Stock Code: 600988 Stock Name: Chifeng Gold Announcement No.: 2022-041

Chifeng Jilong Gold Mining Co., Ltd.

Announcement on Further Employment of Auditing Body in 2022

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:**

* Name of the accounting firm to be further employed: ZHONGSHENZHONGHUAN Certified Public Accountants (Special General Partnership)

**I. Basic information of the accounting firm to be further appointed**

(I) Institutional information

1. Basic information

(1) Name of institution: ZHONGSHENZHONGHUAN Certified Public Accountants (Special General Partnership) (hereinafter referred to as “Zhongshen Zhonghuan”)

(2) Date of establishment: Zhongshen Zhonghuan, founded in 1987, is one of the first batch of large accounting firms approved by the state to engage in securities and futures related business and financial business audit. In November 2013, it was transformed into a special general partnership according to the relevant requirements of the Ministry of Finance.

(3) Organizational form: Special General Partnership

(4) Registered address: Floor 2-9, No.169 Donghu Road, Wuchang District, Wuhan City, Hubei Province.

(5) Chief Partner: Shi Wenxian

(6) At the end of 2021, there were 199 partners, 1,282 certified public accountants and 780 certified public accountants who signed the audit report of securities services.

(7) In 2020, the audited total income was RMB 1,946,474,000, the audit business income was RMB 1,688,051,500, and the securities business income was RMB 467,835,100.

(8) In 2020, Zhongshen Zhonghuan had 179 audit clients (listed companies). The main industries covered by its service include manufacturing, wholesale and retail, real estate, power, heat, gas and water production and supply, agriculture, forestry, animal husbandry, fishery, information transmission, software and information technology services, mining, culture, sports and entertainment, etc. The audit fee is RMB 181,075,300, and it has 2 audit customers (listed companies in the same industry of Chifeng Gold).

2. Investor protection ability

Every year, Zhongshen Zhonghuan purchases professional liability insurance according to the scale of business income, and makes supplementary provision for occupational risk funds. The aggregate limit of indemnity for the purchased professional insurance is RMB 800 million, which has not been used at present, and can bear civil compensation liability caused by audit failure.

3. Integrity record

(1) Zhongshen Zhonghuan has not been subject to any criminal punishment, self-regulatory measures or disciplinary actions in the last three years. But it has been subjected to administrative punishment once and subject to supervision and management measures 22 times for its practice in the last three years.

(2) In the last 3 years, 45 practitioners have been subjected to criminal punishment 0 times, administrative punishment 2 times, administrative measures 43 times, self-regulatory measures 0 times and disciplinary actions 0 times.

II. Project Information

1. Basic information

Project Partner: Cui Haiying, who became a certified public accountant in China in 2003, has been engaged in auditing of listed companies since 2008, has been practicing in Zhongshen Zhonghuan since 2018, and has provided audit services for Chifeng Gold since 2019. Cui Haiying signed the audit report of a listed company in the last three years.

Certified Public Accountant who signed the audit report: Liu Mengnan, who became a certified public accountant in China in 2020, has been engaged in auditing of listed companies since 2019, has been practicing in Zhongshen Zhonghuan since 2020, and has provided audit services for Chifeng Gold since 2021. Liu Mengnan signed the audit report of a listed company in the last three years.

Project Quality Control Review Partner: According to the quality control policies and procedures of Zhongshen Zhonghuan, the person in charge of project quality control is Lv Hongren, who became a certified public accountant in China in 2000, has been engaged in auditing of listed companies since 1996, has been practicing in Zhongshen Zhonghuan since 2019, and has provided audit services for Chifeng Gold since 2020. Lv Hongren reviewed the audit reports of 6 listed companies in the last three years.

Lu Hongren, the Project Quality Control Review Partner, and Cui Haiying, the Project Partner, have not been subject to any criminal punishment, administrative punishment, administrative supervision measures and self-discipline in the last three years. Liu Mengnan, a certified public accountant who signed the audit report, also has not been subject to any criminal punishment, administrative punishment, administrative supervision measures or self-discipline in the last three years.

