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Chongqing Iron & Steel Company Limited **重慶鋼鐵股份有限公司**

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(在中華人民共和國註冊成立的股份有限公司)

(Stock Code: 1053)

ANNOUNCEMENT ON RE-APPOINTMENT OF ACCOUNTING FIRM OF THE COMPANY FOR THE YEAR 2024

I. BASIC INFORMATION ON PROPOSED APPOINTMENT OF ACCOUNTING FIRM

(I) Information on 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 special general partnership. EYHM is headquartered in Beijing, and its registered address is Room 01-12, 17/F, Ernst & Young 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 over 500 certified public accountants who have signed securities service audit reports. The total revenue of EYHM for the year 2022 was RMB5.906 billion, of which income from audit business was RMB5.669 billion (including income from securities business of RMB2.497 billion). In 2022, EYHM audited annual reports of 138 A share listed companies for total auditing fees amounting to RMB0.901 billion. The main industries of these listed companies involve manufacturing, finance, wholesale and retail, information transmission, software and information technology services, real estate, etc., of which 70 audit clients were listed companies in the manufacturing industry.

2. *Investor protection capability*

EYHM has sound 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 the relevant laws and regulations. The sum of 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 imposed by self-regulatory organizations such as industry associations. EYHM has received the Decision on Issuing Warning Letter from the securities regulatory authorities once, involving 2 employees. The aforesaid Decision on Issuing Warning Letter is a supervisory and management measure and is not an administrative punishment. EYHM has received the Self-regulatory Measures on Issuing Written Warning from the Shenzhen Stock Exchange to its two employees once, involving no penalty. According to the provisions of relevant laws and regulations, the above supervisory and management measures will not affect EYHM to continue the undertaking or execution of securities service business and other business.

(II) Information on the Project

1. *Basic information*

Project partner: Mr. Chen Xiaoxiang, Certified Public Accountant practising in the PRC, and has been working in audit-related business in the firm since 1994 and had provided audit services to Chongqing Iron & Steel Company Limited (the “**Company**”) in 2018 and 2023. He has extensive experience in securities services including corporate restructuring and listing audit, annual audit of listed companies and merger and acquisition and restructuring audit in industries such as steel, mining, manufacturing, transportation, education, medicine, real estate, etc.. Mr. Chen Xiaoxiang does not have any part-time employment.

Quality control reviewer: Ms. Guo Jing, Certified Public Accountant practising in the PRC, has been working in audit-related business in the firm since 2002. She has extensive experience in securities services including corporate restructuring and listing audit and annual audit of listed companies in industries such as steel transportation, transportation equipment manufacturing, research and experimental development, and ecological protection and environmental governance, etc.. Ms. Guo Jing does not have any part-time employment.

Signing Certified Public Accountant: Ms. Wang Dan, Certified Public Accountant practising in the PRC, has been working in audit-related business in the firm since 2012 and had provided audit services to the Company in 2019-2020 and 2022-2023. She has extensive experience in securities services including corporate restructuring and listing audit and annual audit of listed companies in industries such as steel, manufacturing, automobile, pharmaceuticals, energy, etc.. Ms. Wang Dan does not have any part-time employment.

2. *Integrity record*

The above project partner, signing Certified Public Accountant and project quality control reviewer have not been subject to criminal punishment, administrative punishment, supervisory and management measures imposed by the SFC and its local branches or competent authorities in the industry, or self-discipline supervision measures and disciplinary sanctions imposed by self-regulatory organizations such as stock exchanges and industry associations in the past three years.

3. Independence

EYHM and the above project partner, signing Certified Public Accountant 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

The audit fees for 2024 will be RMB2.5350 million (tax inclusive, including subsidiaries), representing a year-on-year decrease of 11.98% as compared with the previous year, among which the audit fee for the annual financial report is RMB2.00 million and the audit fee for the annual internal control is RMB0.5350 million.

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

(I) Opinion of the Audit Committee

The audit committee has fully understood the matter regarding the Company's re-appointment of EYHM, reviewed basic information, personnel information, professional competence, investor protection capability, independence and integrity of EYHM, evaluated the audit work for the year 2023, and expressed its opinion as follows: EYHM has followed the independent, objective and impartial practising standards and performed the integrated audit of the Company for the year 2023 in strict accordance with the relevant provisions of the PRC Auditing Standards for Certified Public Accountants and the Guidelines on Internal Control Auditing for Enterprises. Adequate time has been devoted in and reasonable arrangements have been made for the integrated audit; the audit personnel reasonably allocated for the integrated audit has excellent professional ethics and professional competence and extensive experience; the audit fees are reasonable; the audit opinion issued is objective and impartial, truly reflecting the Company's financial position and operating results.

Accordingly, the audit committee of the board of director approves the Resolution in Relation to the Re-appointment of Accounting Firm for the Year 2024 and will submit it to the board of directors for consideration.

(II) Consideration and voting by the Board of Directors

The Resolution in Relation to the Appointment of Accounting Firm of the Company for the Year 2023 was passed by a unanimous vote at the 35th meeting of the ninth session of the board of directors of the Company convened on 20 May 2024.

(III) Effective date

The Resolution in Relation to the Re-appointment of Accounting Firm for the Year 2024 will be submitted to the general meeting of the Company for consideration and will become effective from the date of being considered and passed at the general meeting of the Company.

By order of the Board
Chongqing Iron & Steel Company Limited
Zou An
Secretary to the Board

Chongqing, the PRC, 21 May 2024

As at the date of this announcement, the Directors of the Company are: Mr. Xie Zhixiong (Executive Director), Mr. Meng Wenwang (Executive Director), Mr. Zou An (Executive Director), Mr. Song De An (Non-executive Director), Mr. Lin Changchun (Non-executive Director), Mr. Zhou Ping (Non-executive Director), Mr. Sheng Xuejun (Independent Non-executive Director), Mr. Zhang Jinruo (Independent Non-executive Director) and Mr. Guo Jiebin (Independent Non-executive Director).