Chifeng Jilong Gold Mining Co., Ltd. Information System Change Management System

December 2022

1.0 Purpose

As an operational policy guidance document, this system is designed to define the change and modification procedures of the information technology ("IT") system and other related systems of Chifeng Jilong Gold Mining Co., Ltd. (hereinafter referred to as "Chifeng Gold" or "the Company"). The management should standardize and ensure the implementation of this policy to ensure the unified process, control and review within the Company.

2.0 Scope

Chifeng Gold provides its employees with information technology services to help them achieve their operational and strategic goals. In view of the service cost, the maximum value from information technology services should be ensured. This document will help employees of Chifeng Gold ensure that this goal is combined with the Company's business needs.

This document contains the contents about change and modification to the business application programs, operation procedures, relevant working documents and basic facilities supported by the IT Department of Chifeng Gold.

3.0 Development and procurement process

3.1   Chifeng Gold does not develop its own computer programs, but purchases and installs software provided by third parties with the help of consultants.

3.2   Large-scale projects should be reviewed and approved by authorized capital expenditure.

3.3   The project charter for a large-scale project shall specify the nature, scope and impact of the project on the Company. The project charter shall be signed and approved by the project sponsor.

3.4   Impact analysis is required for all large-scale projects. The project charter or

similar documents shall indicate the expected or potential impact of the project on other systems of the Company. See Appendix A-Potential Impact Classification Policy for impact levels. If the impact analysis result is "high", the integrity of the process must be described in the plan file.

4.0 Application procedures for change and modification

4.1 Any change and modification related to information technology in any department of Chifeng Gold shall follow the formal application procedures for change and modification.

4.2 The applicant shall organize the preparation and approval of the change and modification process documents.

4.3 The change and modification process documents must be approved by the business department and the Information Department.

4.4 Any change to change and modification process documents must be approved by the Administrative Department.

4.5 Any change related to the financial reporting system (e.g. procedures, operational applications, databases, networks, and firewalls, etc.) shall be covered by the information technology change and modification operational policy guidance document.

4.6 The complete requests for all changes and modifications must be clearly described and proposed in the Change and Modification Sheet and approved by the system owner and the Head of IT Department.

4.7 The requester completes the change request by entering mandatory information in Sections 1 to 3 of the Change and Modification Sheet (Appendix B).

4.7.1   Sections 1 and 2. Definition: it contains general information about changes

4.7.2   Section 2. Impact analysis: it contains information about the expected and potential impact of changes. Entries that change priority and potential impact determine the approval route.

4.7.3   Section 3. Construction/test: it contains details of the construction and/or test activities performed and their results. The scope and depth of the required construction/test depends on the type and complexity of change.

4.7.4   Section 3. Deployment plan: it contains information about the proposed plan for deploying changes to the production environment. It should also give details about the rollback plan from the changes.

4.8 IT Manager and Application Function Manager shall review the change application form:

4.8.1   Evaluate whether there are sufficient details, and verify that the changed content does not exceed the application scope.

4.8.2   Evaluate the impact of change

4.8.3   Evaluate effects and costs

4.8.4   Evaluate the risk of change

4.9   Refusal to change: IT Manager and Application Functional Manager shall refuse to change for the following reasons:

4.9.1   The change request is not fully defined, or is duplicated, or goes beyond the scope of request

4.9.2   Cost-effectiveness is not recognized

4.9.3   The proposed change will pose unacceptable risks to applications, operating systems, or data

4.10　Review and results are recorded in the Change Request Form. The change application form shows the "approve" or "reject" status and is signed by IT Manager and relevant business owner.

5.0 System test

5.1　Test: Detailed test steps and results shall be documented in a test plan or similar plan. The scope and depth of test depends on the type and complexity of modification.

5.2　Test rules and types: Common test types that may be involved are described in Appendix C. Large-scale projects should follow the test plan mentioned in Appendix C. The approver has the responsibility to ensure that the test is carried out reasonably and to verify the test results.

5.3　System and end-user testing is required at least when installing a program provided by a third party.

5.4　Configuration and information related to the configuration plan for transplantation modifications to the production environment shall be documented in detail and approved by the project sponsor. It is also necessary to explain the details of how to restore to the original state in case of any problems in the process of transplantation.

6.0　Transplant to production environment

6.1 The development, testing, and production environments of any application shall remain isolated.

6.2　After the test is qualified, each modification to be transplanted to the production environment shall be permitted by the project sponsor or the Finance Manager before transplantation.

