

## Section V Important Matters

### I. Proposed Plan of Profit Appropriation of Common Shares or Capitalizing of Capital Reserves

#### (I). Formulation, implementation or adjustment of cash dividend policy

Applicable  Not applicable

The Company's dividend distribution schemes in previous years were all in line with the Company's Articles of Association and were approved by the Resolutions of the Shareholders' Meeting. The cash dividend stipulated by the Company followed clear standard and percentage requirement, and the related decision-making procedures and mechanism were self-contained. The independent directors have fulfilled their obligations and played active roles. It was also ensured that the medium and small shareholders could fully air their views and concerns. Measures were taken to protect the legal rights and interests of the medium and small shareholders.

In 2016, since the Company recorded a net profit of RMB 6,889,147,293.69, plus the undistributed profit of RMB 33,913,169,990.02 at the beginning of 2016 and minus the cash dividend of RMB 988,015,633.44 distributed in 2015, it is predicted that the Company's distributable profit would amount to RMB 39,814,301,650.27 at the end of 2016. In order to achieve the Company's long-term, sustainable development and better repay investors, according to the Company's Articles of Association, it is proposed for the following profit appropriation scheme for 2016:

1. Ten percent of the net profit, or RMB 688,914,729.37, was allocated as a statutory reserve fund for the year 2016;
2. Ten percent of the net profit, or RMB 688,914,729.37, was allocated as an optional reserve fund for the year 2016;
3. According to the Proposal of Baoshan Iron & Steel Co., Ltd. on Modification of Articles of Association approved by the General Meeting of Shareholders in 2012, the annual cash dividend to be distributed should not be less than 50% of the net profit attributable to the parent company in the consolidated statements audited in that year; therefore the total cash dividend in 2016 that should be distributed shall not be less than RMB 4,482,757,045.43. In view of the Company's usual policy of attaching importance to repay shareholders and cash dividend in long terms, the Company intends to distribute cash dividend of 0.21 yuan / share (including tax) to all shareholders specified in the dividend notice and listed in equity registration, totaling RMB 4,641,557,954.25 (including tax), accounting for 51.77% of net profit in the consolidated statements attributable to shareholders of the parent company;
4. Other models of distribution, such as capitalizing of capital reserves, would not be adopted.
5. Cash dividend-net profit ratios from 2013 to 2016

Item	2016	2015	2014	2013
1 Cash dividend per share (including tax) (RMB)	0.21	0.06	0.18	0.10
2 Total amount of cash repurchase (RMB 100 million)				30.83
3 Total amount of cash dividend (incl. cash for repurchase) (RMB 100 million)	46.42	9.88	29.65	47.31
4 Net profit for legal person presented in the statements according to corporation (RMB 100 million)	68.89	33.27	67.12	64.92
5 Net profit attributable to parent company in consolidated statements (RMB 100 million)	89.66	10.13	57.92	58.18
6 Cash dividend against net profit for legal person	67.37%	29.69%	44.17%	72.87%
7 Cash dividend against net profit attributable to parent company in consolidated statements	51.77%	97.55%	51.19%	81.30%

Notes: The effect of retroactive adjustment is not taken into account.

#### (II). Common stock dividends and Capitalizing of Capital Reserves Plan or Proposal in Last Three Years (Including the reporting period)

Unit: Million Yuan Currency: RMB

Dividend Year	Bonus shares per 10 shares (share)	Dividend payout per 10 shares (Yuan) (tax-inclusive)	Number of increase by transferring per 10 shares (share)	Cash dividends amount (tax-inclusive)	The net profit belonging to the listed company common share's shareholders in the annual dividend consolidated statements	Percentage (%) accounting for the net profit of listed company common shareholders in consolidated statements
Year 2016 (Note)				4,642	8,966	51.77
2015				988	1,013	97.55
2014				2,965	5,792	51.19

Notes: 2016 cash dividend is an estimated amount.

## Section V Important Matters

### II. Performance situation of commitment matters

#### (I). Commitments of actual controllers, shareholders, relevant party and acquirer, the company and other committed parties in and continuing to the reporting period

√ Applicable □ Not applicable

Baosteel Group Corporation (hereinafter referred to as Baosteel Group) is the predecessor of China Baowu Steel Group Co., Ltd. (referred to as "Baowu group").

Commitment background	Commitment Type	Commitment Party	Commitment Content	Commitment time and duration	If strictly perform the duration	If strictly perform in time	Specific reasons for nonperformance in time	Notes for next plan if nonperformance in time
	A commitment to providing true, accurate and complete information	Baosteel, Wuhan Iron and Steel Co., Ltd.	The company is committed to provide timely information related to the transaction, and to ensure that the provided information is true, accurate and complete, without false records, misleading statements or material omissions, and to bear individual and joint legal liabilities of provided information of authenticity, accuracy, and completeness. If there are false records, misleading statements or major omissions existing in the provided information, resulting in losses to the transaction parties or investors, the company shall bear the liability for compensation. These commitments were published on China Securities News, Shanghai Securities News and Securities Times dated Sept. 23, 2016 and the official website of Shanghai Stock Exchange ( <a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a> ).	Sept. 22, 2016	No	Yes, it has been fulfilled		
Report on Baosteel exchanging shares and merger of Wuhan Iron and Steel Co., Ltd and relevant transaction	A commitment to providing true, accurate and complete information	Baosteel Group	I. The company has provided relevant information and documents (including but not limited to the original written materials, copy of materials or oral testimony etc.) of the company related to this transaction to Baosteel, Wuhan Iron and Steel Company Limited and intermediary organ offering professional service of audit, valuation, legal and financial consultation for the transaction. And the company promises: The provided copies or photocopies of documents are in conformity with the reserved copy or originals, and the signatures and seals on such documents are true; The provided information and documents is true, accurate and complete, without false records, misleading statements or material omissions, and to bear individual and joint legal liabilities of provided information of authenticity, accuracy, and completeness. II. In this transaction, the company promises to timely provide the relevant information about the restructuring of Baosteel, Wuhan Iron and Steel Company Limited, and ensures that the provided information is true, accurate and complete. If there are false records, misleading statements or major omissions existing in the provided information, which resulting in losses to Baosteel, Wuhan Iron and Steel Company Limited or investors, the company shall bear the liability for compensation. III. If the transaction is suspected of false records, misleading statements or major omissions in provided information or disclosure, reported of placing a case on file by the judicial authority or China Securities Regulatory Commission, the company will suspend the transfer of shares of the company in Baosteel or Wuhan Iron and Steel Company Limited before the conclusion of the case is finally explicit. These commitments were published on China Securities News, Shanghai Securities News and Securities Times dated Sept. 23, 2016 and the official website of Shanghai Stock Exchange ( <a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a> ).	Sept. 22, 2016	No	Yes, it has been fulfilled		
	A commitment to providing true, accurate and complete information	Wuhan Iron and Steel Group	I. The company has provided relevant information and documents (including but not limited to the original written materials, copy of materials or oral testimony etc.) of the company related to this transaction to Baosteel, Wuhan Iron and Steel Company Limited and intermediary organ offering professional service of audit, valuation, legal and financial consultation for the transaction. And the company promises: The provided copies or photocopies of documents are in conformity with the reserved copy or originals, and the signatures and seals on such documents are true; The provided information and documents is true, accurate and complete, without false records, misleading statements or material omissions, and to bear individual and joint legal liabilities of provided information of authenticity, accuracy, and completeness. II. In this transaction, the company will timely provide the relevant information to Baosteel and Wuhan Iron and Steel Company Limited, and ensures that the provided documents and information is true, accurate and complete, without false records, misleading statements or major omissions and is willing to bear individual and joint legal liabilities. III. If the transaction is suspected of false records, misleading statements or major omissions in provided information or disclosure, reported of placing a case on file by the judicial authority or China Securities Regulatory Commission, the company will suspend the transfer of shares of the company in Wuhan Iron and Steel Company Limited or the new company after the mergence before the conclusion of the case is finally explicit. These commitments were published on China Securities News, Shanghai Securities News and Securities Times dated Sept. 23, 2016 and the official website of Shanghai Stock Exchange ( <a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a> ).	Sept. 22, 2016	No	Yes, it has been fulfilled		

