

## **Chifeng Jilong Gold Mining Co., Ltd.**

### **Report on Repurchase of the Company's Shares by Centralized Competitive Price Transaction (Phase II)**

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:**

- Basic information such as the scale, price terms and time limit of the proposed repurchase
  - (1) Repurchase scale and price: the total amount of funds to be used for this repurchase is RMB 300-RMB 600 million, the repurchase price is no more than RMB 20.00/share, and the number of shares to be repurchased this time is no more than 41,597,700, accounting for about 2.50% of the Company's total share capital. The specific number of shares to be repurchased shall be subject to the actual number of shares repurchased at the expiration of repurchase period;
  - (2) Repurchase period: no more than 12 months from the date when the Board of Directors of the Company deliberates and adopts this repurchase plan;
  - (3) Purpose of share repurchase: for employee stock ownership plan or equity-based incentive plan;
  - (4) Source of repurchase funds: self-owned funds.
  
- Whether the relevant shareholders have a shareholding reduction plan: the controlling shareholder, actual controller, shareholders holding more than 5% of

shares, directors, supervisors and senior executives holding shares of the Company have no shareholding reduction plan in the next six months. If the shareholding reduction is planned in the future, the information disclosure obligation will be fulfilled in time according to relevant regulations.

- Risk warning

(1) If the Company's stock price continues to exceed the price range disclosed in the repurchase plan, there may be a risk that the repurchase plan cannot be implemented;

(2) During the implementation of share repurchase, there is a risk that the funds needed for share repurchase cannot be allocated in time, thus making the repurchase plan unable to be implemented as planned;

(3) As the shares to be repurchased this time are used for the Company's employee stock ownership plan or equity-based incentive plan, there may be a risk that the repurchased shares cannot be granted or transferred due to reasons such as the failure to implement the employee stock ownership plan or equity-based incentive plan;

(4) Due to major changes in the Company's production and operation, financial situation and external objective conditions, there is a risk of changing or terminating the repurchase plan according to relevant regulations.

During the repurchase period, the Company will make repurchase decisions and implement them according to market conditions, and fulfill its information disclosure obligations in time according to the progress of share repurchase. Investors are kindly requested to pay attention to investment risks.

According to the *Company Law of the People's Republic of China* (hereinafter referred to as "*Company Law*"), the *Securities Law of the People's Republic of China*, the *Rules for Share Repurchase of Listed Companies*, the *Guidelines for Self-discipline Supervision of Listed Companies of Shanghai Stock Exchange No.7-Share Repurchase* and other relevant laws, regulations, normative documents and the relevant provisions of the *Articles of Association*, the Company plans to use its own funds to repurchase some RMB common shares (A shares) issued and listed by the Company through centralized competitive price transactions, and has prepared a

repurchase report.

## **I. Deliberation procedure for this repurchase**

On January 17, 2022, Chifeng Jilong Gold Mining Co., Ltd. (hereinafter referred to as “the Company”) held the 2nd Meeting of the 8th Board of Directors, and reviewed and approved the *Plan on Repurchase of the Company’s Shares by Centralized Competitive Price Transaction (Phase II)* with 14 affirmative votes (100% of the valid votes), 0 negative votes and 0 abstention votes. Independent directors expressed their independent opinions on this repurchase and agreed with it.

According to the relevant provisions of the *Articles of Association*, this repurchase plan of the Company does not need to be submitted to the shareholders’ meeting for deliberation.

## **II. Main contents of the repurchase plan**

### **(1) Purpose**

In order to establish a long-term incentive mechanism for symbiosis and benefit sharing among the Company and its shareholders and key employees, and promote the sustained and sound development of the Company, the Company plans to repurchase some RMB common shares (A shares) that have been issued and listed by the Company for its employee stock ownership plan or equity-based incentive plan.

The relevant plans for the implementation of the employee stock ownership plan or equity-based incentive plan in this repurchase shall be separately drawn up by the Company and undergo the corresponding deliberation and disclosure procedures.

### **(2) Class of shares to be repurchased**

The class of shares to be repurchased this time are RMB common shares (A shares) issued by the Company.

### **(3) Ways of repurchase**

This share repurchase will be realized by centralized competitive price transaction.

