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## I. Overview

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FACT BOOK 2019

	Unit	2015	2016	2017	2018
<b>Production</b>					
Crude steel	kiloton	22,642	27,449	47,053	48,495
Steel products	kiloton	22,655	26,961	45,732	47,010
<b>Sales</b>					
Steel products <sup>[Note]</sup>	kiloton	22,148	24,087	46,170	47,098
<b>Staff</b>					
Number	person	38,089	37,183	57,154	56,158

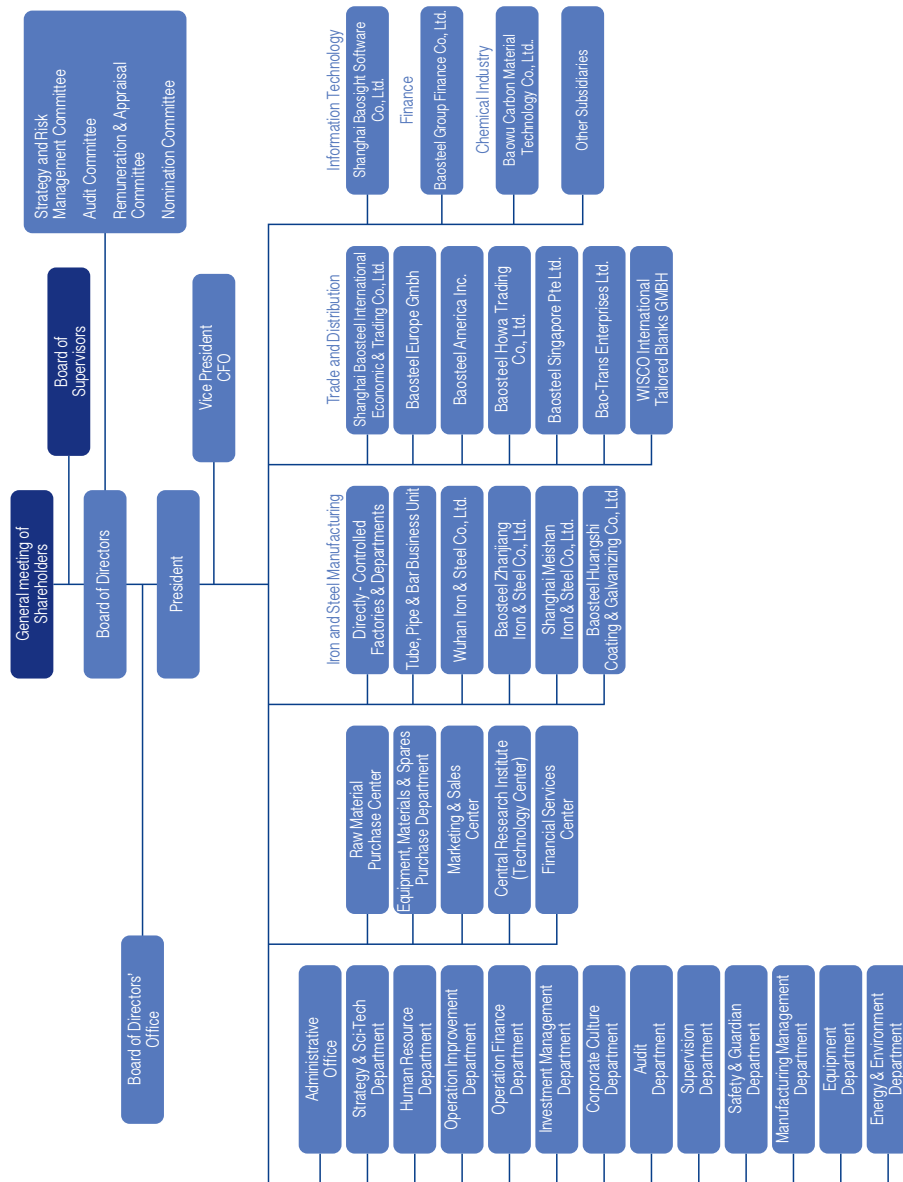
Note: Sales data of steel products has been adjusted according to the change in consolidation aperture.

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FACT BOOK 2019

	Unit	2015	2016	2017	2018	2018 (USD)
<b>Income Statement</b>						
Gross Revenue	Million RMB/USD	164,117	246,421	289,498	305,205	44,470
Net profit	Million RMB/USD	646	9,339	20,403	23,278	3,392
Earning per share	RMB/USD	0.06	0.41	0.86	0.97	0.14
<b>Balance Sheet</b>						
Total assets	Million RMB/USD	234,123	359,068	350,235	335,141	48,832
Total liabilities	Million RMB/USD	111,977	198,815	175,762	145,896	21,258
Shareholders' equity	Million RMB/USD	122,146	160,252	174,472	189,245	27,574
<b>Share information</b>						
Number of shares <sup>[Note]</sup>	Million shares	16,468	16,450	22,268	22,268	-
Share Capital	Million RMB/USD	16,468	16,450	22,268	22,268	3,245
Number of shareholders	1000 persons	323	293	386	355	-
Year-end share price	RMB/USD	5.58	6.35	8.64	6.50	0.95

## II. Organization Chart



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

### Board of Directors

Position	Name	Positions in BOD's Special Committee
Chairman	Zou Jixin	Chairman of Strategy & Risk Management Committee Member of Nomination Committee
Director, President	Hou Angui	Member of Strategy & Risk Management Committee Member of Audit Committee
Director	Zhang Jingang	Member of Strategy & Risk Management Committee Member of Nomination Committee
	Zhou Jianfeng	Member of Strategy & Risk Management Committee Member of Nomination Committee
	Wu Xiaodi	Member of Strategy & Risk Management Committee
	Buck Pei (Pei Kewei)	Member of Audit Committee Member of Compensation and Assessment Committee
	Xia Dawei	Member of Audit Committee Member of Nomination Committee Member of Compensation and Assessment Committee
Independent Director	Zhang Kehua	Director of Nomination Committee Member of Audit Committee Member of Compensation and Assessment Committee
	Lu Xiongwen	Member of Strategy & Risk Management Committee Member of Audit Committee
	Xie Rong	Director of Audit Committee Member of Compensation and Assessment Committee
	Bai Yanchun	Member of Audit Committee Member of Nomination Committee Member of Compensation and Assessment Committee

### Board of Supervisors

Position	Name	Senior Executives
Chairman	Zhu Yonghong	President
Supervisor	Yu Hansheng	Hou Angui
	Zhu Hanming	Chu Shuangjie
	He Meifen	Liu An
	Ma Jiangsheng	Sheng Genghong
		CFO
		Secretary of the Board
		Wu Kunzong
		Wang Juan

