Stock Code: 600988 Stock Name: Chifeng Gold Announcement No.: 2022-030

Chifeng Jilong Gold Mining Co., Ltd.

Suggestive Announcement on Changes in Shareholders’ Equity

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 joint and several liabilities for the authenticity, accuracy and completeness of its contents.

# Important Tips:

* Ms. Li Jinyang, the controlling shareholder of Chifeng Jilong Gold Mining Co., Ltd. (hereinafter referred to as “Chifeng Gold” or “the Company”), transferred some of her unrestricted tradable shares of Chifeng Gold by means of block trading, and planned to transfer some of unrestricted tradable shares of Chifeng Gold to “Huaneng Trust · Yuanhe No.5 Assembled Funds Trust Plan” (referred to as “Yuanhe No.5”) by means of negotiating transfer. The above equity change is classified as reduction of holdings and does not involve tender offer.
* After this equity change, Ms. Li Jinyang, the controlling shareholder and actual controller of the Company, and her persons acting in concert will hold 145,925,746 unrestricted tradable shares of the Company and the shareholding ratio will decrease from 17.63% to 8.77%.
* Through the negotiating transfer, Yuanhe No.5 will hold 96,000,000 unrestricted tradable shares of the Company, accounting for 5.77% of the Company’s total share capital, and become a shareholder holding more than 5% of the Company’s shares. This equity change is classified as increase of holdings and does not involve tender offer.
* This equity change has not caused any change in the controlling shareholder and actual controller of the Company.

# I. Basic information of equity change

On March 31, 2022, the Company received a notice from the shareholder Ms. Li Jinyang and Huaneng Guicheng Trust Co., Ltd. (hereinafter referred to as “Huaneng Guicheng”, on behalf of “Yuanhe No.5”). From December 30, 2021 to March 31, 2022, Ms. Li Jinyang, the controlling shareholder of the Company, transferred 51,367,953 shares of the Company held by her by means of block trading, accounting for 3.09% of the Company’s total share capital. Ms. Li Jinyang and Huaneng Guicheng signed the Share Transfer Agreement on March 30, 2022. According to this agreement, Ms. Li Jinyang intends to transfer 96,000,000 unrestricted tradable shares of the Company held by her to Yuanhe No.5 by means of negotiating transfer, accounting for 5.77% of the Company’s total share capital.

This equity change does not involve the tender offer, and will not lead to any changes in the controlling shareholder and actual controller of the Company.

# II. Equity before and after this equity change

1. **Changes in Ms. Li Jinyang’s equity**

# Shareholdings of Li Jinyang and her persons acting in concert in the listed company before this equity change

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Basic information of information disclosure obligor | Name | Li Jinyang | | | |
| Address | Changyi District, Jilin City, Jilin Province | | | |
| Time of equity change | December 30, 2021, January 5, 2022, January 25, 2022, March 30, 2022, March 31, 2022 | | | |
| Details of equity change | Mode of change | Change date | Class of shares | Quantity of reduction (shares) | Reduction ratio (%) |
| Block trading | December 30, 2021 | Unrestricted tradable shares | 18,090,500 | 1.09 |
| January 5, 2022 | Unrestricted tradable shares | 6,429,500 | 0.39 |
| January 25, 2022 | Unrestricted tradable shares | 8,758,200 | 0.53 |
| March 30, 2022 | Unrestricted tradable shares | 14,193,277 | 0.85 |
| March 31, 2022 | Unrestricted tradable shares | 3,896,476 | 0.23 |
| Negotiating transfer | March 30, 2022  (Signing date) | Unrestricted tradable shares | 96,000,000 | 5.77 |
| **Total** | - | - | 147,367,953 | 8.86 |

Note: The difference between the sum of the total shareholding mantissa and the relevant individual data is due to rounding (the same below).

The above-mentioned reduction subject has her persons acting in concert. The shareholding of Li Jinyang and her persons acting in concert before this equity change is as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| Name of Shareholder | Number of shares held (shares) | Shareholding ratio (%) | Reasons for the formation of concerted action relationship |
| Li Jinyang (Zhao Meiguang) | 237,485,348 | 14.27 | Mr. Zhao Meiguang, the original actual controller of the Company, directly held 14.27% of the Company’s shares. Mr. Zhao Meiguang and his spouse Ms. Li Jinyang held 100.00% of the capital contribution of Hanfeng Zhongxing, and Hanfeng Zhongxing held 3.10% of the Company’s shares; After Mr. Zhao Meiguang died of illness, his estate was inherited by his spouse Ms. Li Jinyang. Zhao Guixiang, Zhao Guiyuan and Zhao Meiguang are siblings. Therefore, there is concerted action relationship between Li Jinyang and Beijing Hanfeng Zhongxing Management Consulting Center (Limited Partnership), Zhao Guixiang and Zhao Guiyuan. |
| Beijing Hanfeng Zhongxing Management Consulting Center (Limited Partnership) | 51,515,151 | 3.10 |
| Zhao Guixiang | 2,146,600 | 0.13 |
| Zhao Guiyuan | 2,146,600 | 0.13 |
| Total | 293,293,699 | 17.63 | - |

