



SD GOLD

山東黃金礦業股份有限公司 SHANDONG GOLD MINING CO., LTD.

(於中華人民共和國註冊成立的股份有限公司)

(A joint stock company incorporated in the People's Republic of China with limited liability)

A Share Stock Code A股份代號：600547 H Share Stock Code H股份代號：1787

2025

年度報告 ANNUAL REPORT



IMPORTANT NOTES

- I. The Board and the Directors, and senior management of the Company guarantee that the content of this annual report is true, accurate, and complete without any false information, misleading statements or material omissions, and severally and jointly accept legal responsibility for the above.**
- II. All Directors of the Company have attended the meetings of the Board.**
- III. ShineWing Certified Public Accountants (Special General Partnership) has issued a standard auditors' report with unqualified opinions for the Company.**
- IV. Han Yaodong, the person in charge of the Company, Teng Hongmeng, the person in charge of accounting work and Li Rui, the person in charge of the accounting firm (accountant in charge), have declared that they guarantee the authenticity, accuracy and completeness of the financial statements contained in this annual report.**
- V. Resolutions of profit distribution or capitalisation of capital reserves of the Company for the Reporting Period passed by the Board**

The Company held the 9th meeting of the seventh session of the Board of Directors on 26 March 2026, at which the 2025 Annual Profit Distribution Plan of the Company was considered and approved. The Company proposes to distribute a cash dividend of RMB1.80 (tax inclusive, the same below) per 10 shares to all shareholders. As of the date of convening this Board meeting, the Company's total share capital was 4,609,929,525.00 shares. Based on this, the proposed cash dividend to be distributed is RMB829,787,314.50, with the remaining undistributed profit to be carried forward to future years for distribution. The Company implemented the semi-annual profit distribution for 2025 in October 2025, distributing a cash dividend of RMB1.7467 per 10 shares to all shareholders. The Company's cash dividend for 2025 was RMB3.5467 per 10 shares, amounting to a total of RMB1,635,003,704.63, representing 38.63% of the net profit attributable to ordinary shareholders of the listed company after deducting perpetual bond interest from the consolidated financial statements for the year 2025.

The profit distribution plan is subject to consideration and approval at the Company's 2025 annual general meeting.

Information on the parent company's losses that have not been fully recovered as of the end of the Reporting Period and their impact on dividend distribution and other matters

☐ Applicable ☒ N/A

IMPORTANT NOTES

VI. Declaration on risk from forward-looking statements

☒ Applicable ☐ N/A

Forward-looking statements such as future plans and development strategy contained in this report do not constitute substantial undertakings of the Company to investors. Investors are advised to be cautious about investment risks.

VII. Whether the controlling shareholders and other related parties have misappropriated the Company's funds for non-operational purpose

No

VIII. Whether any external guarantees are provided in violation of any specified decision-making procedures

No

IX. Whether more than half of the Directors cannot guarantee the truthfulness, accuracy and completeness of the annual report disclosed by the Company

No

X. Important risk warnings

During the Reporting Period, the Company did not identify any significant risks that could adversely affect its future development strategy or ongoing operations. The Company will take proactive measures to address operational risks encountered in its business development. For specific details, please refer to " (IV) Possible Risks" under "VI. Discussion and analysis on the Company's future development" in "Section 3 Management Discussion and Analysis and the Report of the Board of Directors".

XI. Others

☐ Applicable ☒ N/A

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SECTION 1 DEFINITIONS

I. DEFINITIONS

Unless the context otherwise requires, the following terms should have the following meanings in this annual report:

DEFINITION OF FREQUENTLY USED TERMS

“A Share(s)”	the domestic share(s) issued by the Company to domestic investors with a nominal value of RMB1.0 each, which are listed on the Shanghai Stock Exchange
“Articles of Association”	the Articles of Association of Shandong Gold Mining Co., Ltd.
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors of the Company
“Cardinal”	Cardinal Resources Limited (卡帝諾資源有限公司)
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules
“Changtai Mining”	Inner Mongolia Shanjin Changtai Mining Co., Ltd. (內蒙古山金昶泰礦業有限責任公司)
“Chifengchai Mine”	Chifeng Chaihulanzi Gold Mining Co., Ltd. (赤峰柴胡欄子黃金礦業有限公司)
“China” or the “PRC” or “State”	the People’s Republic of China, excluding, for the purpose of this annual report, Hong Kong, Macau Special Administrative Region and Taiwan
“Company Law”	the Company Law of the PRC (《中華人民共和國公司法》)
“Controlling Shareholder”, “SDG Group”, “Group Co.” or “SDG Group Co.”	Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Dongfeng Exploration Permit”	the exploration permit (general exploration) of the Dongfeng mine deposit in Linglong mine area, Lijiazhuang, Zhaoyuan, Shandong Province (山東省招遠市玲瓏金礦田李家莊東風礦床)
“Dongfeng Mining Permit”	the mining permit of Dongfeng mine area of Shandong Gold Group Co., Ltd. (山東黃金集團有限公司東風礦區)

SECTION 1 DEFINITIONS

“Fujian Yuanxin”	Fujian Province Zhenghe County Yuanxin Mining Co., Ltd. (福建省政和縣源鑫礦業有限公司)
“Gold Geological Exploration”	Shandong Gold Geological Mine Exploration Co., Ltd. (山東黃金地質礦產勘查有限公司)
“Group” or “we”	the Company and all of its subsidiaries
“Guilaizhuang Company”	Shandong Gold Guilaizhuang Mining Co., Ltd. (山東黃金歸來莊礦業有限公司)
“H Share(s)”	the overseas-listed foreign invested share(s) in the Company’s share capital, with a nominal value of RMB1.0 each, which are listed on the Hong Kong Stock Exchange
“Heihe Luoke”	Heihe Luoke Mining Development Co., Ltd. (黑河洛克礦業開發有限責任公司)
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Company”, or “SDG Hong Kong”	Shandong Gold Mining (Hong Kong) Co., Limited (山東黃金礦業(香港)有限公司)
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Jiaojia Gold Mine”	Jiaojia Gold Mine, Shandong Gold Mining (Laizhou) Co., Ltd. (山東黃金礦業(萊州)有限公司焦家金礦)
“Jilin Banmiaozi”	Jilin Banmiaozi Mining Co., Ltd. (吉林板廟子礦業有限公司)
“Jinmao Mining”	Yantai Jinmao Mining Co., Ltd. (煙台市金茂礦業有限公司)
“Jinzhou Company”	Shandong Jinzhou Mine Group Co., Ltd. (山東金洲礦業集團有限公司)
“Laixi Company”	Shandong Gold Mining (Laixi) Co., Ltd. (山東黃金礦業(萊西)有限公司)
“Laizhou Company”	Shandong Gold Mining (Laizhou) Co., Ltd. (山東黃金礦業(萊州)有限公司)
“Linglong Gold Mine”	Shandong Gold Mining (Linglong) Co., Ltd. (山東黃金礦業(玲瓏)有限公司)

SECTION 1 DEFINITIONS

“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules
“Nomination Committee”	the nomination committee of the Board
“Non-ferrous Group”	Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. (山東黃金有色礦業集團有限公司)
“Penglai Mining”	Shandong Gold Group Penglai Mining Co., Ltd. (山東黃金集團蓬萊礦業有限公司)
“Prospectus”	the prospectus issued by the Company in connection with the Hong Kong public offering dated 14 September 2018
“Qinghai Dachaidan”	Qinghai Dachaidan Mining Co., Ltd. (青海大柴旦礦業有限公司)
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“Reporting Period”	the period from 1 January 2025 to 31 December 2025
“RMB”	Renminbi, the lawful currency of China
“Sanshandao Gold Mine”	Sanshandao Gold Mine, Shandong Gold Mining (Laizhou) Co., Ltd. (山東黃金礦業(萊州)有限公司三山島金礦)
“SDG Capital Management”	SDG Capital Management Co., Ltd. (山金金控資本管理有限公司)
“SDG Finance Co.”	Shandong Gold Group Finance Co., Ltd. (山東黃金集團財務有限公司)
“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shandong Gold Group”	SDG Group Co. and all of its subsidiaries
“Shandong Gold”, “Company” or “the Company”	Shandong Gold Mining Co., Ltd. (山東黃金礦業股份有限公司)
“Shanghai Gold Exchange”	Shanghai Gold Exchange (上海黃金交易所)
“Shanjin International”	Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司)
“Share(s)”	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising our A Share(s) and our H Share(s)

SECTION 1 DEFINITIONS

“Shareholder(s)”	holder(s) of the Share(s)
“SSE”	Shanghai Stock Exchange (上海證券交易所)
“Strategy Committee”	the strategy committee of the Board
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“United States” or “U.S.”	the United States of America
“US\$” or “USD”	United States dollar, the lawful currency of the United States
“Veladero Gold Mine”	Veladero Gold Mine, Argentina (阿根廷貝拉德羅金礦)
“Xihe Zhongbao”	Xihe Zhongbao Mining Co., Ltd. (西和縣中寶礦業有限公司)
“Xiling Gold Mine Exploration Right”	the exploration and prospecting right of the gold mine at Xiling Village in Laizhou City, Shandong Province (山東省萊州市西嶺村金礦)
“Xincheng Gold Mine”	Xincheng Gold Mine, Shandong Gold Mining Co., Ltd. (山東黃金礦業股份有限公司新城金礦)
“Xinhui Company”	Shandong Gold Mining (Xinhui) Co., Ltd. (山東黃金礦業(鑫匯)有限公司)
“Xinjiang Jinchuan Mining” or “Jinchuan Mining”	Xinjiang Jinchuan Mining Co., Ltd. (新疆金川礦業有限公司)
“Xinli Mining Exploration Permit”	the exploration permit of the Xinli Village Gold Mine Exploration, Laizhou, Shandong Province (山東省萊州市新立村金礦)
“Yinan Gold Mine”	Shandong Gold Mining (Yinan) Co., Ltd. (山東黃金礦業(沂南)有限公司)

Note: In this report, there may be cases where the sum of individual figures differs from the relevant aggregated data due to rounding. Unless otherwise specified, all amounts presented in this report are denominated in Renminbi.

SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

I. INFORMATION OF THE COMPANY

Chinese name of the Company	山東黃金礦業股份有限公司
Chinese abbreviation	山東黃金
English name of the Company	Shandong Gold Mining Co., Ltd.
English abbreviation	SD-GOLD
Legal representative of the Company	Han Yaodong

II. CONTACT PERSONS AND CONTACT METHODS

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. Shareholders may send their enquiries or requests as mentioned above to the following:

	Secretary to the Board	Representatives for Security Affairs
Name	Wang Yi	Zhang Ruying
Contact address	No. 2503, Jingshi Road, Licheng District, Jinan	No. 2503, Jingshi Road, Licheng District, Jinan
Telephone	0531-67710376	0531-67710376
Facsimile	0531-67710380	0531-67710380
E-mail	hj600547@163.com	hj600547@163.com

III. BASIC INFORMATION

Registered address of the Company	No. 2503, Jingshi Road, Licheng District, Jinan
Historical changes to the registered address of the Company	On 31 January 2000, the registered address of the Company at the time of its establishment was "No. 16, Jiefang Road, Jinan"; on 8 December 2010, the registered address was changed to "Building No. 3, Shuntai Plaza, Shunhua Road No. 2000, Jinan"; on 26 January 2021, the registered address was changed to "No. 2503, Jingshi Road, Licheng District, Jinan".
Office address of the Company	No. 2503, Jingshi Road, Licheng District, Jinan
Postal code of the office address of the Company	250100
Company's website	www.sdhjgf.com.cn
E-mail	hj600547@163.com
Principal place of business in Hong Kong	Rooms 4003-06, China Resources Building, No. 26 Harbour Road, Hong Kong

IV. INFORMATION DISCLOSURE AND PLACE FOR INSPECTION

Media and website for disclosure of the Company's annual report	China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily
Website of the stock exchange for disclosure of the Company's A-share annual report	www.sse.com.cn
Website designated by the Hong Kong Stock Exchange for publishing the H share annual report of the Company	www.hkexnews.hk
Place for inspection of the Company's annual report	Office of the Board of the Company

SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

V. INFORMATION OF THE COMPANY'S SHARES

Information on the Company's shares				
Type of Shares	Place of listing of the Shares	Stock abbreviation	Stock code	Stock abbreviation before change
A Shares	The Shanghai Stock Exchange	山東黃金	600547	Nil
H Shares	The Hong Kong Stock Exchange	山東黃金	1787	Nil

VI. OTHER RELATED INFORMATION

Auditor appointed by the Company (Domestic)	Name	ShineWing Certified Public Accountants (Special General Partnership)
	Office address	8/F, Block A, Fuhua Mansion, No. 8 Chaoyangmen Beidajie, Dongcheng District, Beijing
	Name of signing auditor(s)	Pan Sujiao Wang Lei

VII. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS IN THE LAST THREE YEARS

(I) Major Accounting Data

Unit: RMB

Major accounting data	2025	2024	Increase/decrease for the period as compared with the corresponding period of last year (%)	2023
Operating revenue	104,287,391,583.12	82,517,993,538.30	26.38	59,275,274,514.67
Total profit	9,088,707,970.47	5,682,195,779.73	59.95	3,563,084,350.21
Net profit attributable to shareholders of the listed company	4,739,393,120.72	2,951,551,189.32	60.57	2,327,750,542.04
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss	4,993,016,202.63	2,991,496,941.24	66.91	2,213,428,334.93
Net cash flows generated from operating activities	21,492,754,843.56	13,339,797,529.06	61.12	6,848,761,658.51

SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

	As at the end of 2025	As at the end of 2024	Increase/decrease at the end of the period as compared with the end of the corresponding period of last year (%)	As at the end of 2023
Net assets attributable to shareholders of the listed company	44,899,269,631.44	37,797,504,973.11	18.79	33,084,950,645.55
Total assets	170,374,158,329.33	160,659,954,188.36	6.05	134,599,262,003.25

(II) Key Financial Indicators

Key financial indicators	2025	2024	Increase/decrease for the period as compared with the corresponding period of last year (%)	2023
Basic earnings per Share (RMB/share)	0.94	0.57	64.91	0.42
Diluted earnings per Share (RMB/share)	0.94	0.57	64.91	0.42
Basic earnings per Share after deducting non-recurring profit or loss (RMB/share)	1.00	0.58	72.41	0.39
Weighted average return on net assets (%)	15.59	10.85	Increased by 4.74 percentage points	7.84
Weighted average return on net assets after deducting non-recurring profit or loss (%)	16.52	11.02	Increased by 5.50 percentage points	7.36

Description of the Company's key accounting data and financial indicators for the past three years as of the end of the Reporting Period

√ Applicable □ N/A

The net profit attributable to shareholders of the listed company during the Reporting Period as shown in the above table included the interest attributable to the holders of the perpetual bonds of RMB507,281,620.99 during the Reporting Period. After deducting the perpetual bond interest, the net profit attributable to ordinary shareholders of the listed company during the Reporting Period was RMB4,232,111,499.73. The effect of perpetual bonds and their interests is deducted in the calculation of the abovementioned key financial indicators, including basic earnings per Share, diluted earnings per Share, basic earnings per Share after deducting non-recurring profit or loss, weighted average return on net assets and weighted average return on net assets after deducting non-recurring profit or loss.

SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

VIII. ACCOUNTING DATA DIFFERENCES UNDER DOMESTIC AND FOREIGN ACCOUNTING STANDARDS

- (I) Differences Between the Net Profit and Net Assets Attributable to the Shareholders of the Listed Company in the Financial Statements Disclosed in Accordance with International Accounting Standards and Chinese Accounting Standards

☐ Applicable ☒ N/A

- (II) Differences Between the Net Profit and Net Assets Attributable to the Shareholders of the Listed Company in the Financial Statements Disclosed in Accordance with Overseas Accounting Standards and Chinese Accounting Standards

☐ Applicable ☒ N/A

- (III) Explanation on the Differences Between Domestic and Overseas Accounting Standards:

☐ Applicable ☒ N/A

IX. MAJOR QUARTERLY FINANCIAL DATA IN 2025

Unit: RMB

	First quarter (January–March)	Second quarter (April–June)	Third quarter (July–September)	Fourth quarter (October–December)
Operating revenue	25,935,464,215.71	30,830,431,139.97	27,017,278,703.76	20,504,217,523.68
Net profit attributable to shareholders of the listed company	1,026,208,555.63	1,781,949,305.30	1,147,985,784.92	783,249,474.87
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss	1,030,372,641.13	1,779,129,937.70	1,135,259,308.18	1,048,254,315.62
Net cash flows generated from operating activities	2,526,194,197.91	7,976,706,266.73	4,693,114,982.87	6,296,739,396.05

Differences between quarterly information and disclosed periodic report

☐ Applicable ☒ N/A

SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

X. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNTS

√ Applicable □ N/A

Unit: RMB				
Non-recurring profit or loss items	Amounts in 2025	Note (where applicable)	Amounts in 2024	Amounts in 2023
Gain or loss on disposal of non-current assets, inclusive of impairment allowance write-off	-57,979,504.13		-16,328,825.95	-12,043,642.40
Government subsidies included in current profit or loss, other than on-going government subsidies which are closely related to the Company's normal operation, meet the requirements of government policies and are subject to certain limits or conditions	39,851,806.73		33,583,887.65	25,932,763.17
Gains and losses on fair value changes arising from financial assets and financial liabilities held by non-financial entities, and gains and losses arising from the disposal of financial assets and financial liabilities, except for effective hedging transactions that are related to the Company's normal operation	-48,108,947.59		-79,112,388.11	38,518,355.35
Capital occupation fee received from non-financial entities included in current profit or loss				5,284,656.70
Gain or loss on entrusted investments or asset under management	14,152,639.14		31,935,023.62	8,754,578.86
Gain or loss on debt restructuring			7,875,000.00	68,833,932.00
Other non-operating income and expenses apart from the aforesaid items	-244,304,150.13		-45,654,944.27	-34,421,004.88
Other gain or loss items falling within the definition of non-recurring profit or loss				
Less: Effect of income tax	5,240,633.69		649,421.32	-2,542,012.97
Effect of non-controlling interests (after tax)	-48,005,707.76		-28,405,916.46	-10,920,555.34
Total	-253,623,081.91		-39,945,751.92	114,322,207.11

The investment businesses engaged by the Company's subsidiary, SDG Capital Management Co., Ltd. (山金控資本管理有限公司), and its subsidiaries are all directly related to the normal business operations. Therefore, the Company's management did not classify the gains and losses on fair value changes arising from financial assets and financial liabilities held by the above subsidiaries, nor did it classify gains and losses arising from the disposal of financial assets and financial liabilities, as non-recurring gains and losses.

For the items not listed in "Explanatory Announcement No. 1 on Information Disclosure by Public Issuers – Non-recurring Profit or Loss Items" (《公開發行證券的公司信息披露解釋性公告第1號—非經常性損益》) recognised by the Company as non-recurring profit and loss items with significant amounts, as well as the

SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

non-recurring profit and loss items listed in “Explanatory Announcement No. 1 on Information Disclosure by Public Issuers – Non-recurring Profit or Loss Items” (《公開發行證券的公司信息披露解釋性公告第1號－非經常性損益》) defined by the Company as recurring profit and loss items, the reasons shall be explained.

☒ Applicable ☐ N/A

Unit: RMB

Item	Amount	Reason
Income from custody fee of entrusted operation	3,773,584.90	

The Company has entered into equity trusteeship agreements with Shandong Gold Group Co., Ltd. (山東黃金集團有限公司), Shandong Gold Group Qingdao Gold Co., Ltd. (山東黃金集團青島黃金有限公司), Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. (山東黃金有色礦業集團有限公司), and Laizhou Xinyuan Mining Investment and Development Co., Ltd. (萊州鑫源礦業投資開發有限公司). Under these agreements, the annual trusteeship income is fixed, and the agreements remain in effect from the trusteeship commencement date until the completion of the equity transfer. Accordingly, the Company's management does not classify profit or loss related to these trusteeships as non-recurring profit or loss.

XI. NET PROFIT AFTER THE IMPACT OF DEDUCTING SHARE-BASED PAYMENTS TO BE DISCLOSED BY CHOICE FOR COMPANIES WITH SHARE INCENTIVE AND EMPLOYEE SHARE SCHEMES

☐ Applicable ☒ N/A

XII. ITEMS MEASURED AT FAIR VALUE

☒ Applicable ☐ N/A

Unit: RMB

Item	Opening balance	Closing balance	Changes during the current period	Effect on the amount of profit for the current period
Held-for-trading financial assets	3,749,373,193.21	2,593,509,746.86	-1,155,863,446.35	114,884,974.25
Derivative financial assets	1,919,103.18	5,914,356.65	3,995,253.47	-95,381,397.14
Other investments in equity instruments	28,219,822.20	29,319,822.20	1,100,000.00	6,000.00
Other non-current financial assets	4,481,600,576.61	3,281,775,250.31	-1,199,825,326.30	-1,173,879,542.02
Held-for-trading financial liabilities	864,631,222.45	31,034,491.69	-833,596,730.76	
Derivative financial liabilities	9,934,794.49	37,071,358.85	27,136,564.36	-445,277,142.94
Total	9,135,678,712.14	5,978,625,026.56	-3,157,053,685.58	-1,599,647,107.85

XIII. OTHERS

☐ Applicable ☒ N/A

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS AND THE REPORT OF THE BOARD OF DIRECTORS

I. BUSINESS IN WHICH THE COMPANY WAS ENGAGED DURING THE REPORTING PERIOD

(I) The Company's Main Business During the Reporting Period

During the Reporting Period, the Company's approved business scope was mainly: exploration, mining, beneficiation and sales of gold and non-ferrous metal, production, processing and sales of specialized equipment for gold mines and construction and decoration materials (excluding products restricted by national laws and regulations). The Company's main products include standard gold bullions, investment gold bars, alloy gold and silver ingots.

The mining enterprises under the Company's management are located in Shandong, Fujian, Inner Mongolia, Gansu, Xinjiang, Jilin, Heilongjiang, Qinghai, Yunnan and other regions in the PRC, and overseas countries such as Argentina in South America, and Ghana and Namibia in Africa, forming an integrated industry chain covering exploration, mining, beneficiation, smelting of gold, deep processing and sales of gold products, as well as the manufacture of mining equipment, with an industry-leading scientific and technological research and development system, and a mining investment and financing support platform.

(II) Operating Model

1. Mechanized and large-scale production and operation

The Company's mines operate under a production model featuring dispersed mining and beneficiation with centralized smelting. The mining equipment is mechanized and large-scale, the transportation and lifting systems are automated, and the beneficiation technology is advanced and intelligent, enabling the large-scale, intensive, and mechanized mining of gold resources. The mechanization rate of mining operations in major mines reached over 66%, the mechanization rate of shoveling and transportation reached 100%, and the automation rate of major fixed facilities reached over 96%. In 2025, the Company accelerated its progress in exploration, resource expansion, and project construction. It actively promoted the development of a world-class gold production base in the Jiaodong region, encompassing the Jiaojia Gold Mine, Xincheng Gold Mine, and Sanshandao Gold Mine, as well as the construction of the Twin Hills Gold Project of Osino in Namibia while expediting the ramp-up to full production at Cardinal Namdini Mining and Changtai Mining.

2. Lean operation and control

To deepen lean operation and management control, the Company has firmly established a lean management philosophy centered on "full participation, collaborative efficiency, and continuous improvement", systematically enhancing its refined management capabilities and cost control level to drive comprehensive growth in operational efficiency. By strengthening lean coordination across the entire industrial chain from procurement and production to management and the supply chain, the Company is committed to building an integrated operation system featuring seamless business integration and smooth, efficient processes. It has fully implemented a systematic management and control model covering the entire process of "geology, surveying, mining, beneficiation, and

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS AND THE REPORT OF THE BOARD OF DIRECTORS

smelting”, deepened the integration of technology and management, as well as production and operations, to achieve simultaneous improvements in operational efficiency and economic returns. In 2025, the mining enterprise continued to optimize its production systems, completed related investments of approximately RMB2,530 million and executed 67,300 meters of engineering work. Through optimized organization and processes, it achieved comprehensive annual efficiency gains of approximately RMB100 million.

3. Technology and innovation-driven model

The Company insists on in-depth implementation of the innovation driven development strategy, attaches great importance to improving independent innovation capabilities, and continues to increase investment in technological innovation focusing on the critical common technical challenges that urgently need to be addressed in the current development of the gold industry. In 2025, the Company won one first prize for provincial scientific and technological progress, and received a total of 43 awards from the China Gold Association and the China Non-ferrous Metals Association. Led or participated in the formulation of 9 standards with 9 provincial-level or above scientific research projects under development. Two independently developed technological achievements of it, recognised for their outstanding innovation and industry-leading status, have been successfully included in the “2025 List of Enterprises and Products for Shandong Province’s First-of-a-Kind Technical Equipment and Key Core Components”. Leveraging the key theories and technologies for intelligent collaborative construction of transparent sinking of three ultra-deep diameter vertical shafts, the Company successfully completed the 2,000-meter-deep auxiliary shaft at the Sanshandao Gold Mine, which is the deepest large-diameter vertical shaft in Asia, marking a new milestone in deep underground mining within China’s gold industry.

4. Safe and green development

The Company has thoroughly carried out the three-year action to tackle the root causes of safety production, accelerating the adoption of mechanization, automation, and intelligent technologies to continuously enhance intrinsic safety levels. The Company has remained committed to integrating green and low-carbon development principles throughout the entire process of mining development and utilization. It has established and improved a long-term management mechanism for green mine construction, revised the green mine (exploration and factory) construction management measures and standards, and raised construction benchmarks to set industry examples. In 2025, the “Xinhui Company Flotation Tailings Backfilling Heiyangshan Project” was officially designated as the first and only pilot project in Shandong Province for backfilling with bulk solid waste in the field of tailings utilization, marking a key breakthrough in addressing the challenge of comprehensive tailings utilization. Seven entities, including the Sanshandao Gold Mine, were honored with the municipal titles of “Zero-Waste Mine” and “Zero-Waste Factory”, laying a solid foundation for comprehensively promoting the Company’s green and high-quality development.

Description of significant new non-principal businesses of the Company during the Reporting Period

☐ Applicable ☒ N/A

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II. DEVELOPMENT OF THE INDUSTRY OF THE COMPANY DURING THE REPORTING PERIOD

(I) Industry Development

The development of the gold industry has always been deeply intertwined with the complex and volatile global landscape. In 2025, driven by multiple factors such as heightened uncertainty in geopolitical conflicts and the weakened credibility of the U.S. dollar, market risk aversion intensified and global de-dollarization transactions gained momentum, further highlighting the strategic value and financial attributes of gold. Central banks of various countries continued to increase their gold reserves, driving robust growth in gold investment demand, and both domestic and international gold prices repeatedly reached record highs.

During the Reporting Period, risks in the international political and economic landscape intensified. On one hand, the United States exerted pressure on other countries through measures such as high tariffs, leading to a reshaping of the global economic and trade order and an escalation in strategic rivalries between nations. The situation in Ukraine remained deadlocked, while the Middle East experienced recurring turmoil. On the other hand, escalating debt risks in the United States, coupled with heightened monetary easing expectations resulting from challenges to the Federal Reserve's independence, further undermined confidence in U.S. dollar assets.

During the Reporting Period, gold prices exhibited a significant upward trend. In 2025, the international spot gold price ranged from the highest of US\$4,550/ounce to the lowest of US\$2,614/ounce, with a maximum volatility of US\$1,936/ounce, and closed at US\$4,318/ounce at the end of the year, up by approximately 65% as compared to the closing price of US\$2,624/ounce at the end of last year. The contract price of Shanghai Gold Exchange Au (T+D) in China reached the highest of RMB1,017.19/g and the lowest of RMB618.42/g, with a maximum volatility of RMB398.77/g, and closed at RMB974.39/g at the end of the year, representing an increase of approximately 58% over the closing price of RMB614.82/g at the end of last year.

During the Reporting Period, total global gold demand experienced modest growth but domestic gold demand fell. According to statistics of the World Gold Council, total global gold demand in 2025 reached 5,002 tonnes, representing a year-on-year increase of approximately 0.81%. Global central bank gold purchases amounted to 863 tonnes, with purchase scale remaining at a relatively high level historically. Among them, the People's Bank of China increased its gold holdings by 26.75 tonnes during the year, bringing its total gold reserves to 2,306.32 tonnes. According to the statistics of the China Gold Association, China's gold consumption in 2025 was 950.096 tonnes, representing a year-on-year decrease of 3.57%, among which, gold jewelry of 363.836 tonnes, representing a year-on-year decrease of 31.61%; gold bars and gold coins of 504.238 tonnes, representing a year-on-year increase of 35.14%; and industrial and other gold products of 82.022 tonnes, representing a year-on-year increase of 2.32%.

During the Reporting Period, the total amount of gold traded on the domestic gold exchanges recorded significant increase year-on-year. According to the statistics of the China Gold Association, the accumulated unilateral trading volume of all gold products on the Shanghai Gold Exchange in 2025 was 31,400 tonnes, representing a year-on-year increase of 1.02%, with an accumulated unilateral turnover of RMB24.93 trillion, representing a year-on-year increase of 43.89%. The accumulated unilateral trading volume of all gold futures and options on the Shanghai Futures Exchange was 142,200 tonnes, representing a year-on-year increase of 56.10%, with an accumulated unilateral turnover of RMB88.97 trillion, representing a year-on-year increase of 111.93%.

