

## 1, Brief Introduction to the Enterprise

Founded in Oct.2002, put into production in Oct.2003, Shandong Shouguang Juneng Special Steel Co., Ltd. is invested by Shandong Shouguang Juneng Holding Group.

Our company owns five mills including iron-making mill, steel-making mill, steel-rolling mill, pipes mill and motive mill as well as other 16 departments. With coverage of 1,650,000 square meters and total assets of 5 billion RMB, there are about 4,500 working staff including 700 professional technicians and engineers. The steel bars include carbon structure steel, carbon tool steel, alloy structure steel(including gear steel, steel used for oil pumping bars, marine steel for ship anchor chain, round billet for casing and tubing), spring steel and bearing steel that are used for many industries such as agricultural machinery, petroleum and chemical industry, railway, mine machinery, automobile, ship-making. The leading bars product are CrMo family of alloy steel, bearing steel, marine steel for ship anchor chain, oil-well tube blanks steel, Tube Blanks for low, middle and high pressure furnace ranging from  $\Phi 16$ - $\Phi 100$ mm. Seamless pipes, bearing steel, tube blanks for high pressure furnace and hot rolling reinforced bar with ribs obtained the production license certificates issued by National Quality Supervision and Inspection General Administration. And marine steel for ship anchor chain has passed 8 countries' certificates including LR of Britain, NK of Japan, ABS of America, DNV of Norway, BV

of France, GL of Germany, KR of South Korea and CCS of China. The annual capacity of steel bars is 1,500,000tons, seamless pipes 250,000tons that are exported to many countries and areas such as Japan, South Korea, Middle East, Europe, America, HK, Aomen and Taiwan.

After the fast development of recent years, canonic managing and running system have been established in the producing of pipes. In adhering to ISO9001 and API SPEC quality system, our pipe products have passed the certificate of API 5CT, API 5L and National Oil Pipes Quality Supervision and Inspection Center. Our company have been an important domestic manufacturer in special steel round bar, hot-rolled pipes and oil casing pipes that are placed in the importantly developing metallurgical products series of Shandong Province "11th Five-Year Plan".

## **2, Main Plants**

### **Iron Making Plant**

Two 450 m<sup>3</sup> Blast Furnaces; three 60 m<sup>2</sup> Step by Step Sintering Machines; two 52-meter Belt Iron Casting Machines with Blast Furnace Coal Spraying System.

### **Steel Making Plants**

One 70-ton Superhigh Power Electric Furnace; one 70-ton LF Refinery; two-unit VD Furnace, one R8m Arc Shaped Four-machine and Four-line Continuous Casting Machine(C.C.M) for Alloy Structure Steel and Rectangular Blanks with Electro Magnetic Stirring(EMS) and Liquid

Steel Surface Self-controlling System.

One 65-ton Hanging BOF; two 70-ton LF Refineries; one Two-unit VOD Furnace; one R12m Arc Shaped Five-machine and Five-line Continuous Casting Machine(C.C.M) for Alloy Structure Steel and Rectangular Blanks with Electro Magnetic Stirring(EMS) and Liquid Steel Surface Self-controlling System.

### **Steel Rolling Plants**

#### **No.1 Steel Rolling Plant**

One Three-Segment Continuously Steel-pushing Double-Preheating Heat Accumulating Type Heating Furnace; the Rolling Machines consist of : $\phi 550 \times 1 / \phi 430 \times 4 + \phi 320 \times 6$  Rolling Machine; the rolling line is equipped with auxiliary equipments such as one dephosphorizing machine by high-pressure water, one 160-ton Hot Shearing Machine, one Crank Type Head Cutting Fly Shearing Machine, one Gyro Type Finished Product Dimension Multiplying Flying Shearing Machine, Step by Step Rack Cold Bed, one 500-ton Cold Shearing Machine, one Inspection Bench and one Steel Bars Collecting Apparatus.

#### **No.2 Steel Rolling Plant**

One Three-Segment Continuously Steel-pushing Double-Preheating Heat Accumulating Type Heating Furnace; the Rolling Machines consist of : $\phi 650 \times 1 / \phi 550 \times 4 + \phi 450 \times 2$  Rolling Machine; the rolling line is equipped with auxiliary equipments such as one 250-ton Hot

Shearing Machine, one Hot-saw Machine of  $\Phi 1500\text{mm}$ , Step by Step Rack Cold Bed and one Steel Bars Collecting Apparatus.

