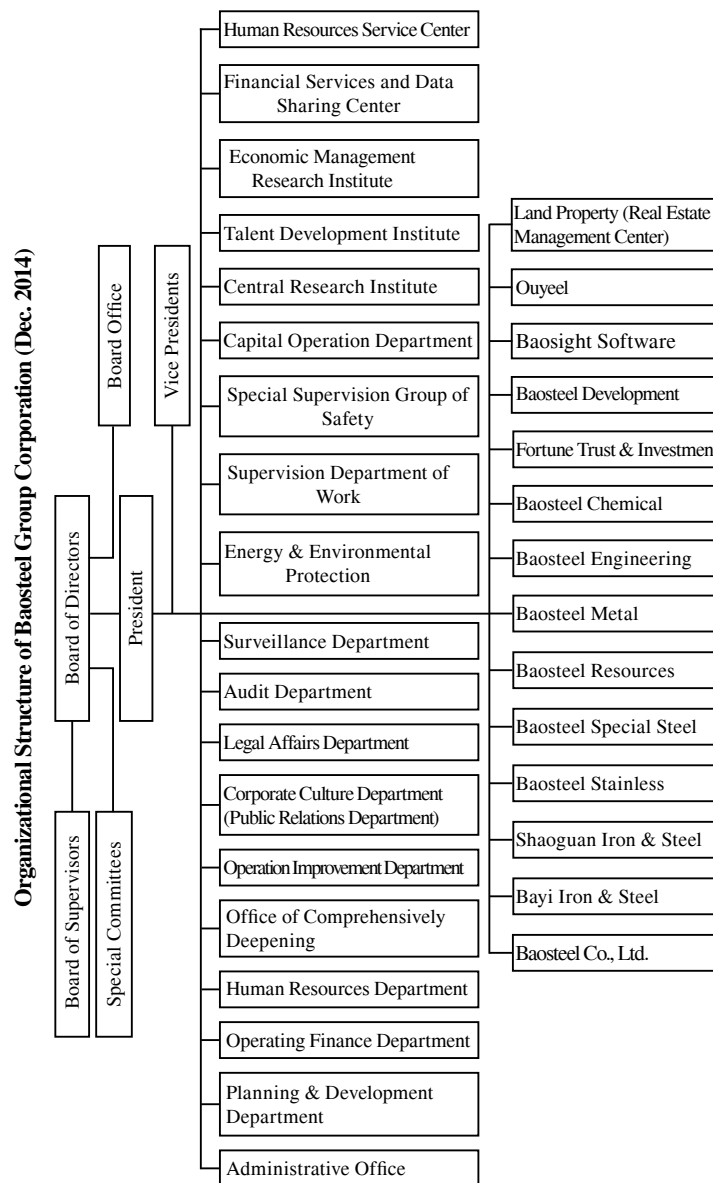
Chairman of the Labor Union: Zhu Yiming

Secretary of the Board of Directors: Zhou Zhuping

Assistants of the general manager: Zhang Pijun, Feng Taiguo, Hou

Angui, Wang Jianyue, Hu Yuliang, Liu An

Organizational Structure



Organization List of Main Subsidiaries and Holding Companies of Baosteel Group

Company Name	Established in	Total Assets (RMB 100 Million)	Holding Proportion (%)	Operating Revenue of 2014 (RMB 100 Million)
Baosteel Co., Ltd.	2000.2	2341.23	79.71	1641.17
Bayi Iron & Steel	1951.9	472.95	76.93	113.62
Shaoguan Iron & Steel	1966.8	190.76	51	122
Baosteel Stainles	2012.3	206.78	100	331.97
Baosteel Special Steel	2012.4	127.76	100	66.76
Baosteel Resources	2006.7	356.07	100	294
Baosteel Metal	2007.12	150.87	100	101.43
Baosteel Engineering	1999.8	123.73	100	106.65
Fortune Trust & Investment	2007.3	348.92	100	56.57
Baosight Software	2000.4	63.77	55.5	39.38
Baosteel Development	1986.9	94.05	100	72.5
Baoland Real Estate	2012.4	25.23	100	2.19
Ouyeel	2015.2	39.38	49	198

Listed Companies of Baosteel Group

Name	Code	Listing Date	Total Capital Stock (100 million)	Closing Price in 2015 (RMB)
Baosteel Co., Ltd.	600019	2002.12	164.7	5.58
Bayi Iron & Steel Co., Ltd.	600581	2002.8	7.66	9.85
SGIS Songshan	000717	1997.5	24.20	4.99
Baosight Software	600845	1994.3	3.92	57.82
Baosteel Packaging	601968	2015.6	8.33	13.36

Corporate Reform

Planning and Reforming Top-level Design

In September, Baosteel Group seriously studied and comprehensively followed the spirit of central documents including Guideline on Deepening Reform of State-owned Enterprises and relevant supporting documents released by the Central Committee of CPC and the State Council. With timely publicity and implementation of the guideline as well as elaborate planning and systematic advancement, Baosteel drafted Baosteel Implementation Suggestions of Deepening Reform of State-owned Enterprises (Exposure Draft). To lay a sound foundation for the headquarters' reform, Baosteel actively conducted research and planning of the headquarters' functional orientation, organizational structure, operational mode and capacity building which are well-matched with the state-owned capital investment running companies. In accordance with the spirit of relevant documents and combining new situations and questions in Party building and supervision on stated-owned capitals during deepening reform, Baosteel cleared up and improved Party building as well as supervision and management system of state-owned capital through rectification and implementation of the feedback from disciplinary inspector teams.

Exploring Reform of Mixed Ownership

We advanced the reform of mixed ownership. Within the year, Baosteel Metal Co., Ltd. jointly established Baoping Resource Co., Ltd. with Warburg Pincus Investment Group from the US; Shanghai Ouyeel Financial Information Service Co., Ltd. jointly established Chengrong Movable Property Information Service Co., Ltd. with Shanghai Mysteel; and Baosteel Development Co., Ltd. jointly established Baofa Environmental Science and Technology Co., Ltd. with Shanghai Environmental Protection Co., Ltd.

Increasing the intensity of securitization. Within the year, Shanghai Baosteel Packaging Co., Ltd. successfully went into public with a raising fund of RMB 640 million and achieved appreciation in asset value; Ningbo Iron & Steel Co., Ltd. conducted stock owner replacement and achieved appreciation in evaluation; In the new-arising businesses, the core team was planned to become shareholders to stimulate the operating energies; meanwhile, the requirements of excellent outside investors were cleared to be introduced positively into

the new investment projects.

Deepening Reform of Three Systems

In 2015, Baosteel issued Regulations on Reducing Losses and Increasing Profits of Unprofitable Subsidiaries, and signed duty pledges about reducing losses and increasing profits in order to drive the leaders to find effective ways to make improvements. The company has organized 133 employees in four batches from unprofitable subsidiaries to attend the managers' training class.

The company issued Notification on Actively Coping with Marketing Challenges and Further Strengthening Management of Remuneration, in order to further improve the stimulating and well-restrained remuneration management system. All these was to stimulate all employees to work hard together with the company to improve the business performance. Through improving labor efficiency, the company promoted its management backwards with a full-year downsizing of 8,816 employees in total.

The company has reduced 13,400 staff through strengthening collaborative management and optimizing business structure. Meanwhile, the company improved the building of inner human resources and satisfied 26% of the total requirement of human resources by inner talent flow all the year.

Adjustment of Industrial Structure

In 2015, Baosteel actively implemented the national industrial policy. In Shanghai, we promoted the structural adjustment of steel & iron industry according to the policy of "Reduction, Efficiency, Adjustment and Development". Meanwhile, we speeded up the transformation of stainless steel and closed the blast furnace of 750 cubic meters and No.2 sintering machine of Baosteel Stainless Co., Ltd. in advance. Long steel resources of Baosteel Special Steel Co., Ltd. and Baosteel Group Guangdong Shaoguan Iron & Steel Co., Ltd. were optimized and integrated in order to create high-end long steel bases mainly producing steel products for automobile parts. Baosteel Group Guangdong Shaoguan Iron & Steel Co., Ltd. closed 2 blast furnaces and 1 electric furnace and compressed 800,000 tons of capacity. In Xinjiang, Baosteel Group Xinjiang Bayi Iron & Steel Co., Ltd orderly pushed forward its economic operation according to China's regional

strategic arrangement with a whole aim of "compressing capacity, improving efficiency and deleveraging". Baosteel Zhanjiang Iron & Steel Co., Ltd., which aims to make a "dream factory" that owns the highest efficiency in the world, ignited its No.1 blast furnace and constructed hot run tests on its No.1 converter, No.2 continuous casting machine and 2,250 mm hot rolling mill.

Financial Statement

Consolidated Balance Sheet of Baosteel Group Corporation

December 31, 2015

Unit: yuan

Assets	Closing Amount	Beginning Amount
Current Assets		
Moneytary Capital	35,649,987,884.29	37,029,613,982.65
Deposit Reservation for Balance	1,204,496,813.75	482,457,190.47
Moneytary Assets whose Fair Value Changes would be Calculated into Current Profit and Loss	7,850,803,697.58	7,610,395,050.89
Notes Receivable	10,559,269,151.99	14,064,939,752.01
Accounts Receivable	12,896,785,031.67	14,417,263,533.99
Prepayment	5,292,854,408.62	4,643,118,803.56
Interests Receivable	169,717,478.10	306,345,184.47
Dividends Receivable	233,359,129.89	84,431,886.42
Other Accounts Receivable	2,857,611,200.59	2,973,325,206.98
Redemptory Monetary Capital for Sale Inventory	2,980,889,691.57	900,971,935.00
Inventory	58,182,493,195.64	71,368,441,967.92
Non-current Assets Due within One Year		1,500,000,000.00
Other Current Assets	20,451,092,831.75	21,438,117,104.88
Total Current Assets	158,329,360,515.44	172,239,014,944.90
Non-Current Assets		
Disbursement of Loans and Advances	1,257,668,227.34	1,733,323,801.27

(Continued)

Assets	Closing Amount	Beginning Amount
Financial Assets Available for Sale	52,772,325,902.16	51,812,930,556.99
Long-term Receivables	1,527,030,133.44	1,243,365,538.37
Long-term Equity Investment	61,550,993,221.93	57,542,512,399.74
Investment Property	3,444,214,582.63	3,493,574,471.34
Fixed Assets	161,023,028,495.97	155,053,646,377.27
Construction in Progress	45,566,663,630.45	38,881,887,522.28
Construction Materials	610,560,982.08	274,011,281.33
Intangible Assets	24,684,623,141.60	24,691,192,593.60
Goodwill	58,239,457.41	58,239,457.41
Long-term Deferred and Prepaid Expenses	1,829,941,435.74	1,912,437,880.30
Deferred Income Tax Assets	6,128,289,039.79	6,372,055,108.58
Other Non-current Assets	10,549,547,899.05	8,263,524,310.58
Total Non-current Assets	371,003,126,149.59	351,332,701,299.06
Total Assets	529,332,486,665.03	523,571,716,243.96

Technical R & D

In 2015, in the new-round planning, Baosteel optimized technical innovation system, maintained high R&D investment rate (2.1%), applied 1,957 patents, including 932 patents for invention; The "innovative development and application of steel tube of 600°C ultra-supercritical thermal power generating unit" which was completed by 7 companies including Baosteel Group and China Iron & Steel Research Institute Group won the first prize of the National Prize for Progress in Science and Technology. In May, during the 114th Exhibition of International Invention in Paris, Baosteel won 1 golden award, 2 silver awards, and 4 bronze awards. In September, during the 27th Shanghai Excellent Invention Competition, employees of Baosteel Group won 56 excellent invention awards, including 8 golden awards, 15 silver awards, and 33 bronze awards; in addition, they won 69 employees' technology innovation awards, including 2 golden awards, 8 silver awards, 24 bronze awards, and 35 nominee awards. In October, during the 21st National Invention Exhibition, Baosteel won 23 golden awards, 29 silver awards, 36

bronze awards, and the excellent exhibition group award.

Research Institutions

By the end of 2015, the main research institutes of Baosteel were Central Research Institute (R&D Center) of Baosteel Group/ Research Institute (R&D Center) of Baosteel Co., Ltd. (abbreviated to Central Research Institute), R&D Center of Meishan Iron & Steel, R&D Center of Baosight Software, and R&D Center of Baosteel Chemical Co., Ltd. The Central Research Institute mainly undertakes R&D of plain carbon steel, stainless steel, and special steel, etc., and provides various subsidiaries (branches) with technical support for the development of new products, techniques, technologies, and equipment.

Economic Management Research Institute

Economic Management Research Institute of Baosteel Group, a professional institution engaged in research on soft science, aims to provide consultation on strategic decision-making, industrial development, and operation management.

In 2015, based on strategic researches and functional positions found by industry opportunity and themed on "reform, transformation, and innovation", Economic Management Research Institute of Baosteel Group completed research on 25 subjects and produced over 240 pieces of research (special subject) report as well as over 10 project planning. The institution provided support to Baosteel Group in strategic decisions about transformation and development, and also provided consultations for the development of related subsidiaries.

Investment and Construction

Since operation of Baosteel in 1978, it has experienced the construction of the 1st, 2nd, and 3rd phase projects. The 1st phase project was put into production in September 1985; and the 2nd phase was completed in June 1991. The investment of the 1st and 2nd phase projects amounted to RMB 28 billion (excluding the social supporting investment), in which the introduced projects were worth USD 4.78 billion. Based on the exchange rate at the time, it was equivalent to RMB 19.3 billion, which made the project the one with the largest

investment in China. The 1st and 2nd phase projects were designed to produce 6.50 million tons of iron and 6.71 million tons of (molten) steel, 1.22 million tons of commercial steel billets, and 4.22 million tons of steel products (including 500,000 tons of seamless steel pipes, 2.10 million tons of cold-rolled steel plates, and 1.62 million tons of commercial hot-rolled steel coils) each year.

Main Equipment for the 1st and 2nd Phase Projects

Equipment	Specification	Quantity
Blast Furnace	4,063 m ³	2
Sintering Machine	450 m ²	2
Coke Oven	50-hole	8
Converter	300 tons	3
Seamless Steel Tube Mill	140 mm in diameter	1
Blooming Mill	1,300 mm	1
Hot Continuous Rolling Mills	2,050 mm	1
Cold Continuous Rolling Mills	2,030 mm	1
Two-strand Continuous Slab Caster	1,930 mm	2
Thermal Generator Set	350,000 KW	2

Since being put into production in less than 10 years ago, Baosteel has not only paid off in advance the loan of RMB 7.5 billion and all the interests (except for the loan of RMB 7.5 billion that was borrowed from the bank, and the original capital of RMB 20.5 billion invested by the state in Baosteel), but also constructed the 3rd phase project with self-raised funds.