### **(4) Repurchase period**

1. The implementation period of this repurchase shall not exceed 12 months from the date when the Board of Directors of the Company considers and adopts this repurchase plan. The repurchase period expires early if the following conditions are met:

- (1) If the amount of funds used for repurchase or the number of repurchased shares reaches the upper limit determined by this repurchase plan within the repurchase period, the repurchase plan will be completed and the repurchase period will expire ahead of schedule on that date;

- (2) If the Board of Directors of the Company decides to terminate this repurchase, the repurchase period shall expire earlier than the date when the Board of Directors decides to terminate this repurchase plan.

2. The Company shall not repurchase shares during the following window periods:

- (1) From 10 trading days before the original announcement date to the day before the announcement, if the announcement date is postponed due to special reasons within 10 trading days before the announcement of the Company's annual report, semi-annual report, quarterly report, performance forecast or performance express;

- (2) From the date of occurrence of major events that may have a significant impact on the trading price of the Company's shares or from the decision-making process to the date of disclosure according to law;

- (3) Other circumstances stipulated by China Securities Regulatory Commission and Shanghai Stock Exchange.

3. During the implementation of this repurchase plan, if the Company's shares are suspended for more than 10 consecutive trading days due to major events, the Company will postpone this repurchase plan and disclose it in time after the stock resumes trading.

#### **(5) Total amount of repurchase funds and source of funds**

The total amount of funds to be used for this repurchase by the Company is RMB 300-RMB 600 million, all of which are self-owned funds.

#### **(6) Price of repurchase**

According to relevant laws and regulations, combined with the recent stock price of the Company, the price of the repurchased shares is no more than RMB 20.00/share. The specific repurchase price shall be determined by the management of the Company in combination with the stock price, financial status and operating status of the Company during the repurchase period. The upper limit of this repurchase price range is not higher than 150% of the average trading price of the Company's shares in the 30 trading days before the Board of Directors adopted the resolution on repurchase.

In case of capital reserve conversion to share capital, distribution of stocks or cash dividends during the repurchase period, the upper limit of repurchase price shall be adjusted according to the relevant regulations of China Securities Regulatory Commission and Shanghai Stock Exchange from the date of ex-right and ex-dividend stock price.

#### **(7) Number and purpose of shares to be repurchased**

The number of shares to be repurchased this time is no more than 41,597,700 shares, accounting for 2.50% of the Company's total share capital (1,663,911,378 shares). The specific number of shares to be repurchased and its proportion to the total share capital shall be subject to the actual number of shares to be repurchased when the repurchase period expires, and the shares to be repurchased this time do not exceed 10% of the total issued shares of the Company.

In case of capital reserve conversion to share capital, distribution of stocks or cash dividends during the repurchase period, the number of shares to be repurchased shall be adjusted according to the relevant regulations of China Securities Regulatory Commission and Shanghai Stock Exchange from the date of ex-right and ex-dividend stock price.

All the shares to be repurchased are intended to be used for employee stock ownership plan or equity-based incentive plan.

#### **(8) Changes in the ownership structure of the Company after the expected repurchase**

1. If all the shares to be repurchased this time are used to implement the employee stock ownership plan or equity-based incentive plan of the Company, the total share capital of the Company will remain unchanged.

2. If the Company fails to use all the shares to be repurchased for the above purposes within the time limit stipulated by laws and regulations, and all the unused shares are cancelled, the total share capital of the Company will be reduced accordingly.

#### **(9) Impact of this share repurchase on the Company**

As of September 30, 2021, the total assets of the Company were RMB 8,195,278,200, the owner's equity attributable to shareholders of the listed company was RMB 4,625,160,700, and the monetary funds were RMB 2,134,160,900. From January to September, 2021, the net profit attributable to shareholders of the listed company was RMB 550,960,800, and the net cash flow from operating activities was RMB 1,051,820,200. The Company's financial situation is good, and it is in the rising stage of development. The upper limit of this repurchase accounts for 7.32% and 12.97% of the total assets of the Company and the owner's equity attributable to shareholders of the listed company by the end of September 2021, respectively. The Company has enough self-owned funds for this share repurchase.

The shares to be repurchased this time will be used for employee stock ownership plan or equity-based incentive plan. This is conducive to fully mobilizing the enthusiasm of employees and making their interests more closely integrated with the long-term development of the Company. This repurchase will not damage the Company's abilities to pay debt and sustainable operation ability. After the implementation of the repurchase plan, the Company's equity distribution still meets the listing conditions, which will not affect its listing status and will not lead to any changes in the Company's control rights.

