

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

### **The Repurchase Report on the Repurchase of Shares through Call Action Trading (Phase III)**

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.

#### **Highlight of important content:**

- Basic information such as the scale, price premise, and term of the proposed repurchase

(1) Repurchase scale and repurchase price: The total amount of funds to be used in this repurchase is RMB 200 million to RMB 300 million, the repurchase price is not more than RMB 18.00 per share, and the number of shares to be repurchased this time does not exceed 20,000,000 shares, accounting for approximately 1.20% of the current total share capital of Chifeng Jilong Gold Mining Co., Ltd. (hereinafter referred to as the "Company"), and the specific number of repurchased shares is subject to the actual number of shares repurchased at the expiration of the repurchase period;

(2) Repurchase period: no more than 12 months from the date when the board of directors of the Company deliberates and approves the repurchase plan;

(3) Use of repurchased shares: for employee stock ownership plans or equity incentive plans;

(4) Source of repurchase funds: own funds.

- Whether the relevant shareholders have a plan to reduce their shareholding: the controlling shareholder, the actual controller, shareholders holding more than 5% of the shares, directors, supervisors and senior management holding the Company's shares

have no reduction plan in the next six months; if there is a plan to implement the reduction of shares in the future, the information disclosure obligation will be fulfilled in a timely manner in accordance with 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 risks that the repurchase plan cannot be implemented;

(2) During the implementation of the repurchase of shares, there is a risk that the funds required for the repurchase of shares will not be available in time, so that the repurchase plan cannot be implemented as planned;

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

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

The Company will make and implement the repurchase decision according to market conditions during the repurchase period, and fulfill the information disclosure obligation in a timely manner according to the progress of the repurchase of shares, please pay attention to the investment risks.

Pursuant to the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law"), the Rules for the Repurchase of Shares of Listed Companies, and the Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 7 - Repurchase of Shares; and other relevant laws and regulations, normative documents and the relevant provisions of the Articles of Association, the Company intends to use its own funds to repurchase part of the Company's issued and listed RMB ordinary shares (A shares) through call auction trading, and has prepared a repurchase report.

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

On June 27, 2023, the Company held the 18th meeting of the eighth board of directors to deliberate and adopt the Plan on Repurchasing Shares through Call Auction Trading (Phase III) with 12 votes in favor, 0 vote against and 0 abstention, and the independent directors expressed their concurring independent opinions on the repurchase.

According to the relevant provisions of the Articles of Association, the Company's repurchase plan does not need to be submitted to the general meeting of shareholders for consideration.

## **II. The main content of the repurchase plan**

### **(1) The purpose of this share repurchase**

In order to establish a long-term incentive mechanism of symbiosis and benefit sharing between the Company, shareholders and core key employees, and promote the sustainable and healthy development of the Company, the Company intends to repurchase part of the issued and listed RMB ordinary shares (A shares) for use in the Company's employee stock ownership plan or equity incentive plan.

This repurchase is used to implement the relevant plans of the employee stock ownership plan or equity incentive plan, which shall be separately formulated by the Company and perform the corresponding review and disclosure procedures.

### **(2) The type of shares to be repurchased**

The type of shares repurchased is RMB ordinary shares (A shares) issued by the Company.

### **(3) The method of repurchasing shares**

The repurchase of shares was conducted through a centralized auction.

### **(4) The period for repurchasing shares**

1. The implementation period of this repurchase shall not exceed 12 months from the date of approval of the repurchase plan by the board of directors of the Company. The buyback period expires early if the following conditions are met:

(1) If the amount of funds used for repurchased shares or the number of

repurchased shares reaches the upper limit determined by this repurchase plan during the repurchase period, the implementation of this repurchase plan is completed, and the repurchase period expires earlier on that date;

(2) If the board of directors of the Company resolves to terminate this repurchase, the repurchase period expires prematurely when the board of directors resolves to terminate this repurchase program.