The budgetary estimate of the 3rd phase project was RMB 62.34 billion and after the unimplemented project (RMB 2.481 billion for high-grade silicon steel) was excluded, the actual final accounts amounted to RMB 52.528 billion, approximately over RMB 7 billion less than the budgetary estimate approved originally. The 3rd phase project was designed to produce 3.25 million tons of iron each year and 4.29 million tons of (molten) steel (including 1 million tons of electric furnace steel), 2.914 million tons of steel products (including 400,000 tons of tin-plated steel coils, 325,000 tons of middle- and low-grade cold-rolled silicon steel sheets, 350,000 tons of hot galvanized steel sheets, 250,000 tons of

electro-galvanized sheet plates, 450,000 tons of common cold-rolled steel coils, and 1.139 million tons of hot rolled steel coils) and 960,000 tons of commercial steel billets.

Main Equipment for the 3rd Phase Project

Equipment	Specification	Quantity
Blast Furnace	4,350 m ³	1
Sintering Machine	450 m ²	1
Coke Oven	50-hole	4
Converter	250t top-bottom combined blowing	2
Two-strand Continuous Slab Caster	1,450 mm	2
DC Arc Furnace	150t dual furnace shells	1
Round Billet Continuous Caster	Six strands	1
Hot Continuous Rolling Mills	1,580 mm	1
Cold Continuous Rolling Mills	1,420 mm	1
Cold Continuous Rolling Mills	1,550 mm	1
Generator Set	350,000 KW	1
Thermoelectric Device	145,000 KW	1

Technical equipment for the 1st phase project of Baosteel was introduced in a whole-set manner, and the domestically manufactured equipment accounted for merely 12%. However, it was raised to 80.05% in the 3rd phase project. Hence the 1st, 2nd, and 3rd phase projects of Baosteel had a total production capacity of 11 million tons of steel, 9.75 million tons of iron, and 7.136 million tons of steel products, making Baosteel one of the world-class modern iron & steel enterprises that possess a production capacity of over 10 million tons.

After consolidation and reorganization of the iron & steel enterprises in Shanghai in 1998, Baosteel formulated a unified iron & steel development plan in accordance with the requirements of building itself into a refined steel base, and a R&D base of new technologies, techniques, and materials. Therefore, on the one

hand, outdated equipment in old enterprises was eliminated; on the other hand, a large amount of capital was invested to accelerate the modernization drive. From 1998 to 2006, Baosteel eliminated and/or cut down its backward iron-making capacity by 4.93 million tons (including an iron-melting capacity of 4.6 million tons), its backward steel-making capacity by 6.08 million tons, and its backward rolling metal capacity by about 5 million tons. In 2008, Meishan Iron & Steel of Baosteel Co., Ltd. eliminated its coking capacity by 1 million tons. In 2009, it eliminated the iron-making capacity of 2 million tons. The structural adjustment and enterprise transformation project undertaken by Shanghai No.2 Iron & Steel Co., Ltd. of Baosteel Group was listed as one of the priority projects of Shanghai in industrial restructuring for 2009. On June 25, 2010, all of its production lines were closed.

In 2015, Baosteel Group completed the fix asset investment of RMB 28.7 billion. Baosteel Zhanjiang Iron & Steel Base Project is in smooth progress, the main body project of 1,550 mm cold rolling is under construction, and No.1 blast furnace is tapping iron, and No.1 converter, No.2 continuous casting, and 2,250 mm hot rolling mills are under thermal load trial run.

Main Projects Put into Operation in 2015

Company Name	Project Name	Commencement Time	Completion Time
Baosteel Co., Ltd.	Project of Overhaul and Revamping for Coke Oven (Phase I)	2013.11	2015.9
	No.4 Hot Galvanizing Production Line of Baosteel-NSC/ Arcelor Automotive Steel Sheets	2013.11	2015.9
	2330 mm Rolling Galvanized Machine	2014.2	2015.11
Shaoguan Iron and Steel	Optimization of Burden Composition - Coke Oven Construction Project	2013.5	2015.12
Baosteel Engineering	Zhanjiang Iron & Steel Base Equipment Remanufacturing and Repairation Center Project	2014.3	2015.6

(Continued)

Company Name	Project Name	Commencement Time	Completion Time
Baosteel Chemical	Baoshan Project of Overhaul and Revamping for Coke Oven and Gas Discharge	2014.6	2015.5
Baosteel Development	Zhanjiang Iron & Steel Base Project Blast Furnace Slag Comprehensive Utilization Project	2014.7	2015.12

Main Projects under Construction in 2015

Company Name	Project Name	Commencement Time	Completion Time
Baosteel Co., Ltd.	Zhanjiang Iron & Steel Base Project	2013.5	2017.10
	Project of Overhaul and Revamping for Three-stage Sintering	2013.4	2016.10
Baosteel Engineering	Sintering Waste Heat Power Generation Project in Zhanjiang Iron & Steel Base	2014.3	2016.9
Baosteel Metal	Vietnamese Can-making Line	2015.8	2016.4
Baosteel Chemical	Zhanjiang Iron & Steel Chemical Products Project	2014.8	2016.5
Baosteel Development	Processing Center of Iron-containing Solid Waste in Zhanjiang Iron & Steel Base	2015.3	2016.6
Baosight Software	Cloud Internet Data Center Project (Second Phase)	2014.7	2017.4

Environmental Management

In 2015, the comprehensive energy consumption of Baosteel Iron & Steel Industry was 598 kg standard coal/ton and 900 kg standard coal/10,000 yuan production value (comparable price); Sulfur dioxide, nitrogen oxides, Chemical oxygen demand and emissions are 18,982 tons, 42,262 tons, and 1,057 tons, dropping by 11%, 10%, and 9% compared with the annual plans respectively. Compared with 2010, Baosteel's energy consumption for every RMB 10,000 output value (comparable price) dropped by 6.9%, and emissions of sulfur dioxide, nitrogen oxide, and chemical oxygen demand dropped by 70%, 45%, and 66% respectively.

Energy and Environmental Protection Management System

In 2015, all of Baosteel's main iron & steel production units passed the certification of Environmental Management System. Except Baosteel Desheng, all of the iron & steel production units passed the certification of Energy Management System. The main industry enterprises of diversified industries all passed the certification of Energy and Environmental Protection System.

Environmental Monitoring System

In 2015, Baosteel issued Opinions on Improvement of Environmental Monitoring Work; all the departments have made self-inspection and self-correction, with more than 100 problems found and 33 of them improved. Environmental compliance special audit have been made for more than 5 companies in this year, including Meishan Steel, Bayi Steel, Shaoguan Steel, Baosteel Special Steel, and Baosteel Chemical Engineering.

Environmental Facilities Management

In 2015, Baosteel formulated Opinions on Strengthening the Management of Environmental Facilities Operation. All the departments have overall implemented the hierarchical management, and have selected 210 sets of A-class environmental facilities.

Technical Reforms for Energy and Environmental Protection

In 2015, Baosteel adopted the method of energy performance contracting, invested RMB 2.19 billion, and implemented 65 major technical reforms on energy and environmental protection.

Optimize Energy Structure

In 2015, the newly built 20 MW photovoltaic power plant of Baosteel Co., Ltd. was put into operation with an annual generating capacity of 70 million kilowatt-hour; The photovoltaic power generation project of Meishan Steel was completed and passed the acceptance inspection.

Green Manufacturing Performance

Index	2015 and 2014 Year-on-Year Increase or Decrease (%)				
	Baosteel Co., Ltd.	Bayi Iron & Steel	Shaoguan Iron & Steel	Baosteel Stainless	Baosteel Special Steel
Comprehensive energy consumption per ton of steel	-3	-1	-3	-5	-22
Total Residual Energy Recovered	12	-17	5	8	/
Fresh water consumption per ton of steel	-5	8	-15	Same	4
Total Emissions of Sulfur Dioxide	-8	-26	-15	-14	/
Total Emissions of nitrogen oxides	-8	-32	-3	-31	/
Total Chemical oxygen demand (COD)	-7	-25	-12	-9	-10
Total Emissions of Ammonia and Nitrogen	Same	88.75	Same	-19	-55
Comprehensive Utilization Rate of Solid Waste Resources	99.39	95.46	99.79	99.14	96.94

Note: The indicator for performance appraisal of Baosteel Special Steel is the total

amount of energy consumption; The "comprehensive utilization rate of solid wastes" of each company is calculated according to the actual performance; In 2015, Bayi Iron & Steel implemented production patterns of economic operation, which affected its total residual energy recovered and its indicators of fresh water consumption of per ton steel.

Environmentally-friendly Products

Being market-oriented and striving for customer satisfaction, Baosteel constantly optimizes its product structure, improves product quality and grade, vigorously develops environmentally friendly products, and implements "green operation" to build a "Green Baosteel".

Baosteel's Environmentally-Friendly Products Featuring Energy Conservation, Consumption Reduction, and Low Carbon Emission

Industry	Main Types	Advantages
Automobile	Sheet, steel wire and rod, laser tailor welded plate	Reduce weight, improve safety, and simplify processing
Beverage Packaging	Ultrathin DR plate, DI plate	Reduce the weight of beverage cans
Home Appliances	Color-coated plate, electrical steel, galvanized plate	Simplify processing and improve motor efficiency
Electric Power and Energy	Boiler pipe, pipeline steel	Improve power generation efficiency and energy delivery efficiency
Architecture and Civil Engineering	High-strength steel, ultrahigh strength steel	Reduce weight, improve safety, and improve efficiency of construction

Baosteel's Environmentally-friendly Products of Environmental Protection Category

Industry	Main Types	Advantages
Automobile	Galvanized plate, composite plate	Reduce noise and vibration

(Continued)

Industry	Main Types	Advantages
Home Appliances	Electrical steel and galvanized plate with chrome-free and environmentally-friendly coating	Free from harmful substances to the environment

Baosteel's Environmentally-friendly Products of "Recycled and Service life Prolonged" Category

Industry	Main Types	Advantages
Automobile	High strength galvanized plate	Prolong service life and reduce material waste
Home Appliances	Galvanized plate, color-coated plate	Prolong service life and reduce material waste
Electric Power and Energy	Boiler tube, high strength steel	Prolong service life and improve power generation efficiency
Architecture and Civil Engineering	High strength structural steel, steel wire, fire and weather-resistant steel, steel pipe, color-coated steel plate	Prolong service life

Comprehensive Utilization

List of Comprehensive Utilization of Solid Waste Resources of Baosteel Development Co., Ltd. in 2015

Name of Product	Amount Utilized (Ten Thousand Tons)
Water Granulated Slag	436.1 (Including Baosteel Stainless Water Granulated Slag)
Mineral Powder	260.9 (Shanghai Area)
Fly Ash	24.8 (Shanghai Area)
Iron Oxide Red	7.1

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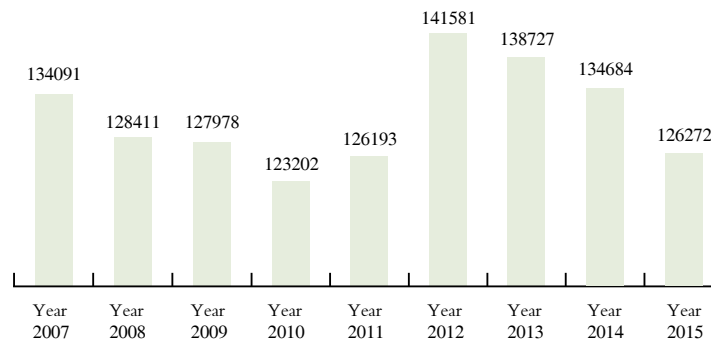
Name of Product	Amount Utilized (Ten Thousand Tons)
Oxide Scale	10.05
Slag Iron & Steel	7
Waste Residue	18
Scrap Refractory Materials	15
Iron-bearing Dust	55
Refuse Oil	0.38
Industrial Refuse	4.7
Other Industrial Waste	26
Recycle of Scrap Materials	3.72
Scrap Equipment	2.13
Recovery Rate of Solid Waste	9.6%

Environmental Greening

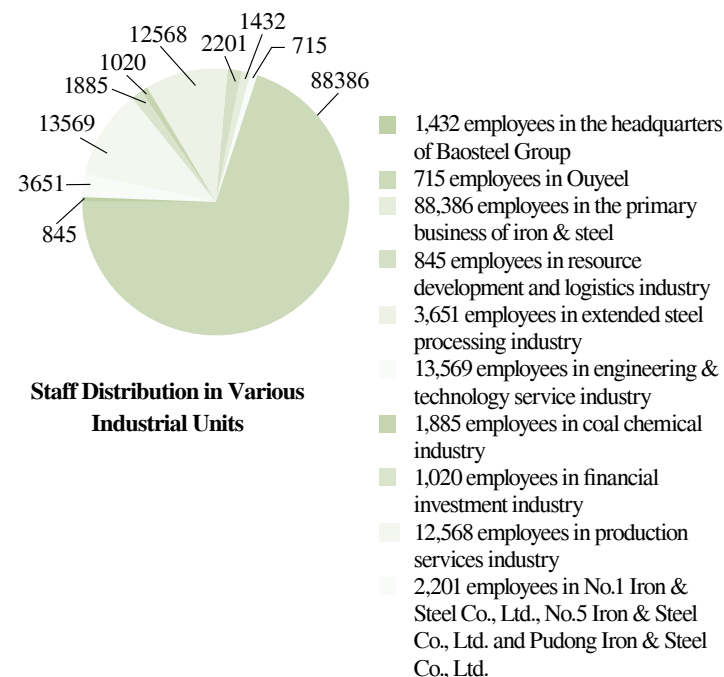
In 2015, Baosteel Development Co., Ltd., the subsidiary company of Shanghai Baosteel Ecological Landscaping Co., Ltd., strengthened the landscaping management and greening environmental improvement work, and promoted the improvement and transformation of greening and the restoration after the relocation, with a replanting area of 53,400 m², and a replacing area of flowers and grass of 147,00 m². The company completed the daily maintenance of 4,800 flowerpots covering 64 branches; completed 18 projects of greening renovation with a total area of 72,400 m²; completed 22 projects of greening improvement and transformation with an afforestation area of 402,000 m²; completed 152 projects of greening relocation with a total area of 186,800 m²; completed 104 projects of greening restoration with a total area of 84,100 m².