Commitment background	Commitment Type	Commitment Party	Commitment Content	Commitment time and duration	If strictly perform the duration	If strictly perform in time	Specific reasons for nonperformance in time	Notes for next plan if nonperformance in time
	Letter of commitment on true, accurate and complete information disclosure and application documents	All Directors, Supervisors and Management Personnel of Baosteel	All the Directors, Supervisors and Senior Management Personnel of the company ensure that all information contained in the Baoshan Iron & Steel Co., Ltd. Absorption merger of WISCO and Relevant Transaction Report and other disclosure and application documents issued by the company for this transaction, is true, accurate and complete, without false records, misleading statements or material omissions, and bears the joint legal liabilities for false records, misleading statements or major omissions. These commitments were published on China Securities News, Shanghai Securities News and Securities Times dated Sept. 23, 2016 and the official website of Shanghai Stock Exchange ( <a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a> ).	Sept. 22, 2016	No	Yes, it has been fulfilled		
	Letter of commitment on true, accurate and complete information disclosure and application documents	All Directors, Supervisors and Management Personnel of Wuhan Iron and Steel Company Limited	All the Directors, Supervisors and Senior Management Personnel of the company ensure that all information contained in the Baoshan Iron & Steel Co., Ltd. Absorption merger of WISCO and Relevant Transaction Report and other disclosure and application documents issued by the company for this transaction, is true, accurate and complete, without false records, misleading statements or material omissions, and bears the joint legal liabilities for false records, misleading statements or major omissions. These commitments were published on China Securities News, Shanghai Securities News and Securities Times dated Sept. 23, 2016 and the official website of Shanghai Stock Exchange ( <a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a> ).	Sept. 22, 2016	No	Yes, it has been fulfilled		
Report on Baosteel exchanging shares and merger of Wuhan Iron and Steel Co., Ltd and relevant transaction	Commitment to the effective implementation of filing in return measures for exchange, absorption merger and relevant transactions	All Directors, Supervisors and Management Personnel of Baosteel	<ol style="list-style-type: none"> <li>I hereby promise neither to deliver profits to other units or individuals in a free or unfair manner, nor adopt other forms to damage the company's benefits;</li> <li>I hereby promise to restrict position-oriented consumption;</li> <li>I hereby promise not to use the company asset to be engaged in investment or consumption irrelevant to duty performance;</li> <li>I hereby promise to combine the salary system formulated by the Board of Directors or Remuneration and Appraisal Committee with the execution of the company's padding and payback measures;</li> <li>If the company will promote company equity incentive plan, I hereby promise to combine the planned company equity incentive vesting conditions with the execution of the company's padding and payback measures.</li> <li>I am committed to fulfill this commitment in good faith and be willing to take legal responsibility for breach of the above commitments.</li> </ol> These commitments were published on China Securities News, Shanghai Securities News and Securities Times dated Sept. 23, 2016 and the official website of Shanghai Stock Exchange ( <a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a> ).	Sept. 22, 2016	No	Yes		
A commitment to maintain the independence of the Baoshan Iron & Steel Co., Ltd.		Baosteel Group Corporation, WISCO	I. Maintain independency of stock holders of Baosteel The company is committed that the Baosteel staff remain independent after the completion of the transaction and that General Manager, Deputy General Manager, Chief Financial Officer and Secretary of the Board and other senior management personnel of Baosteel will not serve as Directors or Supervisors other than in the company and other companies controlled by the company, not paid in the company or the other subsidiaries of the company. To ensure that Baosteel's financial personnel do not have part-time job with the company or other companies under the control of the company. II. Commitment that the property of Baosteel is independent and complete. <ol style="list-style-type: none"> <li>To ensure that Baosteel has independent and complete assets.</li> <li>To ensure that there is no occurrence of Baosteel's funds and assets occupied by the company or other companies controlled by the company.</li> <li>To ensure that Baosteel's residence is independent of the shareholders</li> </ol> III. Commitment to financial independence of Baosteel <ol style="list-style-type: none"> <li>To ensure the establishment of independent financial department and independent financial calculating system in Baosteel .</li> <li>To ensure that Baosteel has a standard and independent financial accounting system.</li> <li>To ensure that Baosteel independently opens an account with a bank and does not share a bank account with its shareholders.</li> <li>To ensure that Baosteel's financial personnel do not have part-time job with the company or other companies under the control of the company.</li> <li>To ensure that Baosteel can independently make financial decisions, and that the company and other companies under the control of the company do not interfere with the use of funds in Baosteel.</li> </ol> IV. Commitment to institutional independence of Baosteel To ensure that Baosteel has an independent and complete organizational structure, which is completely separate from those of the shareholders, especially those of the company and other companies under the control of the company. V. Commitment to work-related independence of Baosteel The company has committed itself to maintaining independent business with Baosteel after the completion of the transaction. There is no substantive peer competition or unfair related transactions. To ensure that Baosteel has the assets, personnel, qualification and ability to carry out business activities independently, and has the ability to operate independently in markets. VI. The company promises not to interfere in the operation and management of Baosteel and shall not encroach on the interests of Baosteel. These commitments were published on China Securities News, Shanghai Securities News and Securities Times dated Sept. 23, 2016 and the official website of Shanghai Stock Exchange ( <a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a> ).	Sept. 22, 2016	No	Yes		

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Commitment background	Commitment Type	Commitment Party	Commitment Content	Commitment time and duration	If strictly perform the duration	If strictly perform in time	Specific reasons for nonperformance in time	Notes for next plan if nonperformance in time
	Commitment to avoid horizontal competition with the newly merged company	Baosteel Group Corporation	<p>1. After the completion of this transaction, the company will not directly or indirectly (including but not limited to the ways of sole and holding etc.) involve or undertake business activities that are substantially competitive or may have substantial competition with main business of Baosteel.</p> <p>2. When the company or its subsidiaries have new business, investment or research that may have substantial competition with Baosteel business, Baosteel will have the priority of the right of development and the project priority right to buy. The company will do its best to promote so that the transaction price is determined based upon fairness, rationality and normal commercial transactions with independent third parties.</p> <p>3. Upon completion of this transaction, the company will exercise its legitimate rights to urge all parties involved in this transaction to issue commitments related to peer competition.</p> <p>4. The above promises are valid on the premise that during the Company as the controlling shareholder of Baosteel. In case of rights and interests of Baosteel being damaged due to violation of the above promises, the company is willing to undertake corresponding liability for damages.</p> <p>These commitments were published on China Securities News, Shanghai Securities News and Securities Times dated Sept. 23, 2016 and the official website of Shanghai Stock Exchange (<a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a>).</p>	Sept. 22, 2016	No	Yes		
Report on Baosteel exchanging shares and merger of Wuhan Iron and Steel Co., Ltd and relevant transaction	Commitment to avoid horizontal competition with the newly merged company	Wuhan Iron and Steel Group	<p>1. The company promises that it won't control Guangxi Steel Group Co., Ltd. or dominate the operation of the company after for 3 years of the completion of this transaction or after the steel project at Port of Fangcheng is fully put into operation (the earlier one).</p> <p>2. After the completion of this transaction, the company will not directly or indirectly (including but not limited to the ways of sole and holding etc.) involve or undertake business activities that are substantially competitive or may have substantial competition with main business of Baosteel.</p> <p>3. When the company or its subsidiaries have new business, investment or research that may have substantial competition with Baosteel business, Baosteel will have the priority of the right of development and the project priority right to buy. The company will do its best to promote so that the transaction price is determined based upon fairness, rationality and normal commercial transactions with independent third parties.</p> <p>4. Except for the promise fulfilled for Guangxi Steel Group Co., Ltd. based on the solution promised this time and promise exempted by fulfillment procedures, now, the promise pertaining to horizontal competition which is being fulfilled by the company for Wuhan Iron and Steel Company Limited will be continuously fulfilled after this transaction and bind upon Baosteel.</p> <p>5. The above promises are valid on the premise that during the Company as the shareholder of Baosteel. In case of rights and interests of Baosteel being damaged due to violation of the above promises, the company is willing to undertake corresponding liability for damages.</p> <p>These commitments were published on China Securities News, Shanghai Securities News and Securities Times dated Sept. 23, 2016 and the official website of Shanghai Stock Exchange (<a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a>).</p>	Sept. 22, 2016	No	Yes		
	Commitment on specifying related transaction	Baosteel Group Corporation	<p>1. The company will ensure the business of Baosteel is independent with complete capital as well as independent and complete production, supply, sales and other supporting systems.</p> <p>2. The company and other enterprises controlled by the company won't make use of the identity of shareholders at Baosteel to seek for preference concluding the transaction with Baosteel and its subordinate enterprises.</p> <p>3. The company and other enterprises controlled by the enterprise will avoid and reduce unnecessary transactions with Baosteel and its subordinate enterprises. In case of necessary transaction which cannot be avoided, the company and other enterprises controlled by the company will legally reach an agreement with Baosteel and its subordinate enterprises as per the principle of justice, equity and compensation of equal value and perform legal procedure. The company and other enterprises controlled by the company will legally perform information disclosure obligation and relevant internal decision-making and approval procedures, ensure not trading with Baosteel and its subordinate enterprises based on conditions which are obviously unjust compared to market price or use such transaction to engage in any behavior damaging legitimate rights and interests of Baosteel and other shareholders in accordance with relevant laws and regulations, requirements of normative documents as well as provisions of Articles of Association of Baoshan Iron &amp; Steel Co., Ltd.</p> <p>4. In case of the company violating the above promises, the company will undertake and compensate losses incurred to Baosteel for this reason according to law.</p> <p>These commitments were published on China Securities News, Shanghai Securities News and Securities Times dated Sept. 23, 2016 and the official website of Shanghai Stock Exchange (<a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a>).</p>	Sept. 22, 2016	No	Yes		

