

Chifeng Jilong Gold Mining Co., Ltd.

Announcement on 2024 Profit Distribution Plan

The Board of Directors and all Directors of the Company warrant that this announcement does not contain any false records, misleading statements or major omissions, and they will bear legal liabilities for the authenticity, accuracy and completeness of its contents.

Important

- Cash dividend of 1.6 yuan (tax included) for every 10 shares.
- The profit distribution plan is based on the total share capital registered on the registration date for the implementation of profit distribution plan, and the exact date will be specified in the subsequent announcement. In case that the total share capital of the subject changes prior to the registration date, the rate of per share will be the same and the total amount of the distribution will be adjusted and disclosed accordingly.
- The Company does not trigger the scenarios specified in paragraph 9.8.1 1.8 of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (hereinafter referred to as the Rules Governing the Listing of Stocks), which may be subject to risk warning.

1. The summary of the 2024 profit distribution plan

1.1 Introduction

According to the audited report by Ernst & Young Hua Ming LLP (special general partnership), the net profit attributable to shareholders of the parent company in the consolidated statement of the year 2024 is RMB 1,764,339,650.99 in accordance with the Chinese accounting standards. The net profit of the parent company in 2024 is RMB 660,583,791.56, the statutory surplus reserve RMB 66,058,379.15, the cash dividend RMB 82,436,438.90, and the undistributed profit of previous years RMB 1,843,935,343.15, as of December 31, 2024. the distributable profit of the parent Company of the Company is RMB 2,356,024,316.66.

Pursuant to the resolution adopted on the 35th meeting of the eighth Board of Directors of the Company, the Company intends to distribute profits in 2024 based on the total share capital registered on the registration date. The profit distribution plan is set forth as follows:

The company intends to distribute cash dividend of 1.60 yuan (tax included) to all shareholders for every 10 shares. In 2024, the Company will not issue bonus shares and

will not convert capital reserves into share capital.

As of the date of issuance of this profit distribution plan, the total share capital of the Company is 1,869,563,378 shares, based on which a total cash dividend of RMB 299,130,140.48 (including tax) is proposed to be paid. The cash dividend of the company this year accounts for 16.95% of the net profit attributable to shareholders of the listed company in the consolidated statement of the year 2024.

In case that the total share capital of the subject changes prior to the registration date, the rate of per share will be the same and the total amount of the distribution will be adjusted and disclosed accordingly.

1.2 Whether to trigger the scenarios which may be subject to risk warning

Particulars	Y2024	Y2023	Y2022
Total cash dividends (RMB)	299,130,140.48	82,436,438.90	0
Total amount of repurchase write-offs (RMB)	0	0	0
Net profit attributable to shareholders of the listed company (RMB)	1,764,339,650.99	803,933,636.60	451,115,399.07
Undistributed profit in the financial statement of the Parent Company at the end of the current year (RMB)	2,356,024,316.66		
Total accumulated cash dividends for the last three fiscal years	381,566,579.38		
Total accumulated repurchase write-offs for the last three fiscal years	0		
Average net profit for the last three fiscal years	1,006,462,895.55		
Total accumulated cash dividends and repurchase write-offs for the last three fiscal years (RMB)	381,566,579.38		
Whether the total accumulated cash dividends and repurchase write-offs (D) for the last three fiscal years are less than RMB50 million	Nil		
The ratio of cash dividend for the last three fiscal years (%)	37.91%		

Whether the ratio of cash dividend (E) less than 30%	Nil
Whether to trigger the scenarios specified in paragraph 9.8.1. 1.8 of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, which may be subject to risk warning.	Nil

2. The explanation of the profit distribution amount less than 30% of the net profit attributable to shareholders

The consolidated financial statement of the Company shows that the net profit attributable to shareholders of the parent company was 1,764,339,650.99 yuan in 2024. The total cash dividend of RMB 299,130,140.48 (including tax) is proposed to be distributed, accounting for less than 30% of the net profit attributable to shareholders of the listed company in the consolidated statement of the year 2024. The explanation of the profit distribution amount less than 30% of the net profit attributable to shareholders are set out as follows.

2.1 Explanation of the profit distribution amount less than 30% of the net profit attributable to shareholders

2.1.1 Industry landscape and trends

From the perspective of industry development, due to mergers and resource integration among gold mining enterprises, the concentration of the gold industry continues to increase. Large gold enterprises possess advantages such as efficient operations, global presence, and financial strength, occupying a dominant position in the gold industry. The regulatory requirements for gold mining safety and environmental protection are continuously tightening; on the other hand, some gold production enterprises with aging mining facilities, insufficient subsequent resources, and lower competitiveness have gradually shut down or undergone rectification. The cost of gold mining has increased due to various reasons, leading smaller gold mining companies to gradually exit the market. Global and Chinese gold mining companies are developing towards green mining, deep mining, and intelligent mining. The merger and large-scale acquisition of global gold companies have become mainstream trends.

As the world's largest gold producer and consumer, China has developed into an important gold market in the world and become an important part of China's financial market. In recent years, China's gold industry has achieved leapfrog development, forming a complete industrial chain consisting of geological exploration, mining, smelting, deep processing, wholesale and retail, investment, and trading.