Human Resources

1. Composition of Employees



Total Number of Registered Employees



Staff Distribution in Various Industrial Units

2. Information of Employees

Information of On-the-job Employees of 2015

Total Number of On-the-job Employees: 113,517

By Work Nature		By Educational Background					By Age				
Managers	Technicians	Operators	Postgraduates	College Graduates	Junior College Graduates	Vocational or High School Graduates	Junior High School Graduates or Below	35 or Under	36-45	46-55	56 or Above
9,537	3,1812	72,186	6,759	27,918	34,008	32,314	12,518	38,357	38,355	32,521	4,284
8.40%	28.02%	63.57%	5.95%	24.59%	29.96%	28.47%	11.03%	33.79%	33.79%	28.65%	3.77%

Information of Professionals of 2015

Total Number of Professionals: 34,305

By Professional Qualification		By Educational Background					By Age				
Senior	Intermediate	Junior	Unevaluated	Postgraduates	College Graduates	Junior College Graduates	Vocational School Graduates or Below	35 or Under	36-45	46-54	55 or Above
4,559	13,681	6,509	9,556	4,555	20,066	7,454	2,230	12,250	11,149	9,165	1,741
13.29%	39.88%	18.97%	27.86%	13.28%	58.49%	21.73%	6.50%	35.71%	32.50%	26.72%	5.08%

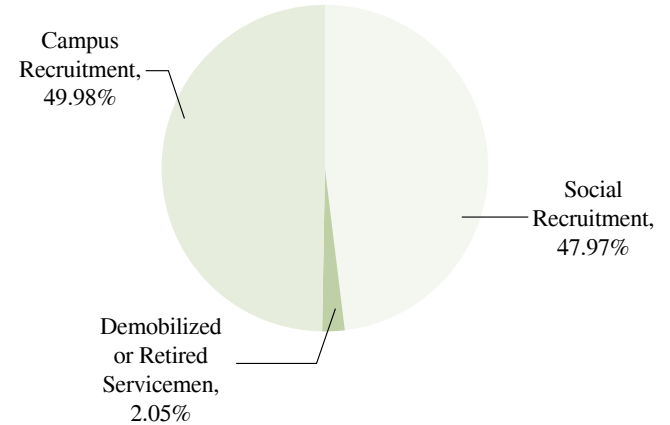
Information of Skilled Talents of 2015

Total Number of Skilled Talents: 52,704

By Level of Skill		By Educational Background					By Age					
Senior Technicians	Technicians	Senior Workers	Intermediate Workers	Junior workers	Postgraduates	College Graduates	Junior College Graduates	Vocational School Graduates or Below	35 or Under	36-45	46-55	55 or Above
1,627	5,615	26,285	12,147	7,030	11	4,668	18,072	29953	12,066	20,970	17,390	2,278
3.09%	10.65%	49.87%	23.05%	13.34%	0.02%	8.86%	34.29%	56.83%	22.89%	39.79%	33.00%	4.32%

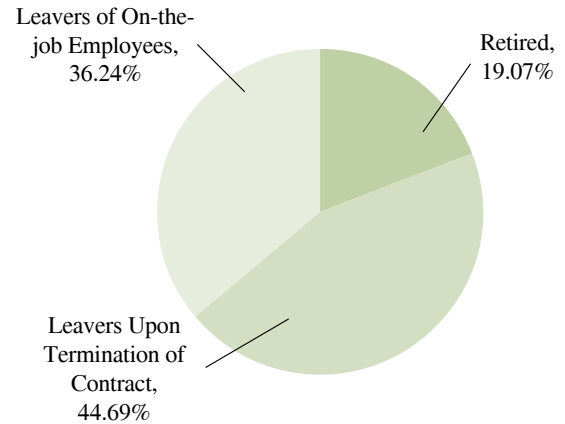
3. Staff Recruitment

The total number of newly recruited employees in 2015 was 5,666, a year-on-year decrease of 17%, among which 2,718 were recruited from the society, 116 were demobilized or retired servicemen, and 2,832 were recruited from the campus (including 759 people with college degrees or above).



Recruitment Information

Among the 12,581 leavers in 2015, 2,399 retired, 5,623 left upon rescission/termination of contract, and 4,559 left their positions.



Information of Leavers

Development of Human Resources

Baosteel's education and training is chiefly undertaken by Baosteel Talent Development Institute. Talent Development Institute is not only an educational and training base for Baosteel employees, but also the management and research base and innovation activity base for employees, bearing the function of categorized and classified training for Baosteel's employees.

Talent Development Institute has a team of full-time teachers with completed professional categories. Among 157 teachers, 89% of them have bachelor degree or above, 25% have received postgraduate education or above. In addition, Baosteel has recruited 82 part-time professors inside and outside Baosteel, among whom 62 are Baosteel employees and 20 come from Northeastern University, Anhui University of Technology, Shanghai Jiao Tong University, University of New South Wales, Australia, etc.

In 2015, Talent Development Institute carried out various training of 170,000 person-times (including online training of 77,000 person-times), 330,000 training days (including 278,000 face-to-face training days); it also carried out 11 researches on management; talent assessment for 6,332 person-times.

In 2015, Talent Development Institute was awarded the "Best Contribution Award of the Year" by China's Association for Executives Development. Organized by Talent Development Institute, Baosteel's employees won the world champion of enterprise group in the regional competition of the 9th Steeluniversity Steel Challenge.

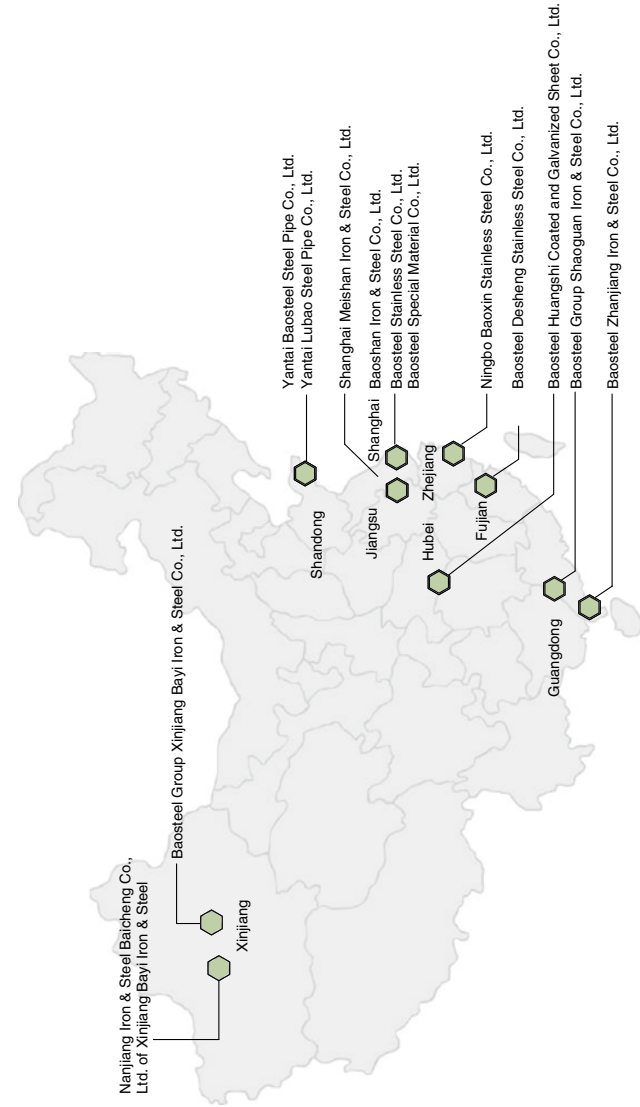
Iron & Steel Industry



Iron & Steel Industry

Production bases of Baosteel Iron & Steel are mainly located in the Yangtze River Delta, the Pearl River Delta, and the northwest border area. Baosteel takes iron and steel as its main business, forming three major product series of plain carbon steel, stainless steel, and special steel, and it owns iron and steel subsidiaries such as Baoshan Iron & Steel Co., Ltd., Xinjiang Bayi Iron and Steel Co., Ltd., Guangdong Shaoguan Iron and Steel Co., Ltd., Baosteel Stainless Steel Co., Ltd., Baosteel Special Steel Co., Ltd and so on. In 2015, Baosteel produced 34.91 million tons of iron, 36.11 million tons of steel, and 36.46 million tons of commodity billets.

Baosteel's Iron and Steel Production Bases in China



Baoshan Iron & Steel Co., Ltd. (Abbreviated to Baosteel Co., Ltd.)

Established solely by Baosteel Group on February 3, 2000, Baosteel Co., Ltd. is a subsidiary controlled by Baosteel Group. It was listed for trading at Shanghai Stock Exchange on December 12, 2000.

In 2015, Baosteel Co., Ltd. achieved a total profit of RMB 1.854 billion, total operating revenue of RMB 164.117 billion, producing 22.174 million tons of iron and 22.642 million tons of steel, and selling 22.15 million tons of commercial billets. The input rate of R&D was 2.11% throughout the year, sales rate for new products was 21.03%, and the proportion of unique new products was 69.78%; On September 25, the no. 1 blast furnace of Zhanjiang Iron & steel was ignited successfully. In terms of capital market, the company was awarded top 100 Chinese enterprises and Chinese star companies, and rated as class A company in information disclosure among listed companies by the Shanghai Stock Exchange, continuing to be crowned as the top 100 most respected listed companies by investors.

In 2015, Baosteel Co., Ltd. continued to enjoy the highest credit rating in the iron & steel industry across the world, rated A-, A3, and A- by Standard & Poor's, Moody's, and Fitch respectively, showing a sound and stable outlook. It successfully pilot manufactured the car-use cold rolled martensitic steel with the highest intensity in the world; the market share of silicon steel products in UHV DC & AC projects was 45%, becoming the first domestic iron and steel supplier with application performance of two major series of products in the field of nuclear power, non-oriented silicon steel and oriented silicon steel; it successfully pilot manufactured cold rolling of 980 DP, 1180 DP, 980 QP, and 1180 QP products to fill the domestic blank. Baosteel's "three flow and one state energy value management in iron and steel enterprises" won the first prize of national modern enterprise innovation achievement; "management and practice of the quick overhaul of large blast furnaces in Baosteel Co., Ltd." won the first prize of Business Administration Modern Innovation Achievement of Chinese Iron and Steel Association.

Shanghai Meishan Iron & Steel Co., Ltd. (Abbreviated to Meishan Iron & Steel)

It is a subsidiary of Baosteel Co., Ltd. In 2015, it produced 6.7493 million tons of pig iron, 6.8464 million tons of continuous casting billet,

6.4063 million tons of hot rolled steel coil, 1.0366 million tons of pickling products, 835,100 tons of cold rolled products, and 2.5929 million tons of iron ore concentrate. Meanwhile, new power heat, waste heat, CDQ, and TRT (blast furnace top gas recovery turbine unit) totally generated 1.535 billion KWH; the main economic and technical indicators continue to take the lead in the industry.

Baosteel Zhanjiang Iron & Steel Co., Ltd. (Abbreviated to Zhanjiang Iron & Steel)

It is a subsidiary of Baosteel Co., Ltd. On April 18, 2011, Baosteel Zhanjiang Iron & Steel Co., Ltd. was registered and established in Zhanjiang, Guangdong Province. On May 24, 2012, National Development and Reform Commission (NDRC) issued an official document to approve Baosteel to undertake the construction of Zhanjiang Iron & Steel project; on May 31, Baosteel Guangdong Zhanjiang Iron & Steel Base Project held an opening ceremony for the construction on Donghai Island of Zhanjiang. In 2013, the main projects of iron-making, steel-making, continuous casting, hot rolling, cold rolling, etc., were started completely.

The main project of Zhanjiang Iron & Steel Base Project covers an area of 12.58 square kilometers. The iron and steel process adopts production processes of coke oven, sintering, blast furnace, converter, and continuous casting. And the steel rolling process uses production facilities such as hot continuous rolling, cold continuous rolling, and thick plate. The project will meet the production demand of middle- and high-end carbon steel plate in the target markets of Southern China and around Southeast Asia. The construction scale includes 8.23 million tons of molten iron, 8.928 million tons of molten steel, and 6.89 million tons of steel products. Its main varieties cover hot rolling plate, cold rolling thin plate, hot dip galvanized plate, wide and heavy plate, etc. Meanwhile, the project has the production capacity of hot rolled Ultra High Strength Steel (UHSS).

In 2015, the main unit projects and the whole plant's public auxiliary project released construction drawing 53194.250A1 together. The construction drawings added up to 140725.625A1, accounting for 90.63% of the estimated total amount, which controlled the schedule and quality of design. Delivery of equipment for the whole year is about 167,000 tons with the contract price of RMB 4.96 billion, and 98.5% delivery plan completion

rate. The rate of equipment straightly delivered to the site reached 60%, satisfying the requirements of on-site construction progress; it adjusted the construction plan timely according to the "15 • 9" (September 2015) no. 1 high furnace ignition target to ensure orderly inputting of 20000 construction force, using such tools as front line and comprehensive progress rate to stress the construction progress with the punctuality rate of important schedules reaching 95.43%; It carried out investment in special projects, standardized and reduced the site visa. Corresponding budgetary estimate of project investment amounted to 96.2%, thus achieving control target and saving engineering equipment fee of about RMB 500 million in total; It fully implemented the production preparation work before construction, refined and improved the production plan and technical regulations of "15, 9" before construction; Strengthen the employees' independent post operation in Baosteel Co., Ltd. and the entire team post training, achieve a complete coverage of the team before production, go back to Zhanjiang in turn to participate in project equipment installation and commissioning, and improve hand skills. 2918 of them have acquired work licenses.

Since April 20, 2015, mineral wharf began to receive foreign ships; On June 9 and August 27, no. 1 and no. 2 generator units respectively come into commercial operation mode; On September 25, no.1 blast furnace was ignited; On September 26, no.1 blast furnace output molten iron; On September 28, steel-making successfully smelted the first furnace of steel and cast the first piece of slab; On December 15, 2,250 mm hot rolling started heat load run test. It pilot produced 747,400 tons of molten iron for the year, 714,100 tons of molten steel, 647,200 tons of slab, among which 302,500 tons of the slab were sent to Baosteel Co., Ltd. for rolling, and complete expand steel of 97; It sold 261,300 tons of slab and 170,800 tons of hot rolled products.