Commitment background	Commitment Type	Commitment Party	Commitment Content	Commitment time and duration	If strictly perform the duration	If strictly perform in time	Specific reasons for nonperformance in time	Notes for next plan if nonperformance in time
	Commitment related transaction	Wuhan Iron and Steel Group	<p>1. The company and other enterprises controlled by the company won't make use of the identity of shareholders at Baosteel to seek for preference concluding the transaction with Baosteel and its subordinate enterprises.</p> <p>2. The company and other enterprises controlled by the enterprise will avoid and reduce unnecessary transactions with Baosteel and its subordinate enterprises. In case of necessary transaction which cannot be avoided, the company and other enterprises controlled by the company will legally reach an agreement with Baosteel and its subordinate enterprises as per the principle of justice, equity and compensation of equal value and perform legal procedure. The company and other enterprises controlled by the company will legally perform information disclosure obligation and relevant internal decision-making and approval procedures, ensure not trading with Baosteel and its subordinate enterprises based on conditions which are obviously unjust compared to market price or use such transaction to engage in any behavior damaging legitimate rights and interests of Baosteel and other shareholders in accordance with relevant laws and regulations, requirements of normative documents as well as provisions of Articles of Association of Baoshan Iron &amp; Steel Co., Ltd.</p> <p>3. In case of the company violating the above promises, the company will undertake and compensate losses incurred to Baosteel for this reason according to law.</p> <p>These commitments were published on China Securities News, Shanghai Securities News and Securities Times dated Sept. 23, 2016 and the official website of Shanghai Stock Exchange (<a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a>).</p>	Sept. 22, 2016	No	Yes		
Report on Baosteel exchanging shares and merger of Wuhan Iron and Steel Co., Ltd and relevant transaction	The promise from cash option provider holding the post of dissent shareholder of Baoshan Iron & Steel Co., Ltd. in the process of stock conversion and absorption merger of China Baowu Steel Group Corporation	Baosteel Group Corporation	<p>1. In the process of this merger, for dissent shareholders of Baosteel meeting the condition of exercising cash option set forth in this merger scheme and implementing the procedure stipulated in the relevant notification to successfully declare and exercise cash option in light of cash option published by Baosteel at the appointed time, the company unconditionally agrees to fulfill various obligations of cash option provider according to "Article 3 of Merger Agreement-cash option of Baosteel dissent shareholders", voluntarily arrange capital and pay cash consideration to relevant dissent shareholders.</p> <p>2. The company confirms that after dissent shareholders of Baosteel completes exercising cash option, if it's anticipated that shareholding ratio of the public of Baosteel after completion of merger doesn't meet the lowest requirements stipulated by laws and regulations, the company and/or related parties of the company will immediately transfer partial shares of Baosteel to independent third party under the practicable state in order to make the amount of holding shares of the public of Baosteel after completion of merger meet the lowest requirements stipulated by laws and regulations.</p> <p>3. The company agrees to neither collect any remuneration from Baosteel and/or Wuhan Iron and Steel Company Limited on account of cash option of dissent shareholders of Baosteel nor collect any remuneration from dissent shareholders of Baosteel exercising the cash option.</p> <p>4. The company will fulfill relevant obligations of the provider of cash right of claim pursuant to relevant provisions of laws, regulations and other normative documents.</p> <p>5. The company making the above promises doesn't violate provisions of laws, regulations and Articles of Association without the situation of conflicting with obligations under other contract borne by the company.</p> <p>These commitments were published on China Securities News, Shanghai Securities News and Securities Times dated Sept. 23, 2016 and the official website of Shanghai Stock Exchange (<a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a>).</p>	Sept. 22, 2016	No	Yes, no dissent shareholders declaring cash option		
	The promise from cash option provider holding the post of dissent shareholders of Baoshan Iron & Steel Co., Ltd. in the process of stock conversion and absorption merger of China Baowu Steel Group Corporation	Wuhan Iron and Steel Group	<p>1. In the process of this merger, for dissent shareholders of Wuhan Iron and Steel Company Limited meeting the condition of exercising cash option set forth in this merger scheme and implementing the procedure stipulated in the relevant notification to successfully declare and exercise cash option in light of cash option published by Wuhan Iron and Steel Company Limited at the appointed time, the company unconditionally agrees to fulfill various obligations of cash option provider according to "Article 3 of Merger Agreement-cash option of Wuhan Iron and Steel Company Limited dissent shareholders", voluntarily arrange capital and pay cash consideration to relevant dissent shareholders.</p> <p>2. The company confirms that after dissent shareholders of Wuhan Iron and Steel Company Limited completes exercising cash option, if it's anticipated that shareholding ratio of the public of Wuhan Iron and Steel Company Limited after completion of merger doesn't meet the lowest requirements stipulated by laws and regulations, the company and/or related parties of the company will immediately transfer partial shares of Baosteel to independent third party under the practicable state in order to make the amount of holding shares of the public of Baosteel after completion of merger meet the lowest requirements stipulated by laws and regulations.</p> <p>3. The company agrees to neither collect any remuneration from Baosteel and/or Wuhan Iron and Steel Company Limited on account of cash option of dissent shareholders of Baosteel nor collect any remuneration from dissent shareholders of Baosteel exercising the cash option.</p> <p>4. The company will fulfill relevant obligations of the provider of cash right of claim pursuant to relevant provisions of laws, regulations and other normative documents.</p> <p>5. The company making the above promises doesn't violate provisions of laws, regulations and Articles of Association without the situation of conflicting with obligations under other contract borne by the company.</p> <p>These commitments were published on China Securities News, Shanghai Securities News and Securities Times dated Sept. 23, 2016 and the official website of Shanghai Stock Exchange (<a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a>).</p>	Sept. 22, 2016	No	Yes, no dissent shareholders declaring cash option		

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Commitment background	Commitment Type	Commitment Party	Commitment Content	Commitment time and duration	If strictly perform the duration	If strictly perform in time	Specific reasons for nonperformance in time	Notes for next plan if nonperformance in time
Report on Baosteel exchanging shares and merger of Wuhan Iron and Steel Co., Ltd and relevant transaction	Explanation and promise about related matters of stock conversion and absorption merger of Wuhan Iron and Steel Company Limited by Baoshan Iron & Steel Co., Ltd.	Wuhan Iron and Steel Group	<p>I. For explanation about land lease, Promise 1. For 39 authorized operation land with Power of Attorney for Operation and Management of State-owned Land Use Right gained, the company promises that it will complete the registration formality of state-owned land use right with respect to such authorized operation land at the land competent department within 3 years as of the date of completing this absorption merger and handle relevant registration formality regarding collocating such land to Wuhan Iron and Steel Company Limited and its subsidiaries for use by virtue of lease. There is no substantive impediment against handling above-mentioned registration formalities. 2. For two authorized operation leasehold land failing to gain Power of Attorney for Operation and Management of State-owned Land Use Right, the company will gain the Power of Attorney for Operation and Management of State-owned Land Use Right for these two authorized operation land within 3 years after completion of this absorption merger, complete the registration formality of state-owned land use right at the land competent department and handle relevant registration procedures for collocating such land to Wuhan Iron and Steel Company Limited and its subsidiaries by means of lease. There is no substantial impediment against handling above-mentioned registration formalities. 3. For the land used by the phase II project of Wuhan Wuxin New Building Materials Co., Ltd., under the premise of competent land department publicly bidding, auctioning and transferring relevant land, the company promises to gain the land use right certificate about such land or ensure gaining land use right certificate by Wuhan Wuxin New Building Materials Co., Ltd. within 3 years as of the date of completing this absorption merger. There is no substantial impediment against obtaining the above land use right certificate. In case of land use right certificate for such land being gained by Wuhan Wuxin New Building Materials Co., Ltd., the company will terminate the Land Lease Agreement concerning such land with Wuhan Wuxin New Building Materials Co., Ltd. If Wuhan Wuxin New Building Materials Co., Ltd. cannot continue to use such land because the company or Wuhan Wuxin New Building Materials Co., Ltd. fails to obtain the land use right certificate for such land, the company will take all reasonable and feasible measures to remove related interference or influence and undertake relevant losses caused to Wuhan Wuxin New Building Materials Co., Ltd. for this reason. 4. The company will ensure Wuhan Iron and Steel Company Limited (or asset receiver of Wuhan Iron and Steel Company Limited confirmed in terms of this absorption merger scheme) and its subsidiaries can sustainably and stably continue use of the land (including the above leased land); If Wuhan Iron and Steel Company Limited (or asset receiver of Wuhan Iron and Steel Company Limited confirmed as per this absorption merger scheme) and its subsidiaries cannot continue to use such land since no state-owned land use right registration formality for authorized operation land involved by land lease is handled or the registration formality for related lease fails to be handled, the company will take all reasonable and feasible measures to remove interfere or influence and bear related losses incurred to Wuhan Iron and Steel Company Limited (or asset receiver of Wuhan Iron and Steel Company Limited confirmed in line with this absorption merger scheme) or its subsidiaries.</p> <p>These commitments were published on China Securities News, Shanghai Securities News and Securities Times dated Sept. 23, 2016 and the official website of Shanghai Stock Exchange (<a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a>).</p> <p>II. Explanation and promise about relevant matters of the property</p> <p>1. For the property registered in the name of Wuhan Iron and Steel Company Limited and its subsidiaries at different levels with the holder of the right to use the land being the company, the company confirms actual owner of such property is Wuhan Iron and Steel Company Limited or its subsidiaries at different levels. Wuhan Iron and Steel Company Limited (the asset receiver of Wuhan Iron and Steel Company Limited confirmed pursuant to this absorption merger scheme) and relevant subsidiaries can continue to occupy and use such house based on the current situation and such house is free from property right controversy, dispute or potential dispute. For such property, the company promises to transfer it to the asset receiver of Wuhan Iron and Steel Company Limited confirmed on the basis of this absorption merger scheme before completion of this absorption merger in accordance with this absorption merger scheme. There is no substantive impediment against handling above-mentioned transfer formalities.</p> <p>2. For the property owned by Wuhan Iron and Steel Company Limited and its subsidiaries at different levels and registered in the name of the company, the company confirms Wuhan Iron and Steel Company Limited and relevant subsidiaries have fully paid related consideration for gaining the above property or such property is constructed after independent investment by Wuhan Iron and Steel Company Limited and relevant subsidiaries. Actual owner of above-mentioned property shall be Wuhan Iron and Steel Company Limited and relevant subsidiaries. The company promises that it will ensure Wuhan Iron and Steel Company Limited (asset receiver of Wuhan Iron and Steel Company Limited confirmed as per this absorption merger scheme) and relevant subsidiaries can sustainably, stably and freely use the above property for a long time before completion of handling transfer formality and make use of and dispose such property based on the instruction from Wuhan Iron and Steel Company Limited (asset receiver of Wuhan Iron and Steel Company Limited confirmed in light of this absorption merger scheme) and relevant subsidiaries. In case of any income, it shall be enjoyed by Wuhan Iron and Steel Company Limited (asset receiver of Wuhan Iron and Steel Company Limited confirmed in line of this absorption merger scheme) and relevant subsidiaries. For such property, the company promises to transfer it to the asset receiver of Wuhan Iron and Steel Company Limited confirmed according to this absorption merger scheme or related subsidiaries within 2 years after completion of this absorption merger in accordance with this absorption merger scheme. There is no substantial legal impediment against handling above-mentioned transfer formality. The company will undertake related expenses resulting from the transfer.</p> <p>3. For the property held by Wuhan Iron and Steel Company Limited and its subsidiaries at different levels the House Ownership Certificate failing to be transacted, the company confirms actual owner of such property is Wuhan Iron and Steel Company Limited or its subsidiaries at different levels. Wuhan Iron and Steel Company Limited (the asset receiver of Wuhan Iron and Steel Company Limited confirmed pursuant to this absorption merger scheme) and relevant subsidiaries can continue to occupy and use such house based on the current situation and such house is free from property right controversy, dispute or potential dispute. The company promises to assist Wuhan Iron and Steel Company Limited (or asset receiver of Wuhan Iron and Steel Company Limited confirmed in accordance with this absorption merger scheme) and relevant subsidiaries to gain the House Ownership Certificate of the above property within 3 years as of the completion of this absorption merger.</p> <p>4. In case of any loss incurred to Wuhan Iron and Steel Company Limited (or asset receiver of Wuhan Iron and Steel Company Limited confirmed according to this absorption merger) and relevant subsidiaries due to violation of the above promise, the company promises to compensate.</p> <p>These commitments were published on China Securities News, Shanghai Securities News and Securities Times dated Sept. 23, 2016 and the official website of Shanghai Stock Exchange (<a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a>).</p>	Sept. 22, 2016	Yes	Yes		
				Sept. 22, 2016	Yes	Yes		