## IV. Medium- and Long-Term Planning

### 1. Business Environment

Macro economy trend	<p>In 2019, the global economic growth is expected to slow down. According to IMF forecast, the growth rate of advanced economies will fall by 0.3 percentage points. The global economy faces downturn risks and the prospect of economic growth is bad, which is not conducive to China's foreign trade growth.</p> <p>In 2019, China's economy continues to seek progress while maintaining stability, keeps promoting high-quality development, and maintains economic operations in a reasonable range through supply-side structural reform. It is expected that the domestic consumption and export growth will decline, and the fixed asset investment will grow steadily. The annual economic growth rate will be around 6.3%.</p>
Changes in steel industry	<p>In 2019, global steel demand is expected to remain flat compared to the previous year. Domestic steel demand has slowed down, infrastructure demand is relatively strong, real estate, automobile and other downstream industries are negatively growing, and steel direct and indirect exports are likely to decline.</p> <p>In 2019, the marginal effects of capacity cuts and environmental protection in the steel industry will be diminished, and the China's stable supply-side reform results, mergers and acquisitions, energy conservation and emission reduction will continue to advance; at the same time, with the new capacity of blast furnace and electric furnace and successive production of rolling production line due to the capacity replacement, the domestic steel supply capacity is facing upward pressure.</p>

### 2. Business Philosophy

Mission	<p>Be a model for the high-quality development of the steel industry and a leader of the future steel.</p> <ul style="list-style-type: none"> <li>- To meet and exceed user expectations with superior products and services</li> <li>- Continue to return shareholders with good performance and stable income</li> <li>- To become a model of company where employees develop with the company together</li> <li>- To become the industry benchmark for ecological civilization construction</li> </ul>
Corporate Vision	To become the most competitive steel company and the most valuable listed company in the world.
Core Value	Integrity, cooperation

### 3. Development strategy

One mode and five major capabilities (hereinafter referred to as "1+5 Strategy")

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the company adheres to high-quality development, innovates and deepens the management model of multi-manufacturing bases, continuously improves the five major capabilities of cost change, advanced technology, service first, smart manufacturing and urban steel mill, and actively explores and practices the steel in the future to become the leading steel company in the world.

### 4. 2018 Annual Operation Objective and Plan

Operation Policy	<p>Insist on innovative promotion and practice 1+5 strategy to lay a solid foundation for development</p> <p>Contrast the international standard and tap the potential, and turn the crisis into opportunity to increase efficiency, and to maintain industry leadership</p>
Operation Objectives	<p>TTop 1 in Business Performance in China</p> <p>Top 3 in EBITDA Per Ton in the World</p> <p>RMB 2 Billion in Cost Reduction</p> <p>Cold-rolled Automobile Sheet Market Share of 50%</p> <p>Efficiency of Contract Staff Improved by More Than 8%</p> <p>New round of Planning and Major Projects to Achieve Node Goals</p>
Operation Plan	<p>45.63 Million Tons of Iron Output, 48.18 Million Tons of Steel Output, 46.79 Million Tons of Steel Product Sales</p> <p>RMB 273.1 Billion of Total Operating Revenue, RMB 241.9 Billion of Operating Cost</p>

## V. Shareholders and Shareholding

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

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

Ranking	Shareholder Name	Shareholding (Unit: share)	Shareholding (%)
1	China Baowu Steel Group Corp., Ltd.	11,300,148,999	50.75
2	Wuhan Iron and Steel (Group) Company	2,982,172,472	13.39
3	China National Petroleum Corporation	800,000,000	3.59
4	China Securities Finance Corporation Ltd.	666,600,578	2.99
5	Beijing Chengtong Asset Control and Investment Co., Ltd.	653,544,793	2.93
6	CNIC Corporation Ltd.	647,433,726	2.91
7	Hong Kong Securities Clearing Company Ltd.	536,751,639	2.41
8	China Ocean Shipping (Group) Company	280,000,000	1.26
9	Central Huijin Asset Management Co., Ltd.	194,224,180	0.87
10	GIC PRIVATE LIMITED	151,214,167	0.68

## VI. Dividends

### 1. Dividends

	Unit	2015	2016	2017	2018	2018 (USD)
Net profit <sup>Note 1</sup>	Million RMB/USD	1,013	8,966	19,170	21,565	3,142
Dividend per Share	RMB/USD	0.06	0.21	0.45	0.50	0.07
Dividend/Net Profit	%	97.6	51.8	52.3	51.6	51.6
Dividend Yield Rate <sup>Notes 2</sup>	%	1.08	3.31	5.21	7.69	7.69

Note: 1. The net profit in the table is the net profit attributable to the parent company in the consolidated statements, without considering the impact of retrospective adjustment.  
2. Dividend yield rate = dividend per share/year-end stock price.

### 2. Policies for Profits Distribution

The 2004 Annual Shareholders' Meeting reviewed and approved the "Proposal on Cash Dividends Policy of Baoshan Iron & Steel Co., Ltd." which states that yearly distribution of cash dividend shall be no less than 40% of the net profit of the year.

The 2012 Annual Shareholders' Meeting reviewed and approved the "Proposal on Revision of Company's Articles of Association" in which the clause about cash distribution was revised to: "Cash dividend distributed shall be no less than 50% of the net profit attributable to the parent company in the audited consolidated financial statements of the year".

## VII. Incentive Measures

### 1. A-share restricted stock plan

The Company in 2014 implemented Baosteel A Share Restricted Stock Plan, with senior executives, core managers and technical experts as the incentive objectives. Bought back from secondary market, 47,446,100 shares were granted to 136 incentive objectives in the initial award at 1.91 Yuan/ share. The lockup period is 2 years and the unlocking period lasts for 3 years from the next day when the lockup period ends.

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

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

In 2017, the performance of the Company met the unlocking condition. In 2018, the 1st Meeting of the 7th Board of Directors of the Company reviewed and passed the "Proposal on the Unlocking of Baosteel Restricted Stock Plan in the Third Unlocking Period", and the Company unlocked a total of 11,360,700 restricted stocks for 100 incentive objects in the second unlocking period.

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

In 2017, the Company implemented the second phase of the restricted stock plan in order to build a sustained and stable medium and long-term incentive and restraint mechanism, accelerate the process of integration, merger and combination of Baowu, and enhance the synergy effect among the bases and the long-term and stable development of the Company. A total of 166,828,200 restricted stocks were granted to 1,067 incentive objects with the grant price of 3.99 yuan per share and the stock source was the targeted issuance of A-share common stocks by "Baosteel" to the incentive objects.

In 2018, 10,000,000 restricted stocks were reserved to grant to incentive objects and new key employees who subsequently met the incentive conditions according to the second phase of the restricted stock plan, the 5th Meeting of the 7th Board of Directors of the Company reviewed and passed the granting scheme of reserved some stocks, and 9,566,700 restricted stocks were granted to 76 incentive objects.