Main Equipment (Production Lines) Table

Location	Equipment and Specifications	Quantity
Plants and Business Units Directly under Baosteel Co., Ltd.	495 m ² sintering machine	2
	600 m ² sintering machine	1
	7 m 50-hole Coke Oven	4

(Continued)

Location	Equipment and Specifications	Quantity
	6 m 50-hole Coke Oven	4
	7 m 50-hole Coke Oven	2
	4,966 m ³ blast furnace, 4,706 m ³ blast furnace, 4,850 m ³ blast furnace, 4,747 m ³ blast furnace	1 for each
	300-ton Converter, 250-ton Converter	3 for each
	1,930 mm continuous casting machine, 1,450 mm continuous casting machine	2 for each
	2,300 mm continuous casting machine, 1,750 mm continuous casting machine	1 for each
	2,050 mm continuous hot rolling mill, 1,580 mm continuous hot rolling mill, 1,880 mm continuous hot rolling mill	1 for each
	2,030 mm cold continuous rolling mill, 1,420 mm cold continuous rolling mill, 1,550 mm cold continuous rolling mill, 1,730mm cold continuous rolling mill, 1,220 mm cold continuous rolling mill	1 for each
	5 m heavy plate rolling mill	1
Baosteel-NSC/Arcelor Automotive Steel Sheets Co., Ltd	1,800 mm continuous cold rolling mill	1
	180m ² sintering machine, 400m ² sintering machine, 450 m ² sintering machine	1 for each
	55-hole coke oven, 60-hole coke oven	2 for each
	1,280m ³ blast furnace, 3,200m ³ blast furnace, 4,070 m ³ blast furnace	1 for each
	150-ton converter	3
Meishan Iron & Steel Co., Ltd.	250-ton converter	3
	1,320 mm continuous casting machine, 1,650 mm continuous casting machine	2 for each
	1,422 mm continuous hot rolling mill, 1,780 mm continuous hot rolling mill	1 for each
	1,630 mm hot rolled pickling unit	1
	1,420 mm continuous cold rolling mill	1

(Continued)

Location	Equipment and Specifications	Quantity
Tube, Pipe and Bar Business Unit	140mm seamless steel pipe unit, HFW welded pipe machine set, and UOE welded pipe machine set	1 for each
	ARE-roll tube expander, 460 PQF continuous mill	1 for each
	150-ton electric furnace	2
	320 mm x 425 mm continuous bloom continuous casting machine	1
	Blooming mill set, high-speed wire and rod mill	1 for each
Baosteel Huangshi Coated and Galvanized Sheet Co., Ltd	Pickling machine set, cold rolling mill set, galvanizing machine set	1 for each
Zhanjiang Iron and Steel Co., Ltd	5,050 m ³ blast furnace	1
	65-hole Coke Oven	2
	5 million-ton pellets production line	1
	550 m ² Sintering Machine	1
	350-ton Converter	2
	2,150 mm continuous casting machine	2
	1000-ton/Limestone Rotary Kiln	2
2,250 mm continuous hot rolling mill	1	

Baosteel Group Xinjiang Bayi Iron & Steel Co., Ltd. (Abbreviated to Bayi Iron & Steel)

Bayi Iron and Steel was formally called Xinjiang Military Area Logistics Department Iron and Steel Plant which was established through arduous work in September 1951 by the People's Liberation Army stationed in Xinjiang. It was named as Xinjiang Military Area Bayi General Iron and Steel Plant on May 20, 1952. It was renamed as Xinjiang Bayi Iron and Steel Plant in 1953 after it was handed over to the Industrial Bureau of Xinjiang Uyghur Autonomous Region. On September 27, 1995, Xinjiang Iron and Steel (Group) Co., Ltd. was established with the Xinjiang Bayi General Iron and Steel Plant as the main part; and was renamed as Xinjiang Bayi Iron and Steel (Group) Co., Ltd. in November 1999. On January 16, 2007, Xinjiang Bayi

Iron and Steel Group Limited Liability Company was reorganized after an agreement was signed between Baosteel and the Government of Xinjiang Uygur Autonomous Region; On April 28, the company officially joined the Baosteel Group and was named as Baosteel Group Xinjiang Bayi Iron & Steel Co., Ltd.

Bayi Iron & Steel has a complete set of production processes ranging from mining, mineral separation, sintering, coking, iron making, steel-making, and steel rolling. In addition to the Yamansu iron mine and Mengku iron mine in Hami Prefecture and Altay Prefecture of Xinjiang respectively, Bayi Iron & Steel has self-owned iron mines with considerable reserves in northern and southern Xinjiang. It also has a coal mine in Ewirgol of Urumqi which mainly produces coking coal. Bayi Iron and Steel also produces products made of iron and steel such as metal-ware.

Bayi Iron & Steel has an annual steel output of 11 million tons. Its products include long steel products, steel plates, and steel pipes, which are mainly sold in Xinjiang and other provinces in western China. Some of the products are also exported to Central Asia.

In 2015, Bayi Iron & Steel Co., Ltd. produced 310,000 tons of iron, 4.4474 million tons of steel, and 4.3538 million tons of steel products, and sold 4.7224 million tons of steel products, realizing an operating revenue of RMB 10.6 billion.

Xinjiang Bayi Iron & Steel Co., Ltd. (Abbreviated to Bayi Iron & Steel Co., Ltd.)

It is a subsidiary of Bayi Iron and Steel. Xinjiang Bayi Iron & Steel Co., Ltd. is a limited joint stock company jointly established on July 27, 2000 by Xinjiang Bayi Iron and Steel Group Limited Liability Company and the other 4 companies. On August 16, 2002, it was listed for trading at Shanghai Stock Exchange.

By the end of 2015, the total capital stock of Bayi Iron and Steel Co., Ltd. was 766 million shares with total assets of RMB 18.269 billion and net assets of RMB -0.905 billion. This company mainly deals with smelting, rolling, processing, and marketing of iron and steel. Its comprehensive capacity of steel production is 11 million tons per year. In 2015, Bayi Iron & Steel Co., Ltd. produced 310,000 tons of iron, 4.4474 million tons of steel and 4.3538 million tons of steel products, and sold 4.7224 million tons of steel products, realizing an operating revenue of RMB 10.6 billion.

Its products cover bar, wire rod, extrudate, cut deal, hot rolled sheet, cold rolled sheet, galvanized sheet, color coating sheet and so on. Products quality of Bayi Iron & Steel has reached the standard of internationally-recognized high-precision products and has passed ISO9002 international quality standard certification. "Huli" deformed steel bar was awarded "Gold Cup Prize of Metallurgical Product Quality" and was among the earliest to gain national quality inspection exemption.

Bayi Iron & Steel Co., Ltd. won in succession various honors such as National Advanced Credible Organization, Well-known Enterprise in China, Chinese Enterprise with the Best Image of AAA Grade, National Advanced Organization for Cultural and Ideological Progress, and one of the earliest Contract-Honoring and Credible Enterprises in Xinjiang Uygur Autonomous Region.

Main Equipment (Production Lines) Table

Equipment	Specifications	Quantity
Iron Mine		2
Coal Mine	Mainly producing coking coal	1
Sintering Machine	430 m ³	2 (including 1 of Nanjiang Iron & Steel)
Sintering Machine	265 m ³	2
Coke Oven	4.3m,42-hole	4
Coke Oven	4.3m,49-hole (tamping)	1
Coke Oven	5.5m, 60-hole recuperative (tamping)	1 (Nanjiang Iron & Steel Co., Ltd.)
Coke Oven	6m, 55-hole	4
Melting-Reduction Ironmaking Furnace	C3000	1
Blast Furnace	2,500 m ³	3
Blast Furnace	1,800 m ³	1 (Nanjiang Iron & Steel Co., Ltd.)
Converter	150 tons	1
Converter	120 tons	5 (including 2 of Nanjiang Iron & Steel Co., Ltd.)
Electric Furnace	110 tons	1
Electric Furnace	70 tons	1

(Continued)

Equipment	Specifications	Quantity
High Speed Steel Wire Mill Set		3
Steel Rod Mill Set		4
Cold Rolling Mill Set	1,420 mm rolling mill	1
Hot Rolling Mill Set	1,750 mm rolling mill	1
Medium and Heavy Plate Rolling Mill	3,500 mm	1

Baosteel Group Shaoguan Iron & Steel Co., Ltd. (Abbreviated to Shaoguan Iron & Steel)

Baosteel Group Guangdong Shaoguan Iron & Steel Co., Ltd. was established on August 22, 1966. Baosteel signed equity transfer agreement with Stated-owned Assets Supervision and Administration Commission (SASAC), Guangdong Province on August 22, 2011. On the basis of spinning off societal functions, Shaoguan Iron & Steel's 51% equity was directly held by Baosteel Group. Baosteel Group Guangdong Shaoguan Iron & Steel Co., Ltd. was established on April 18, 2012.

Shaoguan Iron & Steel has an annual steel output of 6.50 million tons. Based on iron and steel industry, it implements diversified operation with simultaneous development of manufacturing, science, and trade. It is not only the important iron and steel production base of Guangdong Province and national high-tech enterprise, but also the vital production base of ship plate steel, high strength steel plate used for engineering machinery and hydropower station, high-building steel plate used for architectural structure, bridge plate, boiler, and steel plate used for pressure vessel. Some products, such as plate, wire rod, and superior special steel bar, etc., are mainly sold in Pearl River Delta (PRD), Eastern China and provinces adjacent to Guangdong, and some are for export.

In 2015, 5.25 million tons of iron, 5.2 million tons of steel, 5.02 million tons of steel products, 7.76 million tons of sinter, and 2.44 million tons of coke products were produced, realizing an operating revenue of RMB 12.2 billion.

Main Equipment (Production Lines) Table

Equipment	Specifications	Quantity
MAERZ Lime Kiln	500-ton/day	2
Sintering Machine (Suspend Using)	105 m ²	1
Sintering Machine	360 m ²	2
Coke Oven	4.3 m (55-hole)	2
Coke Oven	6 m (55-hole)	2
Coke Oven	New 6 m (55-hole)	2
Blast Furnace	750 m ³	1
Blast Furnace	2,200 m ³	1
Blast Furnace	3,200 m ³	1
Converter	120 tons	3
Converter	130 tons	2
Electric Furnace	90 tons	1
High Speed Wire Rod	Finished Φ5.5 mm-20 mm	2
Small Section Mill (Deformed Steel)		3
Steel Rod Rolling Mill (Rod One)	Finished Φ12 mm-40 mm	1
Steel Rod Rolling Mill (Rod Two)	Finished Φ12 mm-22 mm	1
Steel Rod Rolling Mill (Rod Three)	Finished Φ12 mm-50 mm	1
Medium and Heavy Plate Rolling Mill	2,500 mm	1
Wide and Heavy Plate Rolling Mill	3,450 mm	1
Special Steel Rolling Mill (Big Rod)	Finished Φ70 mm-180 mm	1
Special Steel Rolling Mill (Small Rod)	Finished Φ20 mm-80 mm	1

Baosteel Stainless Steel Co., Ltd. (Abbreviated to Baosteel Stainless)

Baosteel Stainless Steel Co., Ltd. was established on March 12, 2012. It has three major production bases – Shanghai Headquarters, Baosteel Desheng Stainless Steel Co., Ltd. (abbreviated to Baosteel Desheng), and Ningbo Baoxin Stainless Steel Co., Ltd. (abbreviated to Ningbo Baoxin), and it has a complete set of united production lines of stainless steel and carbon steel ranging from iron making, steel making, hot rolling, cold rolling, etc.

Baosteel Stainless is headquartered in Baoshan District of Shanghai with a land area of 3.53 square kilometers. It could produce 1.50 million tons of stainless steel and 2.25 million tons of carbon steel throughout the year. Baosteel Desheng, with an area of 2.18 square kilometers, is situated in Jingang Industrial Park of Luoyuan Bay Development Zone of Fujian Province. It has a complete set of production and processing capability on mining, iron making, steel making, coking, hot rolled strip, solution heat treatment and pickling, etc., and it has an annual stainless steel output of 1.20 million tons. Ningbo Baoxin is located in Ningbo Economic and Technological Development Zone, covering an area of 650,000 square meters. It could produce 600,000 tons of cold rolled stainless thin plate and 10,000 tons of cold rolled stainless steel welded pipe throughout the year.

In 2015, Baosteel Stainless realized an operating revenue of RMB 33.197 billion. It produced 2.19 million tons of iron, 2.42 million tons of steel, 3 million tons of hot rolling and sold 1.38 million tons of stainless steel products and 1.68 million tons of carbon steel products; Baosteel Desheng annually produced 1.1637 million tons of crude steel and 1.1558 million tons of commodity slab; Ningbo Baoxin produced 678,100 tons of cold rolled stainless steel and sold 677,700 tons; produced 6,400 tons of hot rolled stainless steel pickling and sold 6,500 tons, produced 10,100 tons of welded pipe and sold 10,100 tons; the entrusted processing production was 900 tons, and the sales were 900 tons.

Main Equipment (Production Lines) Table

Equipment	Specifications	Quantity
Baosteel Stainless Headquarters		
Sintering Machine	226 m ³	1

(Continued)

Equipment	Specifications	Quantity
Blast Furnace	2,500 m ³	1
Carbon Steel Converter	150 tons	2
Stainless Steel Converter	120 tons	2
LF Ladle Refining Furnace	150 tons	1
LF Ladle Refining Furnace	120 tons	1
VOD Refining Equipment	120 tons	1
Electric Furnace	100 tons	2
Continuous Caster	750 mm-1,650 mm	4
Hot Rolling Mill Set	1,780 mm	1
Cold Rolling Mill Set	1,750 mm	1
20 Roll Cold Rolling Mill Set	1,600 mm	1
Annealing and Pickling Machine Set of Hot-Rolled Stainless Steel Strip	1,600 mm	1
Annealing and Pickling Machine Set of Cold-Rolled Stainless Steel Strip	1,600 mm	1
Stainless Steel Sharpening Machine Set	1,600 mm	1
Stainless Steel Temper Mill Set	1,600 mm	1
Stainless Steel Recoiling Machine Set	1,600 mm	2
Continuous Pickling Machine Set of Carbon Steel	1,600 mm	1
Continuous Annealing Machine Set of Carbon Steel	1,600 mm	1
Carbon Steel Recoiling Machine Set	1,600 mm	2

(Continued)

Equipment	Specifications	Quantity
Ningbo Baoxin		
Annealing and Pickling Machine Set of Hot-Rolled Stainless Steel Strip	1,350 mm	1
Annealing and Pickling Machine Set of Cold-Rolled Stainless Steel Strip	1,350 mm	3
Bright Annealing Unit	1,350 mm	2
Bell-type Furnace		18
Grinding and Polishing Unit	1,350mm	3
Single Stand Cold Rolling Mill	1,350mm	7
Stainless Steel Temper Mill Set	1,350mm	3
Tension Leveler Set	1,350mm	2
Recoiling Machine Set	1,350mm	2
Horizontal Cutting Machine Set	1,350mm	2
Vertical Cutting Machine Set	1,350mm	1
Welded Pipe Machine Set	Tailor welded tubes and ratio-frequency welded tube	1 for each
Baosteel Desheng		
Sintering Machine	126 m ²	3
Blast Furnace	600 m ³	3
Converter	80 tons	3
Converter	70 tons	1
Stainless Continuous Caster	180 mm × 1,250 mm two-strand slab continuous caster, 200 mm × 1,600 mm one-strand continuous caster	1 for each
Hot Continuous Rolling Mill	1,150 mm rolling mill	1

(Continued)

Equipment	Specifications	Quantity
Solvus Line	1,150 mm	6
Cold rolling DRAP Unit (Rolling, Annealing, Pickling Stainless Steel, Continuous Production Line)	4 sets of 6 roller continuous rolling mill, 1,350 mm	1

Baosteel Special Steel Co., Ltd. (Abbreviated to Baosteel Special Steel)

Baosteel Stainless Steel Co., Ltd. established in April, 2012 possess specific metallurgy, stainless steel, and structural steel, silver bright materials, alloy plate and stripe, and steel pipe. It has developed three series of products centering on special metallurgy, stainless steel, and structural steel. Meanwhile, Baosteel Special Steel focuses on three key industries of aviation and aerospace, energy power station, and transportation and centers around four specialized products of die steel, bearing steel, steel and mandril for automobile, and stainless steel.

In 2015, Baosteel Special Steel produced 216,300 tons of steel and 657,400 tons of steel materials, and sold 713,200 tons with an operating revenue of RMB 6.676 billion.