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(II) Analysis on Domestic Gold Production Changes

During the Reporting Period, the domestic gold production continued to grow year-on-year. According to the statistics of the China Gold Association, the gold produced with domestic raw materials was 381.339 tonnes in 2025, representing a year-on-year increase of 4.097 tonnes or 1.09%; the gold produced from imported raw materials was 170.681 tonnes, representing a year-on-year increase of 13.817 tonnes or 8.81%; and the gold produced from both domestic and imported raw materials totaled 552.020 tonnes, representing a year-on-year increase of 17.914 tonnes or 3.35%.

In 2025, the overseas gold production of China's large scale gold groups grew steadily, with mined gold output reaching approximately 90 tonnes, representing a year-on-year increase of 25%.

(III) Industry Position of Shandong Gold

The Company is one of the leading gold producers in China, with abundant reserves of gold resources. The Company has actively advanced exploration, resource expansion, and merger and acquisition integration initiatives. Through measures such as production system optimization, technological innovation, and enhanced technical management, it has continuously increased its gold resources and production output. According to the China Gold Association, in 2024, the Company ranked second among gold mining companies nationwide in terms of mined gold production and net profit; Shanjin International, of which the Company is a controlling shareholder, ranked sixth among listed gold mining companies nationwide in terms of mined gold production in 2024, and fourth in terms of net profit.

In 2025, the Company produced 48.89 tonnes of mineral gold, representing a year-on-year increase of 2.72 tonnes or 5.89%. The Company operated 13 domestic and overseas mines, each with an annual gold production of over 1 tonne. Among which, domestic mines produced a total of 36.31 tonnes of gold, remaining flat year-on-year, thereby sustaining its leading position in gold production from domestic mines among listed domestic gold mining companies. Its overseas mines produced a total of 12.58 tonnes of gold, representing a year-on-year increase of 60.20% and accounting for approximately 13.98% of the total overseas mined gold from large-scale gold groups. This performance further solidified Shandong Gold's advantageous position within the industry.

III. DISCUSSION AND ANALYSIS ON OPERATING PERFORMANCE

In 2025, the global precious metals market embraced a historic opportunity amid volatility. Driven by core factors including anticipated Federal Reserve rate cuts, heightened geopolitical risks, and a wave of gold purchases by global central banks, the international gold price surged by over 60% throughout the year, continuously refreshing historical highs. This ushered in an unprecedented golden era for the gold industry. Confronted with this historic market trend, Shandong Gold astutely assessed the situation, anchoring itself to the goal of high-quality development. Forging ahead with resolve and courage, the Company proactively assumed responsibilities, took decisive actions, and steadily advanced all initiatives to ensure tangible results, successfully bringing the "14th Five-Year Plan" to a fulfilling conclusion.

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(I) Steady improvements were achieved in production and operational efficiency by focusing on core responsibilities and main businesses

The Company has focused on its core responsibilities and main businesses, with “stable growth and improve quality and efficiency” as its core objectives. It has coordinated and optimized production layouts and scientifically organized production operations, breaking down and assigning task indicators tailored specific strategies for each enterprise. This approach has enabled its mining enterprises to maintain stable production, meet capacity targets, expand capacity, and increase output, while its other enterprises have optimized their layouts, expanded markets, and enhanced revenues. The Company has thus sustained a positive trajectory of steady growth with continuous quality improvement. In 2025, the Company had the gold mine production volume of 48.89 tonnes, representing a year-on-year increase of 2.72 tonnes or 5.89%; it achieved operating income of RMB104.287 billion, representing a year-on-year increase of RMB21.769 billion or 26.38%; it achieved total profit of RMB9.089 billion, representing a year-on-year increase of RMB3.407 billion or 59.95%; the net profit attributable to shareholders of the listed company was approximately RMB4.739 billion, representing a year-on-year increase of RMB1.788 billion or 60.57%; weighted average return on net assets was 15.59%, representing a year-on-year increase of 4.74 percentage points; and basic earnings per Share was RMB0.94, representing an increase of RMB0.37 compared with RMB0.57 per Share in the same period of the previous year.

(II) Strengthening resource and project support to continuously solidify the foundation for long-term development

Pursuing both independent exploration and resource acquisitions, the Company has consolidated a solid resource foundation for its long-term development. Throughout the year, the Company invested a total of RMB810 million in exploration, completing 717,000 meters of exploration projects, and increasing 81 tonnes of gold metal in exploration. The newly added resource quantity for the year significantly exceeded the resource quantity consumed in production, among these, Sanshandao Gold Mine, Jiaojia Gold Mine, and Qinghai Dachaidan achieved an increase of 8.3 tonnes, 7.5 tonnes, and 17.6 tonnes of gold metal, respectively. As of the end of 2025, the Company’s retained resources and reserves of gold metal amounted to 2,054.33 tonnes (calculated based on the Company’s attributable equity interest).

Construction of key projects was accelerated with enhanced efficiency. Throughout the year, the Company obtained 76 permits and related approvals, with a cumulative planned investment of RMB2,997.68 million in infrastructure construction projects. The Sanshandao auxiliary shaft project successfully completed sinking and lining, leading China’s mining industry into the “era of deep earth” at the 2,000-meter level. Among the five main shaft engineering projects designed for the Jiaojia Mining Area (integrated) gold resource development and utilization project, four have successfully completed sinking and lining. Construction of supporting facilities is now advancing in an orderly manner. For the Xincheng Gold Mine resource integration and development project, the main control shaft engineering has been completed, and its supporting facilities are under construction. The Company efficiently advanced the trial production and production ramp-up at the Namdini Gold Mine project of Cardinal. Overall production performance is stable and improving. Construction of the Twin Hills Gold Project at Osino in Namibia commenced in 2025 and is expected to commence production in the first half of 2027.

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(III) Refining management practices drove steady improvements in operational quality and efficiency

The Company has intensified efforts to optimize its production systems, innovate mining, beneficiation and smelting techniques, and upgrade key equipment. It promoted intensive and efficient mining methods such as medium-deep hole and large-section mining, shared advanced experience in filling quality management, and advanced breakthroughs in technological areas including deep shaft mining, pre-selection and discarding, and comprehensive utilization of tailings, thereby improving its comprehensive resource utilization rate. In 2025, the Company's beneficiation volume (heap leach) increased by 42.74%. The recovery rate of comprehensive processing and smelting improved by 0.32 percentage point, leading to a simultaneous enhancement in operational efficiency and profitability. The Company further advanced its special initiative to reduce costs and enhance efficiency, achieving a 0.21 percentage point year-on-year decrease in average financing costs. Precision efforts in capital operations culminated in the successful completion of H Share top-up placing, raising HK\$3,901 million. With the formulation of its Market Value Management System, the Company established a comprehensive market value management framework that enabled scientific, systematic, standardized, and effective practices. As a result, the market capitalizations of both Shandong Gold and Shanjin International reached record highs.

(IV) Core innovation capabilities continuously enhanced by technology-driven transformation

The Company has placed great emphasis on the driving role of technological innovation, investing RMB1,025 million in R&D throughout the year, a year-on-year increase of 18.69%. Its innovation investment continued to strengthen. The Company has deepened strategic cooperation with universities and scientific research institutes, advancing breakthroughs in key technologies such as ultra-deep shaft construction, refractory ore processing, paste backfill, and tailings reduction. The Company had 9 provincial-level or above scientific research projects under development. It had 8 "Specialized, Refined, Differential, and Innovative" enterprises, with one of them joining the first batch of innovation consortia of Shandong provincial enterprises, continuously improving its innovation ecosystem. The Company achieved remarkable results in the commercialization of research outcomes and patent applications. In 2025, it was granted 117 invention patents and 5 overseas patents. The project "Key Technologies for Intelligent Filling and Green Mining in Metal Mines" was honored with the First Prize for Provincial Scientific and Technological Progress and was recognized as one of the Top Ten Scientific and Technological Achievements of Provincial Enterprises in 2025, effectively addressing the challenges of intelligent backfilling and green mining of metal mine tailings as well as comprehensive utilization of tailings, and providing technical support and engineering references for the green mining and high-quality development of metal mines in China. The Company has accelerated its digital and intelligent transformation. It formulated a three-year action plan for "Artificial Intelligence+" and participated in the development of multiple industry standards, including those for digital workshops in the gold sector. A total of 38 typical intelligent application scenarios were established. The Sanshandao Gold Mine was selected for the Ministry of Industry and Information Technology's 2025 National 5G Factory List. Changtai Mining completed the construction of the China's first intelligent photoelectric sorting workshop in the gold industry. The Company's intelligent lifecycle management system for equipment was recognized as one of the "Top Ten Typical Artificial Intelligence Application Scenarios" by the Shandong Provincial State-owned Assets Supervision and Administration Commission.

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(V) Fortifying risk control defenses to maintain overall stability in corporate development

Adhering firmly to the fundamental goal of “consolidating the foundation for safe development and achieving a leap in intrinsic safety”, the Company diligently carried out the three-year campaign to tackle the root causes of safety production. It invested RMB1.219 billion in special safety funds, continuously advanced special rectification of hidden disaster-causing factors, and strictly implemented the measures of full support right up to the tunnel face in excavation operations. The Company installed intelligent warning and control devices for personal injury prevention on 2,308 trackless vehicles, implemented the principle of “no operation without monitoring” across 658 workfaces and completed the establishment of self-operated excavation teams for its mines within the Shandong Province. The Company maintained a stable safety production record throughout the year. Ecological and environmental protection efforts have been continuously strengthened, with the Company investing RMB275 million in environmental funds. A total of 26 operating mines have been included in the national or provincial green mine list, and seven organizations, including the Sanshandao Gold Mine, have been awarded municipal-level titles such as “Zero-Waste Mine” and “Zero-Waste Factory”. Xinhui Company was designated as the only pilot unit in Shandong Province for backfilling and rehabilitation of tailings pits, further highlighting its commitment to green development. The Company strengthened its economic responsibility audits, special audits, and legislation work, established a comprehensive compliance management system and completed 109 compliance reviews for major decisions.

(VI) Following the guidance of Party building to forge strong synergies for high-quality development

The Company has consistently prioritized its political building under the Party’s leadership and deeply carried out and implemented learning and education on the spirit of the Central Eight Provisions, leveraging a strong work style to stimulate momentum and vitality for reform and development. The Company has solidified its foundational work to enhance Party building, achieving deep integration between Party building initiatives and production operations. It has continuously strengthened the construction of talent teams, adhering to a hierarchical personnel allocation combining experienced, middle-aged and young talents, and accelerating the building of a high-quality professional talent team. The Company has recruited and introduced 13 high-level talents, added two new model workers nationwide, two chief technicians in Qilu and four provincial technical experts. Two employees have been awarded the Shandong Provincial May 1st Labor Medal, and one team has been awarded the Shandong Province Workers’ Pioneer. The Company has continuously intensified the rectifying of work style and discipline, refining a comprehensive “big supervision” system. It has strengthened oversight and enforcement concerning “key minorities” and critical areas, fostering a clean and upright political environment. The historical legacy of “130,000 taels of gold sent to Yan’an” has been featured on the Xinhua News Agency’s ideological and political education platform. This revolutionary legacy, passed down through generations, has forged a powerful synergy driving corporate development.

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IV. ANALYSIS ON THE CORE COMPETITIVENESS DURING THE REPORTING PERIOD

√ Applicable ☐ N/A

(I) Strategic Advantage

The Company firmly embraces the theme of high-quality development, fully and accurately implements the new development philosophy in a comprehensive manner, and is guided by value creation. It continues to deepen reforms, strengthen innovation-driven initiatives, and fully leverages its leading role in driving the high-end, intelligent, green, and safe development of the gold industry. Adhering to the principles of cooperative sharing and contributing to society, the Company strives to build itself into a world-class gold mining enterprise renowned for its technological and managerial excellence and sustainable development.

(II) Advantage in Resources

The Company has been upholding the concept of “resource first” in an unswerving manner, closely aligning with the requirements of the new round of strategic actions for mineral exploration breakthroughs. It has accelerated resource exploration and development, increased reserves and production, and continuously strengthened its resource production support capabilities. Focusing on the periphery and the deep part of the existing mines, the Company increased the investment in exploration, and the annual additional resources from exploration provided strong impetus and resource support for the sustainable development of the mines. The Company continued to advance its resource acquisition strategy and accelerated the exploration progress of newly acquired projects, striving to achieve new breakthroughs in mineral exploration. In 2025, the Company secured the exploration right for the Yinma River Gold Mine detailed survey in Xihe County, Gansu Province, thereby laying the foundation for further development of the Gansu resource base. Shanjin International completed the acquisition of 52.07% equity interests in Yunnan Western Mining Co., Ltd. (雲南西部礦業有限公司). The controlling subsidiary of Shanjin International, Mangshi Huasheng Gold Mine Development Co., Ltd. (芒市華盛金礦開發有限公司), acquired an exploration right in the vicinity. As of the end of 2025, the Company retained resource reserves of 2,054.33 tonnes of gold metal (calculated based on the proportion of interest held by the Company).

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(III) Scale Advantage

The Company is mainly engaged in the development and utilization of gold mineral resources. Strategically located in the Laizhou and Zhaoyuan regions of Shandong Province, the world's third-largest gold-rich area, it leverages a unique geographical advantage and superior gold resource endowment, boasting ultra-large reserve bases. In 2024, there were 42 independent mines in China producing more than one tonne of gold, of which the Company owned 11, accounting for a quarter of the total. In 2025, it owned a total of 13 mines with an annual production of more than 1 tonne of gold and four mines among six gold mining companies with the cumulative gold production exceeding 100 tonnes in the country, Jiaojia Gold Mine, Sanshandao Gold Mine, Xincheng Gold Mine and Qinghai Dachaidan have been on the list of China Top Ten Mines in Gold Production for several consecutive years, and Jiaojia Gold Mine, Sanshandao Gold Mine and Xincheng Gold Mine have been on the list of China Top Ten Mines in Gold Economic Efficiency for several consecutive years. Shandong Gold Smelting Co., Ltd. boasts a daily processing capacity of 1,200 tonnes of gold concentrate, with an annual refining capacity of 100 tonnes of standard gold and 50 tonnes of silver per year, enjoying a leading position among the national top ten smelting and refining enterprises for many years. In recent years, the Company has accelerated the construction of a world-class gold production base in the Jiaodong region, actively promoted the application of cutting-edge technologies such as big data, AI+ and 5G in mining enterprises, and expedited the construction of intelligent mining areas in major mines. These efforts have significantly advanced the Company's transformation from a traditional industry to an intelligent development trajectory.

(IV) Advantage in Scientific and Technological Innovation

The Company adhered to problem orientation for its scientific and technological innovation work, concentrating on key industry development directions such as deep resource exploration and development, intelligent mine construction, and green mine development. Through scientific project initiation and goal orientation, the Company consolidated superior resources to conduct collaborative research, continuously enhancing its core technological capabilities. During the period of the "14th Five-Year Plan", the Company's cumulative R&D investments have reached RMB3,816 million, representing 1.82 times the amount invested during the period of the "13th Five-Year Plan", with an average of approximately 300 technology projects initiated annually. In 2025, the Company continued to advance its technological innovation initiatives. Among these, significant breakthroughs were achieved in the intelligent mineral discovery technology system, marked by the completion of 1,000-tonne big data collection for the gold cluster in the northwest of Jiaodong Peninsula and the establishment of the region's first intelligent exploration demonstration base. Sanshandao Gold Mine took the lead in a deep shaft construction project jointly tackled by five scientific research units, successfully completing the sinking and lining of Asia's deepest shaft. This milestone marks a new era for China's mining industry, ushering in development at depths of 2,000 meters underground. In 2025, the Filling Laboratory led the application for the "Key Technology for Intelligent Filling and Green Mining of Metal Mines", which was honored with the first prize of Science and Technology Progress Award of Shandong Province. This achievement was also concurrently selected as one of the "Top Ten Scientific and Technological Achievements" for 2025 among enterprises supervised by the State-owned Assets Supervision and Administration Commission of Shandong Province. As of the end of 2025, the Company held a total of 1,242 valid patents.

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(V) Talent Advantage

Adhering to an open and inclusive talent philosophy, the Company firmly upheld the candidate selection and appointment principle of “morality first, equal stress on integrity and ability, emphasis on actual performance and public recognition”. Focusing on building three talent teams in management, technology, and skill, the Company built a robust talent hub through multi-dimensional efforts, including platform establishment, targeted cultivation and introduction, mechanism innovation, and ecological optimization. The Company flexibly introduced top-tier talents in geology, mining, and other sectors to play a leading role. It deepened cooperation with universities such as Northeastern University to jointly cultivate master's and doctoral students in engineering, thereby strengthening its core technical workforce. The Company established an integrated model combining self-assessment and skills competitions, innovatively developing a self-evaluation system for vocational skills specific to unique types of gold mining industry, thereby filling a gap in the national industry and cultivating outstanding industrial workers. Regular recruitment campaigns were conducted for campus hires, industrial workers, and high-caliber talents to continuously optimize the age and structure of its workforce. The Company continuously facilitated the selection and appointment mechanism, and promoted the construction of young cadres team; improved the professional and technical position and rank system and smoothed the career development channels for professional and technical personnel, and leveraged key projects to strengthen the development of scientific and technological research team of talents, driving breakthroughs in core technologies and the efficient transformation of achievements.

(VI) Brand Advantage

The Company firmly established and actively practiced the development philosophy that “lucid waters and lush mountains are invaluable assets”. Adhering to ecological conservation and green development, it integrated green and low-carbon concept into the entire process of developing and utilizing mineral resources. The Company comprehensively promoted the coordinated protection and systematic governance of mountains, rivers, forests, farmlands, lakes, grasslands, and deserts, and advanced its “Double Carbon” initiatives in a steady and orderly manner, continuously improving its green and low-carbon development level, further burnishing the brand image of “Shandong Gold · Ecological Mining”. The Company was included into the Shanghai Stock Exchange 50 Index, the Shanghai Stock Exchange 180 Index, as well as three major international indices, namely the MSCI Indices, FTSE Russell and S&P Dow Jones Indices for multiple times. In 2025, it was honored with several awards, including the Tianma Award for Investor Relations Management, Top 100 Most Valuable Companies Listed on the Main Board, and the “Shanghai Securities News Eagle · Golden Quality” – Corporate Governance Award. Its relevant experiences and practices were also selected as outstanding cases in categories such as Best Practice Case of Investor Relations Management of Chinese Listed Companies, Best Practice Case of Sustainable Development, and Best Practice Case of the Board of Directors, as organized and evaluated by the China Association for Public Companies. The Wind ESG rating of the Company has been upgraded to Grade A, and the Company has been rated Grade A for information disclosure by the Shanghai Stock Exchange for eight consecutive years.

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V. MAJOR OPERATIONS DURING THE REPORTING PERIOD

In 2025, the Company produced 48.89 tonnes of mine-produced gold, representing a year-on-year increase of 2.72 tonnes or 5.89%. The primary reasons for this growth were as follows: overseas mine production increased by 4.73 tonnes year-on-year, representing an increase of 60.20%; the breakthroughs in domestic production continuity projects at Sanshandao Gold Mine, Jinzhou Company and Guilaizhuang Mining enhanced their production capabilities; production at the Linglong mining area of the Linglong Gold Mine resumed and ramped up, further unleashing its production potential; technological transformations at Changtai Mining facilitated capacity release; and higher processing grades at Jinchuan Mining and Heihe Luoke contributed to increased production.

Key Mines' Gold Production in 2025

Name of organization	Interest held	Mine-produced gold (kg)	Mine-produced gold on equity basis (kg)
Sanshandao Gold Mine	100%	7,171	7,171
Jiaojia Gold Mine	100%	5,550	5,550
Linglong Gold Mine	100%	2,219	2,219
Xincheng Gold Mine	100%	4,700	4,700
Penglai Mining	100%	300	300
Yinan Gold Mine	100%	390	390
Xinhui Company	100%	701	701
Laixi Company	100%	318	318
Jinzhou Company	100%	1,469	1,469
Guilaizhuang Mining	70.65%	810	572
Chifengchai Mine	73.52%	1,161	853
Fujian Yuanxin Gold Mine	90.31%	173	156
Xihe Zhongbao Gold Mine	70%	1,057	740
Jinchuan Mining	100%	2,355	2,355
Changtai Mining	70%	300	210
Qinghai Dachaidan	26.00%	3,126	813
Jilin Banmiaozi	27.45%	2,251	618
Heihe Luoke	28.89%	2,261	653
Domestic total		36,311	29,788
Veladero Gold Mine	50.00%	7,157	7,157
Cardinal	85.00%	5,424	4,610
Overseas total		12,580	11,767
Total of the Company		48,892	41,555

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Note: As of 31 December 2025, the Company owned 70.65%, 73.52%, 90.31%, 70% and 70% of equity interests of Guilaizhuang Gold Mine, Chifengchai Mine, Fujian Yuanxin Gold Mine, Xihe Zhongbao Gold Mine and Changtai Mining respectively; the Company held 28.89% equity interests of Shanjin International, and Shanjin International held 90%, 95% and 100% of equity interests of Qinghai Dachaidan, Jilin Banmiaozi and Heihe Luoke respectively. The Company held 50% equity interests in the Veladero Gold Mine (the Company consolidated the production of the Veladero Gold Mine at 50%. The mine's gold production as presented in the table above has been calculated accordingly on a 50% basis). The Company owned 100% equity interests in Cardinal, which in turn owned 85% equity interests of subsidiaries, namely Cardinal Namdini Mining Limited and Cardinal Ghana Limited.

(I) Analysis of Main Businesses

1. Table of movement analysis for related items in income statement and statement of cash flows

Unit: RMB

Items	Amount for the current period	Amount for the corresponding period of last year	Change in percentage (%)
Operating revenue	104,287,391,583.12	82,517,993,538.30	26.38
Operating costs	82,949,651,366.17	68,902,025,733.03	20.39
Selling expenses	167,202,418.53	184,583,367.35	-9.42
Administrative expenses	3,614,114,140.13	2,855,068,490.35	26.59
Financial expenses	1,909,719,033.44	2,288,180,225.57	-16.54
R&D expenses	992,891,266.26	770,411,080.33	28.88
Net cash flows generated from operating activities	21,492,754,843.56	13,339,797,529.06	61.12
Net cash flows generated from investment activities	-13,608,699,528.09	-22,800,866,386.85	N/A
Net cash flows generated from financing activities	-1,874,583,169.05	11,003,954,286.27	-117.04
Tax and surcharges	2,220,005,304.24	1,296,133,009.19	71.28
Investment income	-569,716,494.06	-174,987,410.11	N/A
Gain on changes in fair value	-1,496,140,744.54	-252,892,347.40	N/A
Asset impairment loss	-798,911,209.53	-50,270,909.80	N/A
Non-operating expenses	374,356,056.75	98,093,284.66	281.63

Explanation of changes in operating revenue: The increase in operating revenue was mainly due to the increase in both sales volume and selling price of self-produced gold during the period, as well as the increase in the selling price of purchased gold and finished gold;

Explanation of changes in operating costs: The increase in operating costs was mainly due to the increase in the costs of both self-produced and purchased gold during the period;

Explanation of changes in selling expenses: The decrease in selling expenses was mainly due to the decrease in sales commissions during the period;

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Explanation of changes in administrative expenses: The increase in administrative expenses was due to the increase in staff remuneration and intermediary fees;

Explanation of changes in financial expenses: The decrease in financial expenses was mainly due to the decrease in interest expenses and exchange losses;

Explanation of changes in R&D expenses: The increase in R&D expenses was mainly due to the increase in R&D investment by subsidiaries;

Explanation of changes in net cash flows generated from operating activities: The increase in net cash flows generated from operating activities was mainly due to the increase in net cash inflows generated from purchasing and sales activities during the period;

Explanation of changes in net cash flows generated from investment activities: The increase in net cash flows generated from investment activities was mainly due to the decrease in cash paid for the acquisition of long-term assets and investments during the period;

Explanation of changes in net cash flows generated from financing activities: The decrease in net cash flows generated from financing activities was mainly due to the decrease in cash received from borrowings during the period;

Explanation of changes in tax and surcharges: The increase in tax and surcharges was mainly due to the increase in resource tax following the commencement of production of overseas subsidiaries;

Explanation of changes in investment income: The decrease in investment income was mainly due to the increase in losses arising from gold futures trading and T+D business of subsidiaries during the period;

Explanation of changes from fair value gains and losses: The decrease in changes from fair value gains was mainly due to the decrease in the fair value of other non-current financial assets of subsidiaries at the end of the period during the period;

Explanation of changes in asset impairment loss: The increase in asset impairment loss was mainly due to the goodwill impairment recognized by the Company and the provision for impairment of fixed assets recognized by its subsidiaries during the period;

Explanation of the changes in non-operating expenses: The increase in non-operating expenses was mainly due to the late payment fees on taxes paid by the subsidiaries and losses from written off of fixed assets during the period.

Details of the material changes in types of business, profit components or income sources of the Company in the current period

☐ Applicable ☒ N/A

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS AND THE REPORT OF THE BOARD OF DIRECTORS

2. Analysis on income and cost

☐ Applicable ☒ N/A

(1). Main business by industries, products, regions and sales models

Unit: RMB

Main business by industry						
By industry	Operating revenue	Operating costs	Gross profit margin (%)	Increase or decrease in operating revenue compared to last year (%)	Increase or decrease in operating costs compared to last year (%)	Increase or decrease in gross profit margin compared to last year (%)
Gold industry	93,936,792,546.01	72,822,827,950.32	22.48	27.00	20.14	Increased by 4.43 percentage points
Of which: externally purchased gold	43,193,097,874.88	42,846,200,728.25	0.80	17.48	17.77	Decreased by 0.24 percentage point
Other industries	10,187,527,335.17	10,017,358,649.01	1.67	23.07	23.78	Decreased by 0.57 percentage point

Main business by product						
By product	Operating revenue	Operating costs	Gross profit margin (%)	Increase or decrease in operating revenue compared to last year (%)	Increase or decrease in operating costs compared to last year (%)	Increase or decrease in gross profit margin compared to last year (%)
Self-produced gold	38,395,834,507.41	18,978,317,766.15	50.57	53.42	43.22	Increased by 3.52 percentage points
Externally purchased gold	43,193,097,874.88	42,846,200,728.25	0.80	17.48	17.77	Decreased by 0.24 percentage point
Finished gold (small gold bars)	10,376,179,655.23	10,139,685,996.35	2.28	0.33	-0.14	Increased by 0.46 percentage point

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By region	Main business by region					
	Operating revenue	Operating costs	Gross profit margin (%)	Increase or decrease in operating revenue compared to last year (%)	Increase or decrease in operating costs compared to last year (%)	Increase or decrease in gross profit margin compared to last year (%)
Domestic	89,191,027,246.53	74,080,991,713.16	16.94	22.05	20.90	Increased by 0.79 percentage point
Overseas	14,933,292,634.65	8,759,194,886.17	41.34	62.93	17.78	Increased by 22.48 percentage points

(2). *Table of production and sales volume analysis*

√ Applicable □ N/A

Main product	Unit	Production volume	Sales volume	Inventory	Changes in production volume compared with last year (%)	Changes in sales volume compared with last year (%)	Changes in inventory compared with last year (%)
Self-produced gold	Kg	48,891.81	48,385.99	4,891.48	5.89	6.95	11.53
Externally purchased gold	Kg	57,542.23	57,151.23	416.82	-12.34	-15.28	1,514.34
Finished gold (small gold bars)	Kg	14,481.75	14,747.97	483.08	-33.25	-31.52	-35.53

(3). *Performance of major procurement contracts and major sales contracts*

□ Applicable √ N/A

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS AND THE REPORT OF THE BOARD OF DIRECTORS

(4). Table of cost analysis

Unit: RMB0'000

		By industry				Change in	Explanation
		Percentage		Percentage of		amount for the	
		Amount for	of total cost	Amount for the	total cost for the	current period as	
By industry	Cost constituent	the current	for current	corresponding	corresponding	compared with	
		period	period	period of last year	period of last year	the corresponding	
			(%)		(%)	period of last year	
						(%)	
Gold industry	Raw materials	5,669,869.64	68.44	4,850,805.11	70.60	16.89	
Gold industry	Power	97,262.42	1.17	87,452.22	1.27	11.22	
Gold industry	Labour fees	208,468.71	2.52	172,642.96	2.51	20.75	
Gold industry	Outsourcing fees	525,705.58	6.35	272,314.63	3.96	93.05	
Gold industry	Manufacturing overheads	780,976.46	9.43	613,508.84	8.93	27.30	
Gold industry	Total	7,282,282.80	87.91	5,996,723.76	87.28	21.44	
Other industries		1,001,735.86	12.09	874,222.22	12.72	14.59	
Total		8,284,018.66	100.00	6,870,945.98	100.00	20.57	

(5). Changes in the scope of consolidation due to changes in shareholding of major subsidiaries during the Reporting Period

☒ Applicable ☐ N/A

For details, please refer to Note IX. Changes in Scope of Consolidation in section 8 "Financial Report".

(6). Significant changes or adjustments in the business, products or services of the Company during the Reporting Period

☐ Applicable ☒ N/A

(7). Major sales customers and major suppliers

Customers or suppliers under the control of the same controller should be presented on a consolidated basis, except those actually controlled by the same state-owned asset management institution.