Mr. Zhao Meiguang, the original actual controller of the Company, died of illness on December 11, 2021. According to his will, all the estate under his personal name was inherited by his spouse Ms. Li Jinyang. Ms. Li Jinyang will become the actual controller of the Company, and relevant transfer procedures are being processed. For details, please refer to the *Suggestive Announcement on Change of Actual Controller and Change of Shareholders’ Equity* (Announcement No.: 2021-071) and *Detailed Report for Change in Equity* disclosed by the Company on December 15, 2021. In the above table, the shareholding data of Li Jinyang and her persons acting in concert is the data after the previous equity change and before this equity change.

# Shareholding of Li Jinyang and her persons acting in concert in the listed company before and after this equity change

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name of shareholder | Before this equity change, | | After this equity change, | |
| Quantity (shares) | Ratio (%) | Quantity (shares) | Ratio (%) |
| Li Jinyang (Zhao Meiguang) | 237,485,348 | 14.27 | 90,117,395 | 5.42 |
| Beijing Hanfeng Zhongxing Management Consulting Center (Limited Partnership) | 51,515,151 | 3.10 | 51,515,151 | 3.10 |
| Zhao Guixiang | 2,146,600 | 0.13 | 2,146,600 | 0.13 |
| Zhao Guiyuan | 2,146,600 | 0.13 | 2,146,600 | 0.13 |
| Total | 293,293,699 | 17.63 | 145,925,746 | 8.77 |

1. **Changes in shareholding of Yuanhe No.5**

Before this equity change, Yuanhe No.5 did not hold any shares of Chifeng Gold.

After this equity change, the shareholding of Yuanhe No.5 is as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Basic information of information disclosure obligor | Name | Huaneng Guicheng Trust Co., Ltd. (on behalf of “Huaneng Trust · Yuanhe No.5 Assembled Funds Trust Plan”) | | | |
| Address | Floors 23 and 24, Building 10, Business District, Phase 1 Guizhou Financial City, No.55 Changling North Road, Guanshanhu District, Guiyang City, Guizhou Province | | | |
| Time of equity change | March 30, 2022 | | | |
| Details of equity change | Mode of change | Change date | Class of shares | Quantity (shares) | Ratio (%) |
| Negotiating transfer | March 30, 2022  (Signing date) | Unrestricted tradable shares | 96,000,000 | 5.77 |
| **Total** | - | - - | 96,000,000 | 5.77 |

# Description of other situations

This equity change does not violate the reduction commitment, the *Securities Law*, the *Administrative Measures for the Takeover of Listed Companies* and other laws and regulations, the business rules of Shanghai Stock Exchange and other relevant regulations.

All the shares involved in this equity change enjoy voting rights, and there is no restriction of rights or restricted transfer such as entrustment or restriction of voting rights.

# III. Basic information of information disclosure obligors involved in this equity change

1. Basic information of Obligor 1

|  |  |  |  |
| --- | --- | --- | --- |
| **Name** | Li Jinyang | **Former name** | None |
| **Gender** | Female | **Nationality** | China |
| **ID card number** | 22020219830718\*\*\*\* | | |
| **Address** | Changyi District, Jilin City, Jilin Province | | |
| **Correspondence address** | No.7 Xiaojingjia, Wanfeng Road, Fengtai District, Beijing | | |
| **Do you have the right of permanent residence in other countries and regions?** | No | | |

1. Basic information of Obligor 2

|  |  |
| --- | --- |
| Enterprise name | Huaneng Guicheng Trust Co., Ltd |
| Registered address | Floors 23 and 24, Building 10, Business District, Phase 1 Guizhou Financial City, No.55 Changling North Road, Guanshanhu District, Guiyang City, Guizhou Province |
| Legal representative | Tian Jun |
| Registered capital | RMB 6.194557406 billion |
| Type of enterprise | Other limited liability company |
| Unified social credit code | 91520000214413134U |
| Scope of business | Business items prohibited by laws, regulations and decisions of the State Council shall not be operated; business items subject to permission (review and approval) by laws, regulations and decisions of the State Council shall be operated only after being approved by relevant approval authority; business items that do not need permission (review and approval) by laws, regulations and decisions of the State Council shall be operated independently. (Funds Trust; chattel trust; real estate trust; securities trust; other property or property right trust; engage in investment fund business as the initiator of investment fund or fund management company; operating business such as reorganization, merger and acquisition of enterprise assets, project financing, corporate financial management and financial consulting; entrusted to operate the securities underwriting business approved by the relevant departments of the State Council; intermediary, consultation, credit investigation and other businesses; custody and safe deposit box service; use inherent property by means of due from banks, call loan to banks, lease and investment; provide security for others with inherent property; interbank lending; trustee of special purpose trust; entrusted overseas financial management business; engage in equity investment business with inherent assets; exchange of stock index future (basic) (not for speculative purposes); other businesses approved by the laws and regulations or China Banking and Insurance Regulatory Commission.) |
| Business term | Long-term |