Main Equipment (Production Lines) Table

Equipment	Specifications	Quantity
Electric Furnace	40 tons	4
Vertical Continuous Caster	600 mm-1,300 mm	1
Vacuum Induction Furnace	12 tons	1
Fast Forging Press	4,000 tons, 6,000 tons, 1,300 tons of radial forging	1 for each
Hot Rolled Plate Rolling Mill	2,500 mm	1
Steckel Mill	1,300 mm	1

(Continued)

Equipment	Specifications	Quantity
Cold Rolled Steel Main Line	1,300 mm	1
Hot Extrusion Main Line	Φ51 mm-325 mm	1
Bar Mill	Φ 750 mm×2,000 mm, Φ 700mm× 900 mm	1 for each
Consumable Electrode Vacuum Furnace	15 tons	1
Electric Slag Furnace	20 tons	5

Overseas Companies

Baosteel America Inc. (Abbreviated to Baosteel America)

As a wholly-owned subsidiary of Baoshan Iron and Steel Co., Ltd., Baosteel America Inc. was established in America on April 9, 1996. It is headquartered in Montvale, New Jersey of U.S. with 980,000 dollars of registered capital. Baosteel America mainly engages in the marketing, diversified trade, investment and financing of iron- and steel-related products. Its main markets cover North & South America and users include General Motors, General Electric, Electrolux, etc. Baosteel America has Finance General Management Department, Iron and Steel Department, and Multi-industry Department. It sets up representative offices in Los Angeles of U.S., Toronto of Canada, Mexico City of Mexico, and Shanghai of China respectively. And it has a subsidiary -- Baosteel Brazil Trading Cor., Ltd.

In 2015, Baosteel America sold 434,200 tons of various steel products and realized USD 529 million of sales revenue.

Baosteel Europe GmbH (Abbreviated to Baosteel Europe)

Baosteel Europe, a wholly owned overseas subsidiary of Baoshan Iron & Steel Co., Ltd., was established in Hamburg, Germany on October 11, 1993. Its registered capital is 500,000 marks, and solid capital is 4 million marks (2.0452 million euros). It mainly engages in metallurgy materials, devices, spare parts, and

components, imports and exports trade of iron and steel products, etc. Baosteel Europe has Finance General Management Department, Iron and Steel Department, Spare Parts Department, and New Business Development Department and sets up representative offices in Eastern Europe, South Africa and Shanghai, and three subsidiaries as Baosteel Espana, S.L., Baosteel Middle East FZE, Baosteel Italia Distribution Center SPA.

In 2015, Baosteel Europe sold 623,000 tons of iron and steel and realized 541 million euros of sales revenue.

Howa Trading Co., Ltd. (Abbreviated to Howa Trading)

Howa Trading Co., Ltd. was established on August 26, 1993 with 876 million yen of registered capital. It is a wholly-owned subsidiary of Baoshan Iron and Steel Co., Ltd. and the registered address is 15 Banchi, Ichiban-Cho, Chiyoda, Tokyo. Howa Trading Co., Ltd. is focusing on the trade of steel products, trade of devices, spare parts, materials and equipment, as well as trade of raw materials and deep processing products of iron and steel. The sales area of steel and iron covers countries and regions such as Japan, South Korea, New Zealand, Australia, Taiwan of China, etc. Howa Trading Co., Ltd. has set up Seoul Office in South Korea, Shanghai Office in China, and Kaohsiung Office in Taiwan, China respectively and also set up Baosteel Australia Pty Ltd. in Australia and Hanbao Distribution Center of Steel Cutting and Processing (BGM joint-stock company) in South Korea.

In 2015, Howa Trading realized 96.1 billion yen for sales revenue, and the import and export volume of steel products reached 1.1471 million tons.

Baosteel Singapore Pte Ltd. (Abbreviated to Baosteel Singapore)

As a wholly-owned subsidiary of Baoshan Iron and Steel Co., Ltd., Baosteel Singapore Pte. Ltd. was established in Singapore on February 25, 1997. The headquarter is located in No.7 Temasek Boulevard, Singapore, with 1.5 million Singapore dollars of registered capital. Baosteel Singapore is focusing on the trade of all kinds of iron- and steel-related products, and imports of raw materials such as coal and iron on behalf of Baosteel Co., Ltd. It has Iron and

Steel Department, Financial Department, and Logistics Department, and also sets up a subsidiary in India and representative offices in Vietnam, Thailand, Indonesia, and Shanghai. Its main markets cover Singapore, Malaysia, Indonesia, Philippines, Thailand, Vietnam, and other countries in Southeast Asia as well as such countries in South Asia as India, Pakistan, and Bangladesh. Baosteel Singapore has been selected as one of Singapore's top 1000 companies for 14 consecutive years.

In 2015, Baosteel Singapore realized 1.9 billion US dollars of sales revenue.

Bao-Island Enterprises Limited (Abbreviated to Bao-Island Enterprises)

Baosteel (the original Shanghai Baoshan General Iron & Steel Works) and Jinshan Shipping Agency which is under Dongshi Group in Hong Kong, registered and established as a joint venture (each accounted for 50% share, Baosteel's total investment is 14.921 million US dollars) on November 3, 1992 in Hong Kong. The registered capital is 3.3 million HKD (Hong Kong dollar). Bao-Island Enterprises Limited has two 180,000-ton capesize ships — "PACIFIC COURAGE" and "PACIFIC CONCORD", and rent three 180,000-ton capesize ships — "PACIFIC EXPLORER", "PACIFIC ACCORD", "PACIFIC ENDURANCE" and one 200,000-ton capesize ship — "PACIFIC ASSURANCE" for a long time.

In 2015, Bao-Island Enterprises Limited realized 82 million US dollars of sales revenue.

Bao-Trans Enterprises Ltd. (Abbreviated to Bao-Trans Enterprises)

Baosteel Group and Sinotrans Ltd. registered and established Bao-Trans Enterprises Ltd. (Abbreviated to Bao-Trans Enterprises) as a joint venture on January 9, 1992 in Hong Kong. With the development in shipping business, Baosteel purchased 50% shares occupied by Sinotrans Ltd., and Bao-Trans Enterprises. became a wholly-owned subsidiary of Baosteel Group. On November 18, 2005, Bao-Trans Enterprises. was included in Baosteel Group, and it became the only wholly-owned overseas subsidiary which mainly managed shipping business. It has also expanded business to pursue diversified development, such as marine transportation of major bulks

(mainly including ore and coal), iron ore purchasing and sales agent, financing and rolled steel processing, outward foreign investments, etc.

In 2015, Bao-Trans Enterprises completed 28.014 million tons of iron ore transportation and realized 402 million US dollars of sales revenue; it purchased 31.088 million tons of iron ore as an agent and realized 1.827 billion dollars in operating revenue.

Diversified Industries



Diversified Industries

Baosteel implements the strategy of "one powerful industry along with coordinated development of related diversified industries". While highlighting the development of iron and steel industry, Baosteel vigorously develops related diversified industries around the supply chain of iron and steel, the technology chain, and the resources utilization chain. Currently the industries in which Baosteel is involved are composed of many related parts, including resource development & logistics, extended steel processing, engineering technology service, coal chemical industry, financial investment, production service, IT service, iron and steel service, and real estate development.

Resource Development & Logistics

The industry of resource development and logistics is the upstream industry of the iron and steel supply chain. It deals mainly with development and management of iron mines, coal, and other resources and ensures the resource supply for iron and steel production.

Baosteel Resources Co., Ltd. (Abbreviated to Baosteel Resources)

Established on July 21, 2006, Baosteel Resources Limited is a wholly-owned subsidiary of Baosteel Group Corporation. It mainly deals with investment, trade, and logistics services of mineral resources, and makes efforts to build service platform of resources investment, trade and comprehensive logistics for iron and steel and other fields.

On December 21, 2010, Baosteel Resources (International) Co., Ltd. was established in Hong Kong positioned as the oversea industry headquarters. In 2012, Baosteel Resources Singapore Pte. Ltd. was formally established. So far Baosteel Resources has formed an initial network in global resource areas such as Australia, Africa, America,

and Southeast Asia.

On March 6, 2015, Baosteel Group made Baosteel Resources (International) Co., Ltd. its industry headquarters. As a wholly owned subsidiary of Baosteel Group, it operates under "same leadership, two brands" with Baosteel Resources Limited.

Baosteel Resources focuses on global distribution of mineral resources. It commits itself to providing clients with high quality products and value-added services, as well as achieving leapfrog development and international win-win cooperation of ore, coal, alloy, nonferrous metals, metal recycling resources, shipping logistics, etc.

In the process of moving towards its strategic goal, Baosteel Resources continuously makes innovations in management model, constantly promotes the development of "dual engines" in investment cooperation and trade operation, further develops shipping business space, and improves international management capabilities.

Baosteel Resources has always persisted in common development together with shareholders, clients, suppliers, staff, and the society It keeps improving the management and operation functions of exploration, design, selection, processing, transportation, trade, and investment, and strives to build a more mature industrial structure; It consistently improves its core competitiveness and makes effort to become a world-class comprehensive supplier of mineral resources.

In 2015, Baosteel Resources achieved an operating revenue of RMB 29.4 billion.

Extended Steel Processing

The extended steel processing industry is the downstream industry of the iron and steel supply chain. Baosteel mainly deals with development of the extended steel processing industry through utilization of its advantages in respect of iron and steel production.

Baosteel Metal Co., Ltd. (Abbreviated to Baosteel Metal)

Established on December 28, 2007, Baosteel Metal is a wholly-owned subsidiary of Baosteel Group with a registered capital of RMB 4.05 billion. The main business of Baosteel Metal includes industrial

gas, metal packaging, metal products, automobile trade, etc.

The industrial gas business: Mainly works on gas-related products, including compressed gas and liquid gas; Wholesale of flammable gases, non-flammable gases; To engage in import and export of goods and technologies; Sales of mechanical equipment, general chemicals, food additives, and environmental protection equipment; Technology development, technology transfer, technology consultation, and technology services in gas technology fields; General contracting of environmental pollution control project; Design for environmental protection equipment; Leasing of mechanical equipment; Cleaning service. In 2015, Baosteel Gas implemented project investment and business improvement mainly in 5 parts of air separation, hydrogen gas, syngas, clean energy, and packaging gases. It developed company's business by such 3 models of project investment as creating, acquiring, and acquiring + creating.

The metal packaging business: Products include metal two-piece cans and matching snap lids, and metal decorating products. Two-piece cans products own the customers of Coca-Cola, Pepsi, Budweiser Beer, Tsingtao Beer, Snow Beer, Yanjing Beer, and other famous beverage brands at home and abroad, and it cooperates with customers such as Coca-Cola, Budweiser, ORG Packaging; Metal decorating products are widely used by the famous beverage brands at home and abroad like Red Bull, Want Want, and LuLu, famous domestic food brands such as Merlin and Gulong, and well-known domestic chemical brands like Sinopec.

The metal product business: It mainly engages in deep processing business of steel products and alloy materials and primary or secondary processing of material such as wire rod, strip, and ingot bar. The products mainly include wire rod products, shaped steel products, compound metal products, etc. Downstream customers concentrate in the auto, architecture, machinery, electrical appliances, new energy, bridges, etc. Wire rod products include cold-heading steel wire, spring steel wire, galvanized steel wire, steel strand wire, cutting wire, and steel cord which are widely used in auto, machinery, architecture, household appliances, new energy, and other fields. Section bars include ordinary shaped steel products, high strength shaped steel products, and high frequency welded H-shaped profile steel which are mainly used in passenger car, machinery, architecture, elevators, and other industries.

The automobile trade and service business: Baosteel Automobile Trade and Service has many 4 s shops, a second-hand car company, as well as the Rental Department belonging to the company's headquarter, Self-provided Car Service Center, Insurance Claims Settlement Center in Shanghai, Shanghai Motor Vehicle Registration Station, etc. It is franchised to sell FAW Audi, FAW Volkswagen, Shanghai Volkswagen, Dongfeng Nissan, and other well-known brands at home and abroad. As a competitive car service provider, it provides customers with a whole process service of car purchasing, insurance, maintenance, accident claim settlement, vehicles leasing, used car disposition, thus it is a considerate service provider for customers.

In 2015, Baosteel Metal realized an operating revenue of RMB 10.143 billion with a profit of RMB 300 million.

Engineering Technology Services

The engineering technology services industry has a mission of enhancing Baosteel's independent integration and innovation capabilities, achieving lean production and improving efficiency of the iron & steel industry as well as advancing the engineering and technological industrialization progress, and is an industry related to engineering construction, operation and maintenance as well as lean operation of the primary iron & steel industry.

Baosteel Engineering Technology Group Co., Ltd. (Abbreviated to Baosteel Engineering)

Shanghai Baosteel Engineering Technology Co., Ltd. was established on August 5, 1999. Baosteel Group Corporation Engineering Technology Committee was set up in August 2009. In April 2010, the original Shanghai Baosteel Engineering Technology Co., Ltd., on the basis of incorporating and integrating relevant engineering technologies, steel structure business and resources, established Baosteel Engineering Technology Group Co., Ltd. Being a wholly-owned subsidiary of Baosteel Group Corporation, it has a registered capital of RMB 2.82 billion.

Baosteel Engineering has a complete industrial chain, and it is building strategic business focusing on energy conservation, environmental protection, and urban buildings; It is also committed to strengthening and improving specialized business including metallurgical technology, equipment manufacturing, construction

management consulting, etc.; As a regenerative business, industrial technical services guarantee the improvement of the competitiveness of iron and steel industry. The company business covers general contracting, project management and engineering consulting, project design, project bidding, project supervision, equipment design and manufacturing, supply of complete sets of equipment, construction management, operation maintenance, products inspection, etc. Its providing service for metallurgy, and even environmental protection, energy, finance, coal chemistry, and municipal administration.

In 2015, it realized RMB 10.665 billion in operating revenue.

Shanghai Baohua International Tendering Co., Ltd. (Abbreviated to Baohua Tendering)

It was originally the Tendering Office of Shanghai Baosteel International Economic and Trade Co., Ltd. Baohua Tendering was established on December 21, 2005 with a registered capital of RMB 10 million.

Baohua Tendering possesses tendering qualifications including A-grade international tendering for electromechanical products, A-grade engineering tendering, A-grade government procurement, etc. It can undertake multiple types of procurement tendering including domestic and international electromechanical equipment, materials and spare parts, raw and auxiliary materials, engineering tendering (design, exploration, construction, and supervision), and service tendering.

In 2015, Baohua Tendering realized a sales revenue of RMB 73.49 million with a total profit of RMB 28.81 million, completed 1,164 tendering projects with a successful bidding sum of RMB 8.486 billion.

Coal Chemical Industry

The coal chemical industry of Baosteel is a resource utilization industry, mainly engaging in gas refining after coking by the steel-making enterprises as well as production and sales of coal chemical products. Through cyclic utilization and products transformation based on coking byproducts, it seeks value added by manufacture, exploits downstream coal chemical fields with high technology and high value added, and practices the principle of environmental management.