Explanation of the presentation of the following customer and supplier information on a combined basis under common control

None

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS AND THE REPORT OF THE BOARD OF DIRECTORS

- A. Information on major sales customers and major suppliers of the Company

☒ Applicable ☐ N/A

The sales amount of the top five customers was RMB80.026 billion, accounted for 76.74% of the total sales for the year; among the sales amount of the top five customers, the sales amount of related parties was RMB0 thousand, accounted for 0% of the total sales for the year.

The purchase amount of the top five suppliers was RMB31.541 billion, accounted for 38.62% of the total procurement for the year; among the purchase amount of the top five suppliers, the purchase amount of related parties was RMB0 thousand, accounted for 0% of the total procurement for the year.

- B. The proportion of sales to a single customer exceeding 50% of the total amount, the existence of new customers among the top five customers, or heavy reliance on minority customers during the Reporting Period

☒ Applicable ☐ N/A

Unit: RMB'00 million

No.	Name of customer	Sales amount	Percentage to total sales for the year (%)
1	Shanghai Gold Exchange	673.11	64.54

The proportion of purchase from a single supplier exceeding 50% of the total amount, the existence of new suppliers among the top five suppliers, or heavy reliance on minority suppliers during the Reporting Period

☐ Applicable ☒ N/A

- C. Shares of the Company being implemented delisting risk warning or other risk warnings during the Reporting Period

Top five sales customers

☐ Applicable ☒ N/A

Top five suppliers

☐ Applicable ☒ N/A

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS AND THE REPORT OF THE BOARD OF DIRECTORS

- D. During the reporting period, the company generated revenue from trading business
☒ Applicable ☐ N/A

Unit: RMB'00 million

Trading business performance	Operating revenue for the current period	Operating revenue for the previous period	Changes in operating revenue compared with the corresponding period of last year (%)
Trading of precious and non-ferrous metals	99.79	77.28	29.13

Top five sales customers whose trading business revenue accounts for over 10% of total operating revenue

☐ Applicable ☒ N/A

Top five suppliers whose trading business revenue accounts for over 10% of total operating revenue

☐ Applicable ☒ N/A

3. Expenses

☒ Applicable ☐ N/A

Items	Amount for the current year (RMB)	Amount for the corresponding period of last year (RMB)	Change in percentage (%)	Explanations
Selling expenses	167,202,418.53	184,583,367.35	-9.42	It was mainly due to the decrease in sales commissions of the subsidiary
Administrative expenses	3,614,114,140.13	2,855,068,490.35	26.59	It was mainly due to the increase in staff remuneration and intermediary fees
Financial expenses	1,909,719,033.44	2,288,180,225.57	-16.54	It was mainly due to the decrease in interest expenses and exchange losses

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS AND THE REPORT OF THE BOARD OF DIRECTORS

4. R&D investment

(1). Statement of R&D investment

√ Applicable ☐ N/A

Unit: RMB

Expensed R&D investment for the current period	992,891,266.26
Capitalised R&D investment for the current period	31,653,696.13
Total R&D investment	1,024,544,962.39
Percentage of the total R&D investment in operating revenue (%)	0.98
Proportion of capitalization R&D investment (%)	3.09

(2). Information on R&D employees

√ Applicable ☐ N/A

Number of R&D personnel of the Company	1,833
R&D employees as a percentage of the total number of staff of the Company (%)	6.26%

Educational background structure of R&D employees

Degree	Number
Doctor's degree	14
Master's degree	209
Bachelor's degree	1295
Associate degree	242
High school and below	73

Age structure of R&D employees

Age	Number
Under 30 years old (excluding 30)	410
30-40 years old (30 years old inclusive, 40 years old exclusive)	802
40-50 years old (40 years old inclusive, 50 years old exclusive)	326
50-60 years (50 years old inclusive, 60 years old exclusive)	295
60 years old and above	0

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS AND THE REPORT OF THE BOARD OF DIRECTORS

(3). *Explanation*

☐ Applicable ☒ N/A

(4). *Reasons for major changes in the composition of R&D personnel and the impact on the future development of the Company*

☐ Applicable ☒ N/A

5. Cash Flow

☒ Applicable ☐ N/A

Items	Amount for the current year (RMB)	Amount for the corresponding period of last year (RMB)	Change in percentage (%)	Explanations
Net cash flows generated from operating activities	21,492,754,843.56	13,339,797,529.06	61.12	It was mainly due to the increase in net cash inflows generated from commodity purchase and sale activities
Net cash flows generated from investment activities	-13,608,699,528.09	-22,800,866,386.85	N/A	It was mainly due to the decrease in cash paid for the acquisition of long-term assets and investments during the current period
Net cash flows generated from financing activities	-1,874,583,169.05	11,003,954,286.27	-117.04	It was mainly due to the decrease in cash received from borrowings during the current period

(II) Explanation on Major Changes in Profit Caused by Non-principal Business

☐ Applicable ☒ N/A

(III) Analysis of Assets and Liabilities

☒ Applicable ☐ N/A

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS AND THE REPORT OF THE BOARD OF DIRECTORS

1. Status of assets and liabilities

Unit: RMB

Items	Closing balance for the current period	Closing balance for the current period as a percentage of total assets (%)	Closing balance for the last period	Closing balance for the last period as a percentage of total assets (%)	Period-on-period change of the closing balance (%)	Explanations
Monetary capital	17,491,068,240.14	10.27	11,077,274,906.35	6.89	57.90	It was mainly due to the subsidiary receiving gold sales proceeds and redeeming wealth management products at the end of the period
Financial assets held for trading	2,593,509,746.86	1.52	3,749,373,193.21	2.33	-30.83	It was mainly due to the decrease in wealth management products held by subsidiaries
Construction in progress	6,642,718,850.94	3.90	10,604,445,075.41	6.60	-37.36	It was mainly due to the transfer of construction in progress to fixed assets by subsidiaries during the current period
Right-of-use assets	341,273,486.56	0.20	212,065,851.77	0.13	60.93	It was mainly due to the increase in leased land by subsidiaries during the current period
Development expenditures	38,020,943.43	0.02	17,797,553.43	0.01	113.63	It was mainly due to the increase in research and development investment by subsidiaries during the current period
Deferred income tax assets	1,842,679,939.10	1.08	921,755,853.93	0.57	99.91	It was mainly due to the asset impairment provision recognized by subsidiaries and the fair value change on financial assets held for trading during the current period
Other non-current assets	2,367,603,059.44	1.39	1,752,536,677.28	1.09	35.10	It was mainly due to the increase in prepaid project costs, equipment costs, and long-term inventories by subsidiaries during the current period
Derivative financial liabilities	37,071,358.85	0.02	9,934,794.49	0.01	273.15	It was mainly due to the increase in commodity option contracts of subsidiaries compared to the beginning of the period
Notes payable	6,096,277,395.81	3.58	2,867,623,523.83	1.78	112.59	It was mainly due to the increase in bill settlements by subsidiaries compared to the beginning of the period
Contract liabilities	694,202,457.74	0.41	427,135,295.37	0.27	62.53	It was mainly due to the increase in advances received by subsidiaries compared to the beginning of the period
Taxes payable	2,465,244,007.37	1.45	962,099,132.81	0.60	156.24	It was mainly due to the increase in accrued but unpaid taxes of subsidiaries
Non-current liabilities due within one year	11,034,124,071.95	6.48	6,898,133,097.49	4.29	59.96	It was mainly due to the reclassification of long-term borrowings due within one year to non-current liabilities due within one year
Accrued liabilities	1,586,038,453.58	0.93	1,119,105,218.62	0.70	41.72	It was mainly due to the increase in the mine environmental restoration provision of subsidiaries compared to the beginning of the period
Other comprehensive income	-82,673,744.69	-0.05	117,680,305.51	0.07	-170.25	It was mainly due to the increase in exchange differences arising from translation of subsidiaries' foreign currency financial statements

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS AND THE REPORT OF THE BOARD OF DIRECTORS

2. Overseas assets

☒ Applicable ☐ N/A

(1). Size of assets

Including: overseas assets of RMB27,609 million, accounting for 16.21% of the total assets.

(2). Relevant details of a higher proportion of overseas assets

☐ Applicable ☒ N/A

3. Restrictions on main assets as of the end of the Reporting Period

☒ Applicable ☐ N/A

Items	Carrying amount as of the end of the year (RMB)	Reasons for restrictions
Monetary funds	630,104,596.84	Security deposits for notes
Monetary funds	389,811,718.76	Futures margin
Monetary funds	355,684,350.68	Security deposits for land reclamation and environmental governance
Monetary funds	100,000,000.00	Margin deposit for letter of credit
Monetary funds	21,536,395.66	Others
Inventories	57,870,923.07	Trading margin
Other non-current assets	1,329,800.00	Advanced security deposit for exploration rights
Total	1,556,337,785.01	–

4. Other explanations

☐ Applicable ☒ N/A

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS AND THE REPORT OF THE BOARD OF DIRECTORS

(IV) Analysis on Business Operating Information of the Industry

√ Applicable ☐ N/A

1. Major industry policy changes during the Reporting Period

- 1) On 12 March 2025, to thoroughly implement Xi Jinping Thought on Ecological Civilization and the important directives of General Secretary Xi Jinping on safeguarding national energy and resource security, the Office of the New Round of Strategic Actions for Mineral Exploration Breakthroughs under the Ministry of Natural Resources, in accordance with the Guiding Opinions on Strengthening Equipment Development for the New Round of Strategic Actions for Mineral Exploration Breakthroughs, has formulated the First List of Upgraded, Developed, Promoted and Replaced Mineral Exploration Equipment, encouraging relevant entities to accelerate the upgrading, development, promotion and replacement of mineral exploration equipment.
- 2) On 13 March 2025, the National Mine Safety Administration issued the Specifications for the Access of Perceptual Data in Metal and Non-metal Underground Mines (Trial) to strengthen and regulate the networking of perceptual data in metal and non-metal underground mines.
- 3) In April 2025, the Central Committee of the Communist Party of China and the State Council issued the Regulations on the Work of Ecological and Environmental Protection Inspections to uphold and strengthen the Party's overall leadership over the development of an ecological civilization and ecological and environmental protection, and to further advance the inspection work of ecological and environmental protection.
- 4) On 4 March 2025, the Notice of the Department of Natural Resources of Shandong Province, the Shandong Provincial Department of Finance, the Department of Ecology and Environment of Shandong Province, the Department of Emergency Management of Shandong Province, the Shandong Administration for Market Regulation, the Energy Administration of Shandong Province, the Shandong Bureau of the National Financial Regulatory Administration, and the Shandong Bureau of the China Securities Regulatory Commission on Issuing the Measures for the Administration of Green Mine Construction in Shandong Province (Lu Zi Ran Zi Gui [2025] No. 4) was issued, which came into effect on 1 April 2025 and shall be valid until 31 March 2030.
- 5) On 26 March 2025, to promote the high-quality development of the gold industry, nine departments, including the Ministry of Industry and Information Technology, the National Development and Reform Commission, the Ministry of Natural Resources, the Ministry of Commerce, the Ministry of Emergency Management, the State-owned Assets Supervision and Administration Commission of the State Council, the General Administration of Customs, the State Administration for Market Regulation, and the National Mine Safety Administration, issued the Implementation Plan for the High-Quality Development of the Gold Industry (2025-2027). The overall requirements of this plan are to coordinate high-quality development with high-level safety, strengthen protective development, high-quality utilization, and standardized management. It is based on resource security guarantees, driven by technological innovation, and guided by standards enhancement to accelerate the advancement of high-end, intelligent, green, and secure industrial development, thereby promoting the high-quality development of the gold industry.

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- 6) On 6 June 2025, to fully leverage the supporting and leading role of technological innovation in mineral resources exploration and to promote the widespread application of green and advanced exploration technologies in the new round of strategic action for mineral exploration breakthroughs, the General Office of the Ministry of Natural Resources issued the notice on the Promotion List of Advanced and Applicable Exploration Technologies for the New Round of Strategic Actions for Mineral Exploration Breakthroughs (First Batch) (Natural Resources Office Letter [2025] No. 1340).
- 7) On 29 October 2025, the Ministry of Finance and the State Taxation Administration issued the Announcement on Tax Policies Related to Gold (Ministry of Finance and State Taxation Administration Announcement 2025 No. 11), which took effect on 1 November 2025 and will be implemented until 31 December 2027.
- 8) In accordance with the provisions of the Announcement on Tax Policies Related to Gold (2025 No. 11) issued by the Ministry of Finance and the State Taxation Administration, the State Taxation Administration issued the Announcement on Matters Concerning the Administration of Tax Collection for Gold (Announcement 2025 No. 23 of the State Taxation Administration) on 29 October 2025. This announcement took effect on 1 November 2025.
- 9) To thoroughly implement Xi Jinping Thought on Ecological Civilization and actively promote the conservation, intensive use and efficient utilization of land resources, the General Office of the Shandong Provincial People's Government issued the Implementation Opinions on Strengthening the Intensive and Efficient Use of Land Resources to Support the Province's Green and Low-carbon High-quality Development (Lu Zheng Ban Fa [2025] No. 10) on 27 November 2025.
- 10) In order to thoroughly implement the guiding principles from the 20th National Congress of the Communist Party of China and its previous plenary sessions, we must ground ourselves in the new stage of development, fully and faithfully apply the new development philosophy on all fronts, accelerate efforts to foster a new pattern of development, and coordinate high-quality development with a high level of safety. As at 31 December 2025, in accordance with the Implementation Plan for the High-Quality Development of the Gold Industry (2025-2027) issued by nine departments including the Ministry of Industry and Information Technology, and taking into account the actual development situation of the gold industry in Shandong Province, the Department of Industry and Information Technology of Shandong Province, the Shandong Development and Reform Commission, the Department of Natural Resources of Shandong Province, the Department of Ecology and Environment of Shandong Province, the Department of Commerce of Shandong Province, the Department of Emergency Management of Shandong Province, the State-owned Assets Supervision and Administration Commission of Shandong Province, the Shandong Administration for Market Regulation, Qingdao Customs, and Jinan Customs jointly formulated the Implementation Plan for the High-Quality Development of the Gold Industry in Shandong Province (2025-2027).

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS AND THE REPORT OF THE BOARD OF DIRECTORS

2. Significant changes in tax policy during the Reporting Period

There were no major changes in tax policy in 2025.

3. Resource tax and environmental protection tax

In 2025, the resource tax payable of subsidiaries of the Company was RMB2,022.0072 million, with RMB1,857.1876 million actually paid. The environmental protection tax payable was RMB3.4975 million, with RMB3.4603 million actually paid.

4. Resource tax rate and tax incentives

According to the Notice on Clarifying the Applicable Rates of Resource Tax in Our Province and Other Related Matters (Min Cai Shui [2020] No. 14) jointly promulgated by the Finance Department of Fujian Province and the Fujian Provincial Taxation Bureau of the State Administration of Taxation, for the extraction of associated minerals, when the sales revenue of associated minerals and the main mineral products are accounted separately, a 30% reduction in the payable resource tax for associated minerals is applied. Fujian Zhenghe County Yuanxin Mining Co., Ltd. (福建省政和縣源鑫礦業有限公司), a subsidiary of the Company, enjoys the aforementioned preferential policy.

In accordance with the provisions of Article 6, Paragraph 2, Item (4) of the Resource Tax Law of the People's Republic of China (Order of the President of the People's Republic of China (No. 33)), which stipulates a reduced resource tax for mineral products mined from depleted mines, Shandong Gold Guilaizhuang Mining Co., Ltd. (山東黃金歸來莊礦業有限公司), a subsidiary of the Company, is eligible for the aforementioned preferential policy.

In accordance with the provisions of Article 7, Item (2) of the Resource Tax Law of the People's Republic of China (Order of the President of the People's Republic of China (No. 33)), which stipulates that resource tax shall be exempted from the exploitation of tailings, Shandong Gold Mining (Xinhui) Co., Ltd., a subsidiary of the Company enjoys the aforementioned preferential policy.

According to the Specific Measures for Reduction and Exemption of Resource Tax in Jilin Province under Specific Circumstances jointly promulgated by the Jilin Provincial Department of Finance, the Jilin Provincial Taxation Bureau of the State Administration of Taxation, and the Jilin Provincial Department of Natural Resources, where an enterprise mines co-associated ore and the sales of co-associated ore and main mineral products are accounted for separately, the resource tax shall be reduced by 50% of the tax payable on the silver of co-associated ore. Jilin Banmiaozi Mining Co., Ltd., a subsidiary of the Company, enjoys the aforementioned preferential policy.

According to the Decision of the Standing Committee of the People's Congress of Heilongjiang Province on the Implementation of Authorized Matters of the Resource Tax Law promulgated by the Standing Committee of the People's Congress of Heilongjiang Province, the resource tax shall be levied by taxpayers on the exploitation of co-associated ore and low-grade ore at a reduced rate of 50%, and the resource tax shall be exempted from the exploitation of tailings. Heihe Luoke Mining Development Co., Ltd. (黑河洛克礦業開發有限責任公司), a subsidiary of the Company, enjoys the aforementioned preferential policy.

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According to the Implementation Plan of Resource Tax Item Tax Rate and Preferential Policy of Qinghai Province jointly issued by Qinghai Provincial Department of Finance and Qinghai Provincial Tax Bureau of the State Administration of Taxation, where taxpayers mine and sell co-associated ore products, the sales of co-associated ore and main mineral products are accounted for separately, and the sales of co-associated ore products account for less than 20% (excluding) of the total sales of taxable mineral products in the current period, the resource tax shall be reduced by 50%. Qinghai Dachaidan Mining Co., Ltd., a subsidiary of the Company, enjoys the aforementioned preferential policy.

Analysis of operating information of the non-ferrous metals industry

1. Costs of ore raw materials

√ Applicable □ N/A

Unit: RMB0'000

Type and source of ore raw materials	Total costs of raw materials	Proportion (%)	Increase or decrease in total costs of raw materials as compared with last year (%)
Self-owned mines	1,304,018.18	100.00	77.87
Domestic purchase			
Overseas purchase			
Total	1,304,018.18	/	77.87

2. Basic information of self-owned mines

√ Applicable □ N/A

In March 2020, the State released a new national standard for the Classification of Solid Mineral Resources and Reserves (GB/T17766-2020), which was officially implemented on 1 May 2020 and is basically the same as the resource/reserve classification standard of the Committee for Mineral Reserves International Reporting Standards (CRIRSCO). However, it is slightly different in the estimation method of resources and reserves, the application of 3D ore body model, and the application of mining analysis and simulation software. The 2020 classification standard is applicable to the statistics and release of domestic solid mineral resources, the formulation of relevant technical standards for mineral resource exploration and development, the estimation, evaluation and information disclosure of resources and reserves. NI43-101 and JORC Code are internationally accepted codes and standards for resource reserve and project disclosure.

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Combined with the national standard for the Classification of Solid Mineral Resources and Reserves (GB/T17766-2020) and in accordance with the internationally accepted NI43-101 standard, the Company's mineral resources and mineral reserves as of 31 December 2025 are summarized as follows:

Table of Gold Resource Reserve

Name of mine	Major type	Resources								Reserves							
		Measured and						Gold content (100% basis)	Gold content (equity basis)							Gold content (100% basis)	Gold content (equity basis)
		Measured	Indicated	Indicated	Inferred	Total	Grade			Proven	Probable	Total	Grade				
		(Mt)					(g/t)	(t)			(Mt)		(g/t)	(t)			Remaining resources mining year
																	Validity period of permits/mining rights
																	(year)
Sanshandao Gold Mine	Gold	-	96.75	96.75	83.29	180.04	3.81	686.62	686.62	-	89.92	89.92	3.78	340.29	340.29	18.16	Mining right (2039.5.27)
																	Mining right (2027.8.3)
Jiaojia Gold Mine	Gold	-	44.47	44.47	50.25	94.72	3.34	316.78	316.78	-	19.11	19.11	3.81	72.74	72.74	4.00	Mining right (2032.4.21)
																	Exploration right (2025.6.30)
																	in the process of renewal
Xincheng Gold Mine	Gold	-	18.02	18.02	39.98	58.00	3.37	195.72	195.72	-	17.06	17.06	3.31	56.37	56.37	6.46	Mining right (2032.4.21)
Linglong Gold Mine	Gold	-	6.39	6.39	47.77	54.16	2.86	154.65	154.65	-	5.79	5.79	2.14	12.39	12.39	5.16	Mining right (2028.6.30)
																	Mining right (2030.1.20)
																	Mining right (2034.9.30)
																	Exploration right (2030.4.9)
																	Exploration right (2018.5.6)
																	in the process of renewal
Guilaizhuang Gold Mine	Gold	-	0.52	0.52	1.73	2.25	3.46	7.79	5.50	-	0.26	0.26	4.01	1.06	0.75	0.66	Mining right (2035.4.30)
																	Exploration right (2027.3.31)
Jinzhou Gold Mine	Gold	-	1.06	1.06	2.16	2.82	4.88	13.76	13.76	-	1.16	1.16	3.11	3.60	3.60	5.05	Mining right (2033.3.16)
																	Mining right (2026.1.12)
																	Mining right (2031.8.3)
																	Exploration right (2028.6.25)
																	Exploration right (2028.6.25)
Xinhui Company	Gold	-	5.86	5.86	3.44	9.29	3.60	33.47	33.47	-	5.88	5.88	3.39	19.90	19.90	17.80	Mining right (2034.9.30)
Laixi Company	Gold	-	0.98	0.98	1.49	2.47	2.00	4.96	4.96	-	0.98	0.98	1.73	1.69	1.69	2.96	Mining right (2031.11.29)
Penglai Gold Mine	Gold	-	1.70	1.70	2.86	4.56	6.02	27.44	27.44	-	1.48	1.48	4.83	7.15	7.15	2.99	Mining right (2029.7.9)
Yinan Gold Mine	Gold	-	1.75	1.75	4.05	5.80	1.54	8.90	8.90	-	1.65	1.65	1.33	2.20	2.20	2.79	Mining right (2034.7.9)
																	Mining right (2031.7.15)
Chifengchai Mine	Gold	-	0.97	0.97	0.74	1.70	3.02	5.14	3.78	-	1.02	1.02	2.77	2.84	2.08	1.71	Mining right (2028.12.8)
																	Mining right (2030.3.26)
																	Mining right (2030.12.13)
																	Exploration right (2026.2.14)
																	Exploration right (2027.12.9)
																	Exploration right (2028.2.14)
																	Exploration right (2029.4.2)
																	Exploration right (2030.12.29)
																	Exploration right (2028.9.14)

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Name of mine	Major type	Resources										Reserves						Remaining resources	Validity period of permits/mining rights
		Measured and Indicated (Mt)	Inferred	Total	Grade (g/t)	Gold content (100% basis) (t)	Gold content (equity basis) (t)	Proven	Probable	Total	Grade (g/t)	Gold content (100% basis) (t)	Gold content (equity basis) (t)						
Fujian Yuanxin Gold Mine	Gold	–	0.19	0.19	0.19	0.38	6.42	2.44	2.20	–	0.18	0.18	4.60	0.84	0.76	1.00	Mining right (2029.6.21)		
																	Exploration right (2026.4.16)		
Xihe Zhongbao Gold Mine	Gold	–	6.11	6.11	7.04	13.14	2.25	29.55	20.69	–	5.34	5.34	2.21	11.82	8.27	20.22	Mining right (2034.4.28)		
																	Mining right (2039.8.30)		
Xinjiang Jinchuan	Gold	6.56	25.31	31.88	4.64	36.51	0.93	33.78	33.78	3.07	13.35	16.42	0.75	12.27	12.27	3.32	Mining right (2029.5.31)		
																	Exploration right (2029.4.22)		
Gansu Jinshun	Gold	–	8.46	8.46	8.87	17.33	3.17	54.85	42.05	0.00	3.95	3.95	2.61	10.29	6.17	–	Mining right (2027.1.12)		
																	Exploration right (2025.09.03)		
Inner Mongolia Changtai Gold Mine	Gold	–	2.43	2.43	2.48	4.91	4.46	21.92	15.34	–	1.05	1.05	3.40	3.56	2.49	5.82	Mining right (2031.12.21)		
																	Exploration right (2027.1.27)		
Veladero Mine	Gold	54.38	145.71	200.09	28.60	228.69	0.64	129.08	64.54	49.54	75.12	124.66	0.69	86.16	43.08	–	8 mining rights are leased until 2028, and self-owned 5 mining rights are indefinite		
Cardinal	Gold	12.39	221.39	233.78	24.91	258.69	0.93	240.05	204.04	2.23	186.74	189.17	0.91	170.85	145.22	–	Mining right (2035.2.11)		
																	Exploration right (2026.2.5)		
																	Exploration right (2026.2.5)		
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																	Exploration right (2026.		

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Name of mine	Major type	Resources										Reserves						Remaining resources	Validity period of permits/mining rights
		Measured and indicated (Mt)	Inferred	Total	Grade (g/t)	Gold content (100% basis) (t)	Gold content (equity basis) (t)	Proven	Probable	Total	Grade (g/t)	Gold content (100% basis) (t)	Gold content (equity basis) (t)						
Shanjin International																			
Jilin Banmiaozi	Gold	4.99	0.92	5.91	0.63	6.54	3.26	21.32	20.26	2.72	0.36	3.08	3.13	9.66	2.65	-	Mining right (2034.1.17)		
																-	Exploration right (2030.7.25)		
																-	Exploration right (2029.11.17)		
Huasheng Gold Mine	Gold	5.12	11.02	16.14	0.57	16.71	1.71	28.49	17.09		13.27	13.27	1.84	24.36	4.22	-	Mining right (2035.7.11)		
																-	Exploration right (2026.8.6)		
																-	Exploration right (2027.3.25)		
Heihe Luoke	Gold	2.11	0.47	2.58	0.45	3.03	4.55	13.79	13.79	0.34	1.40	1.74	3.54	6.17	1.78	-	Mining right (2033.5.18)		
																-	Exploration right (expired on 2025.8.2; currently being in process of renewal)		
Qinghai Dachaidan	Gold	5.11	10.67	15.78	3.70	19.48	4.33	84.36	75.92	3.69	5.77	9.46	4.45	42.09	10.94	-	Mining right (2036.1.18)		
																-	Mining right (2028.9.5)		
																-	Exploration right (2030.10.15)		
																-	Exploration right (2027.3.16)		
																-	Exploration right (2026.6.23)		
																-	Exploration right (2026.6.19)		
																-	Exploration right (2030.10.15)		
Yulong Mining	Gold				0.9	0.9	1.94	1.75	1.34							-	Mining right (2037.11.11)		
																-	Mining right (2038.5.16)		
																-	Mining right (2052.9.14)		
																-	Exploration right (2029.11.8)		
																-	Exploration right (2029.11.8)		
																-	Exploration right (2029.1.20)		
																-	Exploration right (2029.1.20)		
																-	Exploration right (2027.5.17)		
																-	Exploration right (2027.5.17)		
Osino	Gold	0.71	83.64	84.35	38.22	122.57	1.07	131.22	131.22	0.7	65.02	65.72	1.02	67.2	19.41	-	Mining right (2042.11.2)		
Sub-total	Gold	18.04	106.72	124.76	44.47	169.23	1.66	280.93	259.62	7.45	85.82	93.27	1.60	149.48	39.01	-			
Total	Gold	91.37	694.79	786.16	358.95	1,144.69	2.29	2,619.89	2,054.33	62.29	515.85	578.34	1.67	965.50	776.44	-			

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Table of Resource and Reserve of Non-ferrous Metals

Name of mine	Resources										Reserves				
	Measured and Indicated					Lead content				Proven	Probable	Total	Lead content		
	Measured	Indicated	Indicated	Inferred	Total	(100% basis)	Zinc content	Silver content	Copper content				(100% basis)	Zinc content	Silver content
	(Mt)	(Mt)	(Mt)	(Mt)	(Mt)	(t)	(t)	(t)	(t)	(Mt)	(Mt)	(Mt)	(Mt)	(t)	(t)
Heihe Luoke	2.11	0.47	2.58	0.45	3.03			160.57		0.34	1.4	1.74			90.25
Yulong Mining	11.1	32.95	44.04	29.63	73.67	636,409.86	1,241,266.22	7,860.81	137,794.15	8.07	18.89	26.96	216,925.45	417,566.1	2,701.48
Total	13.21	33.42	46.63	30.08	76.7	636,409.86	1,241,266.22	8,021.39	137,794.15	8.41	20.29	28.7	216,925.45	417,566.1	2,791.73
Total attributable metals															
of Shandong Gold						140,964.55	274,940.01	1,787.56	30,521.35				48,048.91	92,490.74	624.45

Notes:

1. Mineral resources tonnage and metal are reported as in-situ data and do not take into account mining losses and dilution resulting from mining activities.
2. Mineral resources are inclusive of mineral reserves; Mineral Reserves are derived from measured and indicated resources estimated by conversion factors, and inferred resources are not subject to conversion to ore reserves.
3. Two decimal places have been retained and rounding of numbers has been applied, so the total may not be equal to the sum of the numbers.
4. As of 31 December 2025, the Company owned 70.65%, 73.52%, 90.31%, 70%, 70%, 60% and 50% of equity interests of Guilaizhuang Gold Mine, Chifengchai Mine, Fujian Yuanxin Gold Mine, Xihe Zhongbao Gold Mine, Changtai Mining, Gansu Jinshun, Veladero Gold Mine, respectively; the Company owns 100% equity interests in Cardinal, which in turn owns 85% equity interest of subsidiaries Cardinal Namdini Mining Limited and Cardinal Ghana Limited; the Company held 39% equity interests of Laizhou Huijin Shaling Gold Mine; the Company held 28.89% equity interests of Shanjin International, and Shanjin International held 95%, 60%, 100%, 90%, 76.67% and 100% of equity interests of Jilin Banmiaozi, Huasheng Gold Mine, Heihe Luoke, Qinghai Dachaidan, Yulong Mining and Namibia Osino, respectively; the Company owned 100% equity interests of other mines.
5. The remaining resources mining year is calculated based on the reserves and production scale of each mine as of 31 December 2025. Given the annual conversion of resources into reserves and the increase of reserves by exploration activities, the remaining mining year listed in the above table should not be equated to the actual mine service life, which generally exceeds the remaining resources mining year presented therein.