Commitment background	Commitment Type	Commitment Party	Commitment Content	Commitment time and duration	If strictly perform the duration	If strictly perform in time	Specific reasons for nonperformance in time	Notes for next plan if nonperformance in time
			<p>III. Explanation and promise of land usage by Wuhan Weishike Steel Processing and Distribution Co., Ltd.</p> <p>The company promises to ensure Wuhan Weishike gains the land use right of the above land within 1 year after this absorption merger is completed; If Wuhan Weishike suffers from administrative punishment or is ordered to dismantle the building on the above-mentioned plot or remove, etc. by any government authority due to actual use of the above-mentioned plot before gaining State-owned Land Use Right, or later Wuhan Weirenke will be unable to gain the State-owned Land Use Right of the above-mentioned plot according to legal procedures, the company will compensate relevant losses incurred to Wuhan Weirenke for this reason.</p> <p>These commitments were published on China Securities News, Shanghai Securities News and Securities Times dated Sept. 23, 2016 and the official website of Shanghai Stock Exchange (<a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a>).</p>	Sept. 22, 2016	Yes	Yes		
Report on Baosteel exchanging shares and merger of Wuhan Iron and Steel Co., Ltd and relevant transaction	Explanation and promise about related transaction matters of stock conversion and absorption merger of Wuhan Iron and Steel Company Limited by Baoshan Iron & Steel Co., Ltd.	Wuhan Iron and Steel Group	<p>IV. For explanation regarding the trademark and promise 1, the registered trademark (hereinafter referred to as "the trademark") set forth in this explanation and Appendix II to the commitment letter is the one applied by the company for registration and such trademark is legal and effective whose exclusive right is legally protected and which has no ownership dispute. At present, such trademark is freely used by Wuhan Iron and Steel Company Limited and its subsidiaries. 2. The company confirms that Wuhan Iron and Steel Company Limited and its subsidiaries are entitled to continuously and freely use such trademark and the company will continue to maintain effectiveness of such trademark and guarantee the use right of Wuhan Iron and Steel Company Limited. Without permission from Wuhan Iron and Steel Company Limited, the company won't waive renewal and maintenance of such trademark or transfer such trademark to any third party. 3. After completion of this absorption merger, the asset receiver of Wuhan Iron and Steel Company Limited confirmed as per this absorption merger scheme (hereinafter referred to as "asset receiver of Wuhan Iron and Steel Company Limited") will have right to continue to freely use such trademark for a long time within the valid term of such trademark and the company promises that the company will coordinate if it needs to transfer the trademark used by it to the asset receiver of Wuhan Iron and Steel Company Limited as required by any law, regulation or supervision organization. Without permission from the asset receiver of Wuhan Iron and Steel Company Limited, the company won't waive renewal and maintenance of such trademark or transfer such trademark to any third party.</p> <p>These commitments were published on China Securities News, Shanghai Securities News and Securities Times dated Sept. 23, 2016 and the official website of Shanghai Stock Exchange (<a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a>).</p>	Sept. 22, 2016	No	Yes		
			<p>V. Explanation and promise concerning the patent</p> <p>1. Patents set forth in this explanation and Appendix III to commitment letter (hereinafter referred to as "the patent") are applied and maintained by the company. Such patent is legal and effective whose exclusive right is legally protected and which has no ownership dispute. At present, such patent is freely used by Wuhan Iron and Steel Company Limited and its subsidiaries.</p> <p>2. The company confirms that Wuhan Iron and Steel Company Limited and its subsidiaries are entitled to exclusively and freely use such patent and the company will continue to maintain effectiveness of such patent and guarantee the use right of Wuhan Iron and Steel Company Limited. Without permission from Wuhan Iron and Steel Company Limited, the company won't waive the maintenance for such patent or transfer such patent to any third party or allow any third party to use it.</p> <p>3. After completion of this absorption merger, the asset receiver of Wuhan Iron and Steel Company Limited confirmed in line with this absorption merger scheme (hereinafter referred to as "asset receiver of Wuhan Iron and Steel Company Limited") will be entitled to freely use such patent for a long time within the valid term of such patent and the company promises that it will cooperate upon transfer requirement by the listed company after the merger and transfer relevant patent which is required to be transferred by the listed company after the merger and is being used by the asset receiver of Wuhan Iron and Steel Company Limited and subsidiaries to the asset receiver of Wuhan Iron and Steel Company Limited within 12 months.</p> <p>These commitments were published on China Securities News, Shanghai Securities News and Securities Times dated Sept. 23, 2016 and the official website of Shanghai Stock Exchange (<a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a>).</p>	Sept. 22, 2016	No	Yes		

## Section V Important Matters

Commitment background	Commitment Type	Commitment Party	Commitment Content	Commitment time and duration	If strictly perform the duration	If strictly perform in time	Specific reasons for nonperformance in time	Notes for next plan if nonperformance in time
Report on Baosteel exchanging shares and merger of Wuhan Iron and Steel Co., Ltd and relevant transaction	Explanation and promise about related transaction matters of stock conversion and absorption merger of Wuhan Iron and Steel Company Limited by Baoshan Iron & Steel Co., Ltd.	Wuhan Iron and Steel Group	<p>VI. Explanation and promise about litigation matters of Wuhan Iron and Steel Group International Economy and Trade Co., Ltd. As for such dispute, the company confirms: Wuhan Iron and Steel Group International Economy and Trade Co., Ltd. is actually unrelated to the above-mentioned loan and the fact is that Ping An Bank files a lawsuit where Wuhan Iron and Steel Group International Economy and Trade Co., Ltd. was taken as the defendant because the third party was suspected of counterfeiting related seals of Wuhan Iron and Steel Group International Economy and Trade Co., Ltd. In addition, the company promises that if Wuhan Iron and Steel Group International Economy and Trade Co., Ltd. finally bears related liability for satisfaction due to the above lawsuit or Wuhan Iron and Steel Group International Economy and Trade Co., Ltd. suffers from other losses on account of the above lawsuit, the company will compensate. These commitments were published on China Securities News, Shanghai Securities News and Securities Times dated Sept. 23, 2016 and the official website of Shanghai Stock Exchange (<a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a>).</p>	Sept. 22, 2016	No	Yes		
			<p>VII. As for explanation and promise about other matters, the company promise that in case of the loss incurred to the listed company after the merger due to any legal defect of Wuhan Iron and Steel Company Limited before this absorption merger, Wuhan Iron and Steel Group will compensate the listed company after the merger and make sure no actual loss will happen to the listed company after the merger for the purpose of maintaining benefits of the listed company after the merger. These commitments were published on China Securities News, Shanghai Securities News and Securities Times dated Sept. 23, 2016 and the official website of Shanghai Stock Exchange (<a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a>).</p>	Sept. 22, 2016	No	Yes		
Promise regarding IPO	Settlement of horizontal competition	Baosteel Group Corporation	<p>Baosteel Group has made two promises when the establishment: (1) Baosteel Group promises that associated transaction of the company will be subject to related national laws and administrative regulations and rules of relevant competent departments and won't damage legitimate interests of the company and non-controlling shareholders of the company. (2) Baosteel Group promises that it won't directly participate in any business or activity competitive to the company or directly hold rights and interests of business, activity or entity competitive to the company. However, Baosteel Group can hold shares of the company and continue operate and develop current business (including the business competitive or likely competitive to the company). Baosteel Group promises that when Baosteel Group or its subsidiary intends to carry out new business, investment and research likely competitive to the business of the company, the company will have the priority of development and project purchase. The above promises are effective under the following situations: A. The company is listed at Hong Kong Exchanges and Clearing Limited and domestic stock exchange; B. Baosteel Group holds no less than 30% of issued shares of the company. What's more, Baosteel Group further makes the following promises on Jun. 13, 2001 and Sept. 6, 2002, that is to say that the company the above two promises will still be effective after the company purchases partial Phase III project assets and remaining assets of Baosteel Group. These commitments were published on China Securities News, Shanghai Securities News and Securities Times dated Jun. 21, 2001 and Sept. 12, 2002 and the official website of Shanghai Stock Exchange (<a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a>).</p>	Feb.3, 2000	No	Yes		



