

Chifeng Jilong Gold Mining Co., Ltd.

Announcement on Changing 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 new accounting firm: Ernst & Young Huaming Certified Public Accountants (Special General Partnership) (hereinafter referred to as “Ernst & Young Huaming”)
- Name of former accounting firm: ZHONGSHENZHONGHUAN Certified Public Accountants (Special General Partnership) (hereinafter referred to as “Zhongshen Zhonghuan”)
- Brief explanation of reasons for changing accounting firm: In view of the fact that Chifeng Jilong Gold Mining Co., Ltd. (hereinafter referred to as “the Company”) continues to expand its international business layout, combined with the Company’s future development strategy, Ernst & Young Huaming is proposed by the Audit Committee of the Board of Directors of the Company as the Company’s auditing body in 2022 for an engagement period of one year in order to meet the Company’s international business development and the needs of domestic and foreign investors for audit reports. The Company has fully communicated with Zhongshen Zhonghuan on the change of accounting firm, and Zhongshen Zhonghuan expressed its understanding and support for the change and confirmed that it had no objection.
- The Audit Committee of the Board of Directors, independent directors and the Board of Directors of the Company has no objection to the change of accounting firm. The change

of accounting firm needs to be submitted to the shareholders' meeting of the Company for deliberation.

I. Basic information of new accounting firm

(1) Institutional information

1. Basic information

Ernst & Young Huaming, founded in September 1992, completed its transformation of localization from a Sino-foreign cooperative limited liability firm to a special general partnership firm in August 2012. Ernst & Young Huaming is headquartered in Beijing, and its registered address is Room 01-12, Floor 17, Ernst & Young Building, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing. By the end of 2021, Ernst & Young Huaming had 203 partners, and the Chief Partner was Mr. Mao Anning. Ernst & Young Huaming has always paid attention to personnel training. By the end of 2021, there were 1,604 certified public accountants, including more than 1,300 certified public accountants with experience in securities-related business services, and 400 certified public accountants who had signed audit reports on securities services. Ernst & Young Huaming's total business income in 2021 was RMB 5.49 billion, including audit business income of RMB 5.282 billion (including securities business income of RMB 2.27 billion). In 2021, there were 116 customers in the annual report audit of A-share listed companies, with a total service fee of RMB 763 million. The main industries involved mining, manufacturing, finance, wholesale and retail, information transmission, software and information technology services, real estate and so on. It has 3 audit customers that are listed companies in the same industry as the Company.

2. Investor protection ability

Ernst & Young Huaming has good investor protection ability, and has accrued occupational risk funds and purchased occupational insurance in accordance with relevant laws and regulations, covering Beijing Headquarter and all branches. The sum of the accrued occupational risk fund and the accumulated compensation limit of the purchased occupational insurance exceeds RMB 200 million. Ernst & Young Huaming has not had any civil liability due to civil litigation related to its practice in the past three years.

3. Credibility record

Ernst & Young Huaming and its employees have not been subject to any criminal punishment, administrative punishment, self-regulatory measures and disciplinary actions by self-regulatory organizations such as stock exchanges and trade associations in the past three years. It has twice received the decision of issuing warning letters from the securities regulatory authority, involving 13 employees. But the aforementioned decision is a supervision and management measure, not an administrative punishment. According to relevant laws and regulations, this supervision and management measure will not affect Ernst & Young Huaming's continued undertaking or execution of securities service business and other businesses.

(2) Project information

1. Basic information

Ms. He Xin, a project partner and proposed signing certified public accountant, became a certified public accountant in 2008, began to audit listed companies in 2006, and began to practice in Ernst & Young Huaming in 2006. In the past three years, she has signed or reviewed annual reports/internal control audits of several listed companies, involving mining, power and heat production and supply industries.

Mr. Zhang Yu, a proposed signing certified public accountant, became a certified public accountant in 2016, began to audit listed companies in 2013, and began to practice in Ernst & Young Huaming in 2013. In the past three years, he has reviewed annual reports/internal control audits of several listed companies, involving mining, power and heat production and supply industries.

Mr. Xie Yanfeng, project quality control reviewer, became a certified public accountant in 2000, began to audit listed companies in 2000, and began to practice in Ernst & Young Huaming in 2007. In the past three years, he has signed or reviewed annual reports/internal control audits of several listed companies, involving mining, electric power, manufacturing and life sciences industries.

2. Independence and integrity records of the above-mentioned personnel

Ernst & Young Huaming and the above-mentioned project partners, signing certified public accountants and project quality control reviewer did not and will not violate the independence

requirements of the *Code of Professional Ethics for Chinese Certified Public Accountants*. In the past three years, the above-mentioned personnel have not been subject to any criminal punishment for their practice, administrative punishment, supervision and management measures by the CSRC and its dispatched offices, industry authorities, etc., and self-regulatory measures and disciplinary actions by self-regulatory organizations such as stock exchanges and industry associations.