## VIII. Financial Data

### Income Statement

Unit: Million RMB/USD

	2015	2016	2017	2018	2018 (USD)
Total operating revenue	164,117	246,421	289,498	305,205	44,470
Total operating cost	163,402	235,680	267,978	281,929	41,078
Including: Business tax and surcharges	466	654	1,880	1,623	237
Sales expenses	2,153	2,928	3,366	3,493	509
Administrative expenses	7,287	9,155	5,425	5,927	864
R&D expenses			4,207	7,031	1,024
Financial expenses	2,393	3,977	3,370	4,366	636
Asset impairment loss	1,578	557	1,125	231	34
Investment income, etc.	1,038	1,075	3,042	4,123	601
Operating profit	1,759	11,919	24,924	28,183	4,106
Net non-operating receipts and payments	4	-30	-889	-367	-54
Total profit	1,763	11,889	24,035	27,816	4,053
Income tax	1,117	2,550	3,632	4,538	661
Net profit	646	9,339	20,403	23,278	3,392
Net profit attributable to shareholders of listed companies	944	9,076	19,170	21,565	3,142

### Balance Sheet

Unit: Million RMB / USD

	2015	2016	2017	2018	2018 (USD)
Current assets	69,903	136,763	133,293	120,089	17,497
Fixed assets	91,068	163,882	154,222	150,718	21,960
Total assets	234,123	359,068	350,235	335,141	48,832
Current liabilities	91,860	170,306	163,207	133,303	19,423
Non-current liabilities	20,117	28,509	12,556	12,592	1,835
Total liabilities	111,977	198,815	175,762	145,896	21,258
Share capital	16,468	16,450	22,268	22,268	3,245
Capital reserves	33,740	53,792	48,715	49,582	7,224
Surplus reserves	26,517	27,894	29,775	32,629	4,754
Undistributed profit	36,637	51,921	64,570	73,260	10,674
Owners' equity attributable to shareholders of listed companies	112,803	149,778	164,433	176,763	25,755
Shareholders' equity	122,146	160,252	174,472	189,245	27,574

## Financial Indicators

	2015	2016	2017	2018
<b>Growth (%)</b>				
Total operating revenue	-12.61	50.15	17.48	5.43
Net profit attributable to shareholders of listed companies	-82.34	8.61	111.22	12.49
<b>Profitability (%)</b>				
Return on total assets	1.28	4.62	7.8	4.51
Return on net assets (weighted)	0.84	6.25	12.24	12.70
Operating profit ratio	1.07	4.84	8.61	9.23
EBITDA rate	8.28	13.53	15.90	16.40
<b>Stability</b>				
Equity/Total assets (%)	52.17	44.63	49.82	56.47
Current assets/current liabilities (%)	76.10	80.3	81.67	90.09
Liabilities/net asset	0.92	1.24	1.01	0.77
EBITDA/net interest expenditure	21.06	9.36	13.28	17.73
<b>Turnover capacity</b>				
Total operating revenue/ total assets	0.7	0.69	0.83	0.91
Total operating revenue/ equity	1.34	1.54	1.66	1.61
Total operating revenue/ fixed assets	1.8	1.5	1.88	2.02
Total operating revenue/ inventory	6.98	4.97	7.33	7.35
Total operating revenue/ accounts receivable	17.92	15.93	23.97	24.04

## IX. Credit Rating

Moody's and S&P upgraded the Company's credit rating from Baa1 and BBB+ to A3 and A-, with the rating outlook maintained to "stable"; three major international rating agencies - Moody's, S&P and Fitch, gave the Company long-term corporate credit ratings of A3, A-, and A respectively. The Company continued to maintain the highest credit rating among global integrated steel companies.





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

	Qty.	Model	Operation Year (Major overhaul)	Designed Capacity (Production capacity 10,000 tons/ year)
<b>Dongshan Base</b>				
1# Blast Furnace	1	5050m <sup>3</sup>	2015	411.5
2# Blast Furnace	1	5050m <sup>3</sup>	2016	411.5
350t Converter	2	Top and bottom combined blow	2015	600
350t Converter	1	Top and bottom combined blow	2016	300
2250mm Hot Rolling Strip Mill	1	2250mm	2015	547
2030 Cold Rolling	1	2030 pickling continuous rolling mill unit	2016	226
1550 Hot Rolling Pickling Line	1		2016	100
1550 Cold Rolling		1550 pickling continuous rolling mill unit	2017	160
4200mm Heavy Plate Rolling Mill	1	4200mm	2016	120
<b>Meishan Base</b>				
2# Blast Furnace	1	1280M2	2004.4	107
4# Blast Furnace	1	3200M2	2009.5	246.4
5# Blast Furnace	1	4070 M2	2012.6	327
1# Converter	1	150T	1999	120
2# Converter	1	150T	1999	120
3# Converter	1	150T	2008	120
250t Converter	2	250t	2012	410
1422 Hot Continuous Rolling Line	1	Six-stand 1422 hot continuous rolling line	1994	300
1420 Cold Rolling	1	1420 pickling continuous rolling mill unit	2009	80
Hot Rolling Pickling Line	1		2011	100
1780 Hot Continuous Rolling Line	1	1780mm	2012	400

Output	Unit: kiloton			
	2015	2016	2017	2018
Pig iron	22,174	26,613	45,207	45,920
Crude steel	22,642	27,449	47,053	48,495
Steel products				
Hot rolled				
Pickled coil	7,352	9,949	19,122	18,356
Thick plate	1,156	1,706	2,484	2,930
Plain cold plate	4,332	4,983	7,914	8,612
Hot-dip galvanizing	3,114	3,821	5,766	5,971
Electrogalvanizing	716	768	923	992
Color-coated sheet	673	679	742	890
Tin plate	866	872	804	601
Chrome plating	178	184	170	116
Electrical steel	1,465	1,183	2,973	3,442
Tube	1,637	1,525	1,966	2,235
Billet	679	697	1,141	1,060
High speed wire	487	593	1,204	1,206
Section bar			509	599
Bar			13	0
Total steel products	22,655	26,961	45,732	47,010

## XI. Sales

Sales of Steel Products	Unit: Kiloton			
	2015	2016	2017	2018
Hot rolling	7,303	8,224	19,455	18,621
Wide and thick plate	1,170	1,460	2,506	2,895
Cold rolling	11,326	12,092	19,482	20,700
Steel tube	1,611	1,563	2,129	2,215
Billet	593	699	1,230	1,134
Wire rod	490	592	1,215	1,197
Section bar	0		495	596
Bar	0		16	0
Total	22,493	24,629	46,528	47,358

Notes: The sales volume of steel products includes various steel production units and Baosteel-NSC Automotive Steel Sheets Co., Ltd. (excluding the trading unit). Sales in 2015, 2016, 2017 and 2018 listed in the table includes 1.881 million tons, 2.359 million tons, 2.380 million tons and 2.245 million tons of cold rolled products respectively sold by Baosteel-NSC Automotive Steel Sheets, but excluding 1.646 million tons, 1.976 million tons, 2.026 million tons and 2.010 million tons of hot rolled products sold by the Company to Baosteel-NSC Automotive Steel Sheets.

