

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

## **Announcement on Using Part of the Idle Self-Owned Fund for Cash Management**

The Board of Directors and all Director 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:**

- Cash management amount: not more than RMB 500,000,000 Yuan.
- Cash management products: wealth management products of banks and non-bank financial institutions with high security, good liquidity and low risk.
- Cash management period: not more than 12 months from the date of approval by the board of directors.
- Deliberation procedures: Deliberated and approved by the 26th meeting of the 8th Board of Directors and the 17th meeting of the 7th Board of Supervisors of the Company.

### **I. Overview of cash management**

#### **1. Cash management purposes**

In order to improve the efficiency of capital use, the Company intends to use part of the idle own funds for cash management and increase the Company's income without affecting normal production and operation.

#### **2. Source of funding**

The source of cash management funds is the Company's own funds.

### 3. Cash management product range

Wealth management products of banks and non-bank financial institutions with high security, good liquidity and low risk.

### 4. Cash management period

Not more than 12 months from the date of deliberation and adoption by the Board of Directors.

### 5. Cash management amount

The maximum single-day balance of the Company's cash management shall not exceed RMB 500,000,000 Yuan, which can be used on a rolling basis during the authorization period.

### 6 The Company's internal control of risks related to cash management

The Company uses its own funds for cash management, purchases wealth management products of banks and non-bank financial institutions with high security, good liquidity and low risk, and the investment risk is controllable, which meets the requirements of the Company's internal capital management.

## **II. Risk control measures**

The Company will strictly abide by the principle of prudent investment and intervene in a timely and appropriate manner according to the economic situation and changes in the financial market. The finance department analyzes and tracks the changes in the net value of the product in real time, and if the assessment finds that there are risk factors that may affect the safety of funds, it will take corresponding measures in a timely manner to control investment risks.

Independent directors and the board of supervisors have the right to supervise and inspect the use of funds, and when necessary, they may hire professional institutions to conduct audits.

### III. The impact on the Company's daily operations

#### (1) The Company's main financial data for the latest year

Unit: RMB 10,000

Project	31-12-2023/January-December, 2023
Total assets	1,871,779.27
Total liabilities	1,047,649.46
Net assets attributable to shareholders of the listed Company	585,108.01
Net cash flow from operating activities	220,308.03

#### (2) Impact on the Company

As of December 31, 2023, the Company's asset-liability ratio was 54.36%, and there was no circumstance where large amount of wealth management products were purchased while there were large liabilities with the Company. Under the premise of ensuring the Company's daily operation and fund safety, the maximum single-day balance of the Company's idle own funds for cash management shall not exceed RMB 500,000,000 Yuan, which is conducive to improving the efficiency of the use of its own funds, increasing capital returns, and obtaining more investment returns for the Company and shareholders. The Company's cash management of idle own funds will not have a significant impact on the Company's main business and operating results in the future.

#### (3) Accounting treatment methods for cash management

The Company's cash management products will be handled in strict accordance with the requirements of the New Financial Instruments Standard and may affect the "Tradable Financial Assets" account, the "Monetary Funds" account in the balance sheet, and the "Finance Expense", "Fair Value Change Recognized in Profit or Loss"

and "Investment Income" accounts in the income statement.

#### **IV. Risk Warning**

The cash management products that the Company intends to select are bank and non-bank financial institution wealth management products with high safety, good liquidity and low risk, but it is not excluded that the investment may be affected by factors such as policy risk, market risk, liquidity risk, force majeure and unexpected event risk. Investors are kindly requested to make prudent decisions and pay attention to investment risks.

#### **5. Deliberation procedures and explanations of special opinions**

The 26th meeting of the 8th Board of Directors of the Company deliberated and adopted the "Proposal on the Use of Part of the Idle Own Funds for Cash Management", and the independent directors expressed their independent opinions as follows:

The Company intends to use part of the idle own funds for cash management on the precondition that it is not affecting the normal turnover of the Company's daily funds and the risks are controllable, by investing in wealth management products with high security, good liquidity and low risk, which is conducive to improving the efficiency of the use of the Company's funds, increasing the Company's capital income, and there is no situation that harms the interests of the Company and all shareholders, especially small and medium-sized shareholders. It is agreed that the Company shall use idle own funds with a total amount not exceeding RMB 500,000,000.00 for cash management.

The 17th meeting of the 7th Board of Supervisors of the Company deliberated and adopted the "Proposal on the Use of Part of the Idle Own Funds for Cash Management", and the Board of Supervisors was in the opinion that:

Under the premise of not affecting the normal turnover of the Company's daily funds and controllable risks, the Company intends to use idle own funds with a total amount

of not more than RMB 500,000,000 for cash management, and invest in products with high security, good liquidity and low risk, which is conducive to improving the efficiency of the use of the Company's funds, increasing the Company's capital income, and there is no situation that harms the interests of the Company and all shareholders, especially small and medium-sized shareholders.

**6. The status of Company using its own funds for cash management in the past 12 months as of the date of this announcement,**

The Company has not used its own funds for cash management in the recent 12 months yet, and the unused wealth management limit is 0 Yuan.

This is hereby announced.

Board of Directors

Chifeng Jilong Gold Mining Co., Ltd.

March 30, 2024