

---

## **Xinyu Steel regroups Hongdu Steel and Nanchang Steel**

*Thursday, 03 Sep, 2009*

21st Century Business Herald cited Mr Li Tianou director of Jiangxi SASAC as saying in a telephone interview that “Xinyu Steel basically finishes regrouping Jiang Hongdu Steel Works and Jiangxi State owned Assets Supervision & Administration Commission already makes its owned 57.97% shares of Nanchang Steel go public for transfer.”

As per report, Jiangxi Province lately authorized the advices on provincial economic reform which made by the provincial development & reform commission. It’s mentioned in the advices that the government should focus on steel industrial centralization and promote Xinyu Steel’s regroup of Hongdu Steel and cooperation with Baosteel.

Mr Li said “In fact, it is easy for Xinyu Steel to regroup Hongdu Steel, since they are both state owned assets. After the equity transfer, Xinyu Steel will change its name into Xinyu Iron & Steel Co Ltd. He said that as to cooperation with Baosteel, Xinyu mainly cooperates with Baosteel in technologies and hasn’t started the assets combination with Baosteel yet.”

As per report, Baosteel once bought 20 million shares of Xinyu Steel in public market in 2007, initiating the rumor that Baosteel intended to merge Xinyu Steel. Besides Xinyu Steel, Jiangxi SASAC finally made decision to reform the Nanchang Steel and floated 57.97% shares of the mill in Jiangxi Assets and Equity Exchange on August 17th at price of CNY 910 million.

Launched in May, 1959 with registered assets of CNY 1.035 billion, Nanchang Steel directly holds 46.55% of Nanchang Changli Iron & Steel Co Ltd and indirectly occupies 21.93% of Changli Steel through its leaf spring subsidiary.

(Sourced from 21st Century Business Herald)

**For more news visit at [www.steelguru.com](http://www.steelguru.com)**