Development of Chinese Private Stainless Steel Cold Rolling Industry

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History and Current Situation
Crude Steel (SS) Production Capacity in Mainland China

- **35 Million MT**
  - Crude Steel (SS) Production Capacity

- **25 Million MT**
  - Crude Steel (SS) Effective Production Capacity
Apparent Consumption in Mainland China

Production Capacity
Crude Steel (ss)

Apparent Consumption

2015 Crude Steel (SS) Import 700kt, Export 3500kt

Data Source: Stainless Steel Council of China
Special Steel Enterprises Association
Development History of Private Cold Rolling Industry

- 2-high Rolling
- 4-high Rolling
- Partial 8 High Rolling
- 20 High Reversible Rolling
- 18-high Tandem Rolling
Current Situation of Cold Rolling Industry

• Below 1000mm
• Mostly single rolling mill
• Mainly used for pipe, home appliances and other products

• Backward mode of production
• High production cost
• Environmental impact
• Key direction of Supply Side Reform
Current Situation of Different Width

1) Below 1000mm: Little change in production capacity

2) Above 1000mm: Advanced Tandem-rolling mills to replace Single-rolling mills
Current Situation of Wide Sheet (width over 1000mm)

Status 1
High Efficient, Low Cost, Environmental Friendly
Continuous Rolling & Annealing

Status 2
Melting—Hot Rolling—Cold Rolling
Strategic Cooperation between Hot Rolling and Cold Rolling Mills
New Direction of Private Stainless Steel Cold Rolling Enterprises
New Development of Private Stainless Steel Enterprises

Pushing and Leading In-depth Industrial reform
Gradually Increasing Production and Sales Volume

Technical Innovation
Regional Development

Resource Integration
Industrial Collaboration

Flexible Products
Rapid Adjustment
New Development of Private Stainless Steel Enterprises

Trading  Further Processing  Cooperation

International Market
03

New Development: Innovative, Efficient, Environmental Friendly, Smart, Ecological Cycle
Process & equipment upgrading and innovation

Continuous Rolling & Annealing of Hot Rolled Black Coil

- Hot Rolled Black Coil Continuous Rolling & Annealing
- 20 High Reversible Rolling

18–high*5 Tandem Rolling

- Continuous Annealing & Pickling
- Continuous Rolling Era

Narrow Strip to Wide Sheet (1000mm+)

- Restriction in Narrow Strip Applications
- Development of Wide Sheet Equipment

Value Oriented: New Technology, Equipment & Process, Improving Production Efficiency
With the operation of Fujian and Shandong Hongwang, Hongwang Group will achieve 2.5million tons of production capacity in CR sheet and strip by the end of 2016, ranking top in Chinese Private Stainless Steel Cold Roll Industry.
Joint Development: Deepwater Port & Regional Advantages

Environmental friendly and Regional allocation

ShandongHW

Henan Tianhong

Sichuan Tianhong

Zhanqing HW

Fujian HW

Hunan Tianhong
New DreamWorks: From “Intelligent” to “Smart” manufacturing

For Clients: Online Platform Provides Easier Business!
New DreamWorks: From “Intelligent” to “Smart” manufacturing

For Mills: Smart Production by Big Data Analysis

- Ordered by Various Channel
- Big Data Analysis
- Production Materials Arrangement
- Logistic & Warehousing
- Procedure Tracking
- Production System

B2B/OMS/ERP/MES/L2/WMS/TMS
New DreamWorks: From “Intelligent” to “Smart” manufacturing
Domestic: “Supply-side Reform + Replace Business Tax with Value-added Tax Policies” are Beneficial for Steel Industry Restructuring

Private Cold Rolling Mills:
1) Keep developing through innovation and reform
2) Produce according to demand, improving efficiency through technology
Global: Moving Forward to Accomplish the Chinese Dream
HongWang Group – leading the development of private cold rolling industry
Down-to-earth
Let Our Dreams Fly
Welcome to HongWang

Thank you