Commitment background	Commitment Type	Commitment Party	Commitment Content	Commitment time and duration	If strictly perform the duration	If strictly perform in time	Specific reasons for nonperformance in time	Notes for next plan if nonperformance in time
Promises pertaining to refinancing	Settlement of horizontal competition	Baosteel Group Corporation	The promise from Baosteel Group in the seasoned equity offerings prospectus of the company: (1) For assets and businesses currently held by the group company which is likely to make Baosteel suffer from the horizontal competition, Baosteel has the right to select the right time to purchase from the group company. (2) For the business opportunity to be gained by any group company to engage in the same business with the Baosteel, the group company shall transfer such opportunity to Baosteel and only makes investment after Baosteel gives up such commercial opportunity. As for the above promises, see the website of Shanghai Stock Exchange ( <a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a> ) in Apr. 2005.	Aug. 10, 2004	No	Yes		
Other commitments made for medium and small shareholders of the company	Others	Baosteel Group Corporation	The promise regarding Luojing land from Baosteel Group: The wholly-owned subsidiary of Baosteel Group- Baosteel Group Shanghai Pudong Steel Co. Ltd. (hereinafter referred to as "Putdong Steel Company") intends to sell Luojing project under construction and related fixed assets held by it (hereinafter referred to as "related assets of Luojing project") and the company intends to purchase related assets of Luojing project. Related assets of Luojing project occupy the land of 3.228 million square meters (hereinafter referred to as "land for Luojing project"). For the land for Luojing project, Pudong Steel Company has paid some upfront charge, but hasn't paid the land-transferring fees. If the company needs to undertake unpaid land-transferring fees as well as compensate upfront charge which has been paid by Pudong Steel Company as of appraisal base date for related assets of Luojing project (namely, Sept. 30, 2007) due to purchasing related assets of Luojing project. Upon preliminary estimate, such expenses approximately amount to RMB 2.8 billion. Baosteel Group promises that: (1) If the company purchases related assets of Luojing project, Baosteel Group and/or Pudong Steel Company will actively coordinate with the company to complete the land transfer formalities regarding the land for Luojing project and give corresponding assistance based on the rational requirement from the company. (2) In case of total above-mentioned expenses actually exceeding RMB 2.8 billion, the excess portion will be undertaken by Baosteel Group and/or Pudong Steel Company with timely and full payment to the company and/or relevant government agency (as the case may be). These commitments were published on China Securities News, Shanghai Securities News and Securities Times dated Dec. 12, 2007 and the official website of Shanghai Stock Exchange ( <a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a> ). The land involved in the above promises includes western area and eastern area of the land for Luojing project as well as northern energy corridor. By the end of this report period, the company has paid about RMB 2.34 billion of land costs concerning western area of the land for Luojing project and obtained the land warrant; The company has paid about RMB 0.02 billion of land costs regarding northern energy corridor and obtained the land warrant; Related warrant for eastern land is being applied and transacted without land-transferring fee paid.	Dec. 11, 2007	No	Yes		
	Others	Baosteel Group Corporation	On Dec. 16, 2010, Baosteel Group sent Confirmation Request about Desheng Nickel Industry Project and Commitment Letter about Desheng Nickel Industry Project in order to ask whether the company is willing to invest Desheng Nickel Industry project. The company agrees that Baosteel Group invests Desheng Nickel Industry project, but it reserves the right to purchase the project based on appropriate opportunity in the future. Baosteel Group promises that: When the company asks for purchase in the future, the equity of Desheng Nickel Industry held will be transferred to the company with the rational price on the basis of asset assessment price from independent appraisal agency and under the premise of complying with related laws and regulations and other normative documents. The above promises are effective under the following situations: (1) The company is listed at the stock exchange and (2) Baosteel Group holds no less than 30% of issued shares of the company. These commitments were published on China Securities News, Shanghai Securities News and Securities Times dated Dec. 23, 2010 and the official website of Shanghai Stock Exchange ( <a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a> ). Both Baosteel Group and the company don not violate any one of the above promises within the report period.	Dec. 16, 2010	No	Yes		

## Section V Important Matters

- ( II ) There is a profit forecast of the Company's assets or projects that is still in the profit forecast period during the reporting period. The Company makes an explanation for whether the Company's assets or projects can achieve the original profit forecast.

Reached  Not reached  Not applicable

### III. Capital occupied situation and clearing up defaults progress situation within reporting period

Applicable  Not applicable

### IV. The Company's instruction on accounting firm "nonstandard opinion on audit report"

Applicable  Not applicable

### V. The Company's analysis instructions on accounting policy, accounting estimation change or major accounting error's correct reasons and effects

- (I) The analysis instruction for the reasons and effect of changes in accounting policies and accounting estimates

Applicable  Not applicable

- (II) The analysis instruction for correct reasons of major accounting errors and effect of the Company

Applicable  Not applicable

- (III) The communication situation with previous accounting firm

Applicable  Not applicable

### VI. Appointment and dismissal of the accounting firm

Unit: Ten Thousand Currency: RMB

	Now employ
Name of the domestic accounting firm	Deloitte & Touche (Special General Partnership)
Remuneration of the domestic accounting firm	230.4
Domestic accounting firm's audit age limit	Seven years

	Title	Remuneration
Accounting firm for the Company's internal control audit	Deloitte & Touche (Special General Partnership)	88

Appointment and dismissal of the accounting firm

Applicable  Not applicable

The Company continued to use the services of Deloitte Touche Tohmatsu (Deloitte) in 2016. The compensation paid to the accounting firm was detailed below:

1. The approach and amount of the compensation payable to the accounting firm for services was determined by the Shareholders' Meeting. Meanwhile, compensation for auditing services employed by the Board of Directors was determined by the Board. Independent directors gave their unanimous consent to the compensation for the accounting firm.

2. As approved by 2015 Annual Shareholders' Meeting, the auditing fees payable to Deloitte in this report period was RMB 2.304 million. In addition, the Company paid Deloitte RMB 0.88 million for its internal control auditing work in 2016, which did not influence Deloitte's independent audit, as the Board of Directors believed.

3. Until the year 2016, Deloitte has been continuously providing auditing service to the Company for seven years. Signatory auditors to the Company's 2016 Financial Statements were Xu Yusun and Dou Chengming. The former has been providing auditing service to the Company for two consecutive years, and the latter for the first year.

## VII. Major litigation and arbitration events

- Major litigation and arbitration events of this year  
 No major litigation and arbitration events of this year

### (I) Lawsuit and arbitration matters which have been disclosed in temporary announcement and have no following progress

- Applicable  Not applicable

### (II) Lawsuit and arbitration situation which have not been disclosed in the temporary announcement or have following progress

- Applicable  Not applicable

### (III) Other instructions

- Applicable  Not applicable

In Apr. 26, 2016, United States Steel Corporation filed an application with the United States International Trade Commission (ITC) to request the 337 investigation into carbon steel and alloy steel products exported to the US from a number of Chinese steel companies. In May 26, ITC was formally placed on file. There are over 40 Chinese enterprises as the defendant, covering almost all major Chinese steel enterprises, and Baosteel was involved in three charges: Anti-monopoly, false identification of country of origin, business secrets.

Baosteel responded to the suits at the first time. Anti-monopoly lawsuit, ITC administrative judge made a preliminary determination on Nov. 14, 2016 and terminated the investigation; On Dec. 19, 2016, the committee decided to review the preliminary determinations. The review result was pending. False identification of origin of country lawsuit, ITC administrative judge made a preliminary determination on Jan. 11, 2017 and terminated the investigation; On Feb. 27, 2017, the committee reviewed the preliminary determinations, and decided to withdraw the preliminary determinations to remand. Business secrets lawsuit, the plaintiff on Feb. 15, 2017 formally submitted to the ITC for the case. A judge ruled the termination of the trial of business secret case on Feb. 22. The committee decided not to review the appeal which was ended with the withdrawal from the plaintiff.

## VIII. Punishing and readjusting situation of the listed company, directors, supervisors, senior executives, shareholders, actual controllers and purchasers thereof.

