



SE Special Reports  
HD **Baosteel to Invest RMB 21.48 bln on Fixed Assets in '14**  
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Baosteel plans to put in fixed-asset investment of RMB 21.48 **billion** this year, which will be used mainly on its major projects such as the construction of Baosteel Zhanjiang base. Baosteel aims to make operational income of RMB 195 **billion** at an operational cost of RMB 176.8 **billion** this year. It aims to produce **iron** of 21.49 mt and crude steel of

22.07 mt in 2014.

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Baosteel chairman He Wenbo said the construction of Zhanjiang base is the top priority of Baosteel. It aims to keep its 50% market share of auto steel sheets in **China** and increase the trade volume of its online steel trade platform to 3.2 mt this year. Baosteel will eliminate 6 mt of steel capacity in Shanghai in the future, He added.

Baosteel reaped a profit of RMB 2.107 **billion** in the first quarter, up 47.2% quarter on quarter, under operational revenue of RMB 46.845 **billion**. Its cold-rolled auto steel sheets sales rose 19.5% year on year in the first quarter.

Baosteel Resources Australia, a unit of **China**'s largest steel maker Baosteel, and Australian rail freight operator Aurizon **Operations** Ltd. on Monday announced a joint all-

cash offer to acquire Aquila Resources Ltd.

The two offered to pay 3.4 Australian dollars (3.2 U.S. dollars) per share in cash, valuing the Australian development-stage **mining company** at about 1.4 **billion** Australian dollars (1.3 **billion** U.S. dollars), Baosteel said in a statement.

The cash offer represents a 38.8% premium to the closing price of 2.45 Australian dollars per share on May 2, the last trading day prior to the announcement.

Baosteel Resources Australia is a wholly owned subsidiary of Baosteel Resources International Co., the overseas resources development arm of Baosteel Group Corporation.

Aurizon is a wholly owned subsidiary of Aurizon Holdings Limited, Australia's leading bulk rail freight operator.

Baosteel Resources International Co. currently holds a 19.8% **stake** in Aquila. If the **acquisition** goes smoothly, Baosteel Resources International will own up to 85% of Aquila and Aurizon will own the remaining 15%, said the statement.

The **acquisition** is in line with Baosteel Resources International's strategy of building a leading global resource business through the development of the West Pilbara **Iron Ore**

Project and the Queensland Eagle Downs Hard Coking **Coal** Project, it said.

In a related development, Baosteel will consolidate its e-commerce businesses and further introduce investors to push forward listing of its e-commerce platforms, a senior

manager said at a recent shareholders' meeting.

Baosteel said that it will continue to expand trading on the Shanghai Steel Trading Center and aims at raising the annual trading volume to 3.2 mt. Meanwhile, it will step up efforts to develop the movable property financing business with banks.

Currently, the steel **company's** e-commerce businesses include Shanghai Steel Trading Center, Orient Steel, Orient Payment and an e-commerce platform serving the chemical

industry.

In the first quarter of this year, Orient Payment achieved online payment of RMB 5 **billion**, soaring 360% year on year. Meanwhile, the payment platform is also actively applying to the **China** Securities Regulatory Commission for fund sales license. (CMT)

**CO** baois : Shanghai Baosteel Group Corp | dorval : Aurizon Mines Ltd | hclamn : Hecla Mining Co  
**IN** i221 : Iron/Steel/Ferroalloys | i22 : Primary Metals | ibasicm : Basic Materials/Resources | i211 : Metal Ore Mining | i2112 : Gold Ore/Silver Ore Mining | imet : Mining/Quarrying | isteel : Steel Production  
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