Shanghai Baosteel Chemical Co., Ltd. (Abbreviated to Baosteel Chemical)

It originally was the Chemical Plant of Baoshan General Iron & Steel Works. In 1985 the phase I project of Baosteel Chemical was completed and put into operation. It grew to be a branch under Baosteel Co., Ltd. in May 2005 and resumed independent operation in September 2007, thereby becoming a wholly-owned subsidiary of Baosteel Co., Ltd. In April 2009 Baosteel Chemical was included as one of the diversified businesses by Baosteel Group Corporation and was responsible for the development of coal chemical sector of Baosteel. It has a registered capital of RMB 2.11 billion.

The company boasts production bases such as Shanghai Baoshan, Nanjing Meishan and Suzhou Baohua Carbon Black, in addition to subsidiaries, i.e., Wuhai Baohua Wanchen Coal Chemical Industry Co., Ltd., Zhanjiang Baosteel Chemical Co., Ltd., Nanjing Baoning Chemical Co., Ltd., Sichuan Daxing Baohua Chemical Co., Ltd., Baosteel Chemical International Trade Co., Ltd. (Zhangjiagang Free Trade Zone), Shanghai Bao Chemical E-commerce Co., Ltd., and Southeast Asia Representative Office and other agencies.

By the end of 2015, Baosteel Chemical has an original value of the fixed asset of RMB 9.114 billion and a total asset of RMB 5.344 billion, with a processing capacity of 4.2 billion cubic meters of coke oven gas, 950,000 tons of tar, and 250,000 tons of crude benzene, and a production capacity of 240,000 tons of carbon black. The quality of its needle coke has been further improved and has taken a place in the high-end market. In terms of tar processing capacity, it ranks top internationally and has the potential of developing into a world-class coal chemical enterprise.

The company produces over 50 series of products, including benzene, naphthalene, phenols, quinoline, oils, coumarone, ammonia sulfate, carbazole, anthraquinone, pitch coke, needle coke, and carbon black. All these products are widely applied in the fields of architecture, medicine, pesticides, plastics, tires, and dyes. Baosteel refined naphthalene has been rated as a national customer satisfaction product.

Baosteel Chemical achieved an operating income of RMB 7.633 billion and earned a profit of RMB 41 million in 2015.

Financial Investment Industry

The financial investment industry is closely associated with the primary iron & steel business. The combination of the business with finance can effectively boost the development of the iron & steel business and enhance its comprehensive competitiveness. Baosteel's presence in the financial investment industry is achieved through Fortune Investment Co., Ltd., Hwabao Trust Co., Ltd., Fortune SG Fund Management Co., Ltd., Hwabao Securities Co., Ltd., and Baosteel Finance Co., Ltd.

Fortune Investment Co., Ltd. (Abbreviated to Fortune Investment)

It was established in March, 2007, with registered capital of RMB 6.869 billion. It is a wholly-owned subsidiary of Baoshan Iron and Steel Co., Ltd. In accordance with the principles of corporate governance structure, it manages and controls financial institutions of Baosteel such as Hwabao Trust, Fortune SG, Hwabao Securities, etc., for promoting resource sharing and business interaction.

Fortune Investment dedicates to equity investment business, and selects outstanding enterprises for direct investment; while actively seeking investment opportunities of mainstream financial industry as well as upstream and downstream industry chain related to steel industry sector, it increases key investments in such sectors as public facilities, huge consumption, pharmaceuticals & medical, and other anti-cyclical industries, and sectors such as energy conservation and environmental protection, new materials, high-end equipment, and part of the high-tech sectors; in addition, it participates in the equity investment business indirectly by taking advantage of market-oriented operation.

By the end of 2015, Fortune Trust & Investment had hold 14.17% shares of China Pacific Insurance (Group) Co., Ltd. (abbreviated to China Pacific Insurance), 83.07% shares of Hwabao Securities Co., Ltd., 50% equity of ALD and Fortune Automotive Leasing Co., Ltd. (Shanghai).

Fortune Trust & Investment realized an operating income of RMB 5.667 billion, gained a total profit of RMB 2.826 billion (both excluding China Pacific Insurance) and the size of asset under its management hit RMB 763 billion in 2015.

Hwabao Trust Co., Ltd. (Abbreviated to Hwabao Trust)

Founded in 1998, Baosteel Group holds 98% shares, and Zhejiang Zhoushan Finance Bureau holds 2% shares. The registered capital is RMB 2 billion (including USD 15 million). On June 12 2008 Baosteel Group Corporation entrusted Fortune Investment to manage Hwabao Trust Co., Ltd.

Over the years, Hwabao Trust has always been keeping the consciousness of innovation, with a number of business qualifications or action in the leading position. In 2003, the first in the industry to launch a joint venture fund company; In 2005, the first to gain the qualification of the trustee and account manager issued by the Ministry of Human Resources and Social Security, and the first to carry out the structured securities business affairs; In 2007, it was the first trust company approved and granted the replaced financial license after the new two rules were released. In 2011, it became the first trust company qualified for stock-index futures trading.

Hwabao Trust takes asset management and trust services as two main business. In 2015, its operating income amounted to RMB 1.231 billion, and the profit is RMB 282 million.

Fortune SG Fund Management Co., Ltd. (Abbreviated to Fortune SG)

As a Sino-French joint venture fund management company, permitted to open on February 12, 2003, it is one of the first established Sino-foreign joint venture fund management companies in China. Its registered capital is RMB 150 million, and 51% of its stock is held by Hwabao Trust. In August 2007, the company obtained the business qualification of QDII (Qualified Domestic Institutional Investor); and then specific customers' assets management business qualification in March 2008, becoming an integrated asset management company offering domestic public fund products, overseas investment fund products, and separately managed account service to customers.

By the end of 2015, Fortune SG had managed 39 open-end funds with a scale of asset management as RMB 182.5 billion. In 2015, it realized an income of RMB 1.456 billion and a profit of RMB 470 million.

Hwabao Securities Co., Ltd. (Abbreviated to Hwabao Securities)

Established in 2007, Hwabao Securities is a wholly-funded securities company under Baosteel Group. Its shareholders are Fortune Trust & Investment, Baosteel Group Corporation and Hwabao Trust Co., Ltd., and its registration place is Shanghai and its registered capital fund is RMB 4 billion.

Business scope of Hwabao Securities: Securities brokerage; The securities investment consulting; Independent securities operations; Securities assets management; Margin requirement; Securities investment funds on a commission basis; Generation of pin financial products; Introduction to business for futures companies; Underwriting of securities; Financial advising relating to activities of securities trading or securities investment. The company has established business offices in economically and financially developed cities, such as Shanghai, Beijing, Shenzhen, Hangzhou, Zhoushan, Fuzhou, Chengdu, and Wuhan.

In 2015, Hwabao Securities realized an income of RMB 640 million, up by 102% from a year earlier; and a total profit of RMB 210 million, a 166% growth, thus completing 214% of the budget targets. By the end of 2015, the company's assets management business in total is RMB 15.1 billion.

Baosteel Finance Co., Ltd. (Abbreviated to Baosteel Finance)

Baosteel Finance, founded in June 1992, is a nationwide financial institution and boasts a registered capital of RMB 1.4 billion (including USD 20 million), with Baosteel Co., Ltd. holding 62.1% of its equity and Baosteel Group holding 35.18%.

Baosteel Finance provides member units of Baosteel Group with financial management services. Its services cover depositing, lending, settlements, buyer's credit and financial leasing, note acceptance and discount, entrusted loans and investment, centralized fund management, financial and financing consultants, settlement and sale of exchange, transactions with peers, portfolio investments, etc. The company has the professional advantages in electronic payment and settlement, supply chain financing, integrated service of electric and paper tickets, fixed income investments, centralized funds management as well as financial and financing consulting.

In 2015, the financial company profit was RMB 167 million, the

net assets yield rate was 7.1%.

Information Service Industry

Information Service Industry is Baosteel's supporting industry in automation control of iron production and achieving information-based management. Shanghai Baosight Software Co., Ltd. is a platform enterprise related to information service industry of Baosteel Group. It strives to develop emerging businesses, including big data, cloud computing, and Internet of Things.

Shanghai Baosight Software Co., Ltd. (Abbreviated to Baosight Software)

It is a software enterprise wholly owned by Baoshan Iron & Steel, and actually controlled by Baosteel Group. Established in April 2000, it was listed on the Shanghai Stock Exchange in April 2001, with its headquarters located in China (Shanghai) Pilot Free Trade Zone, and the registered capital of RMB 391 million.

Baosight Software adheres to the business principle of "IT service improves information value" to comprehensively provide users with enterprise information solutions, automation system integration, and maintenance services with independent intellectual property rights. Its products and services are widely used in many industries including the iron and steel, non-ferrous metals, equipment manufacturing, pharmaceutical, chemical, mining, intelligent transportation, finance, water conservancy and water affairs, and other industries. Baosight Software has applied for hundreds of patents, copyright, and technology secrets, bearing the high-tech industrialization demonstration project of the National Development and Reform Commission, the 863 project of the Ministry of Science and Technology, the electronic fund project of the Ministry of Industry and Information Technology, and many other major technology and products projects.

In 2015, the operating income of Baosight Software is RMB 3.938 billion, and the net profit attributable to shareholders of listed companies is RMB 312 million.

Production Services

The production services sector shoulders two major strategic

responsibilities: providing efficient service for iron and steel industry and realizing the industrialization of renewable resources.

In 1986, Baosteel established Baosteel Group Enterprise Development Corporation to provide production and living services for the primary business of iron & steel. In April 2008 Baosteel Group Corporation established the production services operation and management committee that was responsible for implementing operation management function for the wholly-owned subsidiaries including Baosteel Development, Shanghai Meishan Co., Ltd., No. 1 Iron and Steel Co., Ltd., Pudong Iron and Steel Co., Ltd., No. 5 Iron and Steel Co., Ltd. which engaged in production and living services.

In 2011, the production service industry sped up transformation. Through business integration on the basis of close coordination with No.1 Iron & Steel Co., Ltd., Pudong Iron & Steel Co., Ltd., No.5 Iron & Steel Co., Ltd., and Baosteel Development, it entered into a management phase with key responsibilities of assets management, personnel service, and handling of problems left over by history; in addition, it realized operation integration between Meishan Company and Meishan Iron & Steel.

Baosteel Development Co., Ltd. (Abbreviated to Baosteel Development)

The wholly owned subsidiary of Baosteel Group was originally the Baosteel General Enterprise Development Corporation founded in September 1986; On October 12, 2007, through reform and reorganization, it was renamed as Baosteel Development Co., Ltd., which began to operate formally on January 1, 2008. Its registered capital is RMB 2.749 billion.

Main business includes new building materials, magnetic materials, environmental improvement, quality life, auxiliary production, logistics, factory property services to provide system integration solutions for industrial and urban system, and it is committed to becoming a service platform of comprehensive utilization of solid waste resources, an integrated service platform of quality life, and a service platform of industrial cooperation which are based on Baosteel and serve the whole society.

Baosteel Development Co., Ltd. sets up 12 functional (operating) departments and 15 sub-execution units. In 2015, its operating income

was RMB 7.25 billion.

Baosteel Group Shanghai No. 1 Iron & Steel Co., Ltd. (Abbreviated to No. 1 Iron & Steel Co., Ltd.)

Its predecessor was the steel-making workshop established by Nichia Steel-making Corporation in Wusong in November 1938. After the founding of New China in 1949, it was named as Shanghai Iron and Steel Company No. 1 Plant and then in March 1957 it was renamed as Shanghai No.1 Iron and Steel Plant. In December 1995, Shanghai No. 1 Iron and Steel (Group) Co., Ltd. was established by replacing the factory system with a corporate system. In November 1998, it became a wholly owned subsidiary of Baosteel Group; In March 1999, it was renamed as Baosteel Group Shanghai No. 1 Iron and Steel Co., Ltd. In May 2005, after the primary business of iron and steel was acquired by Baosteel Co., Ltd., the registered capital of No. 1 Iron and Steel Company was increased to RMB 1.593 billion. By September 2011, No. 1 Iron and Steel Company had smoothly completed the tasks of integrating all its operation business on the related specialized platforms inside and outside Baosteel Group, and entered into the management phase focusing on assets, personnel services and solving of problems left over by history.

In 2015, the No.1 Iron & Steel Co., Ltd. achieved an operating income of RMB 210 million.

Baosteel Group Shanghai Pudong Iron and Steel Co., Ltd. (Abbreviated to Pudong Iron & Steel Co., Ltd.)

It was founded in March 1913 as Hexing Iron Melting Factory, renamed in February 1922 as Hexing Iron-making Factory, and was renamed as Zhongshan Pudong Iron and Steel Plant after being occupied by the Japanese in September 1938. After the victory of the War of Resistance in 1945, it changed its name back as Hexing Steel Plant. In July 1947, it was renamed as No.3 Shanghai Iron and Steel Co., Ltd., and named as Shanghai No.3 Iron and Steel Plant in March 1957. Shanghai Pudong Iron & Steel (Group) Co., Ltd. was founded by replacing the old factory system with a modern corporate system in May 1996. In November 1998, it became a wholly-owned subsidiary of Baosteel Group. On July 18, 2007, in order to make way for Shanghai Expo, the old plant in Pudong stopped operating

and was relocated in Luojing, Baoshan District. In April 2008, its principal part of production was incorporated into Baosteel Co., Ltd. and the new Pudong Iron & Steel Co., Ltd. was established with a registered capital of RMB 3.144 billion. In March 2010, the business of production cooperation and life logistics Pudong Iron & Steel Co., Ltd.'s was integrated into Baosteel Development Co., Ltd. In October 2011, Baosteel Group confirmed that Pudong Iron & Steel Co., Ltd. entered the existence status after it withdrew from the business. The responsibilities of Pudong Iron & Steel Co., Ltd.: assets management, personnel management (including non-registered personnel), and solving of problems left over by history. According to the request of Baosteel Group in 2015, Pudong Iron & Steel Co., Ltd. adjusted the registered capital to RMB 100 million through the increase or decrease of capital.

In 2015, Pudong Iron & Steel Co., Ltd. realized an operating income of RMB 28.9 million (mainly interest income), turned over RMB 3.725 billion in cash to Baosteel Group.

Baosteel Group Shanghai No.5 Iron & Steel Co., Ltd. (Abbreviated to No.5 Iron & Steel Co., Ltd.)