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6. Mineral reserves:

Reserves in Sanshandao Gold Mine were based on a cut-off grade of 0.99 g/t.

Reserves in Jiaojia Gold Mine were based on a cut-off grade of 1.24 g/t.

Reserves in Linglong Gold Mine were based on a cut-off grade of 1.37 g/t.

Reserves in Xincheng Gold Mine were based on a cut-off grade of 1.01 g/t.

Reserves in Yanan Gold Mine were based on a cut-off grade of 1.71 g/t.

Reserves in Xinhui Gold Mine, Laixi Gold Mine were based on a cut-off grade of 1.38 g/t.

Reserves in Jinzhou Gold Mine were based on the following cut-off grade: 1.99 g/t for Jinqingding mine area and Songjiazhuang mine area, 1.19 g/t for Yinggezhuang mine area and Yinggezhuang exploration area, and 1.31 g/t for Sanjia exploration area.

Reserves in Guilaizhuang Gold Mine were based on the cut-off grade of 1.70 g/t.

Reserves in Penglai Gold Mine were based on a cut-off grade of 1.33 g/t.

Reserves in Chifengchai Mine were based on a cut-off grade of 1.34 g/t.

Reserves in Fujian Yuanxin Gold Mine were based on a cut-off grade of 1.40 g/t.

Reserves in Xihe Zhongbao Gold Mine were based on a cut-off grade of 1.55 g/t.

Reserves in Xinjiang Jinchuan were based on a cut-off grade: 0.3 g/t open pit mining and 0.9 g/t underground mining.

7. The resources data of Laizhou Huijin Shaling Gold Mine is sourced from the 2024 annual report of Zhongjin Gold Corporation Limited.

8. Mineral reserve in Veladero Gold Mine was estimated based on cut-off grade: 0.29 g/t for Type 1 ore and 0.52 g/t for Type 2 ore; Mineral resource was estimated based on cut-off grade: 0.21 g/t for Type 1 ore and 0.39 g/t for Type 2 ore.

9. Mineral reserve in Namdini Gold Mine of Cardinal was estimated based on a cut-off grade of 0.45 g/t; mineral resource was estimated based on a cut-off grade of 0.45 g/t.

10. Cut-off grade of mines of Shanjin International assumed:

Resources in Jilin Banmiaozi were based on a cut-off grade of Au 0.9 g/t, and reserves were based on a cut-off grade of Au 1.1 g/t.

Resources in Huasheng Gold Mine were based on a cut-off grade of Au 1.3 g/t (underground and 0.36 g/t (open-pit)), and reserves were based on a cut-off grade of Au 0.5 g/t;

Resources in Heihe Luoke were based on a cut-off grade of Σ Au 1.0 g/t, and reserves were based on a cut-off grade of Σ Au 1.2 g/t;

Resources in Qinghai Dachaidan were based on cut-off grades of Au 1.0 g/t (underground) and Au 0.4 g/t (open-pit), and reserves were based on cut-off grades of Au 1.6 g/t (underground) and Au 0.5 g/t (open-pit).

Resources in Yulong Mining were based on a cut-off grade of Σ Ag65 g/t, and reserves were based on a cut-off grade of Σ Ag85 g/t. Resources in Namibia Osino were based on a cut-off grade of Au 0.3 g/t, and reserves were based on a cut-off grade of Au 0.35 g/t.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS AND THE REPORT OF THE BOARD OF DIRECTORS

(V) Analysis on Investment Status

Overall analysis on external equity investment

✓ Applicable ☐ N/A

During the Reporting Period, the Company acquired 70% equity interests in Changtai Mining and paid RMB60 million as the final transfer consideration in accordance with the Equity Transfer Agreement signed with all shareholders of Baotou Changtai Mining in 2024. Upon the payment of the equity transfer consideration, the acquisition has been fully completed.

The Company funded and established Shandong Gold Materials Co., Ltd. (山東黃金物資有限公司), which operates under a low-profit business model. It centralizes the procurement, unified allocation and professional management of materials within Shandong Gold, thereby enhancing operational efficiency and management level. This initiative continuously reduces procurement costs, optimizes inventory management, and realizes the full-process management for centralized procurement operations. The registered capital of the company is RMB100 million, with an investment of RMB50 million was completed during the Reporting Period.

1. Key equity investments

☒ Applicable ☐ N/A

Unit: RMB0'000

												Impact on the profit and loss					
		Mainly engaged in		The amount invested	Shareholding	Whether consolidating the financial statements		Statement account (if applicable)	Source of capital	JV partners (if applicable)	Investment horizon (if any)	Progress as of the balance sheet date	Estimated earnings (if any)	during the current period	Whether involved in litigation	Disclosure date (if any)	Disclosure index (if any)
Invested company	Major businesses	business	method	invested	Shareholding	statements	(if applicable)	capital	(if applicable)	(if any)	sheet date	(if any)	period	in litigation	(if any)	(if any)	
Inner Mongolia Shanjin Changtai Mining Co., Ltd. (內蒙古山金綏泰礦業有限責任公司)	Mining and processing of gold and silver; mining development; processing and sales of mineral products; mining engineering construction; sales of mining machinery.	Yes	Acquisition	6,000	70%	Yes	Long-term equity investment	Self-financing	Natural person	Long term	Completed the merger and acquisition			No	12 March 2024	"Announcement on Resolutions of the Fifty-sixth Meeting of the Sixth Session of the Board of Directors of the Company" (No.: Lin 2024-017)	
Shandong Shanjin Materials Co., Ltd. (山東山金物資有限公司)	Mainly responsible for material supply and logistics services, providing integrated services such as procurement, warehousing and distribution for both internal and external operations of the Company.	Yes	Newly established	5,000	100%	Yes	Long-term equity investment	Self-financing		Long term	The registered capital of the company is RMB100 million, with an investment of RMB50 million was completed			No	29 August 2024	"Announcement on Resolutions of the Sixty-fifth Meeting of the Board of Directors of the Company" (No.: Lin 2024-071)	
Total	/	/	/	11,000	/	/	/	/	/	/	/			/	/	/	

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2. Key non-equity investments

√ Applicable □ N/A

No.	Project name	Total project investment amount (RMB'00 million)	Progress of project	Amount completed during the Reporting Period (RMB'00 million)	Cumulative amount completed (RMB'00 million)	Revenue of project
1	Jiaojia mining area (integration) gold resources development project	82.73	The mixing shaft in the north area, the main shaft in the south area, the auxiliary shaft in the south area, the 2# air return shaft and other parts of the main control project were completed, and the tunnel of the project is under construction.	5.7	14.3	After the project is completed and reaches capacity, the estimated ore production and processing capacity will be 6.6 million tonnes per year, and the average annual production of flotation gold concentrate will be 29.06 tonnes (gold content of 18,854 kg/year).
2	Xincheng Gold Mine resources integrated development project	39.5	The main shaft in mining area I, the auxiliary shaft in mining area II, the air return shaft and other parts of the main control project were completed, and the supporting engineering construction is in progress.	3.7	10.42	After the project is completed and reaches capacity, the estimated annual ore processing capacity will be 2.64 million tonnes, and the average annual production of flotation gold concentrate will be 119,600 tonnes (gold content of 7,771 kg/year).
3	Expansion project of 2,000t/d of mining and beneficiation in Chifeng Chaihulanzi Gold Mining Co., Ltd.	3.05	The auxiliary shaft and air shaft of the main control project were completed, the second phase of tunnel development project is under construction, and the equipment and facilities are being installed.	0.43	2.78	After the project is completed and reaches capacity, it is estimated to produce 600,000 tonnes of ore per year.
4	Namibia Twin Hills gold mine mining and beneficiation project	36.54	The project is currently undertaking the construction of a tailings dam, a 3.66 KV transmission line and an 11 KV substation, the realignment of the D1491 road, pre-stripping for mining operations, and the construction of a camp.	9.55	9.55	The project is scheduled for completion in September 2027. It is designed to have a production capacity of 5 million tonnes/year, with a construction period of two years. The mine will be operated as an open-cast operation and, once operational, is expected to produce 5 tonnes of gold annually.

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3. Financial assets measured at fair value

√ Applicable □ N/A

Unit: RMB0'000

Asset class	Opening balance	Gains and losses from changes in fair value in the current period	Cumulative changes in fair value included in equity	Impairment accrued in the current period	Purchase amount of the current period	Amount sold/ redeemed in current period	Other changes	Closing balance
Stocks	445,679.14	-117,262.07				253.92	-88.29	328,074.86
Trust products	51,797.68	1.11				1.11	-100.00	51,697.68
Private equity	163,307.49	11,898.58			44,208.34	15,779.07	-20.00	203,615.34
Futures	191.91	-9,369.89			20,638.06	10,789.89	-94.89	575.30
Derivatives	-993.48	-17,796.36			-64,579.79	-66,102.88	13,575.75	-3,691.00
Others	165,185.05	-17,085.44			1,215,429.00	1,356,566.01	110.00	7,072.60
Receivables financing	8.00						526.14	534.14
Total	825,175.79	-149,614.07			1,215,695.61	1,317,287.12	13,908.71	587,878.92

Note: Other categories of financial assets are mainly the entrusted wealth management products held by SDG Capital Management, a wholly-owned subsidiary of the Company, and its subsidiaries, and Shanjin International, a holding subsidiary of the Company, and its subsidiaries.

Investment in securities

√ Applicable □ N/A

Unit: RMB0'000

Types of securities	Stock code	Abbreviation of securities	Initial investment cost	Source of funds	Opening carrying amount	Gains and losses from changes in fair value in the current period	Cumulative changes in fair value included in equity	Purchase amount of the current period	Amount sold in the current period	Investment profit and loss in the current period	Closing carrying amount	Accounting items
Stocks	601899	Zijin Mining	5,000.00	Self-owned funds	6,866.57	7,341.77			14,208.34	10,934.73		Financial assets held for trading
Stocks	600022	Shandong Iron and Steel	5,000.00	Self-owned funds	261.1	-7.18			253.92	-126.03		Financial assets held for trading
Funds	/ /		3,100.00	Self-owned funds	18,069.09	9,582.13		29,208.34		509.16	56,859.56	Financial assets held for trading
Others	/ /		500	Self-owned funds	2,137.85	383.62					2,521.47	Financial assets held for trading
Total	/ /		13,600.00	0.00	27,334.61	17,300.34		29,208.34	14,462.26	11,317.86	59,381.03	/

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Description of securities investment

√ Applicable ☐ N/A

The wholly-owned subsidiary of SDG Capital Management, Shanjin Shanjinquan (Shanghai) Private Equity Fund Management Co., Ltd. ("Jinquan Private Equity Fund"), is a private securities investment fund manager registered with the Asset Management Association of China. Shanjin Futures Co., Ltd. ("Shanjin Futures Company") is a securities and futures operating institution approved for establishment by the state council's futures regulatory authority and is an asset management plan manager registered with the China Futures Association, possessing investment advisory qualifications. Jinquan Private Equity Fund and Shanjin Futures Company can conduct investments and asset management by establishing private funds and asset management plans. The securities investment projects under the fund category are the Shanjin Jinyuan No.1 Private Securities Investment Fund and the Shanjin Jinyuan No.2 Private Securities Investment Fund, which are independently managed by Jinquan Private Equity Fund; the securities investment project under the other category is the Caitong Fund Antai No.5 Single Asset Management Plan, which is 100% held by Jinquan Private Equity Fund, with the company holding investment decision-making rights and being consolidated.

Investment in private equity fund

√ Applicable ☐ N/A

SDG Capital Management is a private equity and venture capital fund manager registered with the Asset Management Association of China (AMAC), and Jinquan Private Equity Fund is a private equity fund manager registered with AMAC. They can invest and manage assets by setting up private equity funds. As of the end of the Reporting Period, the balance of investment in self-managed consolidated private equity funds of which SDG Capital Management and its wholly-owned subsidiaries, namely Jinquan Private Equity Fund, Shanjin Futures and Jinquan Investment Management Company (金泉投资管理公司), acted as managers with an investment proportion exceeding 30% or non-managers with an investment proportion reaching 100%, amounted to RMB2.014 billion.

Investment in derivatives

√ Applicable ☐ N/A

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- (1). Derivative investment for hedging purposes during the Reporting Period

☒ Applicable ☐ N/A

During the Reporting Period, in order to avoid the impact of price and exchange rate fluctuations on production and operation and ensure the continuity and stability of the Company's operating results, the Company and its subsidiaries (excluding Shanjin International) carried out futures and derivatives trading for the purpose of hedging within the limits considered by the Board and the shareholders' meeting: the margin and credit of financial institutions occupied by the Company and its subsidiaries (excluding Shanjin International) for self-produced gold futures and derivatives trading business in 2025 did not exceed the authorization limit of RMB0.5 billion or its equivalent value in other currencies as considered and approved, and the maximum contract value did not exceed the authorization limit of RMB3.5 billion or its equivalent value in other currencies as considered and approved; the margin and credit of financial institutions occupied by other futures and derivatives trading businesses did not exceed the authorization limit of RMB0.6 billion or its equivalent value in other currencies as considered and approved, and the maximum contract value did not exceed the authorization limit of RMB4.2 billion or its equivalent value in other currencies as considered and approved; the maximum contract value of the gold leasing and hedging business did not exceed the authorization limit of RMB21.9 billion or its equivalent value in other currencies as considered and approved (for details, please refer to the Announcement on Commencement of Futures and Derivatives Transactions in 2025 of Shandong Gold Mining Co., Ltd. and Announcement on Commencement of Gold Leasing and Hedging Business in 2025 of Shandong Gold Mining Co., Ltd. disclosed by the Company on 27 March 2025 (Announcement Nos.: L2025-016 and L2025-017)).

During the Reporting Period, subject to the limits considered by the Board, Shanjin International, a controlling subsidiary of the Company, carried out derivatives trading business to reduce the impact and risks arising from price and exchange rate fluctuations on the Company's production and operation and ensure the continuity and stability of the Company's operating performance, so as to further enhance the Company's production and operation level and risk resistance capability. The maximum contract value held on any trading day of the derivatives trading business did not exceed RMB9 billion or its equivalent value in other currencies as considered and approved, and the amount of trading margin used did not exceed RMB0.7 billion or its equivalent value in other currencies as considered and approved at any trading day (for details, please refer to the Announcement on Derivative Trading Business Conducted by a Subsidiary of Shanjin International, a Controlling Subsidiary of Shandong Gold Mining Co., Ltd. disclosed by the Company on 19 December 2024 (Announcement No.: Lin 2024-099)).

[illegible]

The accounting policies, specific principles of accounting for hedging business during the Reporting Period, and explanations of whether there are significant changes compared with the previous reporting period	In accordance with the Ministry of Finance's Accounting Standards for Business Enterprises No. 22– Recognition and Measurement of Financial Instruments, Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments, Accounting Standards for Business Enterprises No. 39 – Fair Value Measurement, and other relevant provisions and guidelines, the Company has conducted corresponding accounting treatment for its derivative trading business, which is reflected in relevant items on the balance sheet and profit and loss statement. As the Company does not meet the applicable conditions of Accounting Standards for Business Enterprises No. 24 – Hedge Accounting, it has not yet applied hedge accounting for the time being. During the Reporting Period, the accounting policies and specific accounting principles for hedging business did not undergo significant changes compared with the previous Reporting Period.

Explanation on actual profit and loss during the Reporting Period	In order to reduce the impact and risks of price and exchange rate fluctuations on the Company's production and operation, the Company carried out highly liquid futures and derivatives transactions that are related to its main business and similar to the Company's products within the scope of its authorisation and in accordance with operational requirements and all transactions conducted are backed by physical business activities. During the Reporting Period, the Company's futures and derivatives transactions were generally offset by spot value movements, thereby achieving the purpose of hedging.

Description of hedging effect	The futures and derivatives transactions that the Company engages in are linked to products it manufactures and sells and foreign exchange. These activities have effectively hedged against the risks of commodity price and exchange rate fluctuations, safeguarded the financial security of the Company and the profitability of its main business, and achieved the expected risk management objects.

Source of funds for investment in derivatives	Self-owned funds, self-raised funds and credit facilities from financial institutions. No funds raised have been used to engage in futures and derivatives trading.

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Risk analysis of positions in derivatives during the Reporting Period and explanations of risk control measures (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)

The Company and its subsidiaries conduct futures and derivative transactions in compliance with the principles of legality, prudence, security and effectiveness. These activities are always aimed at mitigating the impact and risks of price and exchange rate fluctuations on the Company's production and operations, with risk control as the top priority. No speculative trading is carried out under the guise of hedging, and all transactions are backed by actual business backgrounds. Nevertheless, certain risks remain during operations: 1. Operational Risk: Hedging activities are highly specialized and complex. Inadequate internal control mechanisms, transaction system failures, or human operational errors may give rise to risks. 2. Market Risk: Due to significant fluctuations in the futures and derivatives market, there may be instances where the price movements of futures or derivatives may not align with those of the spot market, which could reduce or even nullify the effectiveness of hedging and affect the intended hedging results. 3. Capital Risk: Futures trading operates on a margin and daily mark-to-market system. In the event that the exchange significantly increases trading margin or market movements persistently move against the Company's positions, the Company may need to promptly add margin or settlement reserves, which could expose the Company to capital liquidity risk. The contracts held by the Company may be subject to forced position closure if there is insufficient trading margin or if margin calls are not met in a timely manner. 4. Credit risk: In the course of business operations, there is a risk that a counterparty may default and fail to fulfill the transaction as agreed, thereby causing losses to the company. Risk control measures: 1. The Company has formulated relevant management systems, including the "Self-produced Gold Hedging Management Measures" and the "Bulk Trade Business Hedging Management Measures", which provide clear provisions regarding business principles, organizational structure and responsibilities, operational procedures, risk management and control, information disclosure, and confidentiality and records management, thereby continuously enhancing the Company's internal control. 2. The Company has established a well-defined organizational structure and deployed professional teams to conduct specialized research, decision-making, and trading operations, with clearly defined responsibilities for the relevant personnel. Meanwhile, the Company has implemented trading, communication, and information service facilities and systems that meet the required standards to ensure the effective execution of futures and derivatives transactions. 3. The Company implements strict authorization management, ensuring that trading scale, varieties, and tenor remain strictly within approved limits, with no transactions exceeding authorization or limits. The Company enforces a segregation of duties system and has established dedicated clearing and risk control positions to promptly assess the performance of hedging operations and continuously monitor changes in futures and derivatives prices, thereby ensuring proper capital management and control. 4. The Company trades futures and derivatives on the Shanghai Gold Exchange, the Shanghai Futures Exchange, the New York Metal Exchange and other legitimate exchanges. The counterparties selected for over-the-counter trading are large qualified commercial banks, investment banks and other financial institutions or risk management companies, effectively avoiding credit risks related to trading. 5. The Company has established a reporting system for significant matters, under which business personnel regularly report the status of business operations to the Company's management. Any abnormalities identified are promptly escalated, with risks highlighted and the corresponding risk alert mechanism activated based on the specific circumstances.

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Changes in market price or product fair value of derivatives invested during the Reporting Period, where specific methods and relevant assumptions and parameters used shall be disclosed in the analysis of derivatives' fair value

Fair value changes are determined at the end of each month based on the prevailing exchange market prices.

Litigation involvement (if applicable)

Nil

Disclosure date of Board announcement regarding derivative investment approval (if any)

On 19 December 2024, the Company disclosed the Announcement on Derivative Trading Business Conducted by a Subsidiary of Shanjin International, a Controlling Subsidiary of Shandong Gold Mining Co., Ltd. On 27 March 2025, the Company disclosed the Announcement on Commencement of Futures and Derivatives Transactions in 2025 of Shandong Gold Mining Co., Ltd. and Announcement on Commencement of Gold Leasing and Hedging Business in 2025 of Shandong Gold Mining Co., Ltd.

Disclosure date of shareholders' meeting announcement regarding derivative investment approval (if any)

On 11 June 2025, the Company held the general meeting, at which the Resolution Regarding the Company Conducting Gold Leasing and Gold Hedging Portfolio Business in 2025 and the Resolution Regarding the Company Conducting Futures and Derivatives Transactions in 2025 were considered and approved.

- (2). Derivative investment for speculative purposes during the Reporting Period
☐ Applicable ☒ N/A

4. Specific progress of major asset restructuring and integration during the Reporting Period

☐ Applicable ☒ N/A

(VI) Disposal of Material Assets and Equity Interest

☐ Applicable ☒ N/A

(VII) Analysis of Major Subsidiaries and Investees

☒ Applicable ☐ N/A

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Major subsidiary and investees accounting for over 10% of the net profit of the Company

√ Applicable □ N/A

Unit: RMB0'000

Name of company	Type of company	Principal activities	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Shandong Gold Mining (Laizhou) Co., Ltd. (山東黃金礦業(萊州)有限公司)	Subsidiary	Gold mining and beneficiation	43,017.64	4,749,843.33	619,475.75	905,512.15	214,602.22	138,313.39
Shandong Gold Mining (Linglong) Co., Ltd. (山東黃金礦業(玲瓏)有限公司)	Subsidiary	Gold mining and beneficiation	40,230.66	689,618.49	251,546.37	158,380.20	18,328.77	18,449.78
Chifeng Chaihanzi Gold Mining Co., Ltd. (赤峰柴胡欄子黃金礦業有限公司)	Subsidiary	Gold mining and beneficiation	1,001.77	237,882.22	130,275.05	86,358.56	15,603.17	11,901.73
Shandong Jinzhou Mine Group Co., Ltd. (山東金洲礦業集團有限公司)	Subsidiary	Gold mining and beneficiation	7,668.98	201,835.07	184,634.17	107,391.61	51,726.50	39,558.31
Fujian Province Zhenghe County Yuanxin Mining Co., Ltd. (福建省政和縣源鑫礦業有限公司)	Subsidiary	Gold mining and beneficiation	5,400.00	64,681.11	44,699.26	15,954.44	58.10	-63.57
Shandong Gold Mining (Yinan) Co., Ltd. (山東黃金礦業(沂南)有限公司)	Subsidiary	Gold mining and beneficiation	17,100.00	106,102.66	25,671.51	33,480.52	1,667.16	1,620.10
Shandong Gold Mining (Xinhui) Co., Ltd. (山東黃金礦業(鑫匯)有限公司)	Subsidiary	Gold mining and beneficiation	38,473.59	366,185.83	191,792.77	52,815.27	6,983.33	6,140.00
Shandong Gold Mining (Laixi) Co., Ltd. (山東黃金礦業(萊西)有限公司)	Subsidiary	Gold mining and beneficiation	21,400.00	110,271.42	51,421.01	23,724.71	1,630.41	1,345.00
Xihe Zhongbao Mining Co., Ltd. (西和縣中寶礦業有限公司)	Subsidiary	Gold mining and beneficiation	20,000.00	238,883.95	152,211.82	80,267.43	28,101.60	26,985.92
Shandong Gold Guilaizhuang Mining Co., Ltd. (山東黃金歸來莊礦業有限公司)	Subsidiary	Gold mining and beneficiation	62,167.00	122,158.61	84,603.30	68,186.38	6,701.94	6,016.44
Shandong Gold Group Penglai Mining Co., Ltd. (山東黃金集團蓬萊礦業有限公司)	Subsidiary	Gold mining and beneficiation	5,000.00	301,419.22	38,460.67	22,582.70	-16,803.63	-12,525.31
Hengxing Gold Holding Company Limited (恆興黃金控股有限公司)	Subsidiary	Gold mining and beneficiation	736.21	399,549.20	301,284.45	170,116.69	42,812.17	36,408.22
Shandong Gold Smelting Co., Ltd. (山東黃金冶煉有限公司)	Subsidiary	Gold mining and beneficiation	35,000.00	553,389.55	84,055.21	6,003,481.68	3,176.12	2,813.84
Shandong Gold Mining (Hong Kong) Co., Limited (山東黃金礦業(香港)有限公司)	Subsidiary	Mining investment	453,114.56	2,216,697.87	788,740.85	989,477.05	419,642.57	232,176.19
SDG Capital Management Co., Ltd. (山金金控資本管理有限公司)	Subsidiary	Investments and assets management	150,000.00	1,533,737.09	89,621.34	1,587,874.99	-141,013.93	-109,459.82
Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司)	Subsidiary	Non-ferrous metals mining and beneficiation	277,672.23	2,486,841.94	1,920,863.60	1,709,860.50	243,852.78	186,695.39
Inner Mongolia Shanjin Changtai Mining Co., Ltd. (內蒙古山金昶泰礦業有限責任公司)	Subsidiary	Gold mining and beneficiation	10,500.00	93,760.81	62,085.25	15,202.76	103.41	-109.79
Shandong Gold Group Finance Co., Ltd. (山東黃金集團財務有限公司)	Investee Company	Non-bank financial institutions	300,000.00	1,763,685.31	363,729.80	27,954.57	14,743.94	10,594.95

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Acquisition and disposal of subsidiaries during the Reporting Period

√ Applicable □ N/A

Name of company	Method of acquisition and disposal of subsidiaries during the Reporting Period	Effect on the general production, operation and results
Yunnan Western Mining Co., Ltd. (雲南西部礦業有限公司).	Purchase	Increase of exploration rights
Shandong Shanjin Materials Co., Ltd. (山東山金物資有限公司)	Establishment	Business synergy

Other explanations

□ Applicable √ N/A

(VIII) Structured Entities Controlled by the Company

√ Applicable □ N/A

The Group has 28 structured entities included in the scope of consolidation. According to Accounting Standard for Business Enterprises No. 33 – Consolidated Financial Statements, the Group includes structured entities participating with the Group's own funds that meet the definition of "control" set out in the standards in its consolidated financial statements.

As of 31 December 2025, the Group had the following major consolidated structured entities:

Names	Shareholding	Paid-in capital (RMB)	Acquisition method
Shanjin Jinshi No. 1 Private Securities Investment Fund (山金金石1號 私募證券投資基金)	100.00%	440,961,463.69	Establishment
Jinyuan No. 1 Private Securities Investment Fund of Jinquan Shanjin (金泉山金 金源一號私募證券投資基金)	100.00%	386,699,023.98	Establishment
Zhuchi Quantitative Stable Investment Master Fund No. 1 Phase I (珠池量化穩健投資母基金1號1期)	100.00%	239,231,284.34	Investment
Jinyuan No. 2 Private Securities Investment Fund of Jinquan Shanjin (金泉山金金源二號私募證券投資基金)	100.00%	93,480,886.25	Establishment
Yanfu Neutral No. 13 Private Securities Investment Fund (衍復中性十三號 私募證券投資基金)	96.84%	91,525,248.74	Investment

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VI. DISCUSSION AND ANALYSIS ON THE COMPANY'S FUTURE DEVELOPMENT

(I) Landscape and Development Trend in the Industry

√ Applicable □ N/A

1. Competitive landscape in the industry

The current international landscape is marked by intertwined turmoil and upheaval, with economic globalization facing severe shocks and local wars and cross-border conflicts occurring frequently. This has further elevated the strategic importance of gold resources. Competition within the gold industry has shifted from a simple race for production volume to a comprehensive contest of strength encompassing resource control, industrial chain integration, and global layout. Internationally, overseas mining companies are accelerating consolidation, leading to further industry concentration. Gold Fields (金田公司), a leading global company, acquired the Gruyere gold mine in Australia through its purchase of Gold Road Resources Ltd. (金路資源公司). Coeur Mining, Inc. (科達倫礦業公司) acquired New Gold Inc. (新黃金公司), becoming one of North America's major precious metals producers. Domestically, on the one hand, ongoing optimization of national mining policies has solidified the foundation for high-quality development in gold mining enterprises. In June 2025, nine departments, including the Ministry of Industry and Information Technology, formally issued the Implementation Plan for High-Quality Development of the Gold Industry (2025-2027), which encourages deeper overseas cooperation and injects new momentum into enhancing the quality and efficiency of domestic gold mining enterprises. In November 2025, the Ministry of Finance and the State Taxation Administration issued the Announcement on Tax Policies Related to Gold (《關於黃金有關稅收政策的公告》), with the new tax policies driving market resources to further concentrate on leading enterprises operating in compliance. On the other hand, China's mining companies are actively expanding their overseas gold resources. However, with rising gold prices and intensifying competition in resource acquisitions, the costs of mergers and acquisitions in the gold industry have also increased accordingly.