- Applicable  Not applicable

## IX. The integrity situation instruction of the company and its controlling shareholder, actual controller during reporting period

- Applicable  Not applicable

## X. Situations and impacts of company stock ownership incentive plan, employee shareholding plan or other employee incentive measures

For the establishment of a sound long-term incentive mechanism in Baosteel, the Company implemented a restricted stock plan in 2014. The incentive targets were the Company's senior management personnel, core management personnel, and technical backbone. At the first time, 136 incentive targets were granted with totaling 47,446,100 shares which were originated from ordinary shares of the Company's A stock repurchased from Shanghai Stock Exchange through public auction. In the same year, 2 incentive targets adjusted to exit the restricted stock plan. According to the national policy and relevant provisions of the Company's restricted stock, the 698,900 shares were not up to the unlocked condition of restricted stock, so the Company repurchased the shares at the granted price from the incentive target and canceled the share. Correspondingly, the capital stock of the company reduced RMB 698,900.

In 2015, restricted stocks held by the incentive targets were still in the lock-up period. Because of personnel changes, in the whole year, a total of 9 incentive targets adjusted to exit restricted stock plan. According to the national policy and relevant provisions of the Company's restricted stock, the Company repurchased the 3,508,500 shares of restricted stocks which were not up to the unlocked condition at the granted price from the incentive targets and canceled the shares. Therefore, the capital stock of the company reduced RMB 3,508,500.

In 2016, since the annual performance of the Company of 2015 did not reach the initial release performance conditions for restricted stock plan, the first batch of 1/3 restricted stocks could not be unlocked by the Company. Therefore, 14,216,800 shares of unlocked restricted stocks were repurchased by the Company at the granted price and got canceled. The capital stock of the Company reduced RMB 14,216,800 correspondingly. At the same time of the year, 11 incentive targets adjusted to exit the restricted stock plan. According to the national policy and relevant provisions of the Company's restricted shares, 3,160,500 shares of restricted stocks which were not up to the unlocked condition would be repurchased at the granted price by the Company and got canceled.

The specific circumstance of above conditions that the incentive targets adjusted to exit the restricted stock plan had all been disclosed. Please see details on the Shanghai stock exchange website <http://www.sse.com.cn>

## Section V Important Matters

### XI. Significant related party transactions

#### (1) Related transaction related to daily operation

The main related party to the company is a legal person directly controlled by Baowu Group. During the reporting period, the day-to-day related party transactions between the Company and its major related party are as follows:

##### 1. Buying and selling products and accepting services

Unit: Million Yuan Currency: RMB

Related party	Contents of related transaction	Pricing principle	Transaction amount
Baosteel Resources (International) Limited	Sell fuel and raw material	Market price	3,916
Baosteel Group Shanghai Meishan Co., Ltd.	Sell steel products etc.	Market price	2,124
Baosteel Special Steel Co., Ltd.	Sell steel products, accessories etc.	Market price	2,022
Baosteel Metals Co., Ltd.	Sell steel products etc.	Market price	1,598
Baosteel Resources Co., Ltd.	Sell fuel and raw material	Market price	1,565
Baosteel Stainless Steel Co., Ltd.	Sell steel products, energy media etc.	Market price	810
Baosteel Development Co., Ltd.	Sell steel products, energy media etc.	Market price	736
Ningbo Baoxin Stainless Steel Co.,Ltd	Sell iron and steel products, accessories, etc.	Market price	640
<b>Subtotal of sales</b>			<b>13,411</b>
Baosteel Stainless Steel Co., Ltd.	Purchase steel products etc.	Market price	6,570
Baosteel Resources Co., Ltd.	Purchase fuel and raw material	Market price	5,284
Ningbo Baoxin Stainless Steel Co.,Ltd	Purchase steel products	Market price	4,829
Baosteel Special Steel Co., Ltd.	Purchase steel products	Market price	4,743
Baosteel Group Guangdong Shaoguan Iron & Steel Co., Ltd.	Purchase steel products	Market price	1,998
Baosteel Engineering & Technology Group Co., Ltd.	Purchase equipment, spare parts etc.	Market price	1,982
Baosteel Development Co., Ltd.	Purchase auxiliary materials etc.	Market price	988
Baosteel Group Shanghai Meishan Co., Ltd.	Purchase raw and auxiliary materials etc.	Market price	699
Baosteel Desheng Stainless Steel Co., Ltd.	Purchase steel products	Market price	610
<b>Subtotal of procurement</b>			<b>27,703</b>
Baosteel Engineering & Technology Group Co., Ltd.	Accept inspection, maintenance, engineering and other services	Agreed price	1,987
Baosteel Development Co., Ltd.	Accept comprehensive logistics, engineering, maintenance, warehousing, transportation and other services	Agreed price	1,335
Baosteel Group Shanghai Meishan Co., Ltd.	Accept comprehensive logistics, engineering, maintenance, transportation and other services	Agreed price	1,033
Baosteel Resources Co., Ltd.	Accept transport services	Agreed price	615
<b>Subtotal of procurement</b>			<b>4,970</b>

Notes: All of the companies mentioned above included their subsidiaries.

The sales above accounted for 7.2% of the Company's operation revenue in the reporting period; procurement and accepting services took up 17.1% and 3.1% respectively of the Company's operation cost in the reporting period.

All transactions were settled either by cash or by note.

##### 2. Financial service

Baosteel Group Finance Co., Ltd. (hereafter referred to as Finance Company), a national non-bank financial institution with Baowu Group holding 35.18% of the shares and the Company holding 62.10% of the shares, was established for central management of the funds of the Company to raise the efficiency of fund use. It provided comprehensive financial services such as internal settlement, deposits and loans, short term capital financing, investment and fund-raising etc. for members of the group.

In the reporting period, Finance Company provided a total of RMB 11.04 billion to controlled subsidiaries of Baowu Group, with outstanding loan of RMB 170 million, and a total interest income of RMB 20 million.

During the reporting period, Baosteel Desheng Stainless Steel Co., Ltd., a subsidiary of Baowu Group, entrusted the Finance Company to conduct fund management activities such as buyback of the national debt. The Finance Company received the entrusted fund of RMB 1.47 billion for management, for which the Finance Co. charged a service fee of RMB 90,000.

The day-to-day related party transactions mentioned above 1 and 2 were the market choices made by both sides on the basis of maximizing the benefit and optimizing the efficiency of operation, which fully embodied the principle of professional cooperation and complementary advantages. The day-to-day related party transactions between the company and its major related party will continue to exist.

### 3. Entrusted assets management

In order to effectively raise the use efficiency of temporarily idle funds, maintain and increase capital value, Baosteel entrusted the financial subsidiary of Baowu Group for assets management, including purchasing financial products like funds and trust. Trading volume in 2016 was RMB 14.85 billion, with RMB 5.57 billion closing balance, RMB 190 million investment income.

## ( II ) Affiliated credit and debt transaction

### 1. Matters disclosed at temporary announcement and without progression or change in the following implementation

Applicable  Not applicable

### 2. Matters disclosed at temporary announcement but with progression or change in the following implementation

Applicable  Not applicable

On Apr. 1, 2012 the Company completed the asset transfer of stainless steel and special steel subsidiaries. In the transfer, the assets of RMB 22.5 billion was collected in following five years by equal amount of each year, 20% per year. Since 2013, it was to collect the the principal and interest of the receivable on Apr. 1 of each year, and all the fees will be collected by Apr. 1, 2017. The asset transfer project was approved by the Shareholders' Meeting. The long-term receivable balance at the end of 2016 was RMB 4.5 billion, including RMB 2.6 billion of receivable from Shanghai Baosteel Stainless Steel Co., Ltd., and RMB 76 million of interest income on installment respectively; RMB 1.9 billion of receivable from Baosteel Special Steel Co., Ltd., and RMB 56 million of interest income on installment respectively.

### 3. Matters undisclosed at temporary announcement

Applicable  Not applicable

## (III) Others

Applicable  Not applicable

## (IV) Significant related trade of common foreign investment

1. In Apr. 2016, the company, Ouyeel Co., Ltd. Baowu Group and its subsidiary Huabao Investment Co.,Ltd. jointly invested RMB 1.1 billion to subscribe Shanghai Ouyeel Financial Information Services Co., Ltd. to issue new shares of 1.1 billion shares, of which: the Company, Ouyeel Co., Ltd. totally invested RMB 500 million to subscribe for 500 million shares. After the completion of new issuance, Shanghai Ouyeel Financial Information Services Co., Ltd. totally had capital of 1.4 billion shares, the shareholding ratio of the Company and Ouyeel Co., Ltd. at 54.91%.

2. In Apr. 2016, Ouyeel Co., Ltd. and Baowu Group's subsidiary Baosteel Resources Holdings (Shanghai) Co., Ltd. jointly invested RMB 100 million to set up Shanghai Ouyeel Resource E-commerce Co., Ltd., to which Ouyeel Co., Ltd. invested RMB 60 million of shareholding ratio of 60%.

3. In Jul. 2016, Shanghai Baosight Software Co., Ltd. and Baowu Group jointly invested RMB 10 million to set up Shanghai Baosteel Xinyue Human Resources Service Co., Ltd., to which Shanghai Baosight Software Co., Ltd invested RMB 1.5 million of shareholding ratio of 15%.