Its predecessor was Shanghai No.5 Iron & Steel Plant established in 1958. In December 1995, it was renamed as Shanghai Huchang Iron & Steel Co., Ltd. In 1996, Shanghai No.5 Iron & Steel (Group) Co., Ltd. was established after integrating Shanghai No.10 Iron & Steel Co., Ltd. and Shanghai Cold Drawing Steel Plant. In November 1998, Shanghai No.5 Iron & Steel (Group) Co., Ltd. was renamed after officially joining the Baosteel Group. After 2003, Baosteel Group entrusted No.5 Iron & Steel Co., Ltd. to manage Shanghai Iron & Steel Research Institute, Shanghai No.2 Iron & Steel Co., Ltd., and Shanghai Steel Tube Co., Ltd. In May 2005, after the primary business of iron and steel was acquired by Baosteel Co., Ltd., the registered capital of No.5 Iron & Steel Co., Ltd. was increased to RMB 781 million. No.5 Iron & Steel Co., Ltd. focuses on providing services for Baosteel's production of special steel, including waste steel processing and production cooperation. In 2011, it successfully achieved the smooth integration of life logistics, health care, and production, and successfully closed the No. 10 Iron & Steel Agricultural Product Company. So far No.5 Iron & Steel Co.,

Ltd. has retreated from all management function and shifted to a new phase focusing on assets management, personnel service, and solving problems left over by history. In November 2015, Shanghai No.2 Iron & Steel Co., Ltd. no longer entrusted No.5 Iron & Steel Co., Ltd. with the management, and was under the charge of Shanghai Land Real Estate Co., Ltd.

In 2015, No.5 Iron & Steel Co., Ltd. realized an operating income of RMB 118 million.

Iron & Steel Service Industry

In accordance with national industrial adjustment and the development trend of "Internet + steel", Baosteel takes the promotion of the iron and steel industry transformation as the objective. On February 2, 2015, Baosteel issued an official document to establish Ouyeel Co., Ltd. (Abbreviated to Ouyeel) which formed a service system featuring taking e-commerce platform as the interface and entry, taking logistics as the offline basic capability, displaying the core service value through industry chain finance, taking the service ability of iron and steel technology as the core competitiveness, and taking big data as the prospective value.

Ouyeel Co., Ltd. (Abbreviated to Ouyeel)

It was registered and established on February 4, 2015. By integrating advantageous resources, Baosteel Group established the Ouyeel with the value and developing ideology of "co-building, sharing, and reliable". Relying on new technologies including the Internet, the Internet of things, big data, and mobile Internet, integrating such functions as information, trading and settlement, logistics, warehousing, processing and distribution, investment and financing, financial intermediaries, as well as technology and industry characteristic service, Baosteel Group has built a third party service platform of iron and steel ecology featuring co-existence of multi parties including the iron and steel production enterprise, steel trading company, logistics and processing services, and users of steel products.

Ouyeel consists of four big e-commerce platforms of iron and steel trading platform, industrial products procurement platform, massive original fuel trading platform, and chemicals trading platform,

and initially formed a complete service system of logistics, finance, technology, processing, and data.

In 2015, with respect to network layout and ability improvement, Ouyeel has achieved remarkable results. Ouyeel E-commerce Platform achieved an annual trading volume of 10.18 million tons, including the settlement amount of 8.88 million tons, realizing a sales income of RMB 19.8 billion.

Shanghai Iron and Steel Trading Center Co., Ltd. (Also called Ouyeel E-commerce)

Ouyeel E-commerce (Ouyeel.com) is an iron and steel B2B (Business to Business) e-commerce platform under Ouyeel and was established jointly by Baosteel Group and Government of Baoshan District on May 31, 2013.

Ouyeel E-commerce is committed to building an online CBD (central business district) for trading of steel products so as to provide a whole process and one-stop service to upstream and downstream customers of industry supply. Covering intelligent electronic trading, supply chain financing for small- and medium-sized enterprises, information consultation with transaction price index as the core, one-stop warehousing, transportation and processing, technical consulting, etc., it plans to achieve online transactions of more than 50 million tons within three years.

In 2015, Ouyeel E-commerce Platform had 43,000 users of various types in the iron and steel industry, realizing an invoice deal of 8.56 million tons and a trading volume of 22.5 billion yuan which made it in a leading position of the industry.

Shanghai Ouyeel Logistics Co., Ltd. (Abbreviated to Ouyeel Logistics)

Established in February 2015, Ouyeel Logistics is a subsidiary of Ouyeel. www.ouyeel56.com is a professional online logistics service platform built by Ouyeel Logistics for iron and steel logistics. Its business covers warehouse service, transportation service, processing service, logistics trading service, and financing supervision service in the logistics process of iron and iron and steel products.

By the end of 2015, Ouyeel Logistics has formed 710 agreement alliance warehouses and 42 management alliance warehouses, with the annual storage throughput of its subsidiary "Baosaas" reaching 65 million tons, and the daily average transportation trading volume

Ouyeel Help the fourth party logistics service platform, reached 20,000 tons.

Shanghai Ouyeel Financial Information Service Co., Ltd. (Abbreviated to Ouyeel Financial)

Established in February 2015, it is a subsidiary of the Ouyeel. It is committed to providing internet finance professional service to commodity products industry chain, and online payment, financing service, wealth management, asset management, and other Internet financial products to customers in order to build an Internet financial service ecosystem for the commodity products industry.

By the end of 2015, Ouyeel Financial realized a payment trading volume of RMB 56.9 billion, and its financing and financial business achieved the zero breakthrough, thereby its financing business making a total loan of RMB 2.4 billion, and the financial business making a total investment of RMB 1.8 billion.

Shanghai Ouyeel Material Technology Co., Ltd. (Abbreviated to Ouyeel Material)

Established on February 11, 2015, it is a subsidiary of the Ouyeel, and is responsible for the building and operation of Ouyeel technology service platform and processing service platform. The Ouyeel technology service platform centers on iron and steel technology service, regards the people who need and own technology as their service object, integrates the social technical force such as individuals, groups, and organizations, and provides the release, matching, service, and transaction of technical demands for steel products and its large number of users. The Ouyeel processing service platform is a sharing, matching, trading, and service center for resources and demands related to domestic iron and steel processing, regarding end-users of the iron and steel downstream processing as the core service object, providing display, matching, and trading service of processing capacity, processing products, and processing demands for steel mills, steel products traders, processing service providers, spare parts manufacturers, and terminal equipment manufactures.

In 2015, Ouyeel Material developed an intellectual products of iron and steel technology — "PaiHaoTong", which covers over 20,000 trademarks, and the daily visits exceeded 800 times. Ouyeel

Material established steel material specification system, and released 39 steel product specification for series of cold-rolled, hot-rolled, and stainless steel. 618 Ouyeel brands were established, associating with 2,270 electric business platform steel brands, and it achieved more than 20,000 hits. It implemented the first phase project construction of Ouyeel processing platform, set up steel shear processing zones, and achieved management of processing orders all the way and online settlement.

Shanghai Ouyeel Data Technology Co., Ltd. (Abbreviated to Bsteel)

In February 2015, established jointly by Ouyeel and Baosight Software, it is an exclusive subsidiary of Ouyeel specialized in data services, and is aimed at becoming the leading provider of value data service for iron and steel chain, establishing a big data innovating platform based on whole industry chain of the iron and steel of the Internet service, providing data services and platform solutions of such fields as trading, logistics, and financial services. Main business includes the IT (information technology) and DT (data processing technology).

Bsteel E-commerce Co., Ltd. (Abbreviated to Bsteel)

Established in May 2000, it is a subsidiary of the Ouyeel, focuses on the B2B e-commerce services of steel and manufacturing industry (www.bsteel.com), and is dedicated to e-commerce services of Baosteel marketing supply chain. Bsteel helps enterprises to improve performance of electronic sales and management applications, and supports the business requirements of enterprises, such as electronic payment access, warehouse management, logistics tracking, application of electronic documents, supply chain collaboration, mobile commerce applications, platform operation, and so on. Its "XunHuanBao" is a professional vertical e-commerce platform of industrial cycle material disposition, and its operation accumulation efficiency exceeds one hundred million yuan.

In 2015, the trading scale of Bsteel e-commerce platform was RMB 137.8 billion, with more than 6,600 users of trading platform.

Shanghai Ouyeel Procurement Information Technology Co., Ltd. (Abbreviated to Ouyeel Procurement)

Established in December 2015, it is an e-business platform of Ouyeel providing procurement transaction service for the industrial enterprises, mainly the provision of professional third party procurement platform services for the production and operation of an enterprise, such as raw materials, information and materials needed for spare parts, and engineering equipment.

In 2015, the trading volume of Ouyeel Procurement Platform reached RMB 36.45 billion, among which the annual trading volume of client market was RMB 7.3 billion, increasing by 10 times at the same ratio.

Real Estate Development

In April 2015, Baosteel Group integrated the real estate management center and Shanghai Land Real Estate Co., Ltd. (abbreviated to Land Real Estate). Real estate management center and the Land Real Estate operate according to "same leadership, two brands" manner. The Land Real Estate is an operating platform for the real estate development of Baosteel Group business.

Shanghai Baoland Real Estate Co., Ltd. (Abbreviated to Baoland Real Estate)

It is a wholly owned subsidiary of Baosteel Group specializing in real estate development and management, and was merged by the Real Estate Development Co., Ltd. of Baosteel and Baosteel Civil Construction Company. Shanghai Baosteel Real Estate Co., Ltd. was founded in July 2002, with the fund of Baosteel Group. In March 2005, Baosteel Group, Hong Kong Ka Wah Group, Japan's Mitsubishi, and Japan East Real Estate Co., Ltd. jointly established Shanghai Baoland Real Estate Co., Ltd. In April 2012, Baosteel Group repurchased all equity of Baoland Real Estate, and it became a wholly owned subsidiary of Baosteel Group, under the management of Baosteel Engineering Technology Group Co., Ltd. In April 2015, Baosteel Group clarified Baoland Real Estate as the subsidiary under its direct management which is no longer entrusted by Baosteel Engineering Technology Group Co., Ltd.

Baoland Real Estate has been long committed to revitalizing the use of real estate assets and business development, and the gross area is approximately 4 million square meters. It has accumulated

rich experience in project, aspiring to be a good real estate value creator.

In 2015, the operating income of Baoland Real Estate was RMB 219 million, and the profit was RMB 141 million.

Miscellaneous



Miscellaneous

Social Performance

General Information about Donations

In 2015, Baosteel donated outwards about RMB 57.731 million according to External Donation and Sponsorship Regulations and Circular on Strengthening Donation Management.

Donations in 2013 – 2015

Year 2013	Year 2014	Year 2015
RMB 68.586 million	RMB 94.925 million	RMB 57.731 million

Donation Amount in 2015

Category	Amount (RMB 10,000)	Proportion (%)
Public Relief and Public Welfare	35	0.6
Poverty Alleviation & Hardship Aid, Construction Assistance	4718.4	81.7
Education (Fellowship)	772.2	13.4
Culture and Sports	80	1.4
Other Donations	167.5	2.9
Total	5773.1	100

Community Relations

Shanghai

Create Livable Communities

Based on the elderly projects in 2014, Baosteel constantly

implemented the community project of “Loving Baosteel” in 2015. Baosteel funded on the environment improvement of No.2 Yuepu Village of Yuepu Town, and Baosteel Cold-rolling Lamina Company built and repaired elderly activity room, reading room, public facilities for activities, and community poverty alleviation for the surrounding neighborhood. In February, Baosteel and Yuepu Town held the signing ceremony of The Agreement on Poverty Alleviation and Co-building of Communities & the ceremony of Supporting Education with Love which supports the community development in environmental public welfare, voluntary service, etc. In July, the practical program, the service center restaurant for the elderly, went into operation. It was established by the cooperation of the Baosteel Development Catering Management Company and Baoshan Youyi Road Sub-district. Those elderly in Youyi Road Sub-district who are over 60 can go directly to the restaurant to eat or order through the residents' committee and enjoy lunch at home. In September, Baosteel Group and Shanghai Social Work Association held "Baoshan Sharing Meeting of Establishing Livable Communities" and "Baosteel in Community Residents' Eyes".

Guangdong

On June 30 (Poverty Alleviation Day in Guangdong Province), Shaoguan Iron & Steel donated RMB 2 million to Shaoguan Charity Federation to help support poverty alleviation and development of poor villages under "the plan of the households, the responsibility of each person" in governments of provinces and cities.

On September 25, when the No. 1 blast furnace of Zhanjiang Iron and Steel was ignited, Baosteel Group, Baosteel, and Zhanjiang Iron and Steel held an activity to donate stationery and sports goods to Dongjian Town Central Primary School in Zhenjiang giving the students the book "The Handbook of Youth Environmental Protection" and 1,500 sets of stationery products, 1,146 sets of desks and chairs, and 1 backboard.

Xinjiang

In 2015, Bayi Iron and Steel donated RMB 2.237 million to the outside.

1, 2, 8 village of Yekexianbai Country of Yopurga County, Kashgar Province are fixed-point "comprehend, benefit and assemble" stagnation and poverty alleviation of Bayi Iron and Steel Group.

Within this year, Bayi Iron and Steel Group appointed 14 cadres to participate in the second batch of Xinjiang Uygur Autonomous Region "comprehend, benefit, and assemble", built 50 housing culture and rural stage, the people service center, library for the local villagers, and installed the standard basketball court, volleyball court, and outdoor health infrastructure and equipment. It bought 21 computers, desks, and chairs for elementary school of the village, laid the floor board, and built standardized computer room. It dug two wells for the village, built the cabling and transformer, and solved the problem of using irrigation water in 700 mu of land.

Within the year, Bayi Iron and Steel Group consoled and visited common construction troops and donated RMB 260,000; Yamansu Mine invested poverty alleviation fund RMB 115,000 to Yawulong Development Zone in Hami District to use in the development of fattening cattle and sheep breeding, red jujube garden project, etc.; Mengku Steel Mine donated RMB 50,000 to the fire brigade and the border brigade of Fuyun County and the Kurt town of Ashele Village.

In 2015, the second batch of "comprehend, benefit, and assemble" working group in Bayi Iron and Steel won the honor of Excellent Performance Working Group in Xinjiang Uygur Autonomous Region, three employees who named Abulikemu Yasen, Arken Kurban, and Zibaidura Awuti won the honor of "Excellent Worker" of "comprehend, benefit and assemble" working group.

Yunnan

In 2015, Baosteel invested RMB 9.5 million in Pu'er city for fixed-point poverty alleviation in entire-village advancement, education projects, and industry projects.

Since Baosteel provided poverty alleviation support to Pu'er city, it has provided RMB 110 million to assist 409 projects of entire-village advancement, rural industries support, social undertaking development, assistance of Kucong people, as well as earthquake rescue and disaster relief which has benefited 201,000 people, 50,000 households of 270 villages in 42 counties. Over the past 11 years, Baosteel has built 24 hope primary schools and has financially aided 6975 students to go to school; Has built 38 village clinics and also offered free surgery for more than 4200 cataract patients with economic difficulties through the implementation of the "love forever, sight restoring" project,

Italy

In June, 97 pieces of porcelain, sector, dark-red enameled pottery, paper cutting, gourd crafts made by more than 30 artists of Baosteel were sent to the Expo Milano 2015 for public auction. And more than 20 guests and visitors from the USA, UK, the Netherlands, Slovakia, South Africa, New Zealand, Italy, and China bought artworks. The 7,100 euro received was all donated to orphanages and elderly welfare homes in Milan and Rome through Soong Ching Ling Foundation.