### Market Shares of Principal Products in China

Product	2015	2016	2017	2018
Cold rolled automotive sheet	50%	50%	50%	50%
High efficiency and high grade non-oriented silicon steel <sup>note 1</sup>	22.5%	24%	23.1%	26.7%
Oriented silicon steel <sup>note 2</sup>	32.1%	38.3%	38%	57.9%
Tin plate	23.6%	20.2%	16.9%	21%
Non-standard oil pipe	30%	30%	35%	36%

Notes: 1. 2015-2017 data of high efficiency and high grade non-oriented silicon steel is from Baoshan Base and its 2018 data is from Baoshan Base, Dongshan Base and Qingshan Base;  
2. 2015-2017 data of oriented silicon steel is from Baoshan Base, and its 2018 data is from Baoshan Base and Qingshan Base.

## Distribution by Region

Unit: kiloton

	2015	2016	2017	2018
China	19,938	21,306	42,689	43,379
Overseas	2,555	3,324	3,839	3,980
East Asia	594	616	781	780
Southeast Asia	982	1,633	1,829	2,014
America	367	319	389	462
Europe & Africa	612	755	840	724
Total	22,493	24,629	46,528	47,358

## China by Products

Unit: kiloton

	2015	2016	2017	2018
Hot rolling & heavy plate	7,475	7,925	19,992	19,678
Cold rolling	10,140	10,903	17,849	18,895
Steel pipe	1,280	1,214	1,908	1,892
Billet	554	678	1,215	1,121
High speed wire	488	586	1,214	1,197
Section bar	0		495	596
Bar	0		16	0
Total	19,938	21,306	42,689	43,379

## Overseas Breakdown by Products

Unit: kiloton

	2015	2016	2017	2018
Hot rolling & heavy plate	998	1,758	1,969	1,838
Cold rolling	1,186	1,190	1,633	1,805
Steel pipe	331	349	221	323
Billet	38	21	15	13
High-speed wire	2	6	0	1
Heavy rail	0		2	-
Total	2,555	3,324	3,839	3,980

## XII. Raw Material Procurement

Unit: kiloton

	2015	2016	2017	2018
<b>Imported raw material</b>				
Iron ore	34,460	40,229	72,590	70,760
Coal	2,610	4104	4,796	4,600
<b>Raw material purchased in China</b>				
Iron ore	925	5,155	4,005	8,102
Coal	15,827	19,737	33,356	23,778
Carbon steel and scrap steel (including pig iron)	1,012	1,528	3,229	4,032
Limestone	2,880	3,623	5,514	5,106
Ferrous alloy	321	391	683	603

### XIII. Fixed-asset Investment

### XIV. Research & Development

Project Name	Unit: Million RMB/USD				
	2015	2016	2017	2018	2018 (USD)
Carbon steel	22,859	13,111	9,723	10,431	1,520
Capital construction	17,793	8,782	3,332	1,433	209
Technical transformation	3,846	3,564	5,966	8,543	1,245
Non-steel Industries	1,953	1,636	1,263	2,184	318
Capital construction	1,579	1,405	1,045	1,258	183
Technical transformation	296	616	175	843	123
Total	23,812	14,747	10,986	12,615	1,838

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

#### R&D Investment

	Unit	2015	2016	2017	2018
R&D investment	Million RMB	3,424	3,662	5,350	7,016
Rate of R&D investment	percentage	2.09	2.00	1.82	2.30

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

R&D Center of Baoshan Iron & Steel Co., Ltd (including such centers of its subsidiaries): 1,386 persons  
Among them: Research staff: 1052 Technical staff: 262  
Administrative staff: 66

#### New Intellectual Property Rights in China in 2017

Authorized Invention Patent	Authorized Utility Mode	Software Copyrights
560 pieces	269 pieces	51 pieces

## Scientific and Technological Achievements

Year	Number of achievements	Main Achievements
2015	111	Development and Application of Pickled Continuous Rolling Process of High-Grade Non-Oriented Silicon Steel (First prize, China Metallurgical Science and Technology Progress Award)
		Iron & Nickel Base Alloy Oil Casing Product and Manufacturing Technology Development (First prize, China Metallurgical Science and Technology Progress Award)
		Development and Application of Customers-driven Metallurgical Enterprise Whole Process Collaborative Manufacturing System (First prize, China Metallurgical Science and Technology Progress Award)
		Hot And Rough Rolled Plate Shape Control and Quality Improvement Techniques (Second prize, China Metallurgical Science and Technology Progress Award)
		Iron & Nickel Base Alloy Oil Casing Key Process and Product Development (Second prize, Shanghai Science and Technology Progress Award)
		Research and Development of South China Sea Liwan Project X65 And X70 Sea Pipe (Second prize, Shanghai Science and Technology Progress Award)
		Research, Development and Industrial Application of High Quality Iron Oxide Red Green Manufacturing Technology (Second prize, Shanghai Science and Technology Progress Award)
2016	143	Continuous Casting and Rolling Process of Thin Stripe, Technical Integration of Equipment and Control Engineering and Product R&D (Special prize, China Metallurgical Science and Technology Progress Award)
		R&D and Application of Key Techs of Drill Pipe for Ultra-deep Complicated Well (First prize, China Metallurgical Science and Technology Progress Award)
		M-MES R&D and Application (Second prize, China Metallurgical Science and Technology Progress Award)
		Independent Integration Development and Application Technology of Special Production Line Continuous Caster (Third prize, China Metallurgical Science and Technology Progress Award)
		Comprehensive Maintenance Technology of Breast Roll of Heavy Rolling Mill (Third prize, China Metallurgical Science and Technology Progress Award)
		Baosteel DCR Products and Key Techs Research (First prize, Shanghai Science and Technology Progress Award)
		Development and Engineering Application of SA738 Gr.B High Strength Steel Plates in Quenched And Tempered Condition for QP-1000 Containment of Nuclear Power Plant (Second prize, Shanghai Science and Technology Progress Award)
		R&D and Application of Welding Technology and Reporting of Cold-rolled High-strength Thin Steel Plate (Worker) (Second prize, Shanghai Science and Technology Progress Award)
		R&D of CT80-CT100 Coiled Sheet for Coiled Tube (Third prize, Shanghai Science and Technology Progress Award)
		R&D and Application of High-Efficiency, Energy-Saving and Environmentally Friendly Sintering Technology and Equipment (Co-winner of Second Prize, National Prize for Progress in Science and Technology)
2017	234	R&D of Key Technology for New Energy-Saving and Environmentally-Friendly Materials for Large-Scale Coke Ovens and Application of Serialized Products (First Prize, Metallurgical Science and Technology Progress Award)
		Development and Application of Coke Oven Gas Intensified Sintering Technology (First Prize, Metallurgical Science and Technology Progress Award)
		Research into the LCA-Based Production Process and Environment-Friendliness of Baosteel Products (First Prize, Metallurgical Science and Technology Progress Award)
		Development and Application of Technology for Producing Electrical Steel (Oriented and Non-Oriented) via Continuous Casting and Continuous Rolling of Sheet Billet (First Prize, Metallurgical Science and Technology Progress Award)
		Wuhan Iron and Steel Converter--Technical Innovation in Network Integration of RH Refining Process (Second Prize, Metallurgical Science and Technology Progress Award)
		Innovation of Manufacturing Technology for 600 ~ 750mpa High-Precision Yoke Steel for Large-Scale Hydropower Engineering (Second Prize, Metallurgical Science and Technology Progress Award)
		Improvement and Application of Key Components in the Bucket Wheel Machine for Conveying Bulk Materials (Second Prize, Metallurgical Science and Technology Progress Award)
		Automatic Control of and Quality Improvement Technology for Hot Rolled and Rough Rolled Plates (Second Prize, Shanghai Science and Technology Progress Award)
		Application Technology for High Environmental-Friendliness and High Efficiency of Coke Ovens (Third Prize, Shanghai Science and Technology Progress Award)
		Wuhan Iron and Steel Converter- Technical Innovation in Network Integration of RH Refining Process (Second Prize, Hubei Province Science and Technology Progress Award)
Research and Application of Key Technology for High-Quality Steel Desulfurization Based on CSP Process (Second Prize, Hubei Province Science and Technology Progress Award)		