## XII. Major contracts and their performance situation

### (I) Matters of trusteeship, contracting and lease

#### 1. Trusteeship situation

Applicable  Not applicable

#### 2. Contracting situation

Applicable  Not applicable

## Section V Important Matters

### 3. Leasing situation

Applicable  Not applicable

### (II) Security situation

Applicable  Not applicable

Unit: Million Yuan Currency: RMB

#### Foreign guaranty condition of the Company (excluding the guaranty for subsidiaries)

Guarantor	The relationship between the guarantor and the listed company	Secured party	Amount of guarantee	Guarantee occurring date (signing date of the agreement)	Starting date of guarantee	Expiry date of guarantee	Guarantee type	The guarantee has been fulfilled or not	Guarantee is overdue or not	Guaranteed overdue amount	Whether there is a counter guarantee or not	Whether it is guaranteed by related parties	Associated relation
Total amount of guarantee during the reporting period (excluding guarantees for subsidiaries)													
Total amount of guarantee balance at the end of the reporting period (A) (excluding guarantees for subsidiaries)													
<b>Guarantees for subsidiaries from the Company and its subsidiaries</b>													
Total guaranteed amount for subsidiaries during the report period													131
Total balance of guarantee for subsidiaries at the end of the report period (B)													4,076
<b>Total guarantee amount of the Company (including the guaranty towards subsidiaries)</b>													
Total guaranteed amount (A + B)													4,076
Proportion of total guaranteed amount to net assets (%)													3.1%

#### Wherein:

Total amount guaranteed for shareholders, actual controllers and related parties (C)

Amount guaranteed provided for guaranteed objects with a liability rate of assets of over 70% directly or indirectly (D)

Excess of total guaranteed amount over 50% of net assets (E)

The aforementioned total amount guaranteed of three items (C + D + E)

Descriptions for the possible joint liability for satisfaction of the undue guarantee

The Guarantee companies mentioned above bear joint liability. At present, there is no such thing as the actual performance of joint liability by the Company.

Statement of guarantee

By the end of 2016, the Company had provided 2 jointly and severally liable performance guarantees for the Company's wholly owned subsidiary - Baosteel Europe Trading Company: one of which was US\$ 250 million in time limit from Aug. 30, 2012 to Aug. 30, 2017, the other of which was US\$ 281 million in time limit from Oct. 21, 2014 to Oct. 21, 2017. The Company had provided 2 jointly and severally liable performance guarantees for the Company's wholly owned subsidiary - Baosteel Middle East Company, including one of US\$ 29 million in time limit from Mar. 31, 2015 to Jun. 29, 2018, another of US\$19 million in time limit from Nov. 28, 2016 to May 30, 2019. The Company had provided one jointly and severally liable performance guarantee for the Company's wholly owned subsidiary - Baosteel Australia Trading Company, of totally US\$ 9 million in time limit from Dec. 10, 2015 to Jan. 20, 2018. Amount of the above guarantees totaled US\$ 588 million, equivalent to RMB 4.76 billion, accounting for 3.1% of net assets of the Company at the end of the period. The performance guarantee mentioned above did not substantially expand the risk, in essential difference with the general guarantees. The above guarantees were not performance oriented, in controllable risk.

Notes: The Company merged with Wuhan Iron & Steel Co., Ltd., and signed the Guarantee Agreement with it, issuing Irrevocable Letter of Guaranty to 14 bondholders of Wuhan Iron & Steel, and agreed to provide joint and several liability guarantee for the 14 debts of Wuhan Iron and Steel. The guarantee amount was RMB 7 billion and reasonable fees caused by the payment of interest, liquidated damages, damage compensation and expense of credit realization. The above guarantee shall come into effect on the date of the merger settlement date, as shown in Notice No. 2016-064 and 2016-084 of the Company.

## (III) Situation of entrusting others to carry out cash asset management

## 1. Entrusted financial management situation

√ Applicable □ Not applicable

Unit: Million Yuan Currency: RMB

Trustee	Types of entrusted financial products	Amount of entrusted financial management	Starting date of entrusted financing	End date of entrusted financing	Determination mode of remuneration	Actually received principal amount	Actually received incomes	In statutory procedures or not	Withdraw depreciation reserves	Related transaction or not	Involved in a lawsuit or not	Associated relation
Industrial and Commercial Bank of China Co., Ltd.	Win-win financing plan by ICBC	3,100	2015/10/29	2017/12/20	Expected annual interest rate of 4.0%-4.5%	100	1.8	Yes		No	No	
Bank of China Limited	Collective financing plan by BOC	12,173	2015/7/8	2017/11/24	Expected annual interest rate of 3.50%-4.9%	6,583	123.3	Yes		No	No	
Huabao Trust Co., Ltd.	Baoying trust plan	3,610	2014/11/28	2018/3/30	Expected annual interest rate of 4.3%-6%	900	45.7	Yes		Yes	No	Group brother companies
China Universal Asset Management Co., Ltd.	Baosteel special asset management plan	100	2015/12/31	2016/12/30	Expected return range 4.5%-5.5%	100	4.9	Yes		No	No	
China Construction Bank Corporation	CCB profits and gains management financing plan	2,000	2016/9/12	2016/12/15	Expected annual interest rate of 3.92%	2,000	27.2	Yes		No	No	
Agricultural Bank of China Limited	ABC secure earnings financing plan	14,600	2016/2/18	2016/11/17	Expected annual interest rate range of 3.75%-4.25%	14,600	349.5	Yes		No	No	
Shanghai Pudong Development Bank Co., Ltd.	Collective financing plan by SPDB	8,800	2016/1/12	2016/11/21	Expected annual interest rate range of 3.8%-5.2%	8,800	108.5	Yes		No	No	
Total	/	44,383	/	/	/	33,083	660.9	/		/	/	/
Accruing amount of overdue and uncollected principal and earnings (RMB)												0
Description of entrusted financing												None

## Section V Important Matters

### 2. Other investing and financing as well as derivative investment situations

√ Applicable □ Not applicable

Unit: One million shares, one million Currency: RMB

Investment type	Parties	Investment shares	Investment term	Product type	Investment profit and loss	Involved in a lawsuit or not
Available-for-sale financial assets						
Open-end funds	Fund companies	761.08	Above 1 year	Fund	10.93	No
Closed-end fund:	Fund companies	69.93	1 year below	Fund	0.00	No
Trust program	Trust companies	200.00	1 year below	Trust	0.00	No
Subtotal		1,031.01			10.93	
Trading financial assets						
Currency fund	Fund companies	1,870.05	1 year below	Fund	0.95	No
Bank financing	Banks	1,020.00	1 year below	Financing	2.83	No
Trust program	Trust companies	100.00	Above 1 year	Trust	0.31	No
Currency fund	SSE	1.00	1 year below	Fund	0.12	No
Subtotal		2,991.05			4.21	
Others						
Bank financing	Banks	4,069.37	1 year below	Financing	55.26	No
Trust program	Trust companies	830.00	1 year below	Trust	16.31	No
Trust program	Trust companies	4,561.35	Above 1 year	Trust	27.53	No
Trust program	Trust companies	1,792.74	Above 1 year	Trust	11.11	No
Trust program	Trust companies	3,468.05	Above 1 year	Trust	88.45	No
Trust program	Trust companies	500.00	Above 1 year	Trust	0.00	No
Bank financing	Trust companies	3,040.20	1 year below	Financing	28.45	No
Subtotal		18,261.71			227.10	
Total		22,283.78			242.24	

Notes: ① The invested financial business mentioned above entrusted to others for management are carried out for the Company's subsidiary Finance Company and Ouyee Co., Ltd. The Finance Company is a wholly-owned financial subsidiary of the Company, and the investment and financing business belongs to its normal business scope.

② The above "investment share" is the sum total of investment balance at the end of last year and share of this year, not the investment shares corresponding to investments held at the end of the period.

### XIII. Explanations for other major matters

√ Applicable □ Not applicable

#### 1. Absorption merger by stock exchange of Wuhan Iron & Steel Co., Ltd.

On Sept. 22, 2016, the Company convened the 12th session of the 6th Board of Directors to agree Proposal on the merger of Baoshan Iron & Steel Co., Ltd. and Wuhan Iron and Steel Co., Ltd. and other proposals related to the Company's stock exchange and absorption merger of Wuhan Iron and Steel Co., Ltd. (hereinafter referred to as "WISCO"), and the signed Stock-exchange and Absorption Merger Agreement of Baoshan Iron & Steel Co., Ltd. and Wuhan Iron and Steel Co., Ltd. (hereinafter referred to as the Exchange Merger Agreement) which came into force with condition. Its relevant information was disclosed on Sept. 23, 2016.

According to the provisions of Exchange Merger Agreement signed by the Company and WISCO, the Company started stock exchange and absorption merger of WISCO. The Company was the merging party and the existing party. WISCO was the merged party and non-existing party. After completion of stock exchange, the Company shall go through relevant procedures for registration alteration, and WISCO shall go through the procedures for registration cancellation.

The specific pattern adopted for this merger: The Company issued A shares to all shareholders for stock exchange in WISCO, and A shares intended to issue will be applied for listed circulation in the Shanghai Stock Exchange (SSE). After A shares of WISCO had been canceled registration, WISCO shall complete the cancellation of business registration.



