

# **Anti-Money Laundering Management Policy**

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

### **1. General Overview**

**1.1** In order to standardize the anti-money laundering work of Chifeng Jilong Gold Mining Co., Ltd. (hereinafter referred to as the "Company"), establish and improve the anti-money laundering work management mechanism, and improve the Company's ability to prevent money laundering risks, these Measures are formulated in accordance with relevant laws and regulations on anti-money laundering at home and abroad and the actual situation of the Company.

**1.2** "Anti-money laundering" mentioned in this Policy refers to the act of taking relevant measures in accordance with the relevant laws and regulations on anti-money laundering at home and abroad in order to prevent money laundering activities that conceal the source and nature of the proceeds of drug crimes, organized crimes of a criminal underworld, terrorist activities, smuggling, corruption and bribery, crimes that undermine the order of financial management, financial fraud and other crimes.

**1.3** This policy is a framework document for the Company's implementation of anti-money laundering management, which applies to all business lines, levels of institutions and all employees of the whole system. Institutions at all levels shall refer to this policy and combine local market conditions and business needs to formulate or improve various operational rules to effectively implement the requirements of anti-money laundering laws, regulations and regulatory provisions.

### **2. Organization setup and functions**

**2.1** The Company has established an anti-money laundering leadership working team, with the general manager of the Company as the team leader, and the Company's chief financial officer as the deputy team leader.

The Anti-money laundering leadership working team has a working office. The person in charge of the office is the manager of the finance department.

The front-line anti-money laundering working group is composed of managers or deputy managers of various business departments and institutions at all levels, as well as personnel from the department's anti-money laundering posts, and the leader of the front-line anti-money laundering working group is the manager of all business departments and institutions at all levels. Suspicious transactions found in the transaction shall be reported to the Company's anti-money laundering office in a timely manner, and the anti-money laundering office shall be uniformly responsible for reporting to the anti-money laundering leadership working team, and the relevant business personnel shall sign the anti-money laundering commitment letter.

**2.2** The leading group for anti-money laundering work is the leading institution of the Company's anti-money laundering work, which is fully responsible for the organization, coordination and decision-making of the Company's anti-money laundering work, and supervises and inspects the reporting of the Company's suspicious transactions. Its main

responsibilities are as follows:

2.2.1 Transmit and implement the guidelines of the national regulatory authorities on anti-money laundering work, and organize and carry out anti-money laundering work;

2.2.2 In strict accordance with the relevant anti-money laundering regulations, establish and improve the anti-money laundering internal control system in line with the Company's actual situation;

2.2.3 Regularly organize the Anti-Money Laundering Office to conduct internal inspections of the Company's anti-money laundering work to ensure the effective development of anti-money laundering work;

2.2.4 Assist regulatory departments, discipline inspection, supervision and judicial departments in carrying out investigation, verification, evidence collection and other related work on discovered problems.

**2.3** The Anti-Money Laundering Office is the daily management agency of the Company's anti-money laundering work, responsible for the formulation of the company's anti-money laundering work system and norms, the collation, review, inspection and reporting of suspicious transactions, and the training and guidance of anti-money laundering work. The Anti-Money Laundering Office shall designate a specific person to complete the above work. The main responsibilities are as follows:

2.3.1 Request the leading group to convene anti-money laundering working meetings from time to time, and be responsible for implementing the work content assigned by the meeting;

2.3.2 Guide all business departments to carry out anti-money laundering work, conduct regular internal inspections and keep records;

2.3.3 Awareness-raising and operational training in combating money-laundering through meetings, intensive training and document circulars;

2.3.4 Monitor suspicious transactions and report suspicious transactions to the leading group in a timely manner.

**2.4.** The front-line anti-money laundering team is the first line of defense in anti-money laundering work, and its main responsibilities are as follows:

2.4.1 Suspicious transactions discovered in the course of carrying out customer marketing and dealing with customers should be reported to the Anti-Money Laundering Office in a timely manner and relevant data and information should be provided as required;

2.4.2 Actively cooperate with the inspection of anti-money laundering work by regulatory authorities, and consciously accept the inspection and supervision of anti-money laundering work by the Anti-Money Laundering Work Office;

2.4.3 Actively participate in anti-money laundering training and publicity activities organized by local regulatory authorities, strengthen the learning of anti-money laundering related knowledge, conscientiously perform their job responsibilities, and continuously improve the level of anti-money laundering business and discernment ability;

2.4.4 Keep the secrets of anti-money laundering work, and shall not disclose information about anti-money laundering work to customers and other personnel in violation of regulations.