Year	Number of achievements	Main Achievements
2018	151	Stable Manufacturing Technology and Application Demonstration of GPa Grade Steel Plate for Automobile Lightweight (Special prize, Metallurgical Science and Technology Progress Award)
		Development and Application of the Best Magnesium-Aluminum Ratio Smelting Technology in Modern Blast Furnace (First prize, Metallurgical Science and Technology Progress Award)
		Cold Rolling Mill Flutter Intelligent Monitoring and Vibration Suppression Speeding-Up Technology and Its Application (First prize, Metallurgical Science and Technology Progress Award)
		Development and Application of Ultra-thin Single Cold-Reduced High Silicon Steel Manufacturing Technology and Equipment (First prize, Metallurgical Science and Technology Progress Award)
		Research on Key Technology and Equipment of Synergistic and High-efficiency Purification of Multi-pollutants in Activated Carbon Process (First prize, Metallurgical Science and Technology Progress Award)
		Development and Application of Key Process Technology and Equipment for Ultra-Large Blast Furnace Bell-less Top (Second prize, Metallurgical Science and Technology Progress Award)
		Research on Surface Defects of GA Outer Plate Caused by Steelmaking (Second prize, Metallurgical Science and Technology Progress Award)
		Development and Application of National Standards for Testing and Control Methods of Residual Stress of Metallic Materials (Second prize, Metallurgical Science and Technology Progress Award)
		Systematic Research and Application of Baosteel's Air Pollution Characteristics and Comprehensive Treatment Technology (Second prize, Metallurgical Science and Technology Progress Award)
		Development and Application of Intelligent Rolling Technology for Hot Rolling Ultra-Thin Ultra-High Strength Strip Steel (Third prize, Metallurgical Science and Technology Progress Award)
		Development and Industrial Application of Key Quality Index Evaluation Technology for High Carbon Steel (Third prize, Metallurgical Science and Technology Progress Award)
		High-grade Line Pipe UOE Tool and Mould Key Technology and Specification Expansion (Third prize, Metallurgical Science and Technology Progress Award)
		Comprehensive Maintenance Technology for Longevity of Blast Furnace Hearth and Its Application (Third prize, Shanghai Science and Technology Progress Award)
		Development and Application of Digital Precision Detection and Calibration Technology for Generating Control Equipment in Power Plants (Third prize, Shanghai Science and Technology Progress Award)
		Economic Operation and Load Scheduling Optimization Technology and Application for Large-scale Thermal Power Units (Third prize, Shanghai Science and Technology Progress Award)
2019	151	Manufacturing Technology Integration of LCD Module Deep-drawing Series of Environmentally Friendly Fingerprint-resistant Electro-galvanized Sheet (Second prize, Hubei Science and Technology Progress Award)
		Research and Development of National Standards for Limestone and Dolomite Series (Second prize, Hubei Science and Technology Progress Award)
		Surface Quality Control Technology and Industrial Application of High Quality Strip Hot Rolling Process (Second prize, Hubei Science and Technology Progress Award)
		Development and Application of Key Technology for Producing High Quality Coke with Low Quality Coking Coal (Second prize, Hubei Science and Technology Progress Award)
		WISCO Converter-RH Refining Process Network Integration Technology Innovation (Third prize, Hubei Science and Technology Progress Award)
		Key Manufacturing Technology and Application of Economical High-ductility Low-alloy Wear Resistant Steel (Third prize, Hubei Science and Technology Progress Award)
		Low-cost Manufacturing Technology and Application of Hot Rolling Series Products Based on New Generation of TMCP Process (Third prize, Hubei Science and Technology Progress Award)
		Research and Application of Desulfurization Key Technology of High Quality Steel Based on CSP Process (Third prize, Hubei Science and Technology Progress Award)
		Technical Innovation and Integration of High Surface Hot-dip Galvanized Outer Sheet Cold Rolling Process Equipment (Third prize, Hubei Science and Technology Progress Award)
		Innovation and Function Promotion of Key Components of Bulk Metallurgical Bulk Material Conveying Equipment (Third prize, Hubei Science and Technology Progress Award)
Carbon Sleeve for Continuous Annealing Furnace of Silicon Steel (Third prize, Hubei Science and Technology Progress Award)		
Development and Application of Hot-rolled Automotive Steel Sheets for High Quality Heavy Commercial Vehicle Girders (Third prize, Hubei Science and Technology Progress Award)		

## XV. Human Resources

	Unit	2015	2016	2017	2018
Year-end employees number	Person	38,089	37,183	57,154	56,158
Cash paid to employees and for employees	Million RMB	9,169	9,572	14,466	15,427
Primary business of iron and steel	Person	23,378	25,772	47,188	45,783
Production staff	Person	15,591	18,052	33,815	33,315
Technical staff	Person	5,695	5,676	9,299	9,347
Administrative staff	Person	2,092	2,044	4,074	3,121
Non-steel primary business	Person	14,711	11,411	9,966	10,375
Baosteel Headquarters (excluding subsidiaries)	Person	17,438	16,784	16,807	15,766
Total operating revenue per capita	Million RMB	4.3	4.9	5.1	5.4
Steel output per capita	Tons	953	1,117	997	1,059

## XVI. Environmental Operation

### Environment Management System:

In 2018, the Corporation's Baoshan Base and Meishan Base completed the certificate-renewal audit of the environmental management system according to the requirements of ISO14001: 2015, and the Qingshan Base and Dongshan Base completed the supervision audit of the environmental management system.

### Energy Management System:

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

### Clean Production Audit:

According to the List of 2017 Cleaner Production Auditing Units of Key Enterprise issued by the Shanghai Municipal Government, the tinplate factory of Baoshan Base was included in the mandatory audit list. In 2018, the tinplate factory was audited by the Shanghai Clean Production Center and successfully completed the acceptance.