All existing assets, liabilities, business, personnel, contract, qualification and all other rights and obligations owned by WISCO shall be taken over and inherited by the wholly owned subsidiary of Wuhan Iron & Steel Ltd. (hereinafter referred to as "Wugang Limited.") before WISCO cancellation of registration; From the merger settlement date, 100% shares of Wugang Limited shall be controlled by Baosteel.

On Sept. 27, 2016, the Company received the Information Disclosure Inquiry Letter About Baoshan Iron & Steel Co., Ltd. Stock Exchange and Absorption Merger of Wuhan Iron and Steel Co., Ltd. and Report of Related Party Transactions (Draft) (SZGH [2016] No. 2152, hereinafter referred to as "Inquiry Letter") from Shanghai Stock Exchange. According to the requirements of the Inquiry Letter, the Company and other relevant intermediary agency replied to relevant questions, and made revision and supplementary disclosures of Absorption Merger Report and its abstract on Oct. 1, 2016.

The controlling shareholder of the Company- Baosteel Group Corporation (the predecessor of China Baowu Steel Group Corporation Ltd. ) received the Reply on Relevant Issues Concerning Baoshan Iron & Steel Co., Ltd. Stock Exchange And Absorption Merger of Wuhan Iron and Steel Co., Ltd. (GZCQ [2016] No.1136) issued by the State Assets Supervision and Administration Commission (hereinafter referred to as "SASAC") on Oct. 17, 2016. The SASAC of the State Council agreed in principle for the general plan of the Company's stock exchange and absorption merger of WISCO.

On Oct. 28, 2016, the Company convened the 3rd provisional shareholders' meeting to review and pass proposals related to the merger.

The Company disclosed Announcement on Official Reply on The Merger From Antimonopoly Bureau of the Ministry of Commerce on Dec. 6, 2016. The controlling shareholder of the Company-China Baowu Steel Group Corporation Ltd. (hereinafter referred to as "China Baowu Group") had received the Notice of No Further Investigation (SFLCSH [2016] No. 327) issued by Antimonopoly Bureau of the Ministry of Commerce .

The Company received Reply on Approval of Baoshan Iron & Steel Co., Ltd. Stock Exchange And Absorption Merger of Wuhan Iron and Steel Co., Ltd. (CSRC approval [2016]No.3199) issued by Chinese Securities Regulatory Commission on Dec. 29, 2016.

It is Feb. 17, 2017 to implement the stock exchange for this merger. On Feb. 21, the Company obtained Registration Certificate of Securities Change from China Securities Depository and Clearing Co., Ltd. Shanghai branch.

The Company completed the merger on Feb. 27, 2017, new shares listed on the same day.

The media designated for information disclosure by the Company is Chinese Securities Journal, Shanghai Securities Journal, Securities Times and the SSE website (<http://www.sse.com.cn>). All information about the Company are subject to the content published in the media designated for information disclosure.

## 2. Retroactive adjustment of previous annual financial data

The National Audit Office (hereinafter referred to as the "Audit Office") carried out economic responsibility audit in 2016 to the controlling shareholder of the Company - original Baosteel Group Corporation, and extended to the Company, part issues involved in the audit scope extended to annual scope. According to the audit opinion from the Audit Office, the Company conducted retroactive adjustments to previous annual financial data so that annual impairment loss of merged assets of 2014 and 2015 were increased to RMB 590 million and 90 million respectively, and that the annual cost of merged income tax of 2014 and 2015 was reduced to RMB 150 million and RMB 20 million respectively, and that other comprehensive incomes of merge of 2014 and 2015 was increased to RMB 440 million and RMB 70 million respectively. All of that had no effect on merged shareholders' equity of the Company at the end of the 2014 and 2015.

## XIV. Working situation on actively implementing social responsibilities

### (I) Poverty-relief work situation of listed company

Applicable  Not applicable

#### 1. Targeted poverty alleviation planning

In accordance with the central government's guiding ideology of "targeted poverty alleviation and precise poverty alleviation", to make bigger efforts on poverty alleviation, to ensure that the oriented poor areas and poor population could enjoy the well-off society in an all-round way by 2020. Baosteel Group combined the actual situation of oriented anti-poverty counties in Yunnan assisted by Baowu Group, through doing sufficient research work, finding out the real condition, identifying causes of poverty, to make poverty alleviation planning scientifically. Ensure that the aid project meets the requirements of poverty alleviation planning by Yunnan province and Baowu Group. First, to combine the designated poverty alleviation program and the construction of characteristic villages. Second, infrastructure construction is organically connected with the improvement of production and living conditions for vast poor villagers, so as to complete the county and rural infrastructure construction in aid project, to lay a solid foundation for development of the poverty-stricken minority people. Third, the economic development and increase income of vast poor villagers are organically connected together. The investment for economic development is focused on planting industry and breeding industry which could increase income of oriented villages to support them for the characteristic industries development and help increase farmers' income. Fourth, the economic construction and social development are organically connected together. To properly support the oriented villages for construction projects closely linked to the economic development, so as to promote their coordinated development, and to serve the counties and villages in aid projects to build a harmonious society and a new socialist countryside.

## Section V Important Matters

### 2. Essentials of annual targeted poverty alleviation

In 2016, Baowu Group had sent out 6 cadres while retaining positions to aid Yunnan province, including 4 people from Baosteel, 1 person served as deputy director of Puer Poverty Alleviation Office, 1 person as deputy county head of Ninger County, 1 person as deputy county head of Jiangcheng County, 1 person as first secretary to stay in the village of Ninger County. 62 people went to the designated counties for on-the-spot investigation (including: 3 at department level, 36 at division level, 22 at section and lower level). The annual direct investment was RMB 12.84 million, of which: RMB 6.85 million was used for infrastructure, RMB 2 million for industrial development, RMB 150,000 for cultural education, RMB 690 thousand for human resources, and RMB150,000for the rest. In addition, 2016 Pu'er Poverty Alleviation Office and the county government in aid projects expressed their hopes for Baosteel to increase helping efforts poverty alleviation plan during the communication. Therefore, the leadership of Baowu Group and Baosteel attached great importance to it, and timely organized leading groups to discuss. Then, it was decided after approval by the board of directors to add extra aid fund of RMB 2 million to Ning'er County of Pu'er city respectively, to add aid fund of RMB 1 million to Guangnan County of Wenshan state, so as to accelerate the poverty alleviation in that two counties.

### 3. Statistical table of targeted poverty alleviation work of listed companies in 2016

Unit: Ten thousand yuan Currency: RMB

Indicators	Quantity and development
<b>I. Overall situation</b>	It is according to the plan to provide actual aid funds of RMB 9.84 million to the counterparts in four counties and Pu'er city, involving 16 projects. Wherein: 9 projects were promoted in the whole village, 4 of which had been completed; 5 industrial supporting projects, 3 of which had been completed; 1 educational project: The poor students enrolled by universities in 2016 were taken as the funding targets, 120 people of which had been aided financially; 1 municipal project; In training program for rural doctors, 350 rural doctors got training. An additional relief funds of RMB 2 million to Pu'er City and RMB 1 million to Guangnan County of Wenshan State.
Wherein: 1. Funds	1,284
<b>II. Investment for subentry</b>	
1. Industrial development for poverty alleviation	
Wherein:	<input checked="" type="checkbox"/> Agriculture and forestry poverty relief
1.1 Types of industrial poverty alleviation projects	<input type="checkbox"/> E-commerce poverty relief
	<input type="checkbox"/> Assets income poverty relief
	<input type="checkbox"/> Support poor areas using technology
	<input type="checkbox"/> Others
1.2 Number of industrial poverty alleviation projects (units)	10
1.3 Investment amount of industrial poverty alleviation project	420
1.4 The number of poverty people who are helped to put on record for poverty alleviation (person)	576
2. Transfer and employment for poverty alleviation	
Wherein: 2.1 Investment amount of vocational skills training	69
2.2 Number of vocational skills training (person / times)	350
3. Relocation for poverty alleviation	
4. Education for poverty alleviation	
Wherein: 4.1 Investment amounts for funding poor students	15
4.2 Number of poor students (person) for funding	120
5. Health care for poverty alleviation	
6. Ecological protection for poverty alleviation	
7. Bottom guaranteed protection	
8. Social poverty alleviation	
9. Other items	
Wherein: 9.1. Project number	11
9.2. Invested amount	780
9.3. The number of poverty people who are helped to put on record for poverty alleviation (person)	490
<b>III. Awards received (content, grade)</b>	

#### 4. Follow-up targeted poverty alleviation plan

According to the CPC Central Committee's spirits of Targeted poverty alleviation, strengthening industrial supports for targeted poverty alleviation, and Baowu Group's task requirements of poverty alleviation in designated anti-poverty counties in Yunnan, Baosteel plans to invest aid funds of RMB 13 million in designated places in Yunnan in 2017.

Wherein: Aid funds of RMB 9.5 million to Pu'er City and oriented poor counties, aid funds of RMB 3.5 million to Guangnan county. According to overall structure of the aid project in plan, investment ratio of promotion in whole village, industrial development, education training is 5:4:1.

#### (II) Social responsibilities working situation

Applicable  Not applicable

The Company disclosed the sustainable development report, in the website <http://www.sse.com.cn/>.

#### (III) The Company's environmental protection presentation of situation or its subsidiary company belongs to major pollutant discharging unit published by Environmental Protection Department.

Applicable  Not applicable

See the environmental protection situation of the Company in the sustainable development report disclosed by the Company, in the website <http://www.sse.com.cn/>.