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

(1) within 10 trading days before the disclosure of Company's annual report, semi-annual report or quarterly report; if the announcement date is postponed due to special reasons, it shall be counted from the 10th trading day before the original scheduled announcement date to the day before the announcement;

(2) Within 10 trading days before the announcement of the Company's performance forecast or performance flash report;

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

(4) Other circumstances stipulated by the China Securities Regulatory Commission and the 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 planning of major matters, the Company will postpone the implementation of this repurchase plan after the stock resumption and disclose it in a timely manner.

**(5) The total amount of repurchase funds and the source of funds**

The total amount of funds that the Company intends to use for this repurchase is RMB 200 million to RMB 300 million, all of which are its own funds.

**(6) The price of the repurchased shares**

According to relevant laws and regulations, after taking into consideration the Company's recent stock price, the price of the repurchased shares is not more than

RMB 18.00 per share. The specific repurchase price shall be determined by the Company's management during the implementation of the repurchase in combination with the Company's stock price, financial position and operating conditions. The upper limit of the 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 passed the resolution to repurchase shares.

If the Company converts capital reserve into share capital, distributes shares or cash dividends during the repurchase period, etc., the upper limit of the repurchase price will be adjusted accordingly in accordance with the relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange from the date of ex-right and ex-dividend of the stock price.

#### **(7) The number and purpose of repurchased shares**

The number of shares to be repurchased this time is not more than 20,000,000 shares, accounting for approximately 1.20% of the Company's current total share capital (1,663,911,378 shares), and the specific number of repurchased shares and their proportion to the total share capital are subject to the number of shares actually repurchased at the expiration of the repurchase period. The proposed repurchase of shares does not exceed 10% of the total issued shares of the Company.

If the Company converts capital reserve into share capital, distributes shares or cash dividends during the repurchase period, etc., the number of repurchased shares will be adjusted accordingly in accordance with the relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange from the date of ex-right and ex-dividend of the stock price.

The repurchased shares are intended to be used in full for employee stock ownership plans or equity incentive plans.

#### **(8) Changes in the Company's shareholding structure after the expected repurchase**

1. If all the repurchased shares are used to implement the Company's employee stock ownership plan or equity incentive plan, the Company's total share capital will not change.

2. If the Company fails to use all the repurchased shares for the above purposes

within the period prescribed by laws and regulations, and cancel all the unused repurchased shares, the total share capital of the company will be reduced accordingly.

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

As of March 31, 2023, the Company's total assets were 17,757,401,800 yuan, the owners' equity attributable to the shareholders of the listed Company was 5,201,993,600 yuan, and the monetary funds were 1,415,901,300 yuan; From January to March 2023, the net profit attributable to shareholders of the listed company was 75,261,600 yuan, and the net cash flow generated by operating activities was 463,472,600 yuan. The Company's financial position is sound, and the proportion of the upper limit amount of this repurchase to the Company's total assets and ownership equity attributable to shareholders of the listed Company at the end of March 2023 was 1.69% and 5.77%, respectively. The Company has sufficient own funds for this share repurchase.

The repurchase of shares is used for employee stock ownership plan or equity incentive plan, which is conducive to fully mobilizing the enthusiasm of employees, making their interests more closely integrated with the Company's long-term development, and this repurchase of shares will not damage the Company's ability to fulfill debts and continue to operate; After the implementation of the repurchase plan, the Company's equity distribution still meets the listing conditions, does not affect the Company's listing status, and will not lead to a change in the Company's control.

#### **(10) The opinions of independent directors on matters related to the compliance, necessity, reasonableness and feasibility of the share repurchase plan**

The independent directors believe that the share repurchase plan complies with the provisions of relevant laws, regulations, normative documents and the Articles of Association, such as the Company Law, the Securities Law, the Share Repurchase Rules for Listed Companies, the Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 7 - Repurchase of Shares, and has fulfilled the necessary approval procedures; This share repurchase is used for an employee stock ownership plan or equity incentive plan, which is conducive to the Company's continuous operation and future development, and this share repurchase is necessary; The company's production and operation are stable, the financial situation is good, the

cash flow is abundant, there are sufficient own funds for this repurchase, and the share repurchase plan is reasonable and feasible, which is in line with the interests of the Company and all shareholders; The independent directors approved the share repurchase plan.