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

The Company's comprehensive energy consumption per ton of steel fell by 11 kg of standard coal compared to its annual target. Compared with the target for 2018, the total NOx emission was 80.8% of the annual target, the total SO2 emission was 71.1% of the annual target, and the total COD emission was 67.1% of the annual target.

### Comprehensive utilization of renewable resources:

In 2018, the Company's comprehensive utilization rate of by-product resources reached 99.30%, and the utilization rate of by-product resources flowing back to production reached 26.07%.

### Demonstration of New Energy Technology Application:

On the basis of the completed 92 MWp photovoltaic power generation project, the company will explore the power generation resources and plan to continue to implement 4MWp photovoltaic power generation project in the material yard shed environmental protection project.

### Company's Environmental Protection Cost:

It includes expenditure cost and capitalized cost. In recent years, the Company has vigorously promoted emission reduction of pollutants, and the running and depreciation expense of environmental protection facilities together have been continuously accounting for a high proportion of the expenditure items, reaching 74.5% in 2018. In recent years, the Company's environmental protection costs are as follows:

### Composition of Environmental Protection Cost

Unit: RMB 100 million

Category	Items	2015	2016	2017	2018
Expenditure items and cost	Discharge fee, fee for system approval, environmental monitoring fee, facility operation fee, facility depreciation expense, labor fee, fee for transporting hazardous substances, fee for landscaping, fee for disposal of solid waste, investment in new projects as well as updating and expanding existing projects, research investment, and others	24.64	23.87	63.12	63.60
Capitalized items and cost	Investment in new environmental protection projects as well as updating and expanding existing projects, investment in supporting projects of "three concurrences"	13.74	15.90	17.22	22.83

Notes: 2015-2016 data covers Baoshan Base and Meishan Base; 2017-2018 data includes Baoshan Base, Qingshan Base, Dongshan Base and Meishan Base.

In 2018, the Company's major indicators for energy saving and environmental protection remained at the international advanced level:

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

Items	Unit	2014	2015	2016	2017	2018
New water consumption per ton of steel	%	100	98	98	96	94
Total amount of the recovered waste energy	%	100	113	116	226	229
Comprehensive energy consumption per ton of steel	%	100	95	91	80	81
SO2 emissions per ton of steel	%	100	80	79	83	96
COD emissions per ton of steel	%	100	83	72	65	59
Overall utilization rate of solid waste	%	100	89	89	73	59

Notes: 1. The data in the table is the ratio of the current year's actual value to the 2014 actual value;  
2. The Company's steel production covers different production bases, and the statistical data is adjusted based on the change of the organization in recent years, including:  
- Energy data: 2014-2016 data covers Baoshan base and Meishan base; 2017-2018 data includes Baoshan base, Qingshan base, Dongshan base and Meishan base;  
- Environmental protection data: 2014-2017 data covers Baoshan Base and Meishan Base; the data in 2018 includes Baoshan Base, Qingshan Base, Dongshan Base and Meishan Base.

## XVII. Corporate Citizenship

### External Donation

Unit: RMB 1,000

	2015	2016	2017	2018
Poverty alleviation funds	9,550	13,860	19,470	29,555
Sponsorship	2,057	830	43	4,197
Total	11,557	14,690	19,513	33,752

### External Awards

- January
- ◆ "R&D and Application of High-Efficiency, Energy-Saving and Environmental Friendly Sintering Technology and Equipment" Project of Baosteel was awarded the Second Prize of 2017 National Award for Science and Technology Progress.
  - ◆ Baosteel won the Best Board of Directors of the Round Table of the 13th China Listed Company Board of Directors sponsored by Directors & Boards, which is the second time Baosteel has won this honorary title.
  - ◆ Baosteel picked up the 2017 Green Enterprise Management Award at the 2017 China Green Development Forum and China Green Development Union Convention organized by China Environment News Office
- March
- ◆ Baosteel and the world's largest bus manufacturer, Yutong Bus, jointly set up a joint laboratory.
  - ◆ Baosteel's "Robot Automated Operation System for Steelmaking Process" project was specially funded by the "Intelligent Robot" Project of China National Key R&D Program during the 13th Five-year Plan Period.
- May
- ◆ Baosteel was ranked first among 2018 Ten Excellent Steel Enterprise Brands issued by China Metallurgical News Office.
- June
- ◆ The 2018 Asia Pacific Corporate Management Team rankings of the US authoritative financial magazine - Institutional Investors was announced and Baosteel won the first place in the Best Investor Relations Company of the Basic Materials Group.

- July ◆ Fortune China Top 500 list was released, and Baosteel ranked 24th.
- August ◆ Fortune and Aon Hewitt Consulting jointly launched the Top 50 Best Boards in China for the first time, and Baosteel was on the list.  
◆ Baosteel won the Award for Capital Operation of Chinese Listed Companies in the value of the 12th China Listed Company.
- September ◆ In the appraisal of the First China Automotive Lightweight Design Award organized by China Society of Automotive Engineers and China Auto Lightweight Technology Innovation Strategic Alliance, the "High-torque Output Magnesium Alloy Reducer Housing for High Speed Motors of New Energy Vehicles" and "Research and Application of Low-cost Fast Hot Stamping Innovation Technology" Projects of Baosteel won the first prize and the excellent prize respectively.
- October ◆ Baosteel won the Special Award for the 40 Years of Reform and Opening-up Management Practice of the RamCharan Management Practice Award in the Chinese version of Harvard Business Review.
- November ◆ Moody's upgraded the credit rating of Baosteel from Baa1 to A3, and the rating outlook continued to maintain stable.  
◆ In the list of 2018 SynTaoGF CaiXin ESG50 Index constituent stocks, Baosteel's shares were shortlisted for the first time.  
◆ S&P upgraded the credit rating of Baosteel from BBB+ to A-, and the rating outlook continued to maintain stable.
- December ◆ Baosteel was selected in the list of the first "Innovation China • Top 100 Listed Companies" launched by the Panorama Network and School of Economics, Fudan University.

Customers	Honors
Changan Mazda	Excellent Supplier for the year of 2017, marking the eighth consecutive year
Zhengzhou Nissan	Excellent Supplier for the year of 2018, marking the thirteenth consecutive year
GAC MITSUBISHI	Excellent Supplier for the year of 2017, marking the fifth consecutive year
CAMC	Excellent Supplier for the year of 2017, marking the fifth consecutive year
Haier Group water heater	Best Partner Award
FAW-Volkswagen	Outstanding Contribution Award
CHERY	Excellent Supplier for the year of 2017
SOUTH EAST Motor	Excellent Supplier for the year of 2017
NLM MOTOR	Excellent Supplier for the year of 2017
SAIC Volkswagen	Excellent Cooperation Performance Award of 2017
C&C Trucks	Best Delivery Award of 2017
ISUZU MOTORS	Excellent Supplier, marking the third consecutive year
Jiangnan Shipyard	Five-star Excellent Cooperation Company for year of 2017
Beijing Duowei Union Group	Excellent Supplier Award for the year of 2017
India Cronos	Best Quality Award for the year of 2017
Shaanxi Heavy-duty Motor	Excellent Supplier for the year of 2017 - Best Guarantee Award
SGMW	Excellent Supplier for the year of 2017 and Excellent Supplier of Indonesian Subsidiaries
Haier	Golden Magic Cube Award, marking the fourth consecutive year
Great Wall Motors	True Partner Award, marking the sixth consecutive year
Honda	Excellent Supplier for the year of 2017
Yutong Bus	Quality Award for the year of 2017
Geely Auto	Excellent Supplier Award for the year of 2017



