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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 CHANGES IN ACCOUNTING POLICIES**

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. OVERVIEW OF THE CHANGES IN ACCOUNTING POLICIES**

#### **(I) Reason for changes in accounting policies**

On 30 November 2022, the Ministry of Finance issued the Notice on Issuing the Interpretation No. 16 of the Accounting Standards for Business Enterprises (Cai Kuai [2022] No. 31) (“**Interpretation No. 16**”), which stipulates the content of “The accounting treatment for deferred income tax relating to assets and liabilities arising from a single transaction to which the initial recognition exemption is not applicable”, and was effective from 1 January 2023.

#### **(II) Date of changes in accounting policies**

In accordance with the requirements of Interpretation No. 16 and taking into account the actual situation of the Company, the content of “The accounting treatment for deferred income tax relating to assets and liabilities arising from a single transaction to which the initial recognition exemption is not applicable” was effective from 1 January 2023.

### **(III) The accounting policies before and after the changes**

Prior to the changes in accounting policies, the Company implemented the Accounting Standards for Business Enterprises – Basic Standards issued by the Ministry of Finance and various specific accounting standards, the Application Guidance for Accounting Standards for Business Enterprises, the interpretation announcements of the Accounting Standards for Business Enterprises and other relevant regulations. After the changes in accounting policies, the Company will implement the Interpretation No. 16. Except the aforesaid changes in accounting policies, other unchanged parts will still follow the Accounting Standards for Business Enterprises – Basic Standards previously issued by the Ministry of Finance and various specific accounting standards, the Application Guidance for Accounting Standards for Business Enterprises, the interpretation announcements of the Accounting Standards for Business Enterprises and other relevant regulations.

## **II. IMPACT OF THE CHANGES IN ACCOUNTING POLICIES ON THE GROUP**

The Company retroactively adjusted individual transactions to which the requirement applies that occurred between 1 January 2022 and the date of initial implementation in accordance with the requirement. For taxable temporary differences and deductible temporary differences arising from lease liabilities and right-of-use assets recognized due to individual transactions applicable to these regulations on 1 January 2022, the Company adjusted the cumulative impact on the opening retained earnings of the earliest period presented in the financial statements and other relevant financial statement items in accordance with these regulations and the “Accounting Standards for Business Enterprises No. 18 – Income Taxes”. This change has no significant impact on the Group or the Company.

### **(I) Impact of consolidating financial statements on the Group**

<b>Items</b>	<b>Before changes 31 December 2022/The Year of 2022</b>	<b>After changes 31 December 2022/The Year of 2022</b>	<b>Impact figure</b>
Deferred tax assets	150,908,792	155,887,946	4,979,154
Deferred tax liabilities	3,397,498	3,503,104	105,516
Retained earnings	8,078,876,545	8,083,720,518	4,843,973
Minority shareholders’ equity	4,131,191,413	4,131,221,078	29,665
Net loss	819,853,720	819,242,482	611,238

## (II) Impact of financial statements on the Company

Items	Before changes 31 December 2022/The Year of 2022	After changes 31 December 2022/The Year of 2022	Impact figure
Deferred tax assets	150,908,792	155,887,946	4,979,154
Deferred tax liabilities	3,397,498	3,503,104	105,516
Retained earnings	8,078,876,545	8,083,720,518	4,843,973
Minority shareholders' equity	4,131,191,413	4,131,221,078	29,665
Net profit	321,987,953	322,669,937	681,984

## III. RELEVANT OPINIONS

Opinion of the board of directors: The changes in accounting policies are reasonable changes which are made in accordance with the Notice on Issuing the Interpretation No. 16 of the Accounting Standards for Business Enterprises (Cai Kuai [2022] No. 31) of the Ministry of Finance and are in line with the provisions of relevant laws and regulations, the Accounting Standards for Business Enterprises, the China Securities Regulatory Commission and the Shanghai Stock Exchange. The changes in accounting policies are in the interests of the Company and the shareholders as a whole. Therefore, the changes in accounting policies are agreed.

Opinion of the supervisory committee: The changes in accounting policies are reasonable changes which are made in accordance with the Notice on Issuing the Interpretation No. 16 of the Accounting Standards for Business Enterprises (Cai Kuai [2022] No. 31) of the Ministry of Finance and are in line with the provisions of relevant laws and regulations and the Accounting Standards for Business Enterprises. The changes in accounting policies are in the interests of the Company and the shareholders as a whole. Therefore, the changes in accounting policies are agreed.

Opinion of the Audit and Compliance Committee of the Board of the Company:  
The changes in accounting policies are reasonable changes which are made in accordance with the Notice on Issuing the Interpretation No. 16 of the Accounting Standards for Business Enterprises (Cai Kuai [2022] No. 31) of the Ministry of Finance and in line with the provisions of laws and regulations. The changes in accounting policies and decision-making procedures comply with the relevant laws and regulations and the provisions of the Articles of Association, are in the interests of the Company and the shareholders as a whole, and do not damage the interests of the Company and shareholders. Therefore, the changes in accounting policies are agreed.

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.*