# IV. Main contents of relevant agreements involved in this equity change

**(1) Main contents of share transfer agreement**

1. Parties to agreement

Party A: Li Jinyang (Transferor)

Party B: Huaneng Guicheng Trust Co., Ltd. (on behalf of “Huaneng Trust · Yuanhe No.5 Assembled Funds Trust Plan”) (Transferee)

1. Underlying shares

96,000,000 circulating shares of Chifeng Gold held by Party A and all the interests thereunder, accounting for 5.77% of the total share capital of the listed company on the date of this agreement.

1. Transfer price and payment of the underlying shares
2. The share transfer price is 90% of the closing price of the shares of the listed company on the trading day prior to the signing of this agreement (i.e. March 29, 2022), that is, RMB 16.79/share, and the total share transfer price is RMB 1,611,840,000 (in words: One Billion Six Hundred and Eleven Million Eight Hundred and Forty Thousand Yuan Only).
3. Subject to the payment terms of the first installment of share transfer price agreed in this agreement, Party B shall pay the first installment of share transfer price of RMB 260,000,000 (in words: Two Hundred and Sixty Million Yuan Only) to the account designated by Party A within 2 working days after the payment terms of the first share transfer price agreed in this agreement are met or exempted by Party B.
4. Subject to the payment terms of the second installment of share transfer price agreed in this agreement, Party B shall pay the second installment of share transfer price of RMB 814,240,000 (in words: Eight Hundred and Fourteen Million Two Hundred and Forty Thousand Yuan Only) to the account designated by Party A within 5 working days after the payment terms of the first share transfer price agreed in this agreement are met or exempted by Party B in written.
5. Unless otherwise agreed in the transaction documents, after the transfer of the underlying shares is registered in the securities account under the name of Party B, and Party A has not breached any contract under all transaction documents related to this share transfer, Party B shall pay the third installment of share transfer price of RMB 537,600,000 (in words: RMB Five Hundred and Thirty-Seven Million Six Hundred Thousand Yuan Only) to the account designated by Party A within 18 months after the transfer date.
6. Payment terms of share transfer price

(1) In this share transfer, all the following conditions shall be met or exempted by Party B in writing as the payment terms of the first installment of share transfer price:

①Party A has provided Party B with the following basic information:

1. A copy of current valid ID card of Party A;
2. A copy of the legally valid will and notarial certificate signed by Mr. Zhao Meiguang on his inheritance;
3. Other necessary documents (if any) required by laws, regulations and normative documents or Party B.

②All transaction documents related to this share transfer have been signed and come into effect, and the corresponding signing notarization/compulsory notarization procedures have been completed;

③ Hanfeng Zhongxing has pledged Chifeng Gold’s stock with a market value of not less than RMB 260 million (calculated based on the closing price of the trading day before the signing of the pledge contract) to the trust plan and completed the pledge registration procedures;

④The statements and warranties made by Party A in Article 8 of this agreement are true, accurate and complete, and there has been no breach of contract under all transaction documents related to this share transfer;

⑤There is no significant adverse impact on Party A, the listed company, the underlying shares or this share transfer.

(2) In this share transfer, all the following conditions shall be met or exempted by Party B in writing as the payment terms of the second batch of share transfer price:

①All the shares of the listed company directly held by Party A have been transferred and registered under Party A’s name;

②Party A and Party B have applied to the Shanghai Stock Exchange for confirmation of share transfer and obtained relevant confirmation documents issued by the Shanghai Stock Exchange on approval of this share transfer;

③Party A and Party B have completed the transfer registration procedures of the underlying shares for this share transfer and obtained the Confirmation of Securities Transfer Registration issued by China Securities Depository & Clearing Corp. Ltd. Shanghai Branch (hereinafter referred to as the “Depository and Clearing Company”), confirming that Party B has been registered as a shareholder of the listed company and holds the underlying shares;

④The statements and warranties made by Party A in Article 8 of this agreement are true, accurate and complete, and there has been no breach of contract under all transaction documents related to this share transfer;

⑤There is no significant adverse impact on Party A, the listed company, the underlying shares or this share transfer.