Daikin	Honorary title of China Partner, the only domestic supplier of steel raw materials certified by Daikin
GAC Toyota	Highest honorary title of Quality Excellence Award
General Motors	Excellent Supplier for the year of 2017, marking the fifth consecutive year
Benteler	Best Supplier
Jing-Jin Electric	Best Supplier for the year of 2017
FAW Hongqi	Hongqi Character Award
FIDIC	Baosteel Zhanjiang Iron & Steel Base Project won the Excellence Award of FIDIC 2018
Jiangsu Jingxue	Best Strategic Partner
JIANGLING MOTORS	Excellent Supplier for the year of 2018, marking the eighteenth consecutive year
Dongfeng Nissan	Excellent Supplier for the year of 2018
Jiangxi ISUZU	Excellent Supplier, marking the fourth consecutive year
Rechi Group	Strategic Partner Award
Dongfeng Trucks	Best Supplier for the year of 2018
Chang'an Ford	Excellent Supplier for the year of 2018

## XVIII. Subsidiaries and Major JVs

### Domestic Subsidiaries and Major JVs

#### WUHAN IRON AND STEEL COMPANY LIMITED.

Date of Establishment: December 19, 2016

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

Shareholding of the Company: 100%

Registered Capital: RMB 500 million

Capacity: 17.16 million tons (Crude steel)

Sales Volume in 2018: 15.66 million tons

Staff: 18,835

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

Date of establishment: June 26, 2001

Main Business Scope: smelting, rolling, processing and sales of ferrous metals

Shareholding of the Company: 77.04%

Registered Capital: RMB 7.08 billion

Capacity: 7.60 million tons (Crude steel)

Sales Volume in 2018: 7.33 million tons

Staff: 5,326

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

Date of establishment: April 18, 2011

Main Business Scope: smelting, rolling, processing and sales of ferrous metals

Shareholding of the Company: 90%

Registered Capital: RMB 20.0 billion

Capacity: 8.75 million tons (Crude steel)

Sales Volume in 2018: 8.61 million tons

Staff: 4,559

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

Date of Establishment: July 30, 2004

Main Business Scope: production and sales of cold rolled and hot-galvanized steel plates used for auto and auto parts, and relevant subsidiary business

Shareholding of the Company: 50%

Registered Capital: RMB 3 billion

Capacity: 2.60 million tons

Sales Volume in 2018: 2.24 million tons

Staff: 709

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

Date of establishment: June 3, 1992

Main Business Scope: production and sales of seamless steel pipe

Shareholding of the Company: 100%

Registered Capital: RMB 2.5 billion

Capacity: 0.8 million tons

Sales Volume in 2018: 0.95 million tons (including materials of mutual supply)

Staff: 724

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

Date of establishment: December 11, 1992

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

Shareholding of the Company: 50.63%

Registered Capital: RMB 170 million

Capacity: 0.45 million tons

Sales Volume in 2017: 0.46 million tons

Staff: 543

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

Date of establishment: June 13, 1985

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

Shareholding of the Company: 100%

Registered Capital: RMB 2.25 billion

Staff: 4,176

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

Date of establishment: June 14, 2001

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

Shareholding of the Company: 50.81%

Registered Capital: RMB 880 million

Staff: 3,952

**BAOSTEEL FINANCE CO., LTD.**

Date of establishment: October, 1992

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

Shareholding of the Company: 62.10%

Registered Capital: RMB 1.4 billion

Staff: 61

**BAOWU CARBON MATERIAL TECHNOLOGY CO., LTD.**

Date of Establishment: July 23, 2007

Main Business Scope: production and sales of chemical raw materials and products

Shareholding of the Company: 100%

Registered Capital: RMB 2.11 billion

Staff: 1,266 Persons

**Overseas Subsidiary and Major JVs**

Name	Establishment year	Share capital RMB Million	Shareholding Ratio	Main Business
Howa Trading Co. Ltd.	1993	69	100%	Trading Business and Agency
Baosteel Europe GMBH	1993	22	100%	Import and Export Business
Baosteel America Inc.	1996	8	100%	Trading Business and Agency
Baosteel Singapore Pte Ltd.	1997	8	100%	Trading Business and Agency
Bao-Island Enterprises Ltd.(JV)	1992	4	50%	Ocean Freight Transportation
Bao-Trans Enterprises Ltd.	1992	290	100%	Ocean Cargo Transportation
Boly Pipe (Thailand) Co., Ltd.	2012	467	51%	Steel Tube Processing
BGM Co. Ltd.	2012	59	50%	Steel products processing and sales
WISCO International Tailored Blanks GMBH	2013	81	100%	Steel products processing and sales

## XIX. Global Marketing Network

### Domestic Dealers

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

Address: No. 151, Mohe Road, Baoshan District, Shanghai, 201999  
Tel: 021-26640916 Fax: 021-26640888

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

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

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

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

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

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

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

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

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

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

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

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

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

Address: 6/F, No.151, Mohe Road, Baoshan District, Shanghai, 201999  
Tel: 021-26640600 Fax: 021-26640666

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

Address: No.555, Yuanhe Road, Baoshan District, Shanghai, 200941  
Tel: 021-66933311 Fax: 021-66932879

#### Foshan Baosteel Stainless Steel Trading CO.,Ltd.

Address: N0.16, Sanle East Road, Beijiao Town, Shunde District, Fushan City, Guangdong Province, 528311  
Tel: 0757-26602888 Fax: 0757-26602303

### Overseas Dealers

#### Howa Trading Co., Ltd.

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

#### Baosteel Europe Co., Ltd.

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

#### Baosteel America Trading Co., Ltd.

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

#### Baosteel Singapore Pte Ltd.

Address: #40-02/03 Suntec Tower One, No.7 Temask Boulevard, 038987, Singapore  
Tel: 65-63336818 Fax: 65-63336819

#### Baosteel Brazil Trading Co., Ltd.

Address: Av Chucri Zaidan, 1550, Sala 1902, Chacara Santo Antonio, Sao Paulo – SP BRASIL 04711-130  
Tel: +55-11-26678869 Fax: 55-11-26678869

#### Bao-Island Enterprises Limited.

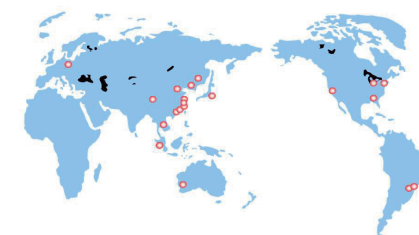
Address: 33/F, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong  
Tel : 852-28333200 Fax : 852- 25980268