2.1.2 the company development

The Company's main product is gold. From 2020 to 2024, the Company's gold production amounted to 4.59 tonnes, 8.10 tonnes, 13.57 tonnes, 14.35 tonnes, and 15.16 tonnes, respectively, achieving consecutive annual growth. Through internal exploration and reserve expansion as well as external resource integration and acquisitions, the retained resource volume has significantly increased. The Company actively implements an internationalization strategy, expanding investment resources both domestically and internationally in parallel, and has developed a management philosophy of integration and cooperation. The Company has the potential and foundation to become a large-scale international and professional gold mining company.

2.1.3 Capital requirements

In recent years, the Company has focused on the production improvement and capacity expansion and has successively implemented a series of mine expansion and transformation initiatives and the resource merger and acquisition, consuming a large amount of working capital. Focusing on the core business of gold mining and tapping the resource and exploration potentials of our operating mines, the Company has invested heavily and deployed continuous resource development and expansion plans.

The company's domestic mines will continue to carry out exploration and development projects in the next few years, including the exploration in the depth and near-mine areas of the existing mine, the construction of shafts and development tunnels, the purchase of new equipment and machinery, the technology upgrading, and construction of process plant to further expand production scale. It includes various exploration programs of Jilong Mining; the technical upgrading and expansion project, Phase II open-pit mining of gold minerals of Huatai Mining; the construction of new mining area of Wulong Mining and the expansion and transformation of Hanfeng Mining, etc. These initiatives are expected to increase the Company's gold resources and extend the life of mine, further improve operational efficiency, improve mining and processing capacity.

The capital needs of the company's holding subsidiaries in Laos and Ghana include the construction of new power plants, the deep and near-mine exploration projects, the mine shaft construction, the purchase of equipment and machinery, the upgrade and expansion of existing process plant, and the conversion of open-pit mining to the underground mining. The above measures will enhance the mine capacity and output, provide a stable source of power supply, increase resource /reserves, and extend the production life of the mine, and achieve economies of scale and overall profitability.

In addition, external merger and acquisition is proved as an effective way for the Company to secure the resource, and the Company needs to reserve part of the funds for merger and acquisition opportunity in the future. At present, the company is actively seeking the potential acquisition targets.

2.2 Use of retained undistributed profits

The Company's undistributed profits in 2024 will be used to accommodate the capital requirement for further improvement of the Company's operation and growth. The use of undistributed profits will be conducive to the implementation of the company's development strategy and can enhance the company's comprehensive competitiveness and sustainable profitability in the future, generating more returns to the investors .

2.3 The measure to facilitate the participation of the small shareholders to the dividend distribution

The general meeting of shareholders to discuss and approve the profit distribution plan for the year 2024 will be held in the combination of on-site voting and online voting, which will greatly facilitate shareholders' participation in the decision-making of the general meeting of shareholders.

2.4 The measure to increase the investment return

The company will continue to adhere to the business strategy of "being a dedicated and professional gold miner", strive to enhance the quality and efficiency of the operation, improve cost control and core competitiveness, and further expand and grow the high-quality and leapfrog development.

The Company has created action plan to improve the operational and business excellence, and a three-year shareholder return plan. It will, in accordance with relevant laws and regulations and the Company's Articles of Association, sensibly consider various factors related to profit distribution plan, and prudently formulate profit distribution plans which is conducive to the Company's development and investor returns. For the sustainable development, it will prepare the cash dividend plans based on the actual situation of the company so as to bring long-term and stable investment returns to shareholders.

3. The company's decision-making procedures

3.1 The convening, deliberation and voting of the meeting of board of directors

On March 28, 2025, the 35th meeting of the 8th board of directors held by the company deliberated and approved the 2024 profit distribution plan with 9 votes (accounting for 100% of the valid voting rights) in favor, 0 votes against and 0 abstentions. The plan will be further submitted to the Company's 2024 annual general meeting of shareholders for deliberation and final approval.

3.2 Opinions of the Board of Supervisors

On March 28, 2024, the 25th meeting of the 7th Board of Supervisors had deliberated and approved the "2023 Profit Distribution Plan" with 3 votes in favor (accounting for 100% of the valid voting rights), 0 votes against and 0 abstentions. The Board of Supervisors believes that the 2024 profit distribution plan is in line with the Company's cash dividend distribution policy and shareholder return plan, strictly implements the decision-making procedures, and fully considers the actual situation of the Company, the long-term interests and future development plan of the Company's shareholders.

4. Relevant risk reminders

The profit distribution plan in subject has considered the factors such as profitability, business development, and reasonable return to shareholders, and will not have a significant impact on the Company's earnings per share and operating cash flow, will not compromise the company's normal production and operation and long-term development.

The company's 2024 profit distribution plan needs to be submitted to the company's 2024 annual general meeting of shareholders for review and approval before it can be implemented. All investors are cautioned of the investment risk.

This is hereby announced.

By the order of Board
Chifeng Jilong Gold Mining Co., Ltd.
29th March 2025