**2.5.** All business departments and institutions at all levels of the Company shall, in accordance with the provisions and requirements of these Measures, actively perform their anti-money laundering obligations, conscientiously implement anti-money laundering work in their daily work, and realize that there are established policies, standards and procedures to follow for the Company's anti-money laundering work.

### **3. Identification and reporting of suspicious transactions**

**3.1** "Suspicious transactions" refer to transactions with unusual characteristics in the amount, frequency, source, flow and purpose of transactions. For example, the amount, frequency, source, flow and purpose of the transaction are obviously inconsistent with the customer's identity, account purpose, financial conditions and operating business.

#### **3.2** Identification of suspicious transactions

Suspicious transactions usually have the following characteristics:

3.2.1 The way that goods or services are provided by the Partner is obviously inconsistent with its identity, financial status, business scale or industry trading habits;

3.2.2 The value of the transaction contract seriously exceeds the production and operation scale of the partner or its actual assets;

3.2.3 The capital circulation cycle and of the partner are seriously inconsistent with its production and operation cycle;

3.2.4 The company account of the subordinate business frequently transfers money to the personal account, the transaction amount is large, and the payment is made through the personal account for rapid consumption.

#### **3.3** Identification of suspicious transactions suspected of terrorist financing

If an employee of the Company discovers or has reasonable grounds to suspect that the Partner is related to the following lists, it shall immediately report it as a suspicious transaction:

3.3.1 list of terrorist organizations and terrorists published by relevant departments and agencies of the State Council;

3.3.2 List of terrorist organizations and terrorists published by the judicial organs;

3.3.3 List of terrorist organizations and terrorists listed in UN Security Council resolutions;

3.3.4 list of other terrorist organizations and suspected terrorists requiring special attention by the People's Bank of China;

3.3.5 Where laws or administrative regulations have other provisions on the monitoring of the above-mentioned lists, those provisions shall be followed.

### **3.4 Internal reporting procedures for suspicious transactions**

3.4.1 Front-line employees are obliged to report suspicious transactions to the front-line anti-money laundering team as soon as they discover them.

3.4.2 The front-line anti-money laundering team shall conduct a preliminary review of the abnormal transaction information submitted by the employee, conduct further analysis, and determine whether it is a suspicious transaction provided for by laws and regulations. Where it is preliminarily determined that it may not be classified as a suspicious transaction, a record shall be made and stored. Where a customer is found to have a suspicious payment transaction and meets the definition of a suspicious transaction, it shall conduct a prudent screening, record the suspicious payment transaction, and prepare a complete suspicious transaction report and submit it to the Anti-Money Laundering Working Office, which will determine and confirm whether it should be treated as a suspicious transaction for reporting.

3.4.3 The front-line anti-money laundering team shall provide true, complete and accurate transaction information to the Anti-Money Laundering Working Office. The person in charge of the Anti-Money Laundering Working Office shall compare the suspicious transaction report records with the original transaction documents, re-examine the suspicious transaction records that have been reported, and determine whether the content of the report is complete and whether the elements filled in are adequate and then submit the full suspicious transaction report to the Company's Anti-Money Laundering Leadership Working Team.

3.4.5 After receiving the suspicious transaction report submitted by the Anti-Money Laundering Working Office, the Company's Anti-Money Laundering Leadership Working Team shall promptly organize the Company's internal control personnel and legal personnel to conduct an in-depth investigation, and submit investigation opinions within 3 working days. Where it is substantiated that the transaction is a suspicious transaction, the compliance department shall be instructed to report it to the relevant regulatory authority.

### **4. Confidentiality**

4.1 The confidentiality of the Company's anti-money laundering work shall be uniformly directed and coordinated by the anti-money laundering leadership working team, and all personnel shall keep confidential customer identity information, transaction information and anti-money laundering work information obtained from performing anti-money laundering obligations in accordance with law.