3. Independence

Cui Haiying, the Project Partner of Zhongshen Zhonghuan, Liu Mengnan, a certified public accountant who signed the audit report, and Lu Hongren, the Project Quality Control Review Partner, do not have any circumstances that may affect their independence.

(3) Audit fee

The cost of providing financial and internal control audit services for the Company in 2021 is RMB 1.95 million. The pricing principle of audit fees in 2022 is consistent with that in previous years. The specific audit fees will be determined by the management of the Company through consultation according to the industry standards and the actual audit workload of the Company in accordance with the fair and reasonable pricing principle of the market and the authorization of the shareholders’ meeting.

**III. Procedure performed for further employment of accounting firm**

(1) Opinions of the Audit Committee

The Audit Committee of the Board of Directors of the Company reviewed and investigated ZHONGSHENZHONGHUAN Certified Public Accountants (Special General Partnership) from the aspects of professional competence, investor protection ability, independence and integrity. It considered that Zhongshen Zhonghuan has the necessary professional qualifications and abilities to undertake the Company’s financial audit business, and can be competent for the Company’s annual audit work; Zhongshen Zhonghuan has purchased professional liability insurance in full, which can cover civil liability caused by audit failure and has investor protection ability; in the audit services provided to the Company in previous years, Zhongshen Zhonghuan provided independent audit service for the Company in accordance with the independent, fair and objective practice standards. Therefore, the Audit Committee agreed to further employ Zhongshen Zhonghuan as the financial and internal control audit institution of the Company in 2022, and submit the related proposal to the Board of Directors for deliberation.

(2) Opinions of independent directors

Prior approval: ZHONGSHENZHONGHUAN Certified Public Accountants (Special General Partnership), which the Company intends to further employ, has the qualification to engage in securities-related business, has the experience and ability to provide audit services for listed companies, and can meet the requirements of the Company’s annual financial audit and internal control audit work; in the audit services provided to the Company in previous years, Zhongshen Zhonghuan provided independent audit service in accordance with the independent, fair and objective practice standards; this further employment of accounting firm complies with relevant laws and regulations without prejudice to the interests of the Company and its shareholders. Therefore, independent directors It is agreed to further employ Zhongshen Zhonghuan as the financial and internal control audit institution of the Company in 2022, and submit the related proposal to the 5th Meeting of the8th Board of Directors for deliberation.

Independent opinions: ZHONGSHENZHONGHUAN Certified Public Accountants (Special General Partnership) is an accounting firm approved by the Ministry of Finance and China Securities Regulatory Commission to engage in securities and futures related business. Zhongshen Zhonghuan adhered to independent, objective and fair auditing standards in the financial audit work for the Company in 2021, and expressed independent audit opinions fairly and reasonably. The audit report issued for the Company objectively and fairly reflects the Company’s financial situation and operating results. In view of the professional ability, business qualification and good cooperation foundation of Zhongshen Zhonghuan, we agree that the Company will further employ Zhongshen Zhonghuan as its financial and internal control audit institution in 2022, and submit the related proposal to the shareholders’ meeting for deliberation.

(3) Deliberation and voting of the Board of Directors on the relevant proposal on the further employment of accounting firm

At the 5th Meeting of the8th Board of Directors held on April 29, 2022, the Company reviewed and approved the *Proposal on Further Employment of Auditing Body in 2022* with 13 affirmative votes (100% of the total valid votes), 0 negative votes and 0 abstention votes, and decided to further employ ZHONGSHENZHONGHUAN Certified Public Accountants (Special General Partnership) as the financial and internal control audit institutions of the Company in 2022.

(4) The further employment of accounting firm needs to be submitted to the shareholders’ meeting for deliberation, and will take effect from the date of deliberation and approval at the shareholders’ meeting.

It is hereby announced.

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

April 30, 2022