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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 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 ACCOUNTING FIRM TO BE ENGAGED

(I) Information about the institution

1. Basic information

Established on 18 August 1992 in Beijing, KPMG Huazhen Accounting Firm (畢馬威華振會計師事務所) was converted into a special general partnership upon approval from the Ministry of Finance on 5 July 2012 and renamed as KPMG Huazhen LLP. It obtained the industrial and commercial business license on 10 July 2012 and officially started operation since 1 August 2012. KPMG Huazhen is headquartered in Beijing with the registered address of 8/F, Office Tower E2, Oriental Plaza, 1 East Chang An Avenue, Dongcheng District, Beijing.

The chief partner of KPMG Huazhen is Zou Jun (鄒俊), who has Chinese nationality and is qualified as a Chinese certified public accountant. As at 31 December 2023, KPMG Huazhen had 234 partners, 1,121 certified public accountants, including over 260 accountants who had previously signed audit reports on securities service business.

The total revenue from audited business of KPMG Huazhen for 2022 exceeded RMB4.1 billion, of which the revenue from audit business exceeded RMB3.9 billion (including the revenue from domestic statutory securities business of over RMB900 million, the revenue from other securities business of over RMB1.0 billion and the total revenue from securities business of over RMB1.9 billion).

In 2022, KPMG Huazhen provided annual report auditing service for 80 listed companies, and received a total audit fee of RMB490 million for auditing the financial statements of listed companies. Such listed companies were mainly engaged in industries including manufacturing, finance, electricity, heat, gas and water production and supply, wholesale and retail, transportation, warehousing and post, mining, real estate, leasing and business services, scientific research and technical services, water, environment and public facility management, information transmission, software and information technology service, health and social work, construction, as well as cultural, sports and entertainment. KPMG Huazhen has previous audit experience in the industry in which the Company operates.

2. Investor protection capability

KPMG Huazhen has sound investor protection capacity. The sum of cumulative compensation limit of purchased occupational insurance and accrued occupational risk fund of KPMG Huazhen has exceeded RMB200 million, which is in line with the relevant requirements of laws and regulations.

3. Integrity record

KPMG Huazhen's civil liability for civil litigation related to its practice in the past three years are as follows: the civil litigation case related to the bonds was concluded in 2023, and the final judgement ruled that KPMG Huazhen was liable for damages at a rate of 2% to 3% (approximately RMB2.7 million), and the case payment has been fulfilled.

(II) Information about the project

1. Basic information

The basic information about the project partner, the signing certified public accountant and the project quality control reviewer of KPMG Huazhen to be engaged in the audit project of financial statements of the Company for the year 2023 is as follows:

Zhang Chenwei, the project partner, qualified as a Chinese certified public accountant in 2009. He started to work in KPMG Huazhen in 2007, and engaged in auditing services for listed companies in 2010. He has been providing auditing services for the Company since 2023. He has signed or reviewed six audit reports for listed companies in the past three years.

Si Lingling, the signing certified public accountant of the project, qualified as a Chinese certified public accountant in 2013. She started to work in KPMG Huazhen in 2008, and engaged in auditing services for listed companies in 2016. She has been providing auditing services for the Company since 2023. She has signed or reviewed eight audit reports for listed companies in the past three years.

Huang Feng, the project quality control reviewer, qualified as a Chinese certified public accountant in 2007. He started to work in KPMG Huazhen in 2003, and engaged in auditing services for listed companies in 2015. He has been providing auditing services for the Company since 2023. He has signed or reviewed nine audit reports for listed companies in the past three years.

2. Integrity record

In the past three years, the project partner, the signing certified public accountant and the project quality control reviewer have not been subject to criminal punishment, or administrative punishment or regulatory measures imposed by the CSRC or its agencies or competent authorities in the industry, or 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

KPMG Huazhen and the project partner, the signing certified public accountant and the project quality control reviewer maintained their independence in accordance with the Code of Ethics.

4. *Audit fees*

KPMG Huazhen charges for its audit based on factors such as the level of responsibility, level of complexity, work requirements, and working conditions and hours required, as well as expertise and work experience devoted by the personnel at all levels involved in the engagement. The board of directors of the Company will propose to the general meeting to authorise the board of directors to determine its remuneration based on that in 2023. Regarding the Company's audit project for the year 2023, the audit fees of KPMG Huazhen were RMB3,080,000 (tax inclusive), of which the audit fees for the internal control were RMB340,000 and the interim fees for the execution of agreed-upon procedures 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. PROCEDURES TO BE PERFORMED FOR THE PROPOSED APPOINTMENT OF ACCOUNTING FIRM

(I) Performance of the audit committee

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

(II) Consideration and voting by the board of directors

At the twentieth meeting of the tenth session of the board of directors of the Company held on 28 March 2024, it was recommended that KPMG Huazhen be re-appointed as the auditor of the Company for the year 2024 and authorise the board of directors to determine its remuneration.

(III) Effective date

The appointment 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 by the general meeting.

By order of the Board
Maanshan Iron & Steel Company Limited
Ding Yi
Chairman

28 March 2024
Maanshan City, Anhui Province, the PRC

As at the date of this announcement, the directors of the Company include executive directors Ding Yi, Mao Zhanhong and Ren Tianbao; and independent non-executive directors Guan Bingchun, He Anrui, Liao Weiquan and Qiu Shengtao.