4.2 The Company shall designate a special person to manage the confidential information in the anti-money laundering work and grant authorized access to it. Proper record shall be made to detail the people and time of accessing the confidential information.

4.3 The confidentiality scope of anti-money laundering work includes information related to assisting external judicial and regulatory authorities in investigating incidents and internal company investigations, including but not limited to:

4.3.1 relevant files and archives;

4.3.2 Name, identity and account opening information of the subject being investigated;

- 4.3.3 The subject's capital deposit and withdrawal situation and transaction dynamics and various information;
- 4.3.4 All kinds of contracts, agreements and matters that are subject to confidentiality obligations in accordance with the law and can't be made public;
- 4.3.5 Explanations, reports and related content submitted to the judicial bodies, competent authorities or other relevant departments;
- 4.3.6 Findings that have not yet been made public;
- 4.3.7 Ongoing investigations, facts and relevant progress materials;
- 4.3.8 Fund flow, transaction and clearing data of the account being investigated and reviewed;
- 4.3.9 Relevant investigative conversations and audio recordings involving investigative discussions yet to be made public upon authorization;
- 4.3.10 Documents and information marked with a classification level or marked "confidential";
- 4.3.11 Other materials and information that need to be kept confidential.

**4.4** The confidentiality period for each anti-money laundering work is determined according to the nature of the incident. For anti-money laundering working documents and materials in the scope of confidentiality, if it is necessary to submit or release relevant information to any institution, an application shall be submitted by the working team where the document was generated, to the standing office of the anti-money laundering working team for review before being submitted to the leadership working team for approval.

**4.5** When it is discovered that the secrets of anti-money laundering work have been leaked or may have been leaked, remedial measures shall be taken immediately and such leakage shall be promptly reported to the relevant leaders and the working team to which they belong. The Company will implement the confidentiality responsibility system and leakage responsibility system for specific anti-money laundering work in accordance with "who is in charge, who is responsible", and implement confidentiality measures for various anti-money laundering investigations. Malpractice of confidential documents and materials being submitted or disseminated to the outside world without approval will be dealt with in accordance with the Company's reward and penalty policy. In case of violation of relevant laws, the company reserves the right to hold the people who illegally disclosed the information accountable.

## **5. Anti-Money Laundering Internal Checks, Audits and Evaluations**

**5.1** The Anti-Money Laundering Working Office shall organize and carry out internal checks, audits and evaluations on anti-money-laundering-related work.

**5.2** The Anti-Money Laundering Working Office shall periodically organize inspections of the anti-money laundering work of various departments and institutions at all levels, and

continuously improve policies and processes.

**5.3** The internal audit department shall audit the Company's anti-money laundering work every year and evaluate the soundness, effectiveness and implementation of the anti-money laundering internal control system.

## **6. Penalties**

**6.1** For those directly responsible for the following acts, the Company will punish and implement accountability in accordance with the relevant policies, and if criminal violations are involved, they will be transferred to the judicial authorities in accordance with the law.

6.1.1 Failure to monitor suspicious transactions and report suspicious transactions in a timely manner in accordance with regulations.

6.1.2 Failure to conduct anti-money laundering publicity and training in accordance with regulations.

6.1.3 Refuse or obstruct various anti-money laundering inspections and investigations.

6.1.4 Refuse to provide required materials for investigation or knowingly providing false information.

6.1.5 Breach of confidentiality by leaking information about anti-money laundering work.

6.1.6 Intentionally colluding or cooperating with customers to carry out illegal and criminal activities such as money laundering.

## **7. Appendix**

Anti-Money Laundering Pledge

## **8. Review and release**

This policy shall become effective on the date of deliberation and adoption by the board of directors.

**Appendix:**

**Anti-Money Laundering Pledge**

In order to protect the legitimate rights and interests of Chifeng Jilong Gold Mining Co., Ltd., I hereby make the following promise:

I promise to conscientiously implement the anti-money laundering regulatory provisions, strictly abide by the anti-money laundering laws and regulations and the Company's anti-money laundering related policies and operate in compliance.

Chifeng Jilong Gold Mining Co., Ltd. (sealed)

Pledged by (signed and sealed):

Date: