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

(Stock Code: 00323)

**OVERSEAS REGULATORY ANNOUNCEMENT
ANNOUNCEMENT ON RE-APPOINTMENT
OF ACCOUNTING FIRM**

This announcement is made by Maanshan Iron & Steel Company Limited (the “**Company**”) pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

I. BASIC INFORMATION ON THE PROPOSED APPOINTMENT OF THE ACCOUNTING FIRM

(I) Information about the institution

1. Basic information. Ernst & Young Hua Ming LLP (hereinafter referred to as “**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. Since its establishment, EYHM has set up 19 branches in Shanghai, Guangzhou and other cities. EYHM mainly engages in the audit of the financial statements of enterprises and issuance of related auditor’s reports; capital verification and issuance of capital verification reports; audit of business combination, division and liquidation, and the issuance of relevant reports; capital construction audit; bookkeeping agency; accounting advisory, tax advisory, management advisory, and accounting training; and other businesses stipulated by laws and regulations. EYHM is qualified to practice as an accounting firm and to audit H-share enterprises. It is officially registered with the Public Company Accounting Oversight Board in the United States, and has substantial experience and excellent professional service abilities in securities business services. The Company’s related audit services are mainly undertaken by the headquarter of EYHM.

2. Information of personnel. The chief partner of EYHM is Mr. Mao Anning. As of 31 December 2019, EYHM has 7,974 employees, including 162 partners and 1,467 practicing certified public accountants, representing an increase of 302 accountants as compared to that on 31 December 2018. EYHM has always been attached to the cultivation of talents, and has sufficient certified public accountants and practitioners with experience in securities-related business services.
3. Business scale. The annual operating revenue of EYHM for the year 2018 was RMB3,892.5639 million, and its net assets amounted to RMB470.9416 million. In 2018, EYHM has audited annual reports of 74 listed companies with an average asset value of RMB566.9 billion for total auditing fees amounting to RMB334.0448 million. EYHM's clients mainly engage in industries including manufacturing, finance, leasing and commerce services, transportation, warehousing and postal services, information transmission, software and information technology services, etc.. EYHM has accumulated vast audit experience in serving the industry of the Company.
4. Investor protection capability. The cumulative compensation limit of accrued occupational risk fund and purchased occupational insurance of EYHM has exceeded RMB80 million, and the insurance covers civil liability arising from audit failure, etc..
5. Independence and integrity record. EYHM has no record of violations of the independence requirements in the *Code of Professional Ethics for Chinese Certified Public Accountants*. In the past three years, it has not been subject to any criminal punishment, administrative punishment and self-discipline supervision measures. On 17 February 2020, EYHM and individuals held in accountable received warning letter [2020] No.21 issued by the China Securities Regulatory Commission (“CSRC”) Jiangsu Branch, and on 24 February 2020, EYHM received warning letter [2020] No.36 issued by the CSRC Beijing Branch, both of which do not have any impact on the services to be provided to the Company.

(II) Information about the project members

1. Personnel information:

- (1) Ms. Zhong Li, the project partner, is a practicing China Certified Public Accountant. She has over 20 years of experience in audit-related business service in the firm since 1999, and has extensive experience of over 20 years in security business services such as listing auditing. Ms. Zhong Li does not work for other companies.
- (2) Mr. Zhao Yizhi, the quality control reviewer, is a partner of EYHM and a practicing China Certified Public Accountant. He has over 24 years of experience in audit-related business service in the firm since 1995, and has extensive experience of over 20 years in security business services such as listing auditing. Mr. Zhao Yizhi does not work for other companies.
- (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 signing Certified Public Accountant, is a senior manager of EYHM and a practicing China Certified Public Accountant. He has over 11 years of experience in audit-related business service in the firm since 2008, and has extensive experience of over 9 years in security business services such as listing auditing. Mr. Gong Wei does not work for other companies.

2. Independence and integrity record of the above personnel

The above engagement partners, quality control reviewer and signing accountants have no record of violation of the independence requirements in the *Code of Professional Ethics for Chinese Certified Public Accountants*, and have not been subject to criminal punishment, administrative punishment and self-discipline supervision measures in the past three years.

(III) Audit fees

The Board of Directors has decided to maintain auditors' remuneration for 2019 at the level in 2018, i.e., the annual audit fees and interim fees for the execution of agreed-upon procedures payable to EYHM were RMB5.385 million (excluding tax), of which the annual audit fees was RMB4.80 million (including an internal control audit fees of RMB600,000), and the fees for agreed-upon procedures on interim financial statements were RMB585,000. It is a usual practice that all meal and accommodation expenses incurred by auditors while performing professional services at the Company shall be borne by the Company.

A proposal will be made by the Board of Directors of the Company to the general meeting to authorize the Board of Directors to determine the audit fees for the year 2020 on the basis of the audit work and other circumstances in 2020 and the audit fees in 2019.

II. PROCEDURES TO BE PERFORMED FOR THE RE-APPOINTMENT OF THE ACCOUNTING FIRM

- (I) The Audit Committee of the Board of Directors of the Company which include all independent directors is of the view that EYHM has professional competence and investor protection capability, has no record of violation of the independence requirements in the *Code of Professional Ethics for Chinese Certified Public Accountants*, and its integrity record has no effect on serving the Company.
- (II) The independent directors of the Company issue prior approval and independent opinions and they are of the view that EYHM is qualified to practice of relevant businesses in relation to securities and futures, is able to adhere to the auditing standards and relevant systems in the course of auditing business, complies with independent, objective and impartial standards of practice, continues to keep abreast of the Company, and is diligent and dutiful. Hence, the independent directors of the Company agree to re-appoint EYHM as the auditor of the Company for the year 2020. The review process is legal and compliant.

- (III) The thirtieth meeting of the ninth session of the Board of Directors was convened on 30 March 2020. There were eight directors eligible to attend the meeting and eight of them attended it. The eight directors considered and unanimously approved the Resolution on the Remuneration of Auditor in 2019 and Appointment of Auditor in 2020 and to Authorize the Board of Directors to Determine the Remuneration of the Auditor, of which the Company was recommended to re-appoint EYHM as the auditor of the Company for the year 2020 and to authorize the Board of Directors to determine the remuneration of the auditor.
- (IV) The resolution shall be submitted to the 2019 annual general meeting of the Company for consideration and approval before being implemented.

The Board

Maanshan Iron & Steel Company Limited

30 March 2020

Maanshan City, Anhui Province, the PRC

As at the date of this announcement, the directors of the Company include executive directors Ding Yi, Wang Qiangmin, Ren Tianbao and Zhang Wenyang; non-executive director Qian Haifan; and independent non-executive directors Zhang Chunxia, Zhu Shaofang and Wang Xianzhu.