Currently, amid the reshaping of the global political and economic landscape, the demand for physical gold remains robust. Firstly, from the geopolitical perspective, the Trump administration's policy initiatives, which continuously break with the traditional international order, are steadily undermining the United States' international standing and national credibility while intensifying great power game. As uncertainty in the global geopolitical situation increases, the "sense of insecurity" felt by governments and market investors regarding the situation will boost safe-haven demand. Secondly, from the economic performance perspective, as the effects of monetary easing gradually materialize and fiscal spending intensifies, the global economy may enter a phase of recovery. However, against the backdrop of geopolitical tensions and rising protectionism, the overall pattern of global economic recovery with unstable foundation and weak momentum has not changed substantively. Finally, from the monetary policy perspective, although the escalation of geopolitical conflicts in the Middle East drove a transient rise in oil prices, thereby raising market concerns over a resurgence of inflation, such sustainability lacks strong support; simultaneously, given the high level of U.S. debt risk, the structural weakness in the labor market and the change in leadership at the Federal Reserve, it is expected that the Federal Reserve will find it difficult to alter the overall accommodative monetary policy stance, and liquidity in global financial markets will remain ample.

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2. Industry development trend

In recent years, China's gold enterprises have actively responded to and thoroughly implemented the national new round of strategic action for mineral exploration breakthroughs. They are continuously increasing investment in geological exploration to strengthen domestic resource security. Simultaneously, through cross-border mergers and acquisitions and resource integration, they are proactively deploying high-quality global resources, driving further concentration of gold resources among leading companies and continuously enhancing industry consolidation. Concurrently, the gold industry remains committed to innovation-driven development. Large gold enterprises, in particular, are continuously strengthening their independent innovation capabilities, accelerating the transformation of scientific achievements into practical productivity, and actively practising responsible gold mining concepts. They are comprehensively advancing green mine construction and low-carbon transformation, leading the gold industry toward a path of green, safe, and efficient high-quality development.

(II) Development Strategies of the Company

☒ Applicable ☐ N/A

The Company will give full play to the leading role of large gold enterprises, and balance high-quality development with high-level security. With the core focus on accelerating the development of new quality productive forces, and driven fundamentally by deepening reforms and technological innovation, we will steadfastly practice the green, innovative, and lean development concepts. We will optimize the allocation of domestic and international resources, accelerate the construction progress of infrastructure mine enterprises, and promote the capacity stabilization and increase of in-production mine enterprises. This will ensure the rapid and efficient release of overall production capacity in key regions, comprehensively improving operational efficiency and profitability. Guided by the principles of intelligence, green practices, and internationalization, we will build benchmark intelligent and green mines, create exemplary intelligent smelting projects, and improve comprehensive solid waste utilization capabilities. These efforts will drive transformations in quality, efficiency, and momentum, enabling higher-quality and more sustainable development. We will foster a collaborative and win-win industrial ecosystem, optimizing the entire value chain from resource exploration and extraction to product application. By synergizing technological innovation with institutional innovation to enhance our technological leadership and industrial synergy, we will participate in global competition and cooperation at a higher level. We always adhere to the concept of repaying Shareholders, bravely undertake social responsibilities, and strive to build the Company into a world-class gold mining enterprise with global competitiveness and outstanding main business advantages, excellent corporate governance and excellent value creation ability.

The Company commenced the formulation of its "15th Five-Year Plan" in 2025. As of the disclosure date of this report, it is accelerating the preparation of sub-plans for each business segment and specialized functional plans. Upon completion of the "15th Five-Year Plan", the Company will make corresponding disclosures in a timely manner.

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(III) Operation Plans

√ Applicable □ N/A

In 2026, the production and operation plan determined by the Company is that the gold output is no less than 49 tonnes. (The plan is formulated based on the current economic situation, market conditions and the production and operation of the Company. It serves as a guiding indicator for the Company and involves uncertainties. It does not constitute a commitment to achieve production targets, and the Company will make appropriate adjustments in a timely manner in light of developments.)

Main measures to be taken in 2026:

(I) Striving for stable and increased production, achieving new breakthroughs in enhancing resource guarantee capability

We will persist in making stable and increased production the primary task, focus on consolidating the foundation, expand new increments, and cultivate new drivers. Focusing on capacity release, we will, in accordance with the principle of “stabilizing existing stock, expanding increments, and curbing decrements”, promote the optimization of layouts in infrastructure mines, tap into their potential, and ensure stable and high production. Focusing on resource continuity, we will launch a new round of prospecting breakthroughs and resource acquisition initiatives. Internally, we will intensify exploration efforts in the peripheries and deep sections of mines to increase reserves through exploration. Externally, we will advance the merger, acquisition, and integration of high-grade gold mining projects to create a strategic reserve pool of gold resources.

In 2026, we will focus on project construction, coordinate the construction progress of projects under development and accelerate the implementation of proposed projects. We will expedite the construction progress of key projects such as the deep section project of the Sanshandao Gold Mine Mining and Processing Project (Capacity and Boundary Expansion), the Jiaojia Mining Gold Mine Resource Integration and Development Project, the Xincheng Gold Mine Resource Integration and Development Project, and the Twin Hills Gold Mine Project of Osino in Namibia. We will strive to obtain the approval for the Sanshandao Gold Mine 15,000 tonnes/day mining and processing expansion project in 2026, facilitating the early formation of production capacity and generation of returns from these projects.

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(II) Focusing on value creation, taking new steps in promoting quality changes in development

We will integrate the new development philosophy throughout the entire production and operation process, comprehensively enhancing operational quality and management efficiency to achieve connotative development led by value creation. We will deepen cost reduction and efficiency enhancement across the entire value chain, strengthen cost control across all personnel, all elements, and the whole lifecycle, optimize mining methods according to specific enterprise conditions, promote advanced mineral processing technologies, strictly control discretionary expenses, reduce comprehensive financing costs, manage cash flow and the scale of “two golds”, focus on optimizing the “five rates”, reducing the “five fees”, lowering the cash cost per gram of gold, and to hedge against the impact on costs arising from the continuously increasing depth of mine extraction and the transition from outsourced construction to self-operated operations. We will comprehensively strengthen investment management, strictly enforce investment plan reviews, special investment risk control, and post-investment evaluations to enhance the level of whole-process investment management.

(III) Focusing on reform and innovation, forging new advantages in cultivating new quality productive forces

We will strengthen the guiding role of technological innovation, optimize the allocation of scientific and technological resources, and increase investment in fundamental research. We will concentrate efforts on tackling key technologies in key areas such as intelligent and efficient mining theory and technology, multi-hazard perception and prevention in deep gold mines, green utilization of solid waste and low-grade ore from gold mines, and deep metallogenic mechanisms and reserve enhancement in gold mines. We will promote all links of the whole chain, from technological breakthroughs to the transformation of achievements. We will accelerate the implementation of the “Artificial Intelligence (AI) +” action, promoting the in-depth application of AI and large model technologies in the mining sector. With the construction of “intelligent mining areas” as the core and the development of “benchmark enterprises” as the guide, we will comprehensively advance the intelligent upgrade of mining production processes. We will promote a batch of replicable and easily scalable typical scenarios in areas such as intelligent exploration, intelligent mining, intelligent mineral processing, and intelligent smelting.

(IV) Focusing on risk prevention and control, consolidating new support for securing the baseline of safe development

We will firmly establish the concept of safe development, comprehensively improve the full-staff, whole-process, and full-chain risk prevention and control system, and safeguard high-quality development with a high level of safety. We will resolutely hold the line on safety in production, implement a project to enhance safety control, complete the three-year “addressing root causes to consolidate gains” campaign for safe production, strengthen source management of hidden dangers and safety management of self-operated teams, expand the coverage of intelligent early warning devices, and promote intelligent equipment to increase the mechanization rate of mining operations. We will resolutely uphold the red line for ecological and environmental protection, implement the action plan for peaking carbon emissions, control energy consumption and carbon emissions, carry out comprehensive solid waste management, tackle key environmental protection technologies, consolidate the achievements of green mining construction, and highlight the foundation for ecological mining development. We will resolutely defend the line of compliant operations, strengthen audit supervision to achieve full coverage on a rolling three-year basis, reinforce the construction of a law-based enterprise and compliance management system, and standardize the review of major decisions.

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(V) Focusing on Party building, achieving new results in fostering a clean and upright political ecosystem

We will persist in strengthening Party building with political construction as the guide, accelerate the formation of a new pattern for Party building work, advance full and rigorous Party governance in depth, and provide a strong guarantee for the high-quality development of the enterprise. We will continuously consolidate the foundation of primary-level Party organizations, effectively run the “Shandong Gold Lecture Hall” and special training courses, implement a training project on the Party’s innovative theories, and promote the deep internalization of the Party’s innovative theories in the minds of our people. We will continuously build a strong contingent of cadres and talented individuals, make coordinated use of cadres of all ages, improve the talent introduction, cultivation, and evaluation system, carry out targeted introduction of high-end talents, smooth multi-channel development paths, and build a high-quality echelon of cadres and talents. We will continuously and rigorously enforce discipline and fight corruption, consolidate the achievements of the Central Eight-Point Regulations, create a model of a “clean and honest state-owned enterprise”, improve the “grand supervision” system, and strengthen disciplinary warning and education. We will continuously consolidate the synergy for unity and progress, improve the employee care and incentive system, and enhance employees’ sense of gain and happiness.

(VI) Focusing on corporate governance, achieving new leaps in continuously improving the quality of the listed company

Adhering to standardized operations as the core guiding principle, we will continue to improve the corporate governance system, continuously enhance the Company’s level of standardized operation and the quality of information disclosure, strictly adhere to the baseline of compliant operations, and consolidate the foundation for the high-quality development of the listed company. We will deepen investor relations management, proactively strengthen positive interaction with investors, regulatory authorities, and all parties in the capital market, promptly respond to market concerns, convey confidence in the Company’s development, and build market consensus. We will deeply practice the concept of sustainable development across multiple dimensions, continuously improve the ESG governance system, strengthen control across all dimensions of environment, society and governance, promote sustainable development practices with high standards, and comprehensively enhance the Company’s future-oriented sustainable development capabilities and core competitiveness. We will attach great importance to shareholder returns, systematically advance market value management work, and strive to actively reward all Shareholders with the achievements of high-quality development, achieving coordinated development and mutual benefit and symbiosis among the Company, its Shareholders, and society.

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(IV) Possible Risks

√ Applicable □ N/A

The Company has strengthened its organizational leadership, clearly defining the risk management responsibilities of the Board of Directors, management, and various departments and positions. Adhering to the standards of “standardization and prudence”, it has established a whole-process, full-chain risk prevention and control work system and mechanism to effectively prevent and resolve various risks.

Investors are reminded to note: The Company has identified the principal risks and adopted response measures. However, due to limitations imposed by various factors, it cannot absolutely guarantee the elimination of all adverse influences.

1. Energy conservation and environmental protection management risk

Against the backdrop of increasingly stringent policies, regulations, and regulatory oversight in the realm of ecological and environmental protection, particularly the higher demands for accelerating the green and low-carbon transition under the “dual carbon” policy, the Company’s capacity for green and high-quality development still requires further enhancement. Should any major environmental pollution incident, violation of energy conservation and environmental protection laws or regulations, or exposure as a typical negative case occur, it would have a significant impact on the Company’s healthy and sustainable development as well as its social image.

Countermeasures: Guided by the principle of “Party and government sharing the same responsibility and each holding dual responsibilities for their duties”, we strictly implemented the ecological and environmental protection responsibility system and the full-staff ecological and environmental protection responsibility agreements. We established and improved a comprehensive, practical, and effective ecological and environmental protection institutional system, responsibility system, and assessment and evaluation system. We strengthened the ecological and environmental protection organizational structure and talent team, enhanced personnel education and training, and built a professional technical and management team. We increased environmental protection investment and strengthened the whole-process management of environmental protection projects to ensure their effective implementation. We fully implemented precise, science-based, and lawful pollution control, and collaboratively promoted carbon reduction, pollution reduction, green expansion, and economic growth. We enhanced the investigation and management of ecological and environmental hidden dangers, and implemented special activities for the standardized whole-process management and comprehensive utilization of solid waste. We strengthened scientific and technological innovation in the environmental protection field, focusing precisely on areas such as the whole-process reduction and green resource utilization of tailings and cyanide residues, mine water treatment and utilization, non-cyanide and low-cyanide green gold extraction, and refined control of fugitive dust emissions. We strengthened energy conservation and consumption reduction management, carried out enterprise energy consumption benchmarking evaluation and verification work, and promoted the informatization of enterprise energy management. We strengthened the construction of an emergency response system for environmental incidents, organizing all enterprises to timely formulate (or revise) emergency response plans for environmental incidents, strengthened drills, stockpiled adequate emergency supplies, and enhanced our capacity for emergency prevention.

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2. Production safety accident risk

With the continuously increasing regulatory requirements from governments at all levels, higher demands are placed on the enterprise's safety management. Since the Company's mines are primarily underground operations, they are affected by factors such as natural conditions, deep well mining, the level of technology, personnel quality, and industry objective conditions. The Company still has certain deficiencies in areas such as the implementation of safety production responsibilities, investigation and governance of hidden dangers, upgrading of equipment and facilities, and safety education and training. This results in a risk of production safety accidents, which hinders the Company's goal of achieving intrinsic safety. If an incident involving personal injury, death, or property damage occurs, it would have a serious impact on the Company's production and operation, brand and social reputation.

Countermeasures: We persisted in prioritizing safety above all else. We revised various safety production management systems, solidified the full-staff safety responsibility system by signing safety production responsibility agreements at all levels, and improved the safety competence of safety management personnel and operators to lay a solid foundation for safety management. We strengthened source prevention, solidified the construction of standardized safety production, deepened and consolidated the achievements of the three-year "addressing root causes to consolidate gains" action, and improved the safety production management system centred on the dual prevention mechanism of safety risk classification and control and hidden danger investigation and management. We accelerated the advancement of risk prevention and control for deep well mining, carried out systematic rectification of hidden dangers in key areas such as hoisting transportation and electromechanical equipment, strengthened the investigation and management of hidden disaster-causing factors, and promoted the construction of intelligent mines through "replacing manual operations with mechanization, reducing manpower through automation, and achieving unmanned operations via intelligence", continuously enhancing the intrinsic safety level of our mines.

3. Resource acquisition risk

As competition for global mineral resources intensifies, coupled with increasingly stringent resource control and industry regulatory policies in certain countries, and changes in the market environment that have pushed asset valuations to high levels, transaction costs and the complexity of M&A implementation have risen further. This presents certain challenges for the Company in terms of resource acquisition and M&A integration, which may have an adverse impact on the replenishment of the Company's resource reserves and the sustained expansion of its production capacity.

Countermeasures: We continued to intensify exploration efforts on self-owned mining rights, and closely focused on the deep and surrounding parts of mines to consistently enhance resource confidence, expanded our advantages in production capacity and resource scale. We accelerated the mineral exploration process of primary mining rights and constantly achieved breakthroughs in mineral discovery. By strengthening the leading role in science and technology, we achieved new breakthroughs in theories of ore formation and prospecting and regional exploration. We strengthened the mergers and acquisitions of mining rights in important mineralization belts, aligned with national resource strategies, accelerated our global expansion efforts, and continuously increased the proportion of resource reserves outside the province and abroad.

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4. Risks of fluctuation in product prices

The Company's main product is gold, and its price fluctuation directly affects the operating performance. Persistent uncertainties in the global policy environment, the prolonged nature of geopolitical conflicts, coupled with adjustments in national monetary, fiscal, industrial regulatory, and regional development policies of major economies may all trigger fluctuations in gold prices. Furthermore, exchange rate fluctuations – particularly changes in the US dollar exchange rate – exhibit a strong correlation with gold pricing, directly influencing its valuation. The interplay of these factors contributes to more complex gold price dynamics, posing ongoing challenges to the stability of the Company's profitability.

Countermeasures: We continuously refined and optimized our research framework for gold prices, further enhancing our analysis and judgment capabilities. We engaged in regular in-depth exchanges with external institutions to comprehensively improve our ability to analyze and judge price trends. By closely monitoring market developments, we explored the use of appropriate hedging instruments and formulated diversified strategies and reduced the risk of adverse impacts on the Company caused by price fluctuations.

(V) Others

☒ Applicable ☐ N/A

Implementation of the “Improving Quality, Enhancing Efficiency and Prioritizing Returns” Initiative

To fully implement the guiding principles of “energizing the capital market and boosting investor confidence” and “vigorously enhancing the quality and investment value of listed companies”, and to strictly uphold the core philosophy of “investor-centricity”, the Company has formulated and launched the “Improving Quality, Enhancing Efficiency and Prioritizing Returns” Action Plan in light of its strategic development plans and actual production and operation conditions. For details, please refer to the Company's Announcement on 2024 Interim Profit Distribution Plan and Launch of the ‘Improving Quality, Enhancing Efficiency and Prioritizing Returns’ Action” (No. Lin 2024-073), published on the website of the SSE on 29 August 2024.

In 2025, the Company has identified the “Improving Quality, Enhancing Efficiency and Prioritizing Returns” Action Plan as a key annual priority. Focused on the three core objectives of “value creation, shareholder return and standardized development”, the Company has coordinated the implementation of various measures to deliver tangible results, effectively translating the plan's requirements into practical outcomes of high-quality development. The major work carried out during the Reporting Period is as follows:

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First, the Company enhanced strategic guidance to anchor the direction of high-quality development. The Company fully commenced the formulation of its “15th Five-Year” Strategic Plan, with phased achievements attained to date. In strict alignment with the deployment requirements of the “High-Quality Development Implementation Plan for the Gold Industry”, the Company took consolidating the bottom line of resource security as its fundamental premise, focused on the dual engines of “green development and technological innovation”, and continuously increased investment in key technological breakthroughs. It deepened refined management to further advance quality improvement and efficiency enhancement, remained committed to optimizing existing assets and expanding incremental growth space, and strived to become a world-class gold mining enterprise with global competitiveness, laying a solid strategic foundation for creating long-term value for Shareholders.

Second, the Company deepened lean management to continuously enhance profit resilience. Focusing on the core aspects of production and operation, the Company continuously optimized its production organization model, upgraded production systems, improved technical processes, and deeply advanced systematic efforts to reduce costs and improve efficiency. It fully unlocked the synergies between technological innovation and centralized procurement, achieving steady improvement in operational quality and efficiency. During the Reporting Period, the Company’s net profit attributable to shareholders of the listed company reached RMB4.739 billion, representing a year-on-year increase of RMB1.788 billion or 60.57%; and basic earnings per Share was RMB0.94, representing an increase of RMB0.37 compared with RMB0.57 per Share as compared to the corresponding period of last year. Both core profitability indicators hit record highs for the same period in its history, demonstrating the Company’s strong value creation capability.

Third, the Company improved the market value management system to promote coordination between industry and capital. To further regulate market value management and improve the efficiency of conveying the Company’s investment value, the Company formulated and implemented the Market Value Management System of Shandong Gold Mining Co., Ltd. (for Trial Implementation), which was reviewed and adopted by the Board of Directors on 20 March 2025. The system clarifies the objectives, principles, organizational structure, division of responsibilities, working methods, and monitoring and early warning mechanisms for market value management, establishing a compliant, scientific and systematic market value management system. It promotes the in-depth integration of market value management with production and operation as well as strategic development, and effectively safeguards the Company’s image in the capital market.

Fourth, the Company stayed committed to shareholder returns and optimizing the shareholder return mechanism. The Company has always placed shareholder returns high on its agenda, continuously increased cash dividends, improved the normalized dividend mechanism, and achieved the sharing of corporate development benefits with shareholders. During the Reporting Period, the Company successfully implemented the 2024 annual profit distribution, with total cash dividends of approximately RMB1.02 billion (including the 2024 interim dividend), accounting for 40.05% of the net profit attributable to ordinary shareholders of the listed company after deducting perpetual bond interest in the 2024 consolidated financial statements. The dividend payout ratio increased by 6.46 percentage points compared with 2023, reflecting a steady improvement in dividend levels. Meanwhile, the Company advanced interim dividends on a normalized basis. The 2025 interim dividend amounted to approximately RMB805 million, representing 31.45% of the net profit attributable to ordinary shareholders of the listed company after deducting perpetual bond interest for the current period, providing investors with stable and predictable investment returns and effectively enhancing Shareholders’ sense of gain.

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Fifth, the Company strengthened confidence communication and promoted the implementation of shareholding increase by the controlling shareholder. Based on the firm confidence in the Company's sustained and steady development in the future and the high recognition of its long-term investment value, Shandong Gold Group, the controlling Shareholder of the Company, and its persons acting in concert planned to increase their holdings of the Company's A Shares at an appropriate time within 12 months from 9 April 2025, with the proposed increase amount ranging from not less than RMB0.5 billion to not more than RMB1 billion. As of 26 March 2026, SDG Group had increased its holdings in the Company by a total of 8,804,390 shares through centralized bidding transactions, using special loans for shareholding increase and its own funds, accounting for approximately 0.191% of the Company's total share capital, with a cumulative increase amount of RMB318,939,075.32. The shareholding increase plan is currently progressing in an orderly manner and has not yet been completed, fully demonstrating the strong support of the controlling shareholder for the Company's development.

Sixth, the Company standardized corporate governance and improved the quality of information disclosure and investor relations. In strict compliance with the new Company Law and relevant supporting rules, the Company has continuously improved its corporate governance structure, revised the Articles of Association, the Rules of Procedure for the Shareholders' Meeting, and the Rules of Procedure for the Board of Directors, and optimized its governance framework. The supervisory board and supervisor positions have been abolished, and the functions previously exercised by the supervisory board have been assumed by the Audit Committee of the Board of Directors, ensuring that all governance bodies perform their respective duties and operate in a coordinated manner. Meanwhile, the Company has continuously improved its internal control system, strengthened internal control and compliance management, and consolidated the bottom line for risk prevention and control. Adhering to investor demand-oriented, the Company has optimized information disclosure from the perspective of investors to enhance its truthfulness, accuracy, completeness and timeliness. It has deepened investor relations management, established a multi-channel communication platform, and maintained sound interaction with investors, and was awarded the 16th "Tianma Award for Investor Relations Management of Chinese Listed Companies". The Company released its high-quality 2024 Sustainability Report, systematically demonstrating its practical achievements in green development, social responsibility and corporate governance. Its WIND ESG rating rose to Grade A, and it has received an A rating for information disclosure from the Shanghai Stock Exchange for eight consecutive years.

Going forward, the Company will continue to implement the "Improving Quality, Enhancing Efficiency and Prioritizing Returns" Action Plan, further strengthen strategic guidance, actively advance reform and innovation, continuously improve corporate governance, and steadily enhance its core competitiveness. Through high-quality development, the Company will create long-term value for Shareholders, share corporate value growth with investors, and contribute to the sound and stable development of the capital market.

VII. DESCRIPTION ABOUT THE SITUATION AND THE CAUSE FOR THE COMPANY'S NOT DISCLOSING PURSUANT TO RELEVANT RULES DUE TO NON-APPLICABLE RULES, NATIONAL SECRETS, BUSINESS SECRETS OR SPECIAL REASONS

☐ Applicable ☒ N/A

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(I) Environmental Policies and Performance

The environmental policies and performance of the Company are set out in Section 4 “Corporate Governance, Environment and Society” of this report.

Further details of the environmental policies and performance of the Company will be set out in the “2025 Sustainable Development” to be published by the Company simultaneously with the date of the 2025 annual report.

(II) Compliance with the Relevant Laws and Regulations

To the best of the Directors’ knowledge, information and belief, as at the date of this report, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group.

(III) Results and Distribution

The results of the Group for the year ended 31 December 2025 and the financial position of the Group as at 31 December 2025 are set out in Section 8 “Financial Report” of this report.

The implementation of the cash dividend policy of the Company during the Reporting Period is set out in Section 4 “Corporate Governance, Environment and Society” of this report.

(IV) Profit Distribution Plan and Policy

The profit distribution plan and policy of the Company are set out in Section 4 “Corporate Governance, Environment and Society” of this report. As at the date of this report, the Company is not aware of any arrangement whereby any Shareholder has waived or agreed to waive any cash dividend pursuant thereto.

(V) Issued Share Capital

As of 31 December 2025, the total share capital of the Company was RMB4,609,929,525, divided into 4,609,929,525 Shares with a nominal value of RMB1.00 each. Details of the changes in the share capital of the Company during the Reporting Period are set out in Note VII. 53 to Section 8 “Financial Report” of this report.

(VI) Purchase, Sale or Redemption of Listed Securities of the Company

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury Shares, if any).

As at 31 December 2025, the Company did not hold any treasury Shares.

(VII) Property, Plant and Equipment

Details of the property, plant and equipment of the Group for 2025 are set out in Note VII.21 to Section 8 “Financial Report” of this report.

As at the end of the Reporting Period, the Group did not hold any investment property or any property held for development and/or sale of which one or more of the percentage ratios (as defined in the Hong Kong Listing Rules) exceeded 5%.

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(VIII) Taxation

Details of the taxation of the Group for 2025 are set out in note VI to Section 8 “Financial Report” of this report.

(IX) Events After the Balance Sheet Date

Details of the events after the balance sheet date of the Group are set out in note XVII to Section 8 “Financial Report” of this report.

(X) Capital Reserve, Surplus Reserve and Special Reserve

Details of the capital reserve, surplus reserve and special reserve of the Group for 2025 are set out in Note VII.55, 59 and 58 to Section 8 “Financial Report” of this report, respectively.

(XI) Distributable Reserves

Details of the distributable reserves of the Company as of 31 December 2025 are set out in note VII. 60 to Section 8 “Financial Report” of this report.

(XII) Employees

As at 31 December 2025, the Group had a total of 29,282 full-time employees. During the Reporting Period, the staff cost (including Directors’ remuneration in the form of salaries and other benefits) was RMB6,687.58 million.

Details of the staff of the Group and the related remuneration policy and training programmes are set out in Section 4 “Corporate Governance, Environment and Society” of this report.

(XIII) Bank and Other Borrowings

As of 31 December 2025, details of the Group’s bank and other borrowings are set out in note VII. 32, 45 to Section 8 “Financial Report” of this report.

(XIV) Donations

For details of the donations of the Company for 2025, please refer to Section 4 “Corporate Governance, Environment and Society” of this report.

(XV) Directors and Senior Management and Changes in Their Information

Information on the Directors and senior management of the Company and the changes in their information are set out in Section 4 “Corporate Governance, Environment and Society” of this report.

(XVI) Service Contracts of Directors

Each of the Directors has entered into a service contract with the Company. Pursuant to article 114 of the Articles of Association, the term of office of each Director is three years; Directors may serve consecutive terms if re-elected. The remuneration of Directors may be revised by the shareholders’ meeting.

Save as disclosed above, none of the Directors has entered into, or proposes to enter into, a service contract with any member of the Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation other than statutory compensation).

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(XVII) Remuneration Of Directors and Senior Management

Details of the remuneration of the Directors, Supervisors and the five highest paid individuals of the Company are set out in note XIV. 5 to Section 8 “Financial Report” of this report.

No Director has waived or has agreed to waive any emoluments during the Reporting Period.

During the Reporting Period, details of the remuneration bands of the senior management whose biographies are set out in this report are set out in Section 4 “Corporate Governance, Environment and Society” of this report.

(XVIII) Management Contracts

Other than the service contracts of the Directors and the Supervisors, the Company has not entered into any contract with any individual, firm or body corporate to undertake the management or administration of the whole or any substantial part of any business of the Company during the year.

(XIX) Directors’ Interests in Transactions, Arrangements or Contracts

Save as disclosed in “Connected transactions” of this report, there were no transactions, arrangements or contracts or agreements of providing services of significance related to the Group’s business to which the Company, its subsidiaries, its controlling company or subsidiaries of its controlling company was a party to and in which a Director of the Company or an entity connected with such Director had a material interest, either directly or indirectly, subsisting at the end of the Reporting Period or at any time during the Reporting Period.

Save for some of the Directors holding certain directorships and/or other senior management positions in SDG Group, none of the Directors had any interest in any business which competes or is likely to compete, either directly or indirectly, with our principal business.

(XX) Interests and Short Positions of the Directors and Chief Executives of the Company in Shares, Underlying Shares and Debentures of the Company and Its Associated Corporations

As at 31 December 2025, none of the Directors and chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under the relevant provisions of the SFO); or were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

(XXI) Directors’ Rights to Acquire Shares or Debentures

At no time was a right granted to or exercised by any Director or any of their respective associates by the Company or its subsidiaries to acquire shares or debentures of the Company or any other body corporate.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS AND THE REPORT OF THE BOARD OF DIRECTORS

(XXII) Financial, Business and Family Relationships Among the Directors and Members of the Senior Management

As at the date of this report, there are no financial, business or family relationships among the Directors and members of the senior management of the Company.

(XXIII) Directors' Insurance and Permitted Indemnity Provisions

The Company has arranged appropriate insurance cover for the current Directors and senior management of the Company and the Directors and senior management of the Company who resigned during the year in respect of legal actions arising out of corporate activities. Except for such insurance, the Company has no valid permitted indemnity provisions (as defined in the Companies (Directors' Report) Regulation of Chapter 622D of the Laws of Hong Kong) during the Reporting Period and at the time of approval of this report.

(XXIV) Interests and Short Positions of the Substantial Shareholders in Shares and Underlying Shares

Information on the shareholdings of the substantial shareholders in the Company is set out in Section 6 "Changes in Shares and Information of Shareholders" of this report.