#### **(10) Opinions of independent directors on compliance, necessity, rationality, feasibility and other related matters of this repurchase plan**

Independent directors believe that this share repurchase plan complies with the *Company Law*, *Securities Law*, *Rules for Share Repurchase of Listed Companies*, *Guidelines for Self-regulation of Listed Companies of Shanghai Stock Exchange No.7-Share Repurchase* and other relevant laws, regulations, normative documents and the *Articles of Association* of the Company, and has fulfilled the necessary approval procedures; the shares to be repurchased will be used for employee stock ownership plan or equity-based incentive plan, which is conducive to the Company's sustainable operation and future development, so this share repurchase is necessary; the Company has stable production and operation, good financial condition, abundant cash flow and sufficient self-owned funds for this repurchase.

Finally, the share repurchase plan is reasonable and feasible, which is in line with the interests of the Company and all shareholders. They agree to this share repurchase plan.

**(11) Explanation of whether the controlling shareholder, actual controller, directors, supervisors and senior executives of the Company bought or sold the Company's shares within six months before the Board of Directors made the resolution on share repurchase, and whether they have a conflict of interest with the repurchase plan, and whether there is insider trading and market manipulation**

After self-examination by the Company, the controlling shareholder, actual controller, directors, supervisors, senior executives and their persons acting in concert bought and sold the Company's shares within six months before the Board of Directors made the resolution on share repurchase as follows:

1. Trading of the Company's shares by controlling shareholder, actual controller and their persons acting in concert

Name of Shareholder	Transaction date	Transaction direction	Transaction mode	Quantity (units)	Proportion of shares traded to the Company's total shares (%)
Zhao Meiguang	September 10, 2021	Sell	Block trading	18,000,000	1.0818
	September 13, 2021	Sell	Block trading	6,520,000	0.3918
	October 27, 2021	Sell	Block trading	8,758,200	0.5264
Li Jinyang	December 30, 2021	Sell	Block trading	18,090,500	1.0872
	January 5, 2022	Sell	Block trading	6,429,500	0.3864

Note: Mr. Zhao Meiguang, the original actual controller of the Company, died of illness on December 11, 2021, and his shares were inherited by his spouse Ms. Li Jinyang. At present, the inheritance and transfer have not been completed, and the registered name of shareholder is still Zhao Meiguang.

2. Trading of the Company's shares by directors, supervisors, senior management personnel and their persons acting in concert

Name of Shareholder	Transaction date	Transaction direction	Transaction mode	Quantity (units)	Proportion of shares traded to the Company's total shares (%)
Jiaxing Kaicheng Investment Partnership (Limited Partnership)	September 15, 2021	Sell	Block trading	10,000,000	0.6010
	November 10, 2021	Sell	Block trading	3,000,000	0.1803
Chen Tiehe	October 11, 2021	Buy	Centralized competitive price	2,000	0.0001
	October 15, 2021	Buy	Centralized competitive price	2,100	0.0001
	November 15, 2021	Sell	Centralized competitive price	4,100	0.0002

① Mr. Wang Jianhua, Chairman of the Company, directly holds 98,170,771 shares of unrestricted tradable shares of Chifeng Gold, and originally held 49.9750% of the partnership share of Jiaxing Kaicheng Investment Partnership (Limited Partnership) (“Jiaxing Kaicheng”). According to the relevant provisions of the *Administrative Measures for the Takeover of Listed Companies*, Jiaxing Kaicheng and Mr. Wang Jianhua are the persons acting in concert. In addition to this, there is no agreement on concerted action between Jiaxing Kaicheng and Mr. Wang Jianhua, and the two sides have not signed any agreement on concerted action relationship.

On November 14, 2021, Mr. Wang Jianhua signed the Agreement on Transfer of Partnership Property Share of Jiaxing Kaicheng Investment Partnership (Limited Partnership) with Shanghai Tiancheng Dongtai Investment Co., Ltd. (“Tiancheng Dongtai”) and Jiaxing Kaicheng. Mr. Wang Jianhua transferred all his 49.9750% partnership share of Jiaxing Kaicheng to Tiancheng Dongtai, so the concerted action



relationship between Jiaxing Kaicheng and Mr. Wang Jianhua terminated. For details, please refer to the Suggestive Announcement of Chifeng Gold on Termination of Shareholders' Concerted Action Relationship and Equity Change (Announcement No.: 2021-063) disclosed by the Company on November 15, 2021 in Shanghai Stock Exchange.

- ② Mr. Chen Tiehe has served as the CEO of the Company since January 2022. Before assuming the position of senior executive, he bought 4,100 shares of the Company in October 2021 and sold them all in November 2021.