6.3 The person who supervises the transplantation of modification to the production

environment shall be independent of developers and testers of this modification.

7.0 Modification records

Modification records shall be properly stored in a special folder, and kept by the program administrator or a designated person.

8.0 Event management

8.1 The IT Department requires that all changes related to the financial reporting system (e.g. procedures, operational applications, databases, networks, and firewalls, etc.) should retain relevant log files, and that the log files should be downloaded and saved by the technicians of the IT Department at different levels at least once a year and submitted to the IT Manager for review. Matters (events, problems and errors) within the scope of log will be recorded, analyzed and resolved in a timely manner.

8.2 The IT Manager has the right to review the important operations in the log file and put forward opinions and suggestions.

9.0 Review of information technology change and modification operations

The financial director shall review the change events recorded in the information technology change and modification of this year at least once a year.

Appendix A-Potential Impact Classification Policy

The impact of any modification that meets any of the following conditions is "high":
- Change to major hardware related to financial system
- Implement new business procedures related to financial reporting
- Implement new and significant information technology services
- Version upgrade of financial applications
- Version upgrade that requires a version upgrade of other financial software
- Any financial software designed according to the specific requirements of customer
- Data modification in the production environment when the modification action is not

under the daily responsibility and authority of employees

The impact of any modification that meets any two the following conditions is "low":

- Minimum functional change or impact on users

- Minimum hardware change

For example, for all application patches of software users, modifications to predetermined report output settings, changes to firewall settings, and modifications to display configurations for aesthetic purposes only.

Appendix B

Request Form for Change and Modification of Chifeng Gold

	No.:		
	Serial number of year and month		

1. Applicant information			
Name of Applicant:		*Date of application:*	
Telephone:		*Date of completion:*	

2. Description of change request				
Theme:				
Reason for change:				
Affected system:				
Type of change:	☐ *Configuration change*		☐ *Program change*	
	☐ *Architecture change*		☐ *Others*	
Priority of change:	☐ *Emergency*	☐ *High*	☐ *Medium*	☐ *Low*
Potential impact level:	☐ *High*	☐ *Low*		
Description of change request:				
Analysis of change request:				
Opinions of system owner:		*Signature of system owner:*		
Date of approval:				
Approved by IT Manager:		*Signature of IT Manager:*		
Date of approval				

3. Construction and test for change	
Constructor:	
Construction rules and results	
Tester (2 persons):	
Test rules and results (documents or otherwise to prove test results should be provided for relevant managers and auditors for review):	
Implementation plan:	

Rollback plan:		

4. Administrative approval

System owner and IT Manager		
Signature of System owner and IT Manager:		
Date of approval:		

5. Implementation of change

Implementer:		
Date of implementation:		

6. Review results after implementation

Review results after implementation:		
Date of review:		
Name of system owner:		
***Signature** of system owner:*		

Appendix C-Test Steps and Types

Standard test type:

- ➢ Unit test

- - IT Manager shall conduct the first-level test before integration, system and user acceptance tests

- - Every module and structure change shall meet the requirements and not change or destroy the interior of structure

- - It includes tests of user login or operation, business rules, error handling, calculations, and database operations

- ➢ Comprehensive test

- - The changed structure shall be able to work in a larger system

- - The comprehensive test is conducted by a person who can perform the conversion program

- ➢ System test

- - It aims to test the operation of the system in different environments, such as different operating systems, remote or local access to the system

- - Necessary contacts, links and data sharing shall be able to work properly and data transmission is accurate and complete in systems (e.g. interfaces).

- - If applicable, the accuracy and completeness of data movement or data transformation shall be ensured.

- - It can be performed by a tester, but the test results must be spot-checked by another person.

- ➢ Stress test

- - It evaluates the system's function after extreme use and measures its response

- - It must ensure that the system can withstand and produce correct results

- - It can be performed by a tester, but the test results must be spot-checked by another person.

➢ End-user test

- The tester shall verify the correct operation of the system and whether it meets the conditions for starting the application. It is necessary to confirm from the tester that the expected results are actually obtained

- This test cannot be conducted by IT Department

It is important to collect evidence to prove the test steps and the expected results. The required evidence is determined by the potential impact and complexity of modification.

The low-level evidence shall include a file or checklist of required tests, expected results, and actual results.

The high-level evidence shall list the actual test results contained in the low-level evidence, and also provide "conclusive evidence", such as screen shots or Excel spreadsheets.

No matter what level of evidence is provided, testers shall sign the test results to ensure that the test has been completed and achieved the expected results, and to facilitate future audit or evaluation.