(XXV) Pre-Emptive Rights and Share Schemes

During 2025, the Company did not have any pre-emptive rights or share scheme; pursuant to the Articles of Association and the laws of the PRC, there are no provisions for pre-emptive rights requiring the Company to offer new Shares to its existing Shareholders in proportion to their shareholdings.

(XXVI) Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company, as of the date of this report, the Company has sufficient public float in compliance with the minimum public float requirement under the Hong Kong Listing Rules.

(XXVII) Gearing Ratio

Gearing ratio is defined as the ratio of consolidated total debt to consolidated total equity. As of 31 December 2025, the Group's consolidated total debt was RMB105,994.53 million (31 December 2024: RMB102,089.93 million), and the Group's consolidated total equity was RMB64,379.63 million (31 December 2024: RMB58,570.02 million). As of 31 December 2025, the Group's gearing ratio was approximately 164.64% (31 December 2024: 174.30%). The relevant data as of 31 December 2024 have been prepared in accordance with the China Accounting Standards for Business Enterprises for comparative purposes.

(XXVIII) Related Party Transactions

During the Reporting Period, the Group entered into certain transactions with parties regarded as "related parties" under the applicable accounting standards. Details of the related party transactions entered into by the Group during the Reporting Period are disclosed in Note XIV to Section 8 "Financial Report" of this report. Save as disclosed in this report, the related party transactions disclosed in Note XIV do not constitute connected transactions as defined under the Hong Kong Listing Rules, or are exempt from the reporting, announcement and shareholders' approval requirements under the Hong Kong Listing Rules; among them, those that constitute connected transactions under Chapter 14A of the Hong Kong Listing Rules have complied with the disclosure requirements of Chapter 14A of the Hong Kong Listing Rules.

(XXIX) Non-Exempt Connected Transactions

The connected transactions of the Company are set out in Section 5 "Important Matters" of this report.

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(XXX) Audit Committee

The Audit Committee currently comprises two non-executive Directors, Mr. Han Yaodong and Mr. Liu Qin, and three independent non-executive Directors, Mr. Zhan Kai, Mr. Liew Fui Kiang and Ms. Zhao Feng. The chairman of the Audit Committee is Ms. Zhao Feng.

The Audit Committee has reviewed the audited annual results of the Group for the year ended 31 December 2025 and discussed the auditing, internal control and financial reporting matters. The Audit Committee considers that the annual results of the Group for the year ended 31 December 2025 are in compliance with the applicable accounting standards and laws and regulations and have made sufficient disclosure.

(XXXI) Accounting Policies

Changes in the accounting policies of the Company are set out in Section 5 “Important Matters” of this report.

(XXXII) Auditors and Their Remuneration

Details of the changes in the auditors of the Company and their remuneration are set out in “VI. Appointment and Dismissal of Accounting Firms” under Section 5 “Important Matters” of this report. Save as disclosed above, there has been no other change in the auditors of the Company in the past three years (including the Reporting Period).

(XXXIII) Post-Employment Benefits

The Group classifies its post-employment benefit plans as defined contribution plans (the “Defined Contribution Plans”). Defined Contribution Plans are post-employment benefit plans under which the Group pays fixed contributions into independent funds and has no further obligation to make payments. The Group’s post-employment benefits are mainly basic endowment insurance and unemployment insurance contributions made for employees, which are all Defined Contribution Plans.

The employees of the subsidiary incorporated in Hong Kong participate in a statutory defined contribution retirement scheme (the “Mandatory Provident Fund Scheme”), under which the Group makes contributions to a separate entity. The Group has no legal or constructive obligation to pay further contributions if the fund under the Mandatory Provident Fund Scheme does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to the Defined Contribution Plans (including the Mandatory Provident Fund Scheme, the employee retirement schemes established by municipal governments in the PRC, and the administrative and social insurance system for Argentine employees) are charged to expenses as incurred. Contributions are reduced by contributions forfeited by employees who leave the plan prior to vesting fully in the contributions (where applicable).

As at 31 December 2025, there were no forfeited contributions usable by the Group to reduce the existing level of contributions.

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(XXXIV) Share-Linked Agreements

Save as disclosed in this report, the Company has not entered into any share-linked agreement during the Reporting Period.

(XXXV) Contingencies

As of 31 December 2025, the Group had no material contingent liabilities.

(XXXVI) Material Investments, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

Save as disclosed in this report, during the Reporting Period, the Group did not have any material investments, nor did it make any material acquisition or disposal of subsidiaries, associates or joint ventures.

(XXXVII) Future Plans for Material Investments or Acquisitions of Capital Assets

Save as disclosed in this report, as at the end of the Reporting Period, the Company did not have any future plans for material investments or acquisitions of capital assets.

(XXXVIII) Pledge of Assets

As of 31 December 2025, save as disclosed in this report, the Group did not have any other material pledge of assets.

(XXXIX) Relationship and Connected Transactions with the Controlling Shareholder

SDG Group (excluding the Group) engages in gold mining related operations, including geological exploration and mining of gold, gold processing, gold smelting and technical services, and the production and sale of specialized equipment, supplies and construction materials for gold mines (the “Retained Businesses”). The gold resources of SDG Group (excluding the Group) are mainly located in the PRC. As of 31 December 2025, it owned 35 gold mine exploration permits in the PRC and 15 gold mine mining permits in the PRC. Save for a few exploration permits under which the gold mines are either with insufficient resources detected or subject to government approval for consolidation, all the exploration and mining permits held by SDG Group (excluding the Group) have been under entrustment arrangement pursuant to the Equity Entrustment Framework Agreement entered into between the Company and SDG Group Co.. The Company will continue to disclose the status of the transfer of the exploration and mining permits in its interim and annual reports after listing, including but not limited to, any change in the list of entrusted targets, whether the relevant rights granted to the Company under the non-competition undertaking have been exercised, and the status of boundary and capacity expansion (if applicable). Details of the relevant permits held by SDG Group are set out in the paragraph headed “Gold Mining Rights of the Controlling Shareholder, Gold Group” under Section 4 “Corporate Governance, Environment and Society” of this report.

The Company has not entered into any loan contract that contains terms imposing obligations on SDG Group.

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(XL) Non-Competition Undertaking of the Controlling Shareholder

SDG Group Co. and/or its subsidiaries have provided several non-competition undertakings to the Company in August 2002, February 2007, November 2014 and November 2022, respectively. In order to further regulate the business delineation between the Group and SDG Group Co. and the Company entered into a non-competition undertaking on 7 September 2018 (the “Non-competition Undertaking”). Pursuant to the Non-competition Undertaking, save for the Retained Businesses and subject to the provisions under the Non-competition Undertaking, SDG Group Co. undertakes that (a) none of SDG Group Co. and any entity in which it holds an interest as a controlling shareholder (excluding any member of the Group) (the “Controlled Entities”) currently engages or will engage in gold mining business; (b) SDG Group Co. will not compete with the Company, directly or indirectly, in gold mining business; (c) SDG Group Co. will procure all Controlled Entities not to compete with the Company, directly or indirectly, in gold mining business; and (d) SDG Group Co. will not, and will procure any Controlled Entity not to, invest in any business opportunity that is related to gold mining business and in which SDG Group Co. or a Controlled Entity has an actual or potential opportunity to invest or otherwise acquire an interest, or otherwise acquire an interest in any person or asset where such person or asset constitutes a material part of its business operating in or holding assets in gold mining business. In addition, in order to avoid potential competition between SDG Group Co. and the Group, SDG Group Co. has, among other things, granted the Company a pre-emptive right in respect of the Retained Businesses to better protect the interests of the Group.

The relevant horizontal competition undertakings covered by the “Announcement Regarding Further Implementation of the Undertakings Relating to Horizontal Competition by the Controlling Shareholder of the Company” disclosed by the Company in November 2022 have expired. The Company convened the sixth meeting of the seventh session of the Board of Directors on 10 November 2025, which considered and approved the “Resolution on the Further Implementation by Shandong Gold Group Co., Ltd. and Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. of the Undertakings Relating to the Avoidance of Horizontal Competition”. The relevant resolution was considered and approved at the 2025 third extraordinary general meeting of the Company held on 24 December 2025.

SDG Group Co. has confirmed in writing to the Company that it has complied with the Non-competition Undertaking during the Reporting Period. The independent non-executive Directors have also reviewed whether SDG Group Co. has complied with the Non-competition Undertaking during the Reporting Period. The independent non-executive Directors have confirmed that, so far as they can ascertain, SDG Group Co. has not breached the Non-competition Undertaking during the Reporting Period.

(XLI) Interests of the Controlling Shareholder in Material Contracts

Save as disclosed in this report, during the year ended 31 December 2025, no controlling Shareholder or any of its subsidiaries had any direct or indirect material interest in any contract (whether for the provision of services or otherwise) of significance to the business of the Group entered into by the Company or any of its subsidiaries.

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(XLII) Key Relationships with Customers and Suppliers

The Group maintains a good relationship with its customers. The Group continually provides high quality gold products at a competitive price to customers, and optimizes its products from time to time by lowering operating costs through technical advancement to increase customer satisfaction.

The Group maintains a good relationship with its suppliers. The Group continues to perfect its procurement process and mechanism, reinforces its supplier management, and consistently insists on the business principles of honesty and trustworthiness, enhances communications with suppliers by all available means, and strives for mutual benefit and prosperity for cooperation and common development.

(XLIII) Major Suppliers and Customers

For the year ended 31 December 2025, the Group's sales to the top five customers amounted to RMB80,026 million, representing 76.74% of the total sales for the year. Additionally, the Group's sales to the single largest customer, Shanghai Gold Exchange, accounted for 64.54% of the total sales for the year.

For the year ended 31 December 2025, the Group's procurement from its top five suppliers amounted to RMB31,541 million, representing 38.62% of the total procurement for the year. Additionally, the Group's procurement from the single largest supplier accounted for 11.35% of the total procurement for the year.

Details of the Company's top five suppliers and top five customers are set out in Section 3 "Management Discussion and Analysis and the Report of the Board of Directors" of this report. All transactions between the Company and the relevant customers and suppliers were entered into under normal commercial terms.

For the year ended 31 December 2025, to the knowledge of the Company, none of the Directors, their close associates, or Shareholders (who to the knowledge of the Company hold more than 5% of the issued Shares of the Company) had any interest in the Company's top five suppliers or customers.

(XLIV) Material Changes

Save as disclosed in this report, since the publication of the 2025 interim report of the Company, there have been no material changes in the future development of the Group's business.

(XLV) Commitments

As of 31 December 2025, details of the commitments of the Group are set out in Note XVI to Section 8 "Financial Report" of this report.

(XLVI) Material Events After the Reporting Period

Save as disclosed in this report, the Group has no material events after the Reporting Period.

(XLVII) Liquidity and Capital Resources

The Group's liquidity needs arise from the expansion of its mining and beneficiation operations, exploration activities and the acquisition of exploration and mining permits. The principal sources of funds of the Group are (including but not limited to) cash generated from operations, bank financing, bonds issued or to be issued, and equity placements. The Group's liquidity is largely dependent on the cash generated from operations, the ability to repay debts when they fall due, and the future operating and capital expenditure requirements of the Group.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS AND THE REPORT OF THE BOARD OF DIRECTORS

(XLVIII) Business Review

A fair review of the business of the Group as well as a discussion and analysis of the Group's performance during the year, including a discussion of the principal risks and uncertainties faced by the Group and an indication of likely future developments in the Group's business, can be found in Section 3 "Management Discussion and Analysis and the Report of the Board of Directors" of this report.

For discussion on the Group's compliance with the relevant laws and regulations that have a significant impact on the Group, please refer to Section 3 "Management Discussion and Analysis and the Report of the Board of Directors" of this report and the "2025 Sustainability Report" published by the Company.

(XLIX) Other Material Events During The Reporting Period

Save as disclosed elsewhere in this report, the Company also had the following matter during the Reporting Period:

On 12 September 2025, in order to further adjust and optimise its financing methods, the Company, taking into consideration the overall conditions of the capital market and the successful implementation of the H share placement, convened the fourth meeting of the seventh session of the Board of Directors on 12 September 2025, which considered and approved the "Resolution on the Company's Termination of the Issuance of A Shares to Target Subscribers and the Withdrawal of the Application Documents". The Company resolved to terminate the issuance of A Shares to specific subscribers, and to apply to the Shanghai Stock Exchange for the withdrawal of the relevant application documents. For details, please refer to the announcements of the Company dated 12 September 2025 and 19 September 2025.

(L) Financial Summary

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the past five financial years (as extracted from the audited financial statements) is set out in Section 9 "Five-year Financial Summary" of this report. This summary does not form part of the audited financial statements.

The other sections, reports or notes of this report mentioned above constitute a part of this "Management Discussion and Analysis and the Report of the Board of Directors".

By order of the Board of Directors
Shandong Gold Mining Co., Ltd.
Han Yaodong
Chairman

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

I. CORPORATE GOVERNANCE

√ Applicable □ N/A

During the Reporting Period, the Company successfully completed the election and change of session of the Board, further optimized the Board structure, and enhanced the compliance, professionalism, and diversity of the Board's operations in strict accordance with the laws and regulations such as the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies, as well as the relevant regulatory requirements of the SSE and the Hong Kong Stock Exchange. Closely related to the latest regulatory guidelines and corporate governance requirements, the Company continuously revised and refined its corporate governance relevant systems to promote standardized and efficient operations across all governance entities. It continuously strengthened the construction of its internal control system, establishing a systematic, complete and effectively operating corporate governance framework. The shareholders' meeting, the Board of Directors, and the management team of the Company operate with clearly defined rights and responsibilities, each performing their respective functions in a coordinated manner. The Company continuously improved its modern corporate governance mechanism, which is characterized by legally defined rights and responsibilities, transparency and standardization, coordination and efficiency, and effective checks and balances.

The Company, being a company listed in both Hong Kong and Shanghai, manages its operation in strict compliance with the laws, regulations and regulatory documents of the places where its Shares are listed, and is committed to maintaining and enhancing its corporate image. The Company continues to improve its corporate governance structure in compliance with the PRC Company Law and the regulations and requirements of the CSRC, the SFC and the Hong Kong Stock Exchange. The corporate governance of the Company complies with the applicable requirements of the relevant laws and regulations.

The Company has adopted the Corporate Governance Code as set out in the Hong Kong Listing Rules as its corporate governance code. During the Reporting Period, the Company has complied with all applicable code provisions of the Corporate Governance Code, and has, where applicable, adopted the recommended best practices.

The Directors and senior management of the Company performed their duties in accordance with the law, with due diligence. The corporate governance structure has been continuously improved, with a more mature governance mechanism and steadily raised governance standards. The specific governance details are as follows:



SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

(I) Shareholders and Shareholders' Meeting

The Company convenes and holds shareholders' meeting in strict accordance with the provisions and requirements of the Articles of Association and the Rules of Procedure for the Shareholders' Meeting. Legal counsel was engaged to issue legal opinions on the legitimacy of shareholders' meeting, ensuring lawful procedures and valid voting rights, thereby effectively safeguarding the equal participation and voice of all Shareholders, especially minority Shareholders, and protecting Shareholders' rights to exercise their voting in accordance with laws and regulations. For major decisions involving the vital interests of minority investors, the Company separately tallied and promptly disclosed the voting results of minority investors during the deliberation process at shareholders' meetings, fully demonstrating comprehensive protection of their legitimate rights and interests. To further deepen communication and engagement with Shareholders, the Company enhanced its investor communication channels by establishing dedicated inquiry hot-lines, fax, and email addresses. Combined with various formats such as annual general meetings, extraordinary general meetings, results briefing, and on-site shareholder visits, the Company established efficient and smooth two-way communication bridges, which helped Shareholders gain a thorough understanding of the Company's operational development, governance structure, and strategic layout, continuously strengthening their recognition and trust in the Company. During the Reporting Period, the Company held a total of one annual general meeting, five extraordinary general meetings, and two class meetings. The convening and holding procedures, and voting processes of all meetings were fully compliant with legal and regulatory requirements.

(II) Controlling Shareholder and the Company

The controlling Shareholder of the Company attaches great importance to and supports the development of the listed company, exercising its rights as an investor through the shareholders' meeting in accordance with the law, without overstepping the shareholders' meeting to directly or indirectly interfere in the Company's decision-making and operational activities. The Company and the controlling Shareholder have consistently maintained strict "five separations" in terms of assets, personnel, finance, organization, and business, ensuring an independent business system and autonomous operational capabilities. The Company's Board, the management, and internal organs operate independently and in a standardized manner. The controlling Shareholder strictly adheres to its commitments to the Company regarding the avoidance of competition in the same industry. When connected transactions occur between the Company and the controlling Shareholder, the abstention voting system is rigorously implemented to guarantee the fairness, justice, and reasonableness of such transactions. During the Reporting Period, there were no instances of the controlling Shareholder exploiting its special position to appropriate or harm the interests of the listed company or other Shareholders.

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

(III) Directors and the Board

During the Reporting Period, the Company completed the re-election of members of the Board. The Board of the Company currently comprises 9 Directors, including 5 non-independent Directors, 3 independent Directors, and 1 employee Director. Based on the original four regular specialized committees, the Company optimized and adjusted its committee structure by newly establishing the Sustainability Committee, forming a structure of five major specialized committees, including the Strategy Committee, Sustainability Committee, Nomination Committee, Audit Committee, and Remuneration and Appraisal Committee. The Company continuously strengthened the Board's development, strictly implemented its authorities, promoted standardized operations, and continuously enhanced the efficiency and professionalism of decision-making. This ensured effective fulfillment of the Board's core responsibilities of formulating strategy, making decisions, and preventing risks. All Directors adhered to principles of integrity, diligence, and responsibility, leveraging their professional expertise and capabilities to make independent, objective, and impartial judgments on proposals reviewed by the Board, exercising their rights and fulfilling their obligations in accordance with the law.

Independent Directors fully utilized their expert advantages and supportive role in decision-making, providing crucial safeguard for the professional and scientific decision-making of the Board. During the Reporting Period, the Company held a total of 12 Board meetings. Each specialized committee performed its duties with precision and synergy. the Strategy Committee focused on the Company's long-term development planning, and held four meetings; the Sustainability Committee focused on the Company's ESG governance, green and low-carbon initiatives, and social responsibility efforts, and held 1 meeting; the Audit Committee strengthened oversight and scrutiny, convening 9 meetings; the Nomination Committee and the Remuneration and Appraisal Committee, centered on talent development and incentive mechanisms improvement, collectively held 6 meetings, thereby providing professional support for the Board's scientific decision-making.

(IV) Information Disclosure and Transparency

The Company's Board regards information disclosure as a core mechanism for fulfilling governance responsibilities and maintaining capital market order, as well as a critical bridge for building trust with the Company, investors and the public. Adhering strictly to the core principles of "truthfulness, accuracy, completeness, timeliness, and fairness", the Board consistently focuses on enhancing the quality of information disclosure and strengthening market communication transparency. It continuously optimizes the information disclosure management system, proactively improves voluntary information disclosure practices, and effectively safeguards investors' rights to information, participation, and oversight. During the Reporting Period, the Company completed the preparation and disclosure of 152 A Shares compliance documents including regular reports, temporary announcements and other disclosure documents, and completed the disclosure of 143 various types of H Shares documents. Through standardized and transparent governance efficacy, the Company has solidified its foundation of trust in the capital market. The Company continued to refine its supporting systems for information disclosure, constantly improved internal reporting and review mechanisms, strengthened full-process control over information disclosure, and strictly implemented relevant regulations on inside information management to effectively mitigate various compliance risks. Guided by investor needs, the Company strove to improve the readability and accessibility of periodic reports, and continuously expanded the breadth and depth of operational disclosures to more clearly present its business development. With its standardized, efficient, high-quality, and transparent information disclosure practices, the Company was evaluated and awarded grade A for its information disclosure on the Shanghai Stock Exchange for the year 2024-2025 for eight consecutive years. This achievement reflects strong recognition from regulators and the capital market.

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(V) Investor Relations and Stakeholders

The Company continues to refine its investor relations management system and earnestly safeguard the legitimate rights and interests of all Shareholders. During the Reporting Period, the Company maintained a high-frequency, in-depth, and multi-dimensional two-way communication through multi-level capital market interactions. It conducted nearly 100 investor exchange activities, reaching over 1,300 market participants including domestic and foreign institutional investors and securities analysts. The Company established a dual-line communication mechanism of “online + offline” to engage in deep dialogues on core issues with investors such as the Company’s strategic planning, operational updates, financial indicators, and ESG construction. Simultaneously, the Company strengthened the construction of diversified communication channels. It replied to over 1,000 inquiries from small and medium investors throughout the year relying on a matrix of investor relations platforms including the Shanghai Stock Exchange Roadshow Center, E-interaction platform, dedicated email, and IR hotline. By combining a regular communication with special communication, the Company has effectively enhanced the capital market’s awareness of its strategic value, continuously solidified the long-term mechanism of investor relations management, and focused on building a more resilient value transmission system.

The Board is of the view that the Company and Directors, or senior management have not been criticized or punished by the SFC, stock exchanges and other regulatory authorities, and the actual corporate governance structure is in line with the Company Law and relevant requirements of the CSRC.

Whether there are material differences between the Company’s corporate governance and the provisions of laws, administrative regulations, and the CSRC regarding the governance of listed companies; if so, the reasons shall be explained

☐ Applicable ☒ N/A

(VI) Shareholders’ Rights

Shareholder(s) severally or jointly holding 10% or above of the Shares of the Company who request the Board to convene an extraordinary general meeting shall put forward such request to the Board in writing. The Board shall, pursuant to laws, administrative regulations and the Articles of Association, give a written reply on whether or not to convene the extraordinary general meeting within 10 days after receipt of the request. If the Board agrees to convene the extraordinary general meeting, it shall serve a notice of the shareholders’ meeting within five days after the resolution is made by the Board, and the consent of the relevant Shareholder(s) shall be obtained in the event of any change to the original request set forth in the notice. If the Board does not agree to convene the extraordinary general meeting, or fails to give a reply within 10 days after receipt of the request, Shareholder(s) severally or jointly holding 10% or above of the Shares of the Company may propose to the Audit Committee the convening of an extraordinary general meeting, and shall put forward such request to the Audit Committee in writing. If the Audit Committee agrees to convene the extraordinary general meeting, it shall serve a notice of the shareholders’ meeting within five days after receipt of the request, and the consent of the relevant Shareholder(s) shall be obtained in the event of any change to the original request set forth in the notice. If the Audit Committee fails to issue the notice of the shareholders’ meeting within the prescribed period, it shall be deemed that the Audit Committee has not convened or presided over the shareholders’ meeting, and Shareholder(s) severally or jointly holding 10% or above of the Shares of the Company for 90 consecutive days or more may convene and preside over the shareholders’ meeting on their own.

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

The convener will give notice to all Shareholders by way of announcement 20 days before the date of the annual general meeting, and 15 days before the date of the extraordinary general meeting. The notice of a shareholders' meeting shall include the following: (1) the time, place and duration of the meeting; (2) the matters and proposals to be considered at the meeting; (3) a clear statement that all ordinary Shareholders, holders of Shares with special voting rights and other Shareholders are entitled to attend the shareholders' meeting and may, in writing, appoint proxies to attend the meeting and vote on their behalf, and that such proxies need not be Shareholders of the Company; (4) the record date for Shareholders entitled to attend the shareholders' meeting; (5) the name and telephone number of the standing contact person for meeting affairs; and (6) the time and procedures for voting by way of internet or other means. The notice of the shareholders' meeting and any supplementary notice shall fully and completely disclose all the specific contents of all proposals.

When the Company convenes a shareholders' meeting, the Board, the Audit Committee, and Shareholders severally or jointly holding 1% or above of the Shares of the Company are entitled to put forward proposals to the Company. Shareholder(s) severally or jointly holding 1% or above of the Shares of the Company may submit written provisional proposals to the convener 10 days before a shareholders' meeting is convened.

Voting at a shareholders' meeting is conducted by way of poll.

The Group communicates with Shareholders through the publication of annual reports, interim reports, quarterly reports, press and electronic announcements. All communications with Shareholders are also published on the Group's website (<http://www.sdhjgf.com.cn>).

II. THE SPECIFIC MEASURES TAKEN BY THE CONTROLLING SHAREHOLDER AND THE DE FACTO CONTROLLER OF THE COMPANY TO ENSURE THE INDEPENDENCE OF THE COMPANY'S ASSETS, PERSONNEL, FINANCE, ORGANISATION AND BUSINESS, AS WELL AS THE SOLUTIONS, WORK PROGRESS AND FOLLOW-UP WORK PLANS TAKEN TO ADDRESS FACTORS AFFECTING THE INDEPENDENCE OF THE COMPANY

☒ Applicable ☐ N/A

Han Yaodong, general manager of the Company's controlling shareholder (SDG Group), concurrently serves as the Chairman of the Company. The Company has clearly defined the respective authorities of the Board and the general manager in its Articles of Association, the Rules of Procedure for the Board of Directors, and the Working Rules for the General Manager. It strictly implements collective decision-making by the Board and authorized execution by the general manager, without delegating statutory Board powers to individuals. The Chairman of the Company only exercises the powers explicitly stipulated in the Articles of Association and Rules of Procedure, etc., and is responsible for convening and presiding over Board meetings and overseeing the implementation of resolutions. The Chairman does not substitute for Board decision-making or overstep authority to interfere with operation and approval.

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The Company is completely independent from its controlling Shareholder in terms of assets, business, organization, finance and personnel. The Company possesses an independent and complete business system and independent operation capabilities. The Company is not aware of any non-operational appropriation of the Company's capital and assets by the controlling Shareholder. There is no business reliance on the controlling Shareholder, the de facto controller, or other related parties.

- (I) Assets: The Company's assets are independent and complete, with clear ownership rights. The Company manages its assets independently, and the property rights relationship between the Company and its controlling Shareholder is explicit and clear.
- (II) Personnel: The Company possesses an independent and comprehensive personnel management system with corresponding rules and regulations. The Company independently signs labor contracts with employees, and its personnel, salary and remuneration, and social security matters are managed entirely independently.
- (III) Finance: The Company has an independent finance department and financial staff, with an independent accounting system and financial management framework, making financial decisions independently. It maintains independent bank accounts, conducts investment and financing activities in accordance with regulations, and files taxes separately as required by law. There is no intervention by the controlling Shareholder in the Company's use of funds.
- (IV) Organization: The Company has an independent and sound corporate governance structure. In line with the regulatory requirements for listed companies and the Company's actual business needs, it has established a robust organizational framework that is entirely separate from the controlling Shareholder. The setup procedures and functions of the organization are independent.
- (V) Business: The Company has an independent and complete business system, conducts its business operations autonomously, and is entirely separate from the controlling Shareholder. Any transactions with the de facto controller, controlling Shareholder, or related parties are conducted in strict compliance with regulatory rules to perform review and information disclosure procedures, with no instances detrimental to the Company's interests, particularly those of minority Shareholders.

Information of controlling Shareholder, de facto controller and other entities controlled by them that are engaged in businesses same as or similar to that of the Company, the impact of horizontal competition or major changes in horizontal competition on the Company, and the resolution measures that have been taken, the progress of resolution and follow-up resolution plans

☒ Applicable ☐ N/A

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Gold exploration permits of the Company's controlling shareholder, SDG Group

The Company's controlling shareholder, SDG Group, engages in gold mining related operations, including geological exploration and mining of gold, gold processing, gold smelting and technical services, and production and sales of specialized equipment and supplies and construction materials for gold mines. The gold resources of SDG Group are mainly located in the PRC. As of 31 December 2025, it owned a total of 35 gold mine exploration permits in the PRC with an aggregate of approximately 253.69 tonnes of gold resources measured with reference to rules for estimation of China's resource reserves and reviewed and filed with relevant authorities; and 15 gold mine mining permits in the PRC with an aggregate of approximately 126.81 tonnes of measured gold resources.

