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BAOSTEEL GROUP CORPORATION

(incorporated with limited liability in the People's Republic of China)

as Issuer

CNY1,500,000,000 4.150 per cent. Bonds due 2017 (the Bonds)

(Stock Code: 86020)

(CMU Instrument No.: BCHKFB12066)

Announcement – Strategic Reorganisation of Baosteel Group Corporation

On 27 June 2016, the Issuer announced that the Issuer and Wuhan Iron and Steel (Group) Corporation are planning a strategic reorganisation. The reorganisation plan is not yet determined, once the plan is determined, it will be subject to relevant administrative approvals.

The Issuer does not consider the above event would have a material adverse effect on its normal business operation or the ability to meet its debt obligations. However, investors should consult with their independent advisor and/or legal counsel and exercise caution with respect to the trading of the Bonds. There is material uncertainty with respect to the above event. The Issuer will confirm the relevant plan as soon as possible and will comply with the relevant ongoing disclosure obligations.

By order of the Board
Baosteel Group Corporation
CHEN Derong
Director

Hong Kong, 28 June 2016

As at the date of this announcement, the Board of Directors of the Issuer comprises XU Lejiang, CHEN Derong, WANG Xiaoqi, BEI Keiwei, WANG Fucheng, LIN Jianqing and ZHU Yiming.