Social Contribution

Support to Tibet

In 2015, Baosteel set up the "people and community oriented" principle for funding Tibet, and invested RMB 27.104 million to support Tibet. Among them, more than RMB 13 million was used to build roads and bridges in towns and villages. Within the year, 13 construction projects of township roads & bridges have been successively completed and thereby the township traffic network in Zhongba County has been basically formed.

Baosteel put forward the new idea of "double drives of culture and tourism, building small towns of plateau pastoral area" for its support to Tibet. After more than two years, the infrastructure construction of Payang Town has been basically completed, and the urban and rural renovation went smoothly. In 2015, tourism income of Payang Town exceeded RMB 6 million, an over 500% growth compared with that in 2013. Payang Town has been listed as a key and unique town for construction in Tibet Autonomous Region, and a "National Key Town"

Yang Qianwei, a leader of Baosteel, won the title of "2014-2015 Social Poverty Alleviation Advanced Individual" in Tibet Autonomous Region. Yang Qianwei is not only the only youth aid cadre in Shigatse, but also the first aid cadre in Baosteel to win the honor.

Support to Qinghai

In 2015, Baosteel invested RMB 6.9 million to support to Qinghai. 8 of 11 projects aided by Baosteel have been completed and accepted. Among them, the construction of the boiler room and heating supporting facilities of Douhesuo Boarding School, the student canteen in Kaligang School of Bagou Village, the medical room in

traditional Tibetan hospital of Tongde County, and the health service center project in Tongde County have all been completed and put into use; The construction of cinema and library in Tongde County was completed at the end of the year.

In June, Baosteel held a senior workshop for enterprise managers in Hainan Tibetan Autonomous Prefecture in which over 50 business managers participated. In July, Hwabao Trust, together with Oriental Morning Post, carried out an activity of "Childhood Dreams -- Support Public Welfare Activities in High Altitude Elementary School" in Yingnuhu Boarding School, in which 448 students received cotton-padded clothes, environmental protection stationery and so on worth tens of thousands yuan. In September, a warm and micro public benefit activity named as "Come Together With Love" organized by the headquarters of Baosteel Group was carried in Tongde County, Qinghai Province again. Within a week, 715bags, stationeries (set) and so on were received, 1,241 books (set), 80 cotton quilts, 103 pieces of clothes, and RMB 8,470 were received.

Baosteel youth aid cadre Huang Daofeng won the title of "Advanced Individual" of Support to Prefecture in 2015.

Baosteel Education Fund

Baosteel Education Foundation was established based on the former Baosteel Scholarship which was founded by Baosteel Group in 1990 with an original capital of RMB 2 million; In 1994, Baosteel Scholarship was increased to RMB 35 million and renamed as Baosteel Education Fund; In 2000, Baosteel Scholarship was increased to RMB 50 million; In 2005, it was officially approved by the Ministry of Civil Affairs with the registered name of Baosteel Education Foundation. As a non-public foundation solely funded by Baosteel, the Foundation has an original fund of RMB 50 million, which rose to RMB 100 million in September 2005.

In 2015, 479 students and 267 teachers from over 100 universities in China won Baosteel Education Award, thereby the education foundation has paid RMB 10.09 million. In July, the board of directors of Baosteel Group approved the Proposal of Increasing Baosteel Education Fund, and Baosteel will add RMB 54 million in the next three years as education fund.

By 2015, more than 21,000 teachers and students from over 100 universities in China won Baosteel Education Award .

"An Egg's Power-walking"

In April, Baosteel Group, Nippon, and Shanghai United Foundation announced the cooperation, launched the annual planning and promotion work of public projects, and held a media sharing meeting for the public welfare cooperation of Nippon and Baosteel under the theme of "Power-walking for Love, Love Keeps Us Together" in Baosteel Tower; In May, 16 teams with 96 Baosteel staff and 40 volunteers participated in "An Egg's Power-walking". The shuttle buses and Baosteel caring stations sponsored by Baosteel became the most attractive part of the activity. Baosteel has sponsored this famous Shanghai social public welfare activity for four consecutive years, and the employees of Baosteel participated in the activity have raised a total of almost RMB 570,000 which was equal to the value of 712,000 eggs.

The public welfare activity — "Popularizing Environmental Protection Knowledge in Schools"

In July, as the first group of social responsibility of environmental protection demonstration organizations, Baosteel donated 5000 copies of "The Handbook of Youth Environmental Protection Knowledge" for the public welfare activity "For Our Future, Popularizing Environmental Protection Knowledge in Schools". The activity was jointly sponsored by All-China Association of Environment Federation as well as the environmental protection department and education department of various places.

Media and Publications

Baosteel Daily

Created on August 1, 1978, it is sponsored by Baosteel Group Corporation and publicly distributed in China. It is one of the major news media of Baosteel. Since January 1, 2008, Baosteel Daily has been entrusted to the post office for distribution. Ever since January 2015, the newspaper has been published three times instead of six times a week, namely, Monday, Wednesday, and Friday with 4 pages in folio. A total of 148 issues are published each year with an annual subscription of RMB 180 and a circulation of 71,100 copies. Its main readers are all Baosteel employees (overseas employees of Baosteel can also subscribe to it or read it online). All companies of Baosteel

subscribe to it for their respective employees. External subscribers of Baosteel Daily pay to read it and the payment goes to the financial department of Baosteel Group.

Baosteel Daily (digital version)

Website <http://news.baosteel.com>. The electronic version of Baosteel Daily was put online on February 4, 2005 and the digital version was launched in 2011. It publishes the content of Baosteel Daily on the internet before 10:30 every day. Main columns: Important News, General News, Economic News, Industry Trends, Commentary on Current Events, Supplement and Special, Digital Newspaper, Baosteel Video, and Interactive Platform. In 2015, it has 4,977 articles in total, 1,841 pictures, 592 newspaper layouts, and 156 TV news and feature films. The total visits in 2015 has reached 1,954,544.

Baosteel Video News

It is sponsored by Baosteel Group and edited by Baosteel News Center. Since June 2014, it has been broadcasted on the APP (a mobile application) of Baosteel News, and the website users can also watch it on the website of Baosteel News Center or the intranet of Baosteel. By the end of 2015, the number of users of Baosteel News APP reached more than 260,000. In 2015, 156 video news have been reported.

CSR Report

Created in 2009 as an annual in large sextodecimo paper size, it is sponsored by the Public Relations Department of Baosteel Group Corporation. The Report is published in Chinese and English in both paper and electronic forms, and the electronic version can be downloaded from the official website of Baosteel Group Corporation <http://www.baosteel.com>

Baosteel Yearbook

Created in 2001, it is chiefly edited by Baosteel History Compilation Committee, and is the annual literatures and materials elaborating all minutia of Baosteel Group. The Editorial Department is set up in Baosteel Historical Records Office. The Baosteel Yearbook 2015 has 343 pages printed in large sextodecimo paper size with 608,000 characters. Totally 800 copies were sold in 2015 at RMB 240 per copy. The Yearbook is published by Shanghai People's Publishing House of Century Publishing Group and distributed by Publication Center of Shanghai Century Publishing Group.

Baosteel Guidebook

Created in 2010, it is a compilation of Baosteel's general

information compiled by Baosteel Historical Record Office. As an annual publication, it is printed in 32-mo paper size, published in both Chinese and English and provided to the general public for free. The electronic document of Baosteel Guidebook can be downloaded from the website of Baosteel Group (<http://www.baosteel.com>). All the materials and data are provided by related departments of Baosteel, so the Guidebook has sufficient authority and may help people from all walks of life know about Baosteel comprehensively and accurately. 5,000 copies of 2014 Baosteel Guidebook (Chinese version) and 2,000 of English version were printed.

Baosteel Technology

Created in December 1983, it is the technical journal sponsored and edited by Baosteel Group, published in the book size of large sextodecimo. It is a bimonthly journal (published in even numbered months) with six issues during the full year and 80 pages each issue, publicly distributed both at home and abroad and published in the main website of Baosteel. Baosteel Technology mainly publishes related papers on analysis, research, development and application of Baosteel technology.

Baosteel Technical Research (English)

Created in October 2002, it was formally known as Baosteel Technology Newspaper (English) online edition and renamed as Baosteel Technical Research in December 2007. It is published in the website of Baosteel with Baosteel Technology simultaneously. Baosteel Technical Research (English) is a technical periodical in English, managed and sponsored by Baosteel Group. Published quarterly in the book size of large sextodecimo both at home and abroad, the journal publishes 4 issues each year, 64 pages per issue. Baosteel Technical Research (English) mainly publishes articles of metallurgical technology research and metallurgical products research.

Baosteel Economy and Management

Created in 1990, it is an economic and management journal sponsored by Baosteel Talent Development Department, Economic Management Institute, Operation Improvement Department, Baosteel Co., Ltd. Operation Improvement Department, and Baosteel Corporate Management Association. As a bimonthly journal (published in even-numbered month) printed in large sextodecimo paper size, it has 52 pages per issue. Based on Baosteel's management hotspots and difficulties, it discusses how to carry out quality management,

safety management, technology innovation, employees' autonomous management, etc.

Baosteel Training

Created in 1992 as a professional magazine regarding the education and training work of Baosteel Group, it is managed by Baosteel Group Corporation and sponsored by Baosteel Talent Development Institute. It is a quarterly journal of 48 pages per issue and is published in sextodecimo paper size. The magazine has such columns as Feature, Exploration to Training, Featured Training, Good People & Their Deeds, Management Behavior and Knowledge, Management Research, Innovation Forum, Case Research, Chief Forum, New Information, etc.

Annex: Statistical Table of Iron & Steel

The Proportion of Annual Crude Steel Production of Baosteel Group Corporation to Total Production in China

Year	Baosteel Crude Steel Production (10,000 Tons)	Crude Steel Production in China (10,000 Tons)	Percentage (%)
2015	3494.19	80382.5	4.35
2014	4334.67	82269.8	5.27
2013	4,390.82	77,904.1	5.64
2012	4,374	71,716	6.10
2011	4,427	68,388.3	6.47
2010	4,450	62,695.9	7.10
2009	3,886	56,803.3	6.84
2008	3,544.3	50,091.5	7.08
2007	2,431	48,966	4.96
2006	1,999	42,266	4.73
2005	1,936	35,239	5.49
2004	1,638	27,279.79	6.00
2003	1,508	22,233.6	6.78
2002	1,475	18,155	8.12
2001	1,469	15,266	9.62
2000	1,473	12,850	11.46
1999	1,338	12,426	10.77
1998	1,207	11,559	10.44
1997	786	10,894.17	7.21
1996	703	1,0110	6.95

(Continued)

Year	Baosteel Crude Steel Production (10,000 Tons)	Crude Steel Production in China (10,000 Tons)	Percentage (%)
1995	801	9,400	8.52
1994	693	9,153.2	7.57
1993	657	8,868	7.41
1992	623	8,000	7.79
1991	437	7,057	6.19
1990	330	6,604	5.00
1989	327	6,124	5.34
1988	322	5,918	5.44
1987	308	5,602	5.50
1986	270	5,205	5.19
1985	54	4,666	1.16

Date Source of Crude Steel Production in China: National Bureau of Statistics

Fortune Global 500 Iron and Steel Enterprises

Unit: million dollars

Ranking in 2014	Ranking in 2013	Company	Operating Revenue in 2014	Profits in 2014	Country
108	101	ArcelorMittal	79282.0	-1086.0	Luxembourg
162	177	POSCO	61504.9	600.9	Republic of Korea
179	197	ThyssenKrupp	56027.7	284.9	Germany
204	184	Nippon Steel & Sumitomo Metal Corporation Group	51024.2	1949.0	Japan

(Continued)

Ranking in 2014	Ranking in 2013	Company	Operating Revenue in 2014	Profits in 2014	Country
218	211	Baosteel Group	48323.4	925.9	China
239	271	Hebei Iron & Steel Group	45543.7	-186.6	China
274	308	Shagang Group	40334.4	284.1	China
304	327	Bohai Steel Group	37986.2	38.5	China
337	316	JFE Holdings	35019.7	1267.5	Japan
344	365	Xinxing Cathay International Group	34497.9	439.0	China
402	348	Shougang Group	29668.9	3.3	China
451	475	Anshan Iron and Steel Group	26212.9	-1297.7	China
500	310	Wuhan Iron and Steel (Group) Company	23720.9	54.5	China

Data Source: Website of Fortune Magazine

Correspondence List of All Subsidiaries

Company Name	Website	Tel	Fax	Address	Zip Code
Baosteel Co., Ltd.	www.baosteel.com	021-26647000	021-26646999	885 Fujin Road, Baoshan District, Shanghai	201999
Bayi Iron & Steel	www.bygt.com.cn	0991-3893018	0991-3891000 or 0991-3890035	Bayi Road, Toutunhe District, Urumqi, Xinjiang	830022
Shaoguan Iron & Steel	www.sgis.com.cn	0751-8785789	0751-8785701	Qujiang District, Shaoguan City, Guangdong Province	512123
Baosteel Stainless	—	021-26034567	021-56821355	580 Changjiang Road, Baoshan District, Shanghai	200431
Baosteel Special Steel	www.baosteel-specialsteel.com	021-56679080	021-56670867	1269 Shuichan Road, Baoshan District, Shanghai	200940
Baosteel Resources	www.baosteelresources.com	021-35880888	021-35880128	568 Dongdaming Road, Hongkou District, Shanghai	200080
Baosteel Metal	www.baosteelmetal.com	021-61805678	021-61801188	Building 2, Lane 803, Shuangcheng Road, Baoshan District, Shanghai	200940
Baosteel Engineering	www.baosteelengineering.com	021-26088800	021-26088755	Building 7, Lane 550, Keshan Road, Baoshan District, Shanghai	201999

(Continued)

Company Name	Website	Tel	Fax	Address	Zip Code
Baosteel Chemical	www.baochem.com	021-26648409	021-66789208	3501 Tongji Road, Baoshan District, Shanghai	201999
Fortune Trust & Investment	—	021-38506555	021-68779288	53/F, SWFC, No.100 Century Avenue, Pudong New Area Shanghai, 200120	200120
Baosight Software	www.baosight.com	021-20378899	021-20378662	No. 515 Guoshoujing Road, China (Shanghai) Pilot Free Trade Zone	201203
Baosteel Development	—	021-56125101	021-56122654	Baoshan Hotel, 1813 Mudanjiang Road, Baoshan District, Shanghai	201999
No.1 Iron & Steel	—	021-26033235	021-56825810	868 Changjiang Road, Baoshan District, Shanghai	200431
Pudong Iron & Steel	—	021-68587313	021-68587303	86 Licheng Road, Pudong New Area, Shanghai	200126
No.5 Iron & Steel Co., Ltd.	—	021-56578030	021-56671316	303 Tongji Road, Baoshan District, Shanghai	200940
Ouyeel	www.ouyeel.cn	95025	—	28/F, Building 9, 588 Dalian Road, Yangpu District, Shanghai	200940
Baoland Real Estate	—	021-65868500	021-65868522	25/F, Building B, Baoland Plaza, 588 Dalian Road, Yangpu District, Shanghai	200082

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