3. Audit fees

Specific audit fees will be in accordance with the fair and reasonable pricing principle of the market. According to the authorization at the shareholders' meeting of the Company, the management of the Company shall negotiate with the auditing body to determine the final audit service fee according to the business scale, industry and complexity of accounting treatment of the Company, and in combination with the auditors required for the annual audit of the Company, the workload and the charging standard of the firm.

II. Explanation of former accounting firm

(1) Information of the former accounting firm and its audit opinions of the previous year

Zhongshen Zhonghuan has provided audit services for the Company for seven consecutive years, and issued a standard and unqualified audit report for the Company in 2021. During its employment, Zhongshen Zhonghuan adhered to the principles of independence, objectivity and impartiality, provided high-quality audit services for the Company with professional practice ability and rigorous professional ethics, issued audit reports on schedule, earnestly performed the duties of auditing body, and safeguarded the legitimate rights and interests of the Company and its shareholders. The Board of Directors of the Company expressed sincere gratitude to Zhongshen Zhonghuan for its long-term audit services. There is no case of dismissal after the Company has entrusted Zhongshen Zhonghuan to carry out some audit work.

(2) Reasons for the proposed change of auditing body

In view of the Company's continuous expansion of international business layout, most of the existing assets and businesses are overseas. Combined with the Company's future development strategy, in order to meet the Company's international business development and the needs of domestic and foreign investors for audit reports, it is proposed by the Audit Committee of the

Board of Directors of the Company to change the Company's financial and internal control auditing body in 2022 to Ernst & Young Huaming for an engagement period of one year.

(3) Communication between the Company and former accounting firms

The Company has fully communicated with Zhongshen Zhonghuan on the change of auditing body, and Zhongshen Zhonghuan expressed its understanding and support for the change and confirmed that it had no objection. Former and subsequent accounting firms will do a good job of communication and cooperation in accordance with the relevant provisions of *Auditing Standards for Chinese Certified Public Accountants No.1153-Communication between Former Certified Public Accountants and Successive Certified Public Accountants*.

III. Procedure for the proposed change of auditing body

(1) Performance of duties of the Audit Committee

On the basis of careful investigation and evaluation of Ernst & Young Huaming's professional competence, investor protection ability, independence and integrity, the Audit Committee of the Board of Directors of the Company considered that Ernst & Young Huaming has the qualification of auditing securities and futures related business, has many years of experience and ability to provide auditing services for listed companies, and can independently audit the Company's financial status and operating conditions. Accordingly, the Audit Committee of the Board of Directors of the Company agreed to propose to appoint Ernst & Young Huaming as the auditing body of the Company in 2022, and agreed to report this matter to the Board of Directors of the Company for deliberation.

(2) Independent directors have expressed prior approval and independent opinions on this matter

1. Prior approval

In view of the Company's continuous expansion of international business layout, most of the existing assets and businesses are overseas. Combined with the Company's future development strategy, in order to meet the Company's international business development and the needs of domestic and foreign investors for audit reports, the Company plans to change the financial and

internal control auditing body in 2022 to Ernst & Young Huaming Certified Public Accountants (Special General Partnership). The reasons for change are sufficient and appropriate. Independent directors fully examined and investigated the independence, professional competence, investor protection ability and integrity of Ernst & Young Huaming. They thought that Ernst & Young Huaming was in good integrity, had the qualification, experience, professional quality and professional level required for the annual audit of listed companies, and could meet the needs of the Company's audit in 2022.

It is agreed to submit the *Proposal on Changing the Auditing Body in 2022* to the Board of Directors of the Company for deliberation.

2. Independent opinions

Ernst & Young Huaming has the qualification to audit securities and futures related businesses, has good integrity, has many years of experience in providing audit services for listed companies, and has sufficient independence, professional competence and investor protection ability. Therefore, it can meet the Company's need for annual audit related work. The change of accounting firm is in line with the actual situation of the Company and the needs of business development. The reasons for change and relevant review procedures are sufficient and appropriate, in line with relevant laws, regulations and the relevant provisions of the *Articles of Association*, without prejudice to the interests of the Company and its shareholders.

It is agreed that the Company will change the financial and internal control auditing body in 2022 to Ernst & Young Huaming, and report this matter to the shareholders' meeting for deliberation and approval.

(3) Deliberation and voting of the Board of Directors

At the 11th Meeting of the 8th Board of Directors of the Company, the *Proposal on Changing the Auditing Body in 2022* was reviewed and approved with 14 affirmative votes, 0 negative votes and 0 abstention votes. The Board of Directors agreed to appoint Ernst & Young Huaming as the financial and internal control auditing body of the Company in 2022 for an engagement period of one year.

(4) Effective date

Stock Code: 600988 Stock Name: Chifeng Gold Announcement No.: 2022-104

The change of auditing body needs to be submitted to the shareholders' meeting for deliberation, and will take effect from the date of deliberation and approval by the shareholders' meeting of the Company.

It is hereby announced.

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

November 29, 2022