1. Transfer of underlying shares
2. For this share transfer, the transfer procedures of the underlying shares shall be handled according to the following agreements:

①Party A undertakes that within 15 working days from the date when Party B pays the first installment of share transfer price in accordance with this agreement, the shares directly held by Party A shall be transferred through inheritance without transaction, and all of them shall be transferred and registered under Party A’s name in the Depository and Clearing Company.

②Party A and Party B jointly submit the application for this share transfer to the Shanghai Stock Exchange within 5 working days from the date when the shares directly held by Party A are transferred to Party A, and Party A shall cooperate with Party B to complete the registration formalities for the transfer of the underlying shares in the Depository and Clearing Company within 5 working days after obtaining the relevant confirmation documents issued by the Shanghai Stock Exchange on the approval of this share transfer.

1. From the date of transfer, Party B will become the legal holder of the underlying shares, and enjoy shareholders’ rights and interests in the underlying Shares according to law, including but not limited to exercising shareholders’ rights, enjoying return on equity and other rights, and bearing corresponding risks and losses.

Party A and Party B agree that all accumulated undistributed profits and other related rights and interests corresponding to the underlying shares as of the transfer date shall be enjoyed by Party B.

1. Arrangements for making up the difference and excess returns

Party A agrees that it is obliged to make up the difference agreed in this agreement for the investment principal and returns of the underlying shares invested by Party B, and based on this, Party A has the right to share the excess returns (if any) finally realized by the underlying shares according to the agreed proportion.

1. Commitment
2. In order to perform this agreement, Party A shall sign, prepare and submit all documents to be signed, prepared and submitted by it in accordance with the requirements of securities regulatory agencies and registration and clearing institutions such as CSRC, Shanghai Stock Exchange and Depository and Clearing Corporation.
3. Party A and Party B shall handle and cooperate with the listed company in handling information disclosure related to this share transfer in accordance with relevant laws and regulations and the provisions of the competent securities registration or trading department.
4. Signing and effective date

This agreement was signed by Party A and Party B on March 30, 2022, and took effect from the date of signing by both parties.

# (2) Main contents of stock pledge agreement

1. Parties to agreement

Pledgee: Huaneng Guicheng Trust Co., Ltd.

Pledgor: Beijing Hanfeng Zhongxing Management Consulting Center (Limited Partnership)

1. Main contract and creditor’s rights

The main contracts guaranteed by the pledged property under this contract include but are not limited to the Share Transfer Agreement between Huaneng Guicheng Trust Co., Ltd. and Li Jinyang on Chifeng Jilong Gold Mining Co., Ltd. (including all effective amendments and supplements to the above contracts).

The principal creditor’s rights guaranteed by this contract are the creditor’s rights enjoyed by the pledgee to the debtor according to the main contract, including but not limited to the creditor’s rights that the debtor should pay to the pledgee according to the main contract, such as collecting the transfer price of the underlying shares and the fund possession cost, making up the difference, liquidated damages (if any) and damages (if any). The amount of principal creditor’s rights is stipulated in the main contract (or deed), and the pledgor agrees to bear the guarantee responsibility for all the amounts payable within the scope agreed in this contract.

1. Maximum amount of creditor’s rights

The maximum amount of creditor’s right guaranteed by the Pledgor under this contract is RMB Two Hundred and Sixty-five Million Yuan Only (in figures: ￥265,000,000).

1. Determination period of principal creditor’s right

The determination period of the principal creditor’s right guaranteed under this contract is from March 22, 2022 to June 22, 2022.

1. Subject matter of pledge

According to the agreement in this contract, the Pledgor is willing to provide the Pledgee with the maximum pledge guarantee with the 14 million restricted tradable shares of the Target Company held by the Pledgor and all the stocks, stock dividends, cash dividends, income and other forms of income and rights obtained from the above-mentioned stocks due to stock donation, converting accumulation fund into captal and stock split.

1. Pledge procedure

The Pledgor and the Pledgee shall go through the pledge registration formalities at the securities registration and clearing institution within 5 working days after the signing of this contract. The Certificate of Securities Pledge Registration issued by the securities registration and clearing institution is the certificate proving that the pledge registration comes into effect, and the pledge shall be established on the date when the registration formalities of equity pledge are completed.

1. Date of signature and effective date

This agreement was signed by Party A and Party B on March 30, 2022, and took effect from the date of signing by both parties.

**V. Follow-up matters involved**

1. This equity change does not involve the tender offer, and will not lead to any changes in the controlling shareholder and actual controller of the Company.
2. This equity change involves the equity change report of the information disclosure obligor. For details, please refer to the Simplified Report for Change in Equity issued on the same day as this announcement.
3. The negotiating transfer in this equity change needs to be reviewed and confirmed by Shanghai Stock Exchange before the relevant formalities of transfer can be handled in China Securities Depository & Clearing Corp. Ltd. Shanghai Branch.

It is hereby announced.

Board of Directors of Chifeng Jilong Gold Mining Co., Ltd

April 2022