3. The above-mentioned shareholders' trading of the Company's shares are all acts after their self-judgment and decision-making, and has no conflict of interest with this repurchase plan, and there is no insider trading or market manipulation alone or jointly with others.

**(12) Explanation of shareholding reduction plan of directors, controlling shareholder and actual controller of the listed company in the next 6 months and the shareholding increase or reduction plan during the repurchase period**

The Company has sent inquiry letters to its controlling shareholder, actual controller, shareholders holding more than 5% of shares and directors, supervisor and senior executives holding shares of the Company, asking whether they have any shareholding reduction plan in the next 6 months. According to their replies, as of the date when the Board of Directors made the resolution on this repurchase plan, the controlling shareholder, actual controller, shareholders holding more than 5% of shares and directors, supervisor and senior executives holding shares of the Company have no shareholding reduction plan in the next 6 months; directors, supervisor and senior executives, controlling shareholder and actual controller of the Company have no shareholding increase or reduction plan during the repurchase period. If the shareholding increase plan is implemented in the future, the obligation of information disclosure will be fulfilled in a timely manner in accordance with relevant regulations.

**(13) Relevant arrangements for cancellation or transfer according to law after repurchase of shares**

All the shares to be repurchased this time will be used to implement the employee stock ownership plan or equity-based incentive plan. If the Company fails to use these shares within 3 years upon completion of share repurchase, the unused

shares will be cancelled, which will be implemented in accordance with relevant laws, regulations and policies.

**(14) Relevant arrangements for the Company to prevent infringement of creditors' interests**

The shares to be repurchased this time are intended to be used for the employee stock ownership plan or equity-based incentive plan, which will not affect the normal and continuous operation of the Company and will not lead to insolvency of the Company. In case of cancellation of shares to be repurchased by the Company, the Company will fully protect the legitimate rights and interests of creditors in accordance with the relevant decision-making and announcement procedures on capital reduction in the *Company Law* and other laws and regulations.

**(15) Specific authorization for handling this share repurchase**

In order to successfully and efficiently complete the share repurchase, the Board of Directors authorizes the management to specifically handle matters related to the share repurchase of the Company, including but not limited to:

1. Decide the specific purpose of shares to be repurchased according to relevant laws and regulations, including using them for employee stock ownership plans or equity-based incentive plans;
2. Set up special securities account for this repurchase and handle other related affairs;
3. Repurchase shares at an opportune time during the repurchase period, including the total amount of repurchase funds, the time, price and quantity of repurchase, etc.;
4. Comprehensively decide to continue or terminate this repurchase plan according to the actual situation of the Company and the stock price;
5. Adjust the specific implementation plan and handle other matters related to share repurchase in accordance with applicable laws, regulations and relevant provisions of the regulatory authorities;
6. Amend the *Articles of Association* and other materials and documents that may be changed, and handle relevant registration and filing according to the actual implementation of repurchase;
7. Decide whether to hire relevant intermediaries;

8. Prepare, amend, supplement, sign, submit, report and execute all agreements, contracts and documents required in the process of share repurchase, and make relevant declarations;

9. Handle other matters not listed above but necessary for this repurchase.

This authorization starts from the date when the Board of Directors of the Company deliberates and approves this repurchase to the date when the above authorized matters are completed.

### **III. Opening of special account for repurchase**

According to relevant regulations, the Company has opened a special account for this repurchase in China Securities Depository and Clearing Co., Ltd., which is only used to repurchase the Company's shares.

### **IV. Uncertainty risk of repurchase plan**

1. If the Company's stock price continues to exceed the price range disclosed in the repurchase plan, there may be a risk that the repurchase plan cannot be implemented;

2. During the implementation of share repurchase, there is a risk that the funds needed for share repurchase cannot be allocated in time, thus making the repurchase plan unable to be implemented as planned;

3. As the shares to be repurchased this time are used for the Company's employee stock ownership plan or equity-based incentive plan, there may be a risk that the repurchased shares cannot be granted or transferred due to reasons such as the failure to implement the employee stock ownership plan or equity-based incentive plan;

4. Due to major changes in the Company's production and operation, financial situation and external objective conditions, there is a risk of changing or terminating the repurchase plan according to relevant regulations.

During the repurchase period, the Company will make repurchase decisions and implement them according to market conditions, and fulfill its information disclosure obligations in time according to the progress of share repurchase. Investors are kindly

requested to pay attention to investment risks.

It is hereby announced.

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

January 18, 2022