Statistics of the resources under the exploration permits of SDG Group

No.	Name of exploration permit	Holder of exploration permit	Location	Detected gold content (tonnes)	Whether entrusted by the Company
1	The gold mine at Shanglanzi mine area in Penglai City, Shandong Province (exploration) (山東省蓬萊市上嵐子礦區金礦勘探)	Shandong Gold Jinchuang Group Co., Ltd.	Yanzikuang Village, Daliuhang Town, Penglai City, Shandong Province	3.6	Yes
2	The gold mine in Shuiwangzhuang mining area, Zhaoyuan City, Shandong Province (exploration) (山東省招遠市水旺莊礦區金礦勘探)	Zhaoyuan Jiuzhou Mining Co., Ltd.	Zhaoyuan City, Shandong Province	186.1	Yes
3	The gold mine in Lijiazhuang mining area, Zhaoyuan City, Shandong Province (exploration) (山東省招遠市李家莊礦區金礦勘探)	Shandong Chengjin Mining Co., Ltd.	Zhaoyuan City, Shandong Province	17.05	Yes
4	The gold mine in the deep section of No.1 Vein, Ore Block I, Jiudian Gold Mine, Pingdu City, Shandong Province (exploration) (山東省平度市舊店金礦1號脈I礦段深部金礦勘探)	Qingdao Jinxing Mining Co., Ltd.	Jiudian Town, Pingdu City, Shandong Province	2.08	Yes
5	The gold mine in Yueshi area, Laixi City, Shandong Province (exploration) (山東省萊西市岳石地區金礦勘探)	Qingdao Jinxing Mining Co., Ltd.	Jiudian Town, Pingdu City, Shandong Province	Not detected yet	Yes
6	The gold mine at Jiuzhanggou West in Song County, Henan Province (general exploration) (河南省嵩縣九丈溝西金礦普查)	Songxian Shanjin Mining Co., Ltd.	Song County, Henan Province	Not detected yet	Yes
7	The gold mine at the outer rim of Dayaokeng mine area in Zhenghe County, Fujian Province (general exploration) (福建省政和縣大藥坑礦區金礦外圍地質詳查)	Fujian Province Zhenghe Hongkun Mining Co., Ltd.	Dayaokeng Village, Xingxi Town, Zhenghe County, Fujian Province	Not detected yet	Yes
8	The gold mine at the deep level of Dayaokeng mine area in Zhenghe County, Fujian Province (general exploration) (福建省政和縣大藥坑礦區金礦深部詳查)	Fujian Province Zhenghe Hongkun Mining Co., Ltd.	Dayaokeng Village, Xingxi Town, Zhenghe County, Fujian Province	Au:0.89 Ag:21.09	Yes

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

No.	Name of exploration permit	Holder of exploration permit	Location	Detected gold content (tonnes)	Whether entrusted by the Company
9	The gold and copper mine in the outer rim of Xingxi mine area in Zhenghe County, Fujian Province (general exploration) (福建省政和縣星溪礦區外圍金銅礦詳查)	Fujian Province Zhenghe Dayuan Mining Co., Ltd.	Zhenghe County, Fujian Province	Not detected yet	Yes
10	The gold mine at Asiha (Kere) District in Dulan County, Qinghai Province (general exploration) (青海省都蘭縣阿斯哈(可熱)地區金礦詳查)	Qinghai Shanjin Mining Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	0.42	Yes
11	The outer rim of Walega gold mine in Dulan County, Qinghai Province (general exploration) (青海省都蘭縣瓦勒尕金礦外圍詳查)	Qinghai Shanjin Mining Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	0.1	Yes
12	The gold mine at Dalijigetang District in Dulan County, Qinghai Province (general exploration) (青海省都蘭縣達里吉格塘地區金礦普查)	Qinghai Shanjin Mining Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	Not detected yet	Yes
13	Guoluolongwa gold mine in Dulan County, Qinghai Province (general exploration) (青海省都蘭縣果洛龍窪金礦詳查)	Qinghai Shanjin Mining Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	12.94	Yes
14	Guoluolongwa gold mine (below 3,740 meters) in Dulan County, Qinghai Province (general exploration) (青海省都蘭縣果洛龍窪金礦(3,740米以下)普查)	Qinghai Shanjin Mining Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	Not detected yet	Yes
15	Annage gold mine in Dulan County, Qinghai Province (general exploration) (青海省都蘭縣按納格金礦詳查)	Qinghai Shanjin Mining Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	1.67	Yes
16	The gold mine at Cangshang-Panjiawuzi District in Laizhou City, Shandong Province (exploration) (山東省萊州市倉上-潘家屋子地區金礦勘探)	Shandong Gold Geological Mine Exploration Co., Ltd.	Jincang Street, Laizhou City, Shandong Province	0.39	Yes
17	The middle and deep level of Liucun gold mine in Laizhou City, Shandong Province (general exploration) (山東省萊州市留村金礦中深部詳查)	Shandong Gold Geological Mine Exploration Co., Ltd.	Hutouya Town, Laizhou City, Shandong Province	2	Yes
18	Zhaojia gold mine in Laizhou City, Shandong Province (exploration) (山東省萊州市趙家金礦勘探)	Shandong Gold Geological Mine Exploration Co., Ltd.	Pinglidian Town, Laizhou City, Shandong Province	Not detected yet	Yes
19	Shangmajia gold mine in Laizhou City, Shandong Province (exploration) (山東省萊州市上馬家金礦勘探)	Shandong Gold Geological Mine Exploration Co., Ltd.	Zhacun Town, Laizhou City, Shandong Province	0.22	Yes
20	Goumabei Gold Mine in Zhaishang Mining District, Min County, Gansu Province (general exploration) (甘肅省岷縣寨上礦區溝麻背金礦詳查)	Shandong Gold Geological Mine Exploration Co., Ltd.	Min County, Gansu Province	20.145	Yes
21	The gold mine at Qianlijia District in Laizhou City, Shandong Province (general exploration) (山東省萊州市前李家地區金礦普查)	Shandong Gold Geological Mine Exploration Co., Ltd.	Laizhou City, Shandong Province	0.404	Yes

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

No.	Name of exploration permit	Holder of exploration permit	Location	Detected gold content (tonnes)	Whether entrusted by the Company
22	The gold mine at Dayinjia mine area in Laizhou City, Shandong Province (exploration) (山東省萊州市大尹家礦區金礦勘探)	Shandong Jindi Mining Co., Ltd.	Zhuqiao Town, Pinglidian Town, Laizhou City, Shandong Province	Not detected yet	Yes
23	Dachaidan Hangwei Shengligou gold mine in Qinghai Province (general exploration) (青海省大柴旦行委勝利溝金礦詳查)	Shanjin Western Geological and Minerals Exploration Co., Ltd.	Dachaidan Hangwei, Haixi Prefecture, Qinghai Province	0.56	Yes
24	The gold mine at south Asiha in Dulan County, Qinghai Province (pre-exploration) (青海省都蘭縣阿斯哈南金礦預查)	Shanjin Western Geological and Minerals Exploration Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	Not detected yet	Yes
25	The gold mine at south Walega in Dulan County, Qinghai Province (pre-exploration) (青海省都蘭縣瓦勒尕南金礦預查)	Shanjin Western Geological and Minerals Exploration Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	Not detected yet	Yes
26	The gold mine at Hongqidian, Tuoli County, Xinjiang (general exploration) (新疆託里縣紅旗點金礦普查)	Shanjin Western Geological and Minerals Exploration Co., Ltd.	Tuoli County, Tacheng District, Xinjiang	Not detected yet	Yes
27	The gold mine at Anjiacha in Xihe County, Gansu Province (general exploration) (甘肅省西和縣安家岔金礦普查)	Shanjin Western Geological and Minerals Exploration Co., Ltd.	Xihe County, Gansu Province	Not detected yet	Yes
28	Tenglongling gold mine in Yiwu County, Xinjiang (general exploration) (新疆伊吾縣騰龍嶺金礦普查)	Shandong Gold Resources Development Co., Ltd.	Yiwu County, Xinjiang	3.7	Yes
29	The outer rim of Siergoumen gold mine in Xihe County, Gansu Province (general exploration) (甘肅省西和縣四兒溝門外圍金礦普查)	Shanjin Western Geological and Minerals Exploration Co., Ltd.	Xihe County, Gansu Province	Not detected yet	Under transfer
30	The gold mine in vicinity in Wangjiagou, Xihe County, Gansu Province (general exploration) (甘肅省西和縣王家溝一帶金礦詳查)	Shanjin Western Geological and Minerals Exploration Co., Ltd.	Xihe County, Gansu Province	1.43	Yes
31	The gold mine in Yanhe, Xiahe County, Gansu Province (general exploration) (甘肅省夏河縣剡河金礦普查)	Shanjin Western Geological and Minerals Exploration Co., Ltd.	Xiahe County, Gansu Province	Not detected yet	Yes
32	Wuzunbulake gold mine in Gaochang District, Turpan City, Xinjiang (general exploration) (新疆吐魯番市高昌區烏尊布拉克金礦普查)	Inner Mongolia Shanjin Geological Mine Exploration Co., Ltd.	Gaochang District, Turpan City, Xinjiang	Not detected yet	Yes
33	East Wuzunbulake gold mine in Gaochang District, Turpan City, Xinjiang (general exploration) (新疆吐魯番市高昌區烏尊布拉克東金礦普查)	Inner Mongolia Shanjin Geological Mine Exploration Co., Ltd.	Gaochang District, Turpan City, Xinjiang	Not detected yet	Yes
34	The Yixiangou gold-polymetallic mine in Songshan District, Chifeng City, Inner Mongolia Autonomous Region (general exploration) (內蒙古自治區赤峰市松山區銀線溝金多金屬礦詳查)	Inner Mongolia Shanjin Geological Mine Exploration Co., Ltd.	Songshan District, Chifeng City	Not detected yet	Yes

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No.	Name of exploration permit	Holder of exploration permit	Location	Detected gold content (tonnes)	Whether entrusted by the Company
35	The Tiligentai gold-polymetallic mine in Wengniute County, Chifeng City, Inner Mongolia Autonomous Region (general exploration) (內蒙古自治區赤峰市翁牛特旗鐵力根台金多金屬礦普查)	Inner Mongolia Shanjin Geological Mine Exploration Co., Ltd.	Wengniute County, Chifeng City, Inner Mongolia Autonomous Region	Not detected yet	Yes
Total				253.69	

Statistics of the resources under the mining permits of SDG Group

No.	Name of exploration permit	Holder of exploration permit	Location	Retained gold content (tonnes)	Whether entrusted by the Company
1	Shandong Gold Jinchuang Group Co., Ltd. Yankou mine area (山東黃金金創集團有限公司奄口礦區)	Shandong Gold Jinchuang Group Co., Ltd.	Yankou area, Daliuhang Town, Penglai, Shandong Province	57.38	Yes
2	Shandong Jinchuang Co., Ltd. Shangkouwangli gold mine area (山東金創股份有限公司上口王李金礦區)	Shandong Jinchuang Co., Ltd.	Daxindian Town, Penglai, Shandong Province	3.88	Yes
3	Shandong Jinchuang Co., Ltd. Heijinding mine area (山東金創股份有限公司黑金頂礦區)	Shandong Jinchuang Co., Ltd.	Daxindian Town, Penglai, Shandong Province	1.54	Yes
4	Shandong Jinchuang Co., Ltd. Heilangou mine area (山東金創股份有限公司黑嵐溝礦區)	Shandong Jinchuang Co., Ltd.	Daxindian Town, Penglai, Shandong Province	16.89	Yes
5	Qingdao Jinxing Mining Co., Ltd. (青島金星礦業股份有限公司)	Qingdao Jinxing Mining Co., Ltd.	Jiudian Town, Pingdu City, Shandong Province	6.10	Yes
6	The No.2 Vein mining area of Jiudian Gold Mine, Pingdu City, Qingdao (青島平度市舊店金礦二號脈礦區)	Jiudian Gold Mine, Pingdu City, Qingdao	Jiudian Town, Pingdu City, Shandong Province	2.75	Yes
7	The No.3 Vein mining area of Jiudian Gold Mine, Pingdu City, Qingdao (青島平度市舊店金礦三號脈礦區)	Jiudian Gold Mine, Pingdu City, Qingdao	Jiudian Town, Pingdu City, Shandong Province	2.61	Yes
8	The No.29 Vein mining area of Jiudian Gold Mine, Pingdu City, Qingdao (青島平度市舊店金礦二十九號脈礦區)	Jiudian Gold Mine, Pingdu City, Qingdao	Jiudian Town, Pingdu City, Shandong Province	1.60	Yes
9	Hainan Shanjin Mining Co., Ltd. Baolun gold mine in Ledong County (海南山金礦業有限公司樂東縣抱倫金礦)	Hainan Shanjin Mining Co., Ltd.	Ledong County, Hainan Province	12.12	Yes

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

No.	Name of exploration permit	Holder of exploration permit	Location	Retained gold content (tonnes)	Whether entrusted by the Company
10	Songxian Shanjin Mining Co., Ltd. (嵩縣山金礦業有限公司)	Songxian Shanjin Mining Co., Ltd.	Shuigou Village, Dazhang Town, Song County, Luoyang	3.47	Yes
11	Fujian Province Zhenghe Hongkun Mining Co., Ltd. Dayaokeng gold mine (福建省政和縣宏坤礦業有限公司大藥坑金礦)	Fujian Province Zhenghe Hongkun Mining Co., Ltd.	Xingxi Town, Zhenghe County, Fujian Province	0.94	Yes
12	Qinghai Shanjin Mining Co., Ltd. Guoluolongwa gold mine in Dulan County (青海山金礦業有限公司都蘭縣果洛龍窪金礦)	Qinghai Shanjin Mining Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	0.83	Yes
13	Qinghai Shanjin Mining Co., Ltd. Walega gold mine in Dulan County (青海山金礦業有限公司都蘭縣瓦勒尕金礦)	Qinghai Shanjin Mining Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	7.92	Yes
14	Qinghai Shanjin Mining Co., Ltd. gold mine at Asiha (Kere) District in Dulan County (青海山金礦業有限公司都蘭縣阿斯哈(可熱)地區金礦)	Qinghai Shanjin Mining Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	7.61	Yes
15	Fujian Province Zhenghe Dayuan Mining Co., Ltd. sulfur-gold-copper mine of Xingxi mine area (福建省政和縣大源礦業有限公司星溪礦區硫金銅礦)	Fujian Province Zhenghe Dayuan Mining Co., Ltd.	Zhenghe County, Fujian Province	1.18	Yes
Total				126.81	

Notes:

- According to the requirements of the governments at all levels of Shandong Province and Yantai City on the gold mineral resources consolidation plan in 2021, Laizhou Ludi Mining Investment and Development Co., Ltd., a wholly-owned subsidiary of SDG Group, consolidated and transferred the Jincheng Gold Mining Permit held by it to Laizhou Company, a wholly-owned subsidiary of the Company. In 2022, Laizhou Company acquired the consolidated "Jiaojia Gold Mining Permit", which includes the Jincheng Gold Mining Permit, and the gold content of Jincheng Gold Mining Permit reached 73.4 tonnes, and the resource income from the Jincheng Gold Mining Permit remains substantially attributable to Laizhou Ludi Mining Investment and Development Co., Ltd.
- SDG Group has been sorting out the resources of gold exploration and mining permits owned by it in the PRC and improvement in their titles or certificates, and will actively promote the transfer of eligible mineral rights to the Company. If the relevant conditions for their injection into the Company are not met or the Company is unwilling to acquire them, such mineral rights will be disposed of by way of sale to an unrelated third party, etc., with the prior consent of the Company.

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

III. DIRECTORS AND SENIOR MANAGEMENT

(I) Changes in Shareholding and Remuneration of Current and Resigned Directors, Supervisors and Senior Management During the Reporting Period

√ Applicable □ N/A

Unit: Share

Name	Position	Gender	Age	Commencement of the term of office	Expiration of the term of office	Number of Shares held at the beginning of the year	Number of Shares held at the end of the year	Changes in increase or decrease in Shares during the year	Reason for change	Total pre-tax remuneration received from the Company during the Reporting Period (RMB'0'000)	Whether received remuneration from any related party of the Company or not
Han Yaodong (韓耀東)	Secretary of the CPC Committee, Chairman	Male	55	17 July 2025, 14 August 2025						0	Yes
Chu Mingfeng (初明鋒)	Vice secretary to CPC Committee	Male	56	26 August 2021						0	Yes
Liu Qin (劉欽)	Vice Chairman	Male	57	30 December 2020						0	Yes
Xiu Guolin (修國林)	Director, Chief Safety Officer	Male	59	14 August 2025						33.83	No
Xu Jianxin (徐建新)	Deputy General Manager	Male	53	29 August 2019	14 August 2025					67.51	No
Tang Qi (湯琦)	Director, Human Resources Director Secretary to the Board	Male	48	14 August 2025 21 November 2017	14 August 2025					33.77 53.32	No
Liu Yanfen (劉延芬)	Director, General Manager Supervisor	Female	46	14 August 2025 8 November 2019	14 August 2025					26.65 47.74	No
Teng Hongmeng (滕洪孟)	Employee Director, Deputy Head of the Auditing and Legal Affairs Department Acting Financial Controller	Male	59	14 August 2025 18 October 2022	14 August 2025					23.85 47.74	No
Wang Yi (王毅)	Chief Financial Officer Secretary to the Board	Female	46	14 August 2025						23.85 21.86	No
Zhan Kai (戰凱)	Independent Director	Male	63	14 August 2025						0	No
Liew Fui Kiang (劉懷鏡)	Independent Director	Male	59	30 December 2020						30	No
Zhao Feng (趙峰)	Independent Director	Female	57	30 December 2020						30	No
Li Hang (李航)	Chairman	Male	55	12 July 2022	14 August 2025					0	Yes

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

Name	Position	Gender	Age	Commencement of the term of office	Expiration of the term of office	Number of Shares held at the beginning of the year	Number of Shares held at the end of the year	Changes in increase or decrease in Shares during the year	Reason for change	Total pre-tax remuneration received from the Company during the Reporting Period (RMB'000)	Whether received remuneration from any related party of the Company or not
Wang Xiaoling (汪曉玲)	Director	Female	62	16 May 2016	14 August 2025					0	No
Wang Shuhai (王樹海)	Director	Male	63	12 October 2020	14 August 2025					0	No
Wang Yunmin (王連敏)	Independent Director	Male	70	30 December 2020	14 August 2025					0	No
Li Xiaoping (李小平)	Chairman of the Supervisory Committee	Male	61	16 May 2016	14 August 2025					0	Yes
Luan Bo (樂波)	Supervisor	Male	53	24 February 2020	14 August 2025					46.86	No
Song Zengchun (宋增春)	Deputy General Manager	Male	61	16 May 2016	14 August 2025					0	No
Lyu Haitao (呂海濤)	Deputy General Manager	Male	53	29 August 2019	14 August 2025					67.51	No
Total	/	/	/	/	/	0	0	0	/	554.49	/

Notes:

- The allowance for the Company's independent Directors is RMB300,000 per year (pre-tax). Except for independent Directors, other Directors and Supervisors receive their compensation based on their positions within Shandong Gold Group or the Company, and the Company does not pay additional compensation to Directors and Supervisors. The compensation for the above-mentioned reporting period is calculated based on the specific periods they served.
- The Company received a written resignation letter from independent Director Zhan Kai on 29 December 2025. Zhan Kai applied to resign from his positions as an independent Director of the Company's Seventh Session of the Board of Directors and as a member of the relevant special committees due to his intention to devote more time to personal matters. As Zhan Kai's resignation would result in the number of independent Directors falling below one-third of the Board of Directors, he will continue to perform the relevant duties in accordance with applicable laws and regulations and the provisions of the Articles of Association until a new independent Director is elected by the Company's shareholders' meeting.

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

Name	Main Working Experience
Han Yaodong (韓耀東)	He successively served as deputy director, member of the CPC Committee, deputy secretary of the CPC Committee, deputy secretary of the CPC Committee (at the county level) of the Management Committee of Zaozhuang High-tech Industrial Development Zone (棗莊高新技術開發區管委會), deputy director and deputy secretary of the CPC Committee (at the county level) of the Transportation Bureau of Zaozhuang City (棗莊市交通運輸局), deputy secretary of the CPC Committee (at the county level), secretary of the Political and Legal Affairs Commission, vice district chief, district chief, of Tai'erzhuang District, Zaozhuang City; secretary of the CPC Committee of Yantai Penglai Municipal Party Committee and first-class researcher; secretary of the CPC Committee of Penglai District Party Committee of Yantai City and first-class researcher and second-class inspector; vice mayor of Yantai City. He currently serves as deputy secretary of the CPC Committee, director and general manager of Shandong Gold Group Co., Ltd. (山東黃金集團有限公司), as well as secretary of the CPC Committee and chairman of Shandong Gold Mining Co., Ltd.
Chu Mingfeng (初明鋒)	He successively served as assistant researcher of the Second Secretarial Division of the Provincial Government General Office, deputy researcher of the Provincial Government Emergency Management Office (Provincial Government General Duty Office), deputy director (deputy director of the Provincial Local Financial Supervision Bureau) and a Party Leadership Group Member of the Provincial Financial Affairs Office, deputy director of the Provincial Committee Financial and Economic Affairs Commission Office. He currently serves as deputy secretary of the CPC Committee, director and chairman of Labor Union of Shandong Gold Group Co., Ltd. (山東黃金集團有限公司), as well as deputy secretary of the CPC Committee of Shandong Gold Mining Co., Ltd.

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

Name	Main Working Experience
Liu Qin (劉欽)	He successively served as the mine manager of Cangshang Gold Mine of Shandong Province Laizhou Jincang Mining Co., Ltd. (山東省萊州金倉礦業有限公司), the mine manager of Sanshandao Gold Mine of Shandong Gold Group Co., Ltd. (山東黃金集團有限公司), the mine manager of Sanshandao Gold Mine of Shandong Gold Mining (Laizhou) Co., Ltd. (山東黃金礦業(萊州)有限公司), the vice chairman and general manager of Shanjin Mining Co., Ltd. (山金礦業有限公司), the general manager and the secretary to CPC Committee of Xilingol League Shanjin Aershada Mining Co., Ltd. (錫林郭勒盟山金阿爾哈達礦業有限公司), the general manager and the secretary to CPC Committee of Non-ferrous Group Inner Mongolia Mining Construction Base (有色集團內蒙古礦業建設基地), the vice chairman and general manager of Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. (山東黃金有色礦業集團有限公司), the vice chairman and general manager of Shandong Gold International Mining Co., Ltd. (山東黃金國際礦業有限公司), the executive deputy general manager, vice chairman, general manager and vice secretary to CPC Committee of SDG Mineral Resources Group Co., Ltd. (山東黃金礦產資源集團有限公司), the manager of Mineral Resources Department of Shandong Gold Group Co., Ltd. (山東黃金集團有限公司), the chairman, general manager, secretary to CPC Committee of SDG Mineral Resources Group Co., Ltd. (山東黃金礦產資源集團有限公司), the chairman, member and secretary to CPC Committee of Shandong Gold Geological Mine Exploration Co., Ltd., the president and secretary to CPC Committee of Resources Exploration Business Department of Shandong Gold Mining Co., Ltd., and the deputy general manager, general manager, the president and the secretary to CPC Committee of Overseas Mining Business Department of Shandong Gold Mining Co., Ltd. He currently serves as a standing member of the CPC Committee and deputy general manager of Shandong Gold Group Co., Ltd. (山東黃金集團有限公司), the vice chairman of Shandong Gold Mining Co., Ltd., the secretary to CPC Committee and chairman of the Mining Management Branch (Mining Management Group) of Shandong Gold Mining Co., Ltd., and the chairman of the Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司).

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

Name	Main Working Experience
Xiu Guolin (修國林)	He successively served as a technician in the Production Department of Xincheng Gold Mine (新城金礦), a technician in the Production Department, deputy director of the Second Mining and Excavation Workshop, and director of the Safety and Environmental Protection Department of Jiaojia Gold Mine (焦家金礦), deputy manager of the Planning and Production Department and manager of the Planning and Safety Department of Shandong Gold Mining Co., Ltd., deputy mine manager, member of the CPC Committee, mine manager and secretary of the CPC Committee of Sanshandao Gold Mine (三山島金礦) of Shandong Gold Mining (Laizhou) Co., Ltd. (山東黃金礦業(萊州)有限公司), manager of the Operation Management Department of Shandong Gold Group Co., Ltd. (山東黃金集團有限公司), general manager of Zambia Branch of Jinchengxin Mining Management Co., Ltd. (金誠信礦業管理股份有限公司), manager of the Work Safety Department of Shandong Gold Group Co., Ltd. (山東黃金集團有限公司), and chairman of Zhaoyuan Jiuzhou Mining Co., Ltd. (招遠市九洲礦業有限公司). He currently serves as director and Chief Safety Officer of Shandong Gold Mining Co., Ltd. (山東黃金礦業股份有限公司); deputy secretary of the CPC Committee, director and general manager of the Mining Management Branch (Mining Management Group) of Shandong Gold Mining Co., Ltd. (山東黃金礦業股份有限公司礦業管理分公司(礦管集團)).
Xu Jianxin (徐建新)	He successively served as secretary of the General Office, deputy director and director of the Comprehensive Management Office of Shandong Gold Group Co., Ltd. (山東黃金集團有限公司), member of the CPC Committee and deputy general manager of Shandong Gold Resources Development Co., Ltd. (山東黃金資源開發有限公司), member of the CPC Committee, deputy general manager, deputy secretary of the CPC Committee and secretary of the Discipline Inspection Commission of SDG Mineral Resources Group Co., Ltd. (山東黃金礦產資源集團有限公司), first deputy manager (manager level) of the Corporate Culture Department, manager of the Corporate Culture Department, general manager of the Corporate Culture Department and minister of the Publicity Department of the CPC Committee of Shandong Gold Group Co., Ltd. (山東黃金集團有限公司), deputy general manager of Shandong Gold Mining Co., Ltd. He currently serves as member of the CPC Committee, director, human resources director and minister of the Organization Department of the CPC Committee (Human Resources Department) of Shandong Gold Mining Co., Ltd.
Tang Qi (湯琦)	He successively served as a secretary of the Board office, the securities affairs representative of the Board, deputy director and director of the Board Office of Shandong Gold Mining Co., Ltd., member of the Reform Committee Office of Shandong Gold Group Co., Ltd. (山東黃金集團有限公司深化改革小組辦公室), department head of the Research and Development Department, assistant to the general manager and vice general manager of SDG Venture Capital Co., Ltd. (山東黃金創業投資有限公司), secretary to the Board, director of the Board Office, general manager of the Capital Operation Department of Shandong Gold Mining Co., Ltd. He is currently a Director, general manager and director of the Strategic Planning Department of Shandong Gold Mining Co., Ltd.

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

Name	Main Working Experience
Liu Yanfen (劉延芬)	She served as an integrated service department specialist of Shandong Gold Wufeng Mountain Tourism Company (山東黃金五峰山旅遊公司), the legal director of the legal affairs department and deputy general manager (presided over work) of Shandong Province Assets Management Co., Ltd. (山東省資產管理有限公司), an operational department specialist of Shandong Gold Mineral Resources Company (山東黃金礦產資源公司), the mergers and acquisition director of the strategic planning department of Shandong Gold Group Co., Ltd. (山東黃金集團有限公司) and a supervisor and the mergers and acquisition director of the legal affairs department of Shandong Gold Mining Co., Ltd. She currently serves as an employee Director and the deputy head of the auditing and legal affairs department of Shandong Gold Mining Co., Ltd.
Teng Hongmeng (滕洪孟)	He successively served as the deputy head of the finance division of Jiaojia Gold Mine of Shandong Gold Mining Co., Ltd., the deputy plant manager of the refinery plant of Shandong Gold Mining (Laizhou) Co., Ltd. (山東黃金礦業(萊州)有限公司), the chief financial controller of Jiaojia Gold Mine of Shandong Gold Mining (Laizhou) Co., Ltd., the chief financial controller of the refinery plant of Shandong Gold Mining (Laizhou) Co., Ltd., the deputy manager of the finance department of Shandong Gold Mining Co., Ltd., the chief financial controller of Sanshandao Gold Mine of Shandong Gold Mining (Laizhou) Co., Ltd., the manager of finance division of Qilu mining business department. He currently serves as the chief financial controller and deputy director of the finance department of Shandong Gold Mining Co., Ltd., and the chief financial controller of Shandong Gold Mining Technology Co., Ltd. (山東黃金礦業科技有限公司).
Wang Yi (王毅)	She successively served as an acting manager in the operations department of SDG Mineral Resources Group, a manager in the planning and operations department of Shandong Gold Resources Development Co., Ltd., the director of legal affairs of the strategic planning department of Shandong Gold Group Co., Ltd., the deputy chief legal counsel and the deputy general manager of the capital operation department of Shandong Gold Mining Co., Ltd. She is currently the secretary to the Board and the deputy director of the Board office of Shandong Gold Mining Co., Ltd.
Zhan Kai (戰凱)	He successively served as secretary to the CPC Branch Committee, deputy director and professor-level senior engineer of the Mining Machinery Research Laboratory, deputy director and director of the Scientific Research Management Division of the Beijing General Research Institute of Mining & Metallurgy (北京礦冶研究總院), as well as deputy general manager and doctoral supervisor of BGRIMM Technology Group Co., Ltd. (礦冶科技集團有限公司). He is currently the professor-level senior engineer of BGRIMM Technology Group Co., Ltd., and the external director of China Academy of Machinery Science and Technology Group Co., Ltd. (中國機械科學研究總院集團有限公司).