**(11) Whether the company's controlling shareholders, actual controllers, directors, supervisors and senior management bought or sold the Company's shares within six months before the board of directors made the resolution to repurchase shares, and whether there was a conflict of interest with the repurchase plan, and whether there was insider trading and market manipulation**

After the company's self-examination, the controlling shareholders, actual controllers, directors, supervisors, senior management and their concerted actions did not buy or sell the Company's shares within six months before the board of directors made the resolution to repurchase shares.

**(12) An explanation of the plans of directors, supervisors, controlling shareholders and actual controllers of the listed Company to reduce their holdings in the next six months and the plans to increase or decrease their holdings during the repurchase period**

The Company has sent inquiry letters to the controlling shareholders, the actual controller, shareholders holding more than 5% of the shares, and directors, supervisors and senior executives who hold the company's shares, asking whether they have plans to reduce their shareholding in the next six months. According to the response received, as of the date when the board of directors made the resolution of this repurchase plan, the Company's controlling shareholders, actual controllers, shareholders holding more than 5% of the shares, directors, supervisors and senior management holding the company's shares have no plan to reduce their holdings of the Company's shares in the next six months; The Company's directors, supervisors, controlling shareholders and actual controllers have no plans to increase or decrease their holdings during this repurchase period. If the share increase plan is planned in the future, the information disclosure obligation will be fulfilled in a timely manner in accordance with relevant regulations.

**(13) Relevant arrangements for cancellation or transfer in accordance with**

## **law after repurchasing shares**

All of the repurchased shares will be used to implement an employee stock ownership plan or equity incentive plan. If the Company fails to use the repurchased shares within 3 years after the completion of the share repurchase, the unused repurchased shares will be cancelled, and the specific implementation will be in accordance with relevant laws, regulations and policies.

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

The repurchase of shares is intended to be used to implement the employee stock ownership plan or equity incentive plan, which will not affect the normal and continuous operation of the Company and will not lead to the Company's insolvency. In the event of cancellation of shares 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 accordance with the Company Law and other laws and regulations.

### **(15) Specific authorization to handle the repurchase of shares**

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

1. Decide on the specific purpose of repurchasing shares in accordance with relevant laws and regulations, including for use as employee stock ownership plans or equity incentive plans;
2. Set up a dedicated securities account for repurchase and handle other related affairs;
3. Choose the opportunity to repurchase shares during the repurchase period, including the total amount of repurchase funds, the time, price and quantity of repurchase, etc.;
4. Decide to continue or terminate the implementation of this repurchase program based on the Company's actual situation and stock price performance;
5. The board of directors of the company shall adjust the specific



implementation plan and handle other matters related to share repurchase in accordance with applicable laws, regulations and relevant provisions of regulatory authorities;

6. According to the actual implementation of the repurchase, revise the articles of association and other materials and documents that may involve changes, and handle relevant registration, filing, etc.;

7. decide whether to engage a relevant intermediary;

8. Make, amend, supplement, sign, submit, report, execute and make relevant declarations of all agreements, contracts and documents necessary for the repurchase of shares;

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

The authorization shall commence from the date on which the Board of Directors of the Company deliberated and approved the share repurchase matters to the date on which the above authorization matters are completed.

### **III. Opening a dedicated account for repurchase**

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

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

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

2. During the implementation of the repurchase of shares, there is a risk that the funds required for the repurchase of shares will not be available in time, so that the repurchase plan will not be implemented as planned;

3. The shares repurchased this time are used for the Company's employee stock ownership plan or equity incentive plan, and there may be a risk that the repurchased shares cannot be granted or transferred due to reasons such as the inability to

implement the employee stock ownership plan or equity incentive plan;

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

The Company will make and implement the repurchase decision according to market conditions during the repurchase period, and fulfill the information disclosure obligation in a timely manner according to the progress of the repurchase of shares, please pay attention to the investment risks.

This is hereby announced.

Board of Directors

Chifeng Jilong Gold Mining Co., Ltd.

28 June 2023