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(A joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 00323)

ANNOUNCEMENT ON CHANGE OF AUDITOR FOR THE YEAR 2024

I. BASIC INFORMATION ON THE ACCOUNTING FIRM TO BE ENGAGED

(I) Information about the institution

1. Basic information

Ernst & Young Hua Ming LLP (“EYHM”) was founded in September 1992 and completed the transformation of localization in August 2012 from a Sino-foreign limited liability company to a limited liability partnership. EYHM is headquartered in Beijing, and its registered address is Room 01-12, 17/F, EYHM Tower, Oriental Plaza, No.1 East Chang’an Avenue, Dongcheng District, Beijing*. As of the end of 2023, EYHM has 245 partners, and the chief partner is Mr. Mao Anning. EYHM has always attached great importance to cultivation of talents. EYHM has 1,800 Certified Public Accountants as of the end of 2023, including more than 1,500 Certified Public Accountants with experience of securities related business service, and nearly 500 Certified Public Accountants who have signed securities service audit reports. The total revenue of EYHM for the year 2023 was RMB5.955 billion, of which income from audit business was RMB5.585 billion and income from securities business of RMB2.438 billion. In 2023, EYHM audited annual reports of 137 A share listed companies for total auditing fees amounting to RMB0.905 billion. The main industries of these listed companies involve manufacturing, finance, wholesale and retail, mining, information transmission, software and information technology services, leasing and business services, etc. EYHM has 66 audit clients of listed companies in the same industry of Maanshan Iron & Steel Company Limited (the “Company”).

2. *Investor protection capability*

EYHM has investor protection capability and has accrued occupational risk fund and purchased occupational insurance which covers its Beijing headquarters and all the other branches in accordance with relevant laws and regulations. The cumulative compensation limit of accrued occupational risk fund and purchased occupational insurance of EYHM has exceeded RMB0.2 billion. In the past three years, EYHM has not been required to bear any civil liabilities due to civil litigation related to its practice.

3. *Integrity record*

In the past three years, EYHM and its employees have not been subject to any criminal punishment and disciplinary sanctions of self-regulatory organizations such as industry associations. EYHM has received one administrative punishment from the industry authority against two employees. EYHM has received the warning letter from the securities regulatory authority twice, involving 5 employees. The aforesaid decision on issuing warning letter is a supervisory and administrative measure and is not an administrative punishment. EYHM has received one self-regulatory measure from the stock exchange in the form of a written warning issued to two employees, which did not involve a punishment either. The above matters will not affect EYHM to continue the undertaking or execution of securities service business and other business.

(II) Information about the project

1. *Basic information*

(1) Ms. Guo Jing, the project partner, became a Certified Public Accountant in 2005, and started to provide audit services for listed companies in 2004, began to practice in EYHM in 2008 and provided audit services for the Company from 2020 to 2022. Ms. Guo Jing has nearly three years of professional service experience in signing/reviewing annual reports/internal control auditing of several listed companies, covering ferrous metal smelting and rolling processing industry, transportation equipment manufacturing industry, traffic and transportation industry, research and experimental development, and ecological protection and environmental governance industry.

(2) Mr. Gao Jun, the quality control reviewer, became a Certified Public Accountant in 2013, began to engage in audit services of listed companies in 2008, began to practice in EYHM in 2008, and began to provide audit services for the Company in 2024; Mr. Gao Jun has not signed/reviewed the annual report/internal control auditing of listed companies over the past three years.

(3) *Intended signing Certified Public Accountant*

- 1) The first intended signing Certified Public Accountant will be the same as the project partner.
- 2) Mr. Gong Wei, the second intended signing Certified Public Accountant, is a current partner of EYHM. He became a Certified Public Accountant in 2015, began to engage in the auditing of listed companies in 2010, began to practice in EYHM in 2015, and provided audit services for the Company from 2019 to 2022; Mr. Gong Wei has signed/reviewed annual reports/internal control audit of 2 listed companies over the past three years, covering ferrous metal smelting and rolling processing industry.

2. *Integrity record*

In the past three years, the above project partner, the signing Certified Public Accountants and the project quality control reviewer have not been subject to any criminal punishment, administrative punishment, and supervisory measures imposed by China Securities Regulatory Commission and its agencies, as well as industry authorities, any self-discipline supervision measures or disciplinary sanctions imposed by self-regulatory organizations such as stock exchanges and industry associations for their practice.

