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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. As of the end of 2021, EYHM has 203 partners, and the chief partner is Mr. Mao Anning. EYHM has always attached great importance to cultivation of talents. EYHM has 1,604 certified public accountants as of the end of 2021, including more than 1,300 certified public accountants with experience of securities related business service, and over 400 certified public accountants who have signed securities service audit reports. The total revenue of EYHM for the year 2020 was RMB4.76 billion, of which income from audit business was RMB4.589 billion (including income from securities business of RMB2.146 billion). In 2020, EYHM audited annual reports of 100 A share listed companies for total auditing fees amounting to RMB0.824 billion. The main industries of these listed companies involve manufacturing, finance, wholesale and retail, information transmission, software and information technology services, real estate, etc. EYHM has 44 audit clients of listed companies in the same industry of the Company.

2. Investor protection capability. EYHM has investor protection capability and has 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, administrative punishment, as well as any self-discipline supervision measures and disciplinary sanctions of self-regulatory organizations such as stock exchanges and industry associations. EYHM has received the Decision on Issuing Warning Letter from the securities regulatory authorities twice, involving 13 employees. The aforesaid Decision on Issuing Warning Letter is a supervisory and administrative measure and is not an administrative punishment. According to the provisions of relevant laws and regulations, the supervisory and administrative measures 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 and for the Company in 2020. Ms. Guo Jing has more than 13 years of professional service experience in signing/reviewing annual reports/internal control auditing of several listed companies, covering non-ferrous metal smelting and rolling processing industry, ferrous metal smelting and rolling processing industry, general equipment manufacturing industry, electrical machinery and equipment manufacturing industry, ecological protection and environmental governance industry.
- (2) Mr. Zhao Yizhi, the quality control reviewer, became a Certified Public Accountant in 2002, began to engage in auditing of listed companies in 2002, began to practice in EYHM in 1995, and began to provide audit services for the Company in 2012 (2017–2018 is his rotation period); Mr. Zhao Yizhi has signed/reviewed the annual report/internal control auditing of several listed companies in the past three years, covering the industries of electric power, thermal power production and supply, non-ferrous metal mining and processing, non-ferrous metal smelting and rolling processing, and ferrous metal smelting and rolling processing.

(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. 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 began to provide audit services for the Company in 2019; Mr. Gong Wei has signed/reviewed an annual report/internal control audit of one listed company in past three years, covering ferrous metal smelting and rolling processing industry.

**2. Integrity record**

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.

**3. Independence**

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

**4. Audit fees**

EYHM is the auditor (i.e. accounting firm) of the Company for the year 2021. The annual audit fees and interim fees for the execution of agreed-upon procedures paid by the Company to EYHM for the year 2021 were RMB3.26 million (tax inclusive, applies to the prices below), of which the annual audit fees was RMB2.76 million (including an internal control audit fees of RMB550,000), and the fees for agreed-upon procedures on interim financial statements were RMB500,000. During the working period in the Company, auditors are provided with meals and transportation within the factory area, while other accommodation and transportation expense shall be borne by their own.

The Company's 2021 annual general meeting is recommended to consider the appointment of EYHM as the auditor of the Company for the year 2022, and to authorize the board of directors to determine the remuneration of the auditor. If the proposal is approved by the shareholders' general meeting, the board of directors of the Company will determine the audit fees for the year 2022 on the basis of the audit work and other circumstances in 2022.

## 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 consisting of 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. The Audit Committee of the board of directors of the Company approved to re-appoint EYHM as the auditor of the Company for the year 2022, and the resolution was submitted to the board of directors of the Company for consideration.
- (II) The independent directors of the Company issued prior approval and independent opinions, believing that EYHM is qualified to practice as an accounting firm and to audit H share enterprises, and has substantial experience and excellent professional service abilities in securities business services. At the same time, EYHM has been providing annual audit services for the Company for years, and it continues to keep abreast of the Company, works diligently and continuously improves. The independent directors of the Company agree to re-appoint EYHM as the auditor of the Company for the year 2022. On 23 March 2022, the fifty-eighth meeting of the ninth session of the board of directors of the Company considered and approved the Proposal on the Remuneration of Auditors in 2021 and the Appointment of Auditors in 2022 and Authorizing the Board of Directors to Determine the Remuneration. The review process is legal and compliant, and will not prejudice the interests of the Company's minority shareholders.
- (III) The fifty-eighth meeting of the ninth session of the board of directors was convened on 23 March 2022. There were five directors eligible to attend the meeting and five of them attended it. The five directors considered and unanimously approved the proposal, of which the Company was recommended to appoint EYHM as the auditor of the Company for the year 2022 and the shareholders' general meeting was recommended to authorize the board of directors to determine the remuneration of the auditor.
- (IV) The resolution shall be submitted to the 2021 annual general meeting of the Company for consideration and approval before being effective.

*The Board of Directors*  
**Maanshan Iron & Steel Company Limited**

23 March 2022  
Maanshan City, Anhui Province, the PRC

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