### **Motive Power Plant**

One Transformer Station of 110KV and another 35 KV ;  
KDON(Ar)-4000/3000/150 and KDON(Ar)-12000/20000/400  
Hydrogen-free Argon-producing Air Separation Units ; Power Supply  
Ability can achieve 180,000 KV/A; Oxygen Supply is 16,000 m<sup>3</sup>/h;  
Nitrogen Supply is 23,000 m<sup>3</sup>/h; Argon Supply is 550 m<sup>3</sup>/h.

### **The Seamless Tube Project**

The enterprise invests 3 billion RMB on a seamless steel tube project with the annual capacity of 1 million tons that has been started to build in Oct, 2007. The project is divided in two stages: the first stage will put into production at the end of 2008 with the annual capacity of 250,000 tons; the second stage will start to be built in March, 2009 and put into production at the end of 2010.

In the first stage of investment of 1 billion RMB, a oil-well tube hot rolling producing line with annual capacity of 250,000 tons, a hot treatment producing line of 150,000 tons and a casing tube making line of 210,000 tons have been started to build, whose main equipments are world-advanced ACCU-ROLL tube mill group and cone piercing mill. All tube making and inspection equipments are imported and advanced. The main products are oil-well tubes,

pipeline tubes, oil-chemical tubes, high pressure boiler pipes and so on.

Invested 2 billion RMB, the second stage will start to found a continuous rolling tube producing line with annual capacity of 800,000 tons, a hot treatment producing line of 300,000 tons and a tube making line of 300,000 tons in March, 2009. It will be equipped with world-advanced three-roller POF continuous rolling tube mill group and relative auxiliary equipments, ultrasonic tube inspection machine, precision thread cutting machines and other imported equipments.

### **3, Quality Guarantee**

Our company has an inspection team with advanced inspection technology, advanced full set of modern inspection equipment and measuring instruments such as glimmer X-ray machine, infrared CS meter, ONH-2000 analyzer, German GS1000 spectrum machine, Beld DV-6 spectrum machine, industry analyzer, computerized tensile testing machine, high-low temperature punching testing machine, high-power microscope. All equipment and instruments have been appraised and approved by the National Measuring Department and have complete ability to physically and chemically inspect steel and iron products and satisfy the technical requirements for iron and steel products quality inspection.

### **4, Application of Products**

The products of our company are widely used in machinery making, automobile making, railway, mine machinery, petroleum machinery, agricultural machinery and civil architecture such as all kinds of shafts, screws, connecting rods, hardware tools, gears, standard parts, spanners, fasteners, structural parts for automobile and agricultural machinery, outer and inner sleeves, rollers and balls for bearing making. There are 68 kind and 80 specifications.

## **5, Enterprise Culture**

Culture grows continually.

Enterprise Culture Concept

Culture Kernel: Study and Innovation

Enterprise Purpose: to build a first-class enterprise and produce first-class products

Enterprise Task: to build a modern special steel enterprise; to enrich the working staff and repay the society.

Enterprise Spirit: work hard to surpass and pursue to brilliance

Work Concept: to devote ourselves to our duty; to manage with trust; to finish our everyday work; to improve ourselves every day.

Management Concept: customers as basis and to manage with trust.

Safety Concept: there will be nothing without safety.

Talent Concept: Talents are valuable wealth of enterprise development.

Quality Policy:

Base on science and technology, develop upon quality.

Be honest and trustworthy, pursue being perfect.

Quality Target:

General qualified rate of continuous casting semifinished products is more than 98.5%

General qualified rate of steel bars is more than 99.4%

Qualified rate of ex-factory products is 100%

The rate of customers' satisfaction is more than 95%

## **6, Future Programming**

The products of our company will aim at special steel bar materials such as high quality carbon structure steel, alloy structure steel, gear steel, spring steel, bearing steel, steel used for tube blanks, steel used for oil pumping bars, marine steel for ship anchor chain that used in many industries including agricultural machinery, chemical industry, railway, automobile, petroleum, mine machinery, ship making and so on. The sales will base on the market of Shandong province and the domestic. Meanwhile, we will develop international market energetically.