3. *Independence*

EYHM and the above project partners, signing Certified Public Accountants and project quality control reviewer have no record of violation of the independence requirements in the Code of Professional Ethics for Chinese Certified Public Accountants*.

4. *Audit fees*

EYHM charges for its audit service based on factors such as the level of responsibility, level of complexity, work requirements, and working conditions and hours required according to the level of business responsibilities, as well as expertise and work experience devoted

by the personnel at all levels actually involved in the engagement and others. The fees of the project in 2024 were RMB2,600,000 (tax inclusive), of which the annual audit fees were RMB2,260,000, and the internal control audit fees were RMB340,000. The meal and transportation expenses within the factory area incurred by auditors while performing professional services at the Company shall be borne by the Company, whilst other meal, accommodation and transportation expenses shall be borne by their own.

II. EXPLANATION ON THE PROPOSED CHANGE OF ACCOUNTING FIRM

(i) Information about the former accounting firm and the auditor's opinion of previous year

The former accounting firm of the Company was KPMG Huazhen LLP (“**KPMG Huazhen**”). The predecessor of KPMG Huazhen was KPMG Huazhen Accounting Firm (畢馬威華振會計師事務所) established on 18 August 1992, which was renamed as KPMG Huazhen LLP on 5 July 2012 with the registered address of 8/F, Office Tower E2, Oriental Plaza, 1 East Chang An Avenue, Dongcheng District, Beijing*.

KPMG Huazhen provided audit services to the Company for 1 year and issued a standard unqualified audit opinion on the Company's audit for the year 2023. On 19 June 2024, the appointment of KPMG Huazhen as the auditor for the year 2024 was approved at the Company's 2023 annual general meeting.

(ii) Reasons for the proposed change of accounting firm

The Company has now decided not to continue to engage KPMG Huazhen as its auditor for the year 2024 due to management needs. The Company conducted a tender exercise for the re-appointment of auditors for the year 2024 and EYHM was awarded the tender. Accordingly, the Company intends to appoint EYHM to replace KPMG Huazhen as its auditor for the year 2024.

(iii) Communication between the Company and its former and subsequent accounting firms

The Company has communicated with KPMG Huazhen in advance regarding the change of accounting firm and KPMG Huazhen has no objection to it, and KPMG Huazhen confirms that there is no matter that needs to be brought to the attention of the shareholders of the Company as at the date of this announcement. KPMG Huazhen and EYHM will do a good job in the communication and coordination work in accordance with the relevant provisions of PRC Auditing Standard for Certified Public Accountants No. 1153 – Communication between Former Certified Public Accountants and Subsequent Certified Public Accountants*.

III. PROCEDURES TO BE PERFORMED FOR THE PROPOSED CHANGE OF ACCOUNTING FIRM

(i) Opinion of the audit committee

The audit and compliance management committee of the board of directors of the Company, after verifying EYHM's professional competence, investor protection capability, integrity and independence, concluded that EYHM has extensive experience in auditing services for listed companies and has the qualification to serve the Company, and agreed to appoint EYHM to replace KPMG Huazhen as the auditor of the Company for the year 2024 and will submit such resolution to the board of directors for consideration.

(ii) Consideration and voting by the board of directors

At the thirty-first meeting of the tenth session of the board of directors of the Company held on 30 October 2024, the Resolution in relation to the Change of Auditor for the Year 2024 was considered and approved by 7 votes in favor, 0 votes against and 0 abstentions. It was agreed to appoint EYHM to replace KPMG Huazhen as the auditor of the Company for the year 2024.

(iii) Effective date

The change of the accounting firm is subject to the consideration of the general meeting of the Company and shall be effective from the date of consideration and approval at the general meeting.

By order of the Board
Maanshan Iron & Steel Company Limited
Jiang Yuxiang
Chairman

30 October 2024
Maanshan City, Anhui Province, the PRC

As at the date of this announcement, the directors of the Company include executive directors Jiang Yuxiang, Mao Zhanhong and Zhang Wenyang; and independent non-executive directors Guan Bingchun, He Anrui, Qiu Shengtao and Zeng Xiangfei.

* *For identification purposes only*