#### Bao-Trans Enterprises LTD.

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

#### WISCO International Tailored Blanks GMBH

Address: Prinz-Heinrich-Straße 7-11, 47139 Duisburg, Germany  
Tel: 49 203 60017-50 Fax: 49 203 60017-511



## XX. Brief History of Company

December, 1977	Baosteel project headquarters was set up; Shanghai Baoshan Iron & Steel General Plant was founded.
December, 1978	The construction commencement ceremony for Baosteel project was held.
September, 1985	No.1 blast furnace was ignited.
June, 1991	No.2 blast furnace was ignited.
July, 1993	Renamed "Baoshan Iron & Steel (Group) Corporation".
September, 1994	No.3 blast furnace was ignited.
November, 1998	Baoshan Iron & Steel (Group) Corporation merged with the former Shanghai Metallurgical Holding Group Corporation and former Shanghai Meishan Group Co., Ltd. to set up Shanghai Baosteel Group Corporation.
February, 2000	Baoshan Iron & Steel Co., Ltd. was established.
November, 2000	1.877 billion RMB common shares were issued.
December, 2000	Listed at Shanghai Stock Exchange (code: 600019)
June, 2001	Purchased Phase-3 project from Shanghai Baosteel Group and achieved a capacity of 11 million tons.
December, 2002	The opening ceremonies for major projects such as the Heavy Plate Mill Project and 1800 Cold Rolling Strip Steel Project were held.
April, 2004	Baosteel-NSC Automotive Steel Sheets Co., Ltd. was established.
April, 2005	The Company's "tenth five year plan" project was officially put into operation. Issued 5 billion new shares, acquired part of the assets and equity of Shanghai Baosteel Group Corporation, and successfully integrated the steel business.
August, 2005	General meeting of shareholders approved the proposal on non-tradable shares reform and the reform had been completed.
December, 2007	General meeting of shareholders approved the proposal on the acquisition of Luojing Project and its related assets and on the issuance of 10 billion convertible bonds with call warrants.
June, 2008	10 billion convertible bonds with call warrants were issued.
April, 2012	Sold all assets of the stainless steel and special steel divisions to Baosteel Group Corporation.
September, 2012	The proposal with the Company as the main body to build Zhanjiang Iron & Steel project was approved by the general meeting of shareholders. Initiated the stock buyback at a price no more than RMB 5 per share with the total amount within RMB 5 billion.
November, 2012	The COREX related assets and technology in Luojing area were sold to Baosteel Group. Acquired 71.8% of the equity of Zhanjiang Iron & Steel.
May, 2013	Completed the largest scale A share buyback in history, accumulatively spent RMB 5 billion on the buyback and cancellation of 1.04 billion shares.
November, 2013	Increased investment in Zhanjiang Iron & Steel for a second time totaling RMB 6.907, increasing the shareholding ratio to 85.71%.
May, 2014	Implemented A share restricted share incentive plan and capital management plan for staff in key positions.
August, 2014	Additionally invested RMB 6 billion into Zhanjiang Iron & Steel, increasing the shareholding ratio to 90%.
November, 2016	Zhanjiang project was put into full operation.
February, 2017	Absorbed Wuhan Iron & Steel by stock exchange, and increased 5.65 billion new shares
December, 2017	Implemented the Company's Phase II A-share restricted stock plan.
August 2018	Planned to construct the three blast furnace system project of Baosteel Zhanjiang Iron & Steel Co., Ltd., with an annual increase of 4.02 million tons of molten iron.
December 2018	China Baowu signed a Strategic Cooperation Agreement with the People's Government of Jiangsu Province, the People's Government of Nanjing and the People's Government of Yancheng City, endeavor to gradually move the steel smelting capacity out of Nanjing City before the end of 2028, and set up a full-process iron and steel complex with the capacity of 8-10 million tons of iron and steel in Yancheng.

## Annex: China Economic Indicators

### Domestic Economic Indicators

	Unit	2015	2016	2017	2018
GDP	Trillion RMB	67.67	74.41	82.71	90.03
GDP growth rate	%	6.9	6.7	6.9	6.6
Export	Hundred million RMB	141,255	138,455	153,321	164,177
Import	Hundred million RMB	104,485	104,932	124,602	140,874
Unemployment Rate	%	4.05	4.02	3.9	3.80
Consumer Price Index	100 for the previous year	101.4	102.0	101.6	102.1
Fixed Assets Investment	Trillion RMB	56.20	60.65	64.12	64.57
	%	9.8	7.9	7.0	5.9

### Iron and Steel Production

	Unit	2015	2016	2017	2018
Pig iron	Million tons	691	701	748	771
Crude steel	Million tons	804	808	871	928
Steel product	Million tons	1123	1138	1019	1106
Long product	Million tons	423	414	388	427
Flat product	Million tons	489	519	480	511
Tubular product	Million tons	98	98	66	73
Section steel	Million tons	80	76	66	74
others	Million tons	38	36	23	26

### Apparent Iron and Steel Consumption

	Unit	2015	2016	2017	2018
Crude steel	Million tons	698	707	766	869
Consumption per capita	Kilogram	509	513	551	623
Steel product	Million tons	1024	944	957	1049
Long product	Million tons	380	348	373	415
Flat product	Million tons	451	444	448	482
Tubular product	Million tons	89	70	58	65
Section steel	Million tons	75	65	63	70
Others	Million tons	34	22	19	22

## Annex: Investor Relations Information

### Steel Export and Import

	Unit	2015	2016	2017	2018
Export	Million tons	112.40	108.49	75.41	71.98
Long product	Million tons	43.89	41.26	16.07	13.04
Flat product	Million tons	48.46	48.03	43.19	42.26
Tubular product	Million tons	9.98	9.67	8.75	8.78
Section steel	Million tons	6.05	5.53	3.53	3.77
Others	Million tons	4.02	4.00	3.86	4.13
Import	Million tons	12.78	13.21	13.30	15.68
Long product	Million tons	1.07	1.18	1.21	1.39
Flat product	Million tons	10.77	11.08	11.06	13.11
Tubular product	Million tons	0.38	0.39	0.41	0.54
Section steel	Million tons	0.35	0.34	0.39	0.35
Others	Million tons	0.22	0.21	0.23	0.29

### Global Iron and Steel Production

	Unit	2015	2016	2017	2018
North America	Million tons	111	111	116	121
USA	Million tons	79	79	82	87
EU (28 countries)	Million tons	166	162	169	168
Asia	Million tons	1097	1106	1191	1258
Japan	Million tons	105	105	105	104
Korea	Million tons	70	69	71	72
Russia	Million tons	71	71	71	72
Total	Million tons	1,600	1604	1712	1790

Data Source: National Bureau of Statistics of China, China Iron and Steel Association

### Securities Information

Abbreviation	Code	Quantity	Trading Place
Baosteel	600019	22.276 billion shares	Shanghai Stock Exchange

As of April 30, 2019

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