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

Name	Main Working Experience
Liew Fui Kiang (劉懷鏡)	He successively served as chairman of PacRay International Holdings Limited, and independent director of Baoshan Iron & Steel Company Limited and independent non-executive director of Gilston Group Limited. He currently serves as an external supervisor of Ping An Insurance (Group) Company of China, Ltd., an independent non-executive director of Shandong Gold Mining Co., Ltd., Zhongchang International Holdings Group Limited, Zhengye International Holdings Company Limited and Zhaoke Ophthalmology Limited.
Zhao Feng (趙峰)	She successively served as an auditor of Arthur Andersen Hua Qiang Certified Public Accountants (安達信華強會計師事務所), the chief financial officer of East Asiatic Company (PRC), the chief financial officer and the general manager of DenmarkWangtai Communications Technology (PRC) (丹麥網泰通訊科技(中國)), the chief financial officer of U.S. Apple Inc. (PRC), and the chief financial officer and the general manager of Infront Sports & Media (PRC). She is currently an independent Director of Shandong Gold (listed as A+H shares), and an independent director of China Longyuan Power Group Corporation Limited (listed as A+H shares), Xiamen International Bank Co., Ltd. and the external director of China International Marine Containers (Group) Co., Ltd. (listed as A+H shares).
Li Hang (李航)	He successively served as the deputy director of the finance department of China Qingqi Group Co., Ltd. (中國輕騎集團有限公司), the director of the finance department of Shandong Hi-Speed Group Co., Ltd. (山東高速集團有限公司), the chief accountant of Shandong Hi-Speed Group Co., Ltd., the chairman of Shandong Hi-Speed Everbright Industrial Investment Fund Management Co., Ltd. (山東高速光控產業投資基金管理有限公司), a standing member of the CPC Committee and a director of Shandong Hi-Speed Group Co., Ltd., and a standing member of the CPC Committee, the deputy general manager and chief auditor of Shandong Hi-Speed Group Co., Ltd. and the general manager, the secretary of the CPC Committee and the chairman of Shandong Gold Group Co., Ltd. (山東黃金集團有限公司), and the chairman of Shandong Gold Mining Co., Ltd. He currently serves as the secretary of the CPC Committee and the chairman of Shandong Agricultural Development Credit Guarantee Co., Ltd., and the secretary of the CPC Committee and the chairman of Shandong Investment and Financing Guarantee Group Co., Ltd (山東省投融資擔保集團有限公司).
Wang Xiaoling (汪曉玲)	She successively served as an accountant of Zhaoyuan Branch of the Agricultural Bank of China in Shandong Province (山東省招遠市農業銀行), the deputy head of the finance division of Jiaojia Gold Mine, the deputy general manager of the finance department, a manager, the chief financial officer, a member of the CPC Committee and a director of Shandong Gold Mining Co., Ltd., the general manager and the deputy chief accountant of the finance department of Shandong Gold Group Co., Ltd. (山東黃金集團有限公司), and the deputy general manager and a special consultant of Shandong Gold Group Co., Ltd. (山東黃金集團有限公司).

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

Name	Main Working Experience

Wang Shuhai (王樹海)	He successively served as the vice mine manager of Sanshandao Gold Mine of Shandong Gold Group Co., Ltd. (山東黃金集團有限公司), the vice mine manager of Sanshandao Gold Mine of Shandong Gold Mining (Laizhou) Co., Ltd. (山東黃金礦業(萊州)有限公司), the secretary to CPC Committee and mine manager of Xincheng Gold Mine of Shandong Gold Mining Co., Ltd., the deputy general manager of Shandong Gold Mining Co., Ltd., the manager of the Engineering Management Department of Shandong Gold Group Co., Ltd. (山東黃金集團有限公司), the vice secretary to CPC Committee and general manager of Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. (山東黃金有色礦業集團有限公司), the president and secretary to CPC Committee of China Mining Business Department of Shandong Gold Mining Co., Ltd., the deputy general manager of Shandong Gold Mining Co., Ltd., the president and the secretary to CPC Committee of Yantai Mining Business Department, and a director and general manager of Shandong Gold Mining Co., Ltd.

Wang Yunmin (王運敏)	He is an academican of the Chinese Academy of Engineering and a professorate senior engineer, once served as a scientific researcher of the open pit mining research office (露天採礦研究室) of Maanshan General Institute of Mining Research Co., Ltd under the Ministry of Metallurgical Industry (冶金工業部馬鞍山礦山研究院), a deputy project leader of the open pit mining research office (露天採礦研究室) of Maanshan General Institute of Mining Research Co., Ltd under the Ministry of Metallurgical Industry (冶金工業部馬鞍山礦山研究院), an assistant to the director of the Research and Technology Administration Office (科研管理處) of Maanshan General Institute of Mining Research Co., Ltd under the Ministry of Metallurgical Industry (冶金工業部馬鞍山礦山研究院), an assistant to the dean and director of the Research and Technology Administration Office (科研管理處) of Maanshan General Institute of Mining Research Co., Ltd under the Ministry of Metallurgical Industry (冶金工業部馬鞍山礦山研究院), an associate dean of Maanshan General Institute of Mining Research Co., Ltd under the Ministry of Metallurgical Industry (冶金工業部馬鞍山礦山研究院), the dean and the secretary to CPC Committee of Sinosteel Group Maanshan Institute of Mining Research Co., Ltd (中鋼集團馬鞍山礦山研究院有限公司), an independent Director of Shandong Gold Mining Co., Ltd. He currently serves as the director and chief scientist of the Science and Technology Innovation Committee of Sinosteel Group Corporation Limited (中國中鋼集團有限公司), the director of the State Key Laboratory of Safety and Disaster Prevention in Metal Mining (金屬礦山開採安全與災害防治全國重點實驗室).

Li Xiaoping (李小平)	He successively served as a deputy director and a researcher of the Business and Trade Office of the Planning Commission of Shandong Province (山東省計委經貿處), the deputy secretary of Linzi District, Zibo City, the deputy secretary, head of district, secretary, officer of SCNPC, and principal of Party School of Dongchangfu District, Liaocheng City, the chairman of the Supervisory Committee and a member of the CPC Committee of Shandong Gold Mining Co., Ltd., and a standing committee member of the CPC Committee of Shandong Gold Group Co., Ltd.

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

Name	Main Working Experience
Luan Bo (樂波)	He served as the head of finance department of Xincheng Gold Mine of Shandong Gold Mining Co., Ltd., audit head of audit department of Shandong Gold Group Co., Ltd., vice manager of audit department of Shandong Gold Mining Co., Ltd., manager of audit department of SDG Real Estate Tourism Group Co., Ltd. (山東黃金地產旅遊集團有限公司), a special auditor of auditing and risk control department of Shandong Gold Group Co., Ltd. and Shandong Gold Mining Co., Ltd., the deputy director of the auditing and legal affairs department and a Supervisor of Shandong Gold Mining Co., Ltd., the executive supervisor of Shandong Guang'an Fire Technology Service Co., Ltd. (山東省廣安消防技術服務有限公司) of Shandong Gold Group Co., Ltd., the supervisor of Shandong Gold Group Finance Co., Ltd. (山東黃金集團財務有限公司), a member of the CPC Committee and the chief financial officer of Shandong Gold Mining Industrial Investment Group (山東黃金礦業產投集團), a Supervisor of Shandong Gold Mining Co., Ltd. He currently serves as a member of the CPC Committee and the chief financial officer of Shandong Gold Geological Mine Exploration Co., Ltd.
Song Zengchun (宋增春)	He successively served as the mine manager and the secretary of the general Party branch of Shandong Province Laizhou Jincang Mining Co., Ltd. (山東省萊州金倉礦業有限公司), the general manager of Shandong Jincang Mining Co., Ltd. (山東金倉礦業股份有限公司), the executive deputy general manager of Shandong Zhonghai Jincang Mining Co., Ltd. (山東中海金倉礦業有限公司) and Laizhou Jincang Mining Co., Ltd. (萊州金倉礦業有限公司), the executive deputy general manager of SDG Group Jincang Mining Co., Ltd. (山東黃金集團金倉礦業有限公司) and SDG Group Laizhou Mining Co., Ltd. (山東黃金集團萊州礦業有限公司), the deputy mine manager and a member of the CPC Committee of Jiaojia Gold Mine, the general manager and the secretary of the CPC Committee of SDG Group Changyi Mining Co., Ltd. (山東黃金集團昌邑礦業有限公司), the deputy general manager and a member of the CPC Committee of Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. (山東黃金有色礦業集團有限公司), the deputy general manager of Shandong Gold Mining Co., Ltd., the mine manager and secretary of the CPC Committee of Xincheng Gold Mine, and the manager of operation management department and the general manager of the enterprise management department of Shandong Gold Group Co., Ltd.
Lyu Haitao (呂海濤)	He successively served as the deputy head, secretary of Youth League Committee and head of the Publicity Department of Xincheng Gold Mine of Shandong Gold Mining Co., Ltd., the deputy director of general administration office of Shandong Gold Group Co., Ltd., the manager of Integrated Service Department of Shandong Gold Mining Development Co., Ltd. (山東黃金礦業開發有限公司) (Shanjin Mining Co., Ltd. (山金礦業有限公司)), the manager of Corporate Culture Department (stability maintenance office, publicity department of CPC Committee), office (office of CPC Committee) director, director of economic development research office, general manager of Security Department of Shandong Gold Group Co., Ltd., the deputy general manager of Shandong Gold Mining Co., Ltd., the secretary of CPC Committee and chairman of Shandong Gold Mining (Hong Kong) Co., Limited (山東黃金礦業(香港)有限公司, a Hong Kong company).

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Other information

☐ Applicable ☒ N/A

(II) Positions of Current and Resigned Directors and Senior Management During the Reporting Period

1. Positions in shareholder entities

☒ Applicable ☐ N/A

Name	Name of shareholder entities	Position held in shareholder entities	Commencement date of term of office	Cessation date of term of office
Han Yaodong	Shandong Gold Group Co., Ltd.	Vice secretary to CPC Committee	20 June 2024	
	Shandong Gold Group Co., Ltd.	Director	20 June 2024	
	Shandong Gold Group Co., Ltd.	General manager	20 June 2024	
Liu Qin	Shandong Gold Group Co., Ltd.	Standing member of the CPC Committee	20 June 2024	
	Shandong Gold Group Co., Ltd.	Deputy general manager	20 June 2024	
Li Hang	Shandong Gold Group Co., Ltd.	Secretary of the CPC Committee, chairman	27 October 2023	13 March 2025
Luan Bo	Shandong Gold Group Finance Co., Ltd.	Supervisor	10 December 2018	14 August 2025
Description of positions in shareholder entities		Nil		

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2. Positions in other entities

√ Applicable □ N/A

Name	Name of other entities	Position held in other entities	Commencement date of term of office	Cessation date of term of office
Li Hang	Shandong Agricultural Development Credit Guarantee Co., Ltd.	secretary to CPC Committee, chairman	13 March 2025	
	Shandong Investment and Financing Guarantee Group Co., Ltd. (山東省投融資擔保集團有限公司)	secretary to CPC Committee, chairman	30 June 2025	
Zhan Kai	BGRIMM Technology Group Co., Ltd. (礦冶科技集團有限公司)	professorate senior engineer	1 November 1997	
	China Academy of Machinery Science and Technology Group Co., Ltd.	independent director	1 June 2024	
Liew Fui Kiang	Zhongchang International Holdings Group Limited	independent director	12 January 2018	
	Zhengye International Holdings Company Limited	independent director	31 May 2019	
	Zhaoke Ophthalmology Limited	independent director	6 June 2022	
Zhao Feng	Ping An Insurance (Group) Company of China, Ltd.	external supervisor	18 July 2022	
	China Longyuan Power Group Corporation Limited	independent director	12 November 2021	
	Xiamen International Bank Co., Ltd.	independent director	31 December 2021	
Wang Yunmin	China International Marine Containers (Group) Co., Ltd.	external director	26 September 2023	
	Sinosteel Group Corporation Limited (中國中鋼集團有限公司)	director, chief scientist of the Science and Technology Innovation Committee	2 December 2019	
	State Key Laboratory of Metal Mine Safety and Health (金屬礦山安全與健康國家重點實驗室)	director	22 December 2010	
Lyu Haitao	Guohui (HK) Holdings Co., Limited	general manager	26 July 2025	
Description of positions in other entities		Nil		

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(III) Remuneration of Directors and Senior Management

☒ Applicable ☐ N/A

Decision-making process for remuneration of Directors and senior management

The remuneration for the Directors, Supervisors and Senior Management is proposed to the Board by the remuneration committee under the Board. Upon review and approval by the Board, any remuneration proposal for the Directors and Supervisors will be proposed to the shareholders' meeting for approval. The remuneration for senior management is reviewed and approved by the Board.

Whether Directors abstain from voting when the Board discusses their own remuneration

Yes

Specific details of recommendations by the Remuneration and Appraisal Committee or independent directors' special meetings on remuneration matters of Directors and senior management

As at 25 March 2026, the Company's Remuneration and Appraisal Committee under the Board of Directors considered and approved the Resolution on the Company's Payment of Remuneration for Directors and Senior Management for the Year 2025 and the Resolution on the Company's Remuneration Scheme for Directors and Senior Management for the Year 2026. The Remuneration and Appraisal Committee is of the view that the payment of remuneration for the Company's Directors and Senior Management for 2025 complies with the relevant system regulations. Based on the Company's actual situation and industry practices, the implementation of a "base salary + performance salary" remuneration system for senior management in 2026 meets the Company's requirements for encouraging senior management. The remuneration scheme is fair and reasonable, is conducive to motivating the initiative and creativity of senior management, and it promotes the Company's steady and rapid development. It agreed to submit the above two resolutions to the Company's Board of Directors for consideration.

Basis for determining remuneration of Directors and senior management

Directors and supervisors receive remuneration based on their positions and do not receive additional director's fees or supervisor's allowances. The Company implements a "base salary + performance salary" remuneration system for senior management, which is managed through signing annual target responsibility statements. The Remuneration Committee of the Board conducts a comprehensive assessment based on the Company's annual operating performance and the performance of duties of senior management, ultimately determining their remuneration according to the assessment results.

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Actual payment of remuneration to Directors and senior management	The Company pays the remuneration of Directors, and senior management after completing the assessment procedures.
Total actual remuneration received by all Directors and senior management at the end of the Reporting Period	Please refer to the aforementioned “Changes in shareholding and remuneration of current and resigned directors, supervisors and senior management during the Reporting Period”.
Basis for assessment and completion status for actual remuneration received by all Directors and senior management at the end of the Reporting Period	The remuneration of Directors and senior management for the year was strictly determined based on the Company’s established assessment methods, the achievement of annual operating performance targets, and the results of individual performance evaluations.
Deferred payment arrangements for actual remuneration received by all directors and senior management at the end of the Reporting Period	Nil
Clawback or withholding situations for actual remuneration received by all Directors and senior management at the end of the Reporting Period	Nil

(IV) Changes in Directors and Senior Management of the Company

☒ Applicable ☐ N/A

Name	Title	Change	Reason for Change
Zhan Kai	Independent non-executive Director	Resigned	Due to his intention to devote more time to personal matters

Note: On 29 December 2025, the Company received a written resignation report from Mr. Zhan Kai, an independent non-executive Director. Mr. Zhan Kai submitted his resignation as an independent Director of the Seventh Session of the Board of Directors of the Company, a member of the Strategy Committee, a member of the Sustainability Committee, a member of the Audit Committee, Chairman of the Nomination Committee, and a member of the Remuneration and Appraisal Committee under the Board, due to his intention to devote more time to personal matters. Following his resignation, Mr. Zhan Kai will no longer hold any position in the Company. As Zhan Kai’s resignation will result in the number of independent Directors falling below one-third of the Board members, Mr. Zhan Kai will continue to perform his relevant duties in accordance with applicable laws, regulations, and the provisions of the Articles of Association until a new independent Director is elected at the Company’s shareholders’ meeting.

(V) Punishment Imposed by Securities Regulatory Authorities in Recent Three Years

☐ Applicable ☒ N/A

(VI) Others

☐ Applicable ☒ N/A

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IV. PERFORMANCE OF DUTIES OF DIRECTORS

(I) Directors' Attendance at the Board Meetings and Shareholders' Meetings

Attendance of Board Meetings								Attendance of Shareholders' Meetings
Name of Director	Whether an independent Director	Number of Board meetings requiring attendance	Attendance in person (times)	Attendance through correspondence (times)	Attendance by proxy (times)	Absence (times)	Whether not attending in person for two consecutive meetings	Attendance of shareholders' meeting (times)
Han Yaodong (韓耀東)	No	7	3	4	0	0	No	2
Liu Qin (劉欽)	No	12	6	6	0	0	No	8
Xiu Guolin(修國林)	No	7	3	4	0	0	No	1
Xu Jianxin (徐建新)	No	7	3	4	0	0	No	1
Tang Qi (湯琦)	No	12	6	6	0	0	No	7
Liu Yanfen (劉延芬)	No	7	3	4	0	0	No	2
Zhan Kai (戰凱)	Yes	7	2	5	0	0	No	0
Liew Fui Kiang (劉懷鏡)	Yes	12	2	10	0	0	No	5
Zhao Feng (趙峰)	Yes	12	3	9	0	0	No	8
Li Hang (李航)	No	5	3	2	0	0	No	1
Wang Xiaoling (汪曉玲)	No	5	3	2	0	0	No	4
Wang Shuhai (王樹海)	No	5	3	2	0	0	No	4
Wang Yunmin (王運敏)	Yes	5	1	4	0	0	No	0

Explanation of not attending in person at two consecutive Board meetings

☐ Applicable ☒ N/A

Number of Board meetings held within the year	12
Including: Number of meetings held on site	1
Number of meetings held by way of correspondence	6
Number of meetings held on site in combination with by way of correspondence	5

(II) Directors' Objection to Any Matters Related to the Company

☐ Applicable ☒ N/A

(III) Others

☐ Applicable ☒ N/A

(IV) Continuous Professional Development

Upon appointment of Director(s), each new Director receives an induction package covering the business operations, policies and procedures of the Company as well as the general, statutory and regulatory obligations of being a director, to ensure that he/she is sufficiently aware of his/her responsibilities under the Hong Kong Listing Rules and other relevant regulatory requirements.

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The Directors will, on an ongoing basis, receive updates on the relevant laws, rules and regulations. The Company encourages the Directors to enrol in a wide range of professional development courses and seminars relating to the Hong Kong Listing Rules, the Hong Kong Companies Ordinance and corporate governance practices so that they can continuously enhance their relevant knowledge and skills. Pursuant to code provision C.1.4 of the Corporate Governance Code, the Company has also provided relevant reading materials to all the Directors during the Reporting Period to develop and refresh their professional knowledge.

V. SPECIAL COMMITTEES UNDER THE BOARD

√ Applicable □ N/A

(I) Members of Special Committees Under the Board

Types of special committee	Name of Member
1 January 2025 – 13 August 2025	
Strategy Committee	Li Hang (李航) (chairman), Wang Yunmin (王運敏), Liew Fui Kiang (劉懷鏡), Wang Xiaoling (汪曉玲)
Nomination Committee	Wang Yunmin (王運敏) (chairman), Liew Fui Kiang (劉懷鏡), Zhao Feng (趙峰), Liu Qin (劉欽)
Audit Committee	Zhao Feng (趙峰) (chairman), Wang Yunmin (王運敏), Liew Fui Kiang (劉懷鏡), Li Hang (李航), Wang Xiaoling (汪曉玲)
Remuneration and Appraisal Committee	Liew Fui Kiang (劉懷鏡) (chairman), Wang Yunmin (王運敏), Zhao Feng (趙峰), Wang Shuhai (王樹海), Tang Qi (湯琦)
14 August 2025 – 31 December 2025	
Strategy Committee	Han Yaodong (韓耀東) (chairman), Zhan Kai (戰凱), Liew Fui Kiang (劉懷鏡), Xiu Guolin (修國林), Tang Qi (湯琦)
Sustainability Committee	Liu Qin (劉欽) (chairman), Zhan Kai (戰凱), Zhao Feng (趙峰), Tang Qi (湯琦), Liu Yanfen (劉延芬)
Nomination Committee	Zhan Kai (戰凱) (chairman), Liew Fui Kiang (劉懷鏡), Zhao Feng (趙峰), Han Yaodong (韓耀東), Xu Jianxin (徐建新)
Audit Committee	Zhao Feng (趙峰) (chairman), Zhan Kai (戰凱), Liew Fui Kiang (劉懷鏡), Han Yaodong (韓耀東), Liu Qin (劉欽)
Remuneration and Appraisal Committee	Liew Fui Kiang (劉懷鏡) (chairman), Zhan Kai (戰凱), Zhao Feng (趙峰), Liu Qin (劉欽), Xu Jianxin (徐建新)

For the year ended 31 December 2025, all members of the Board's specialized committees (including the Strategy Committee, the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee and the Sustainability Committee) attended all relevant committee meetings held during their terms of office, with no absences.

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(II) Strategy Committee Held Four Meetings During the Reporting Period

Date of meeting	Content of meeting	Important comments and suggestions	Other performance of duties
25 March 2025	Considered and approved the Company's 2024 Sustainable Development Report	The meeting agreed to the contents of the above proposal and recommended it to the Board of Directors for consideration.	None
24 July 2025	Considered and approved the Resolution on the Issuance of Overseas Listed Shares (H Shares) by Shanjin International, a Subsidiary of the Company, and the Listing on The Stock Exchange of Hong Kong Limited; reviewed and approved item by item the Resolution on the Plan for the Issuance of Overseas Listed Shares (H Shares) by Shanjin International, a Subsidiary of the Company, and the Listing on The Stock Exchange of Hong Kong Limited; considered and approved the Resolution on Converting Shanjin International, a Controlling Subsidiary of the Company, into a Joint Stock Company with Shares to be Raised and Listed Overseas and the Resolution on the Plan for the Use of Proceeds Raised from the Public Offering of H Shares by Shanjin International, a Controlling Subsidiary of the Company	The meeting agreed to the contents of the above proposals and recommended them to the Board of Directors for consideration.	None
31 August 2025	Considered and approved item by item the Proposal Regarding the Issuance of H Shares by the Company under the General Mandate	The meeting agreed to the contents of the above proposal and recommended it to the Board of Directors for consideration.	None
11 September 2025	Considered and approved the Resolution on the Company's Termination of the Issuance of A Shares to Target Subscribers and the Withdrawal of the Application Documents	The meeting agreed to the contents of the above proposal and recommended it to the Board of Directors for consideration.	None

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(III) Sustainability Committee Held One Meeting During the Reporting Period

Date of meeting	Content of meeting	Important comments and suggestions	Other performance of duties
26 December 2025	Considered and approved the Company's 2025 ESG Key Work Report	The meeting agreed to the contents of the above proposal and recommended it to the Board of Directors for consideration.	None

(IV) Nomination Committee Held Three Meetings During the Reporting Period

Date of meeting	Content of meeting	Important comments and suggestions	Other performance of duties
24 July 2025	Proposal on the Election of New Session of the Board of Directors and the Nomination of Candidates for Non-independent Directors of the Seventh Session of the Board of Directors of the Company and the Proposal on the Election of New Session of the Board of Directors and the Nomination of Candidates for Independent Directors of the Seventh Session of the Board of Directors of the Company	The meeting agreed to the contents of the above proposals and recommended them to the Board of Directors for consideration.	None
11 August 2025	Proposal on the Nomination of the General Manager, Proposal on the Nomination of the Secretary to the Board, Proposal on the Nomination of the Chief Financial Officer, and Proposal on the Nomination of the Securities Affairs Representative	The meeting agreed to the contents of the above proposals and recommended them to the Board of Directors for consideration.	None
7 November 2025	Proposal on the Adjustment of the Person in Charge of the Subsidiary	The meeting agreed to the contents of the above proposal and recommended it to the Board of Directors for consideration.	None

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(V) Audit Committee Held Nine Meetings During the Reporting Period

Date of meeting	Content of meeting	Important comments and suggestions	Other performance of duties
10 January 2025	Considered and approved the Company's 2024 Annual Report Audit Communication Report with Those Charged with Governance (Planning Stage)	The meeting agreed to the contents of the above proposal and recommended it to the Board of Directors for consideration.	None
25 March 2025	Considered and approved the Summary Report on ShineWing Certified Public Accountants (Special General Partnership) Engaged in the Company's 2024 Annual Financial Report Audit and Internal Control Audit, the Report on the Audit of the 2024 Annual Report (H Shares), the 2024 Performance of Duties Report by the Company's Audit Committee under the Board, the Company's 2024 Final Financial Report, the Company's 2024 Annual Report and Summary, the Company's 2024 Annual Profit Distribution Plan, the Proposal Regarding the Company Requesting the Shareholders' General Meeting to Authorize the Board of Directors to Formulate and Implement the 2025 Interim Dividend Plan, the Proposal Regarding the Company's Provision for Asset Impairment for the Year 2024, the Proposal Regarding the Company's Reappointment of the Audit Institution for 2025, the Assessment Report on the Performance of the Accounting Firm in 2024, the Report on the Performance of Supervisory Duties by the Company's Audit Committee under the Board over the Accounting Firm in 2024, the Proposal Regarding the 2024 Internal Control Evaluation Report, the Proposal Regarding the Company's Special Report on the Deposit and Actual Use of Proceeds Raised in 2024, the Proposal Regarding the Company's Special Report on the Use of Proceeds from Previous Raises, and the Report on the Company's Continuous Risk Assessment of Shandong Gold Group Finance Co., Ltd.	The meeting agreed to the contents of the above proposals and recommended them to the Board of Directors for consideration.	None

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Date of meeting	Content of meeting	Important comments and suggestions	Other performance of duties
25 April 2025	Considered and approved the Company's 2025 First Quarterly Report	The meeting agreed to the contents of the above proposal and recommended it to the Board of Directors for consideration.	None
24 July 2025	Considered and approved the Proposal on Alignment in Preparation of Financial Reports in Accordance with the China Accounting Standards for Business Enterprises and Termination of Re-Appointment of H-Share Financial Report Auditor	The meeting agreed to the contents of the above proposal and recommended it to the Board of Directors for consideration.	None
13 August 2025	Considered and approved the Proposal on Appointment of Chief Financial Controller	The meeting agreed to the contents of the above proposal and recommended it to the Board of Directors for consideration.	None
25 August 2025	Considered and approved the Company's 2025 Semi-Annual Report and Summary, the Company's 2025 Semi-Annual Profit Distribution Plan, and the Proposal Regarding the Company's Special Report on the Deposit and Actual Use of Proceeds Raised in the First Half of 2025	The meeting agreed to the contents of the above proposals and recommended them to the Board of Directors for consideration.	None
31 August 2025	Considered and approved the Proposal Regarding the Provision of Guarantees Between Shanjin International, a Controlling Subsidiary, and the Wholly-owned Subsidiary	The meeting agreed to the contents of the above proposal and recommended it to the Board of Directors for consideration.	None
28 October 2025	Considered and approved the Company's 2025 Third Quarterly Report	The meeting agreed to the contents of the above proposal and recommended it to the Board of Directors for consideration.	None
9 November 2025	Considered and approved the Proposal Regarding the Supplementary Payment of Taxes by the Wholly-owned Subsidiary	The meeting agreed to the contents of the above proposal and recommended it to the Board of Directors for consideration.	None

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(VI) Remuneration and Appraisal Committee Committee Held Three Meetings During the Reporting Period

Date of meeting	Content of meeting	Important comments and suggestions	Other performance of duties
25 March 2025	Considered and approved the Proposal on the Payment of Remuneration for Senior Management in 2024 and the Proposal on the Remuneration Plan for Senior Management in 2025	The meeting agreed to the contents of the above proposals and recommended them to the Board of Directors for consideration.	None
24 July 2025	Considered and approved the Proposal on the Remuneration of Company's Directors	The meeting agreed to the contents of the above proposal and recommended it to the Board of Directors for consideration.	None
5 December 2025	Considered and approved the Company's 2024 Total Wage Budget Execution Settlement and the 2025 Total Wage Budget Plan	The meeting agreed to the contents of the above proposal and recommended it to the Board of Directors for consideration.	None

(VII) The Particular Conditions of the Objection

☐ Applicable ☒ N/A

(VIII) Primary Duties of the Specialized Committees

1. Nomination Committee

The primary duties of the Nomination Committee include:

- (1) to make recommendations to the Board on the size and composition of the Board according to the operating activities, size of assets and shareholding structure of the Company; to review the structure, size, composition and relevant qualifications (including skills, expertise and experience) of the Board at least once annually, make recommendations on any adjustment to the Board pursuant to the development strategy of the Company, and formulate a diversity policy for the Board;
- (2) to study the selection criteria, procedures and methods of Directors and managers and make recommendations in this regard to the Board;
- (3) to identify competent candidates for Directors and managers extensively;
- (4) to make recommendations to the Board on the candidates for Directors and managers, and provide advice to the Board on the appointment or re-appointment of Directors and the succession plan for Directors (in particular the chairman of the Board and the general manager);

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- (5) to screen the candidates for other management members and provide advice to the Board; to conduct a review and make recommendations on other senior management members who are subject to appointment by the Board;
- (6) to evaluate the overall skills, knowledge and experience of Directors and senior management, and to assess the independence of the independent non-executive Directors; and
- (7) all other matters delegated by the Board.

Procedure and Basis for Nomination

The Nomination Committee shall, in accordance with the relevant laws and regulations and the Articles of Association, and having regard to the actual circumstances of the Company, formulate the selection requirements, procedures and term of office of Directors and management of the Company, formulate resolutions and submit such resolutions to the Board for approval and implementation. It is stipulated in the implementation rules that the Nomination Committee shall hold at least two meetings each year.

The selection process of Directors and managers is as follows:

- (1) The Nomination Committee should actively communicate with the relevant departments and study the Company's demand for Directors and managers, and present such information in writing;
- (2) The Nomination Committee may search extensively for candidates for Directors and managers from within the Company, its holding (associate) enterprises and the market;
- (3) Gather information about the occupation, academic qualifications, post titles, detailed work experience and all the concurrent posts of the candidates, and present such information in writing;
- (4) Seek the nominees' consent for nomination; otherwise, the nominees cannot be the candidates for Directors or managers;
- (5) Convene a Nomination Committee meeting to review the qualifications of the candidates against the criteria for Directors and managers;
- (6) Make recommendations to the Board regarding the candidates for Directors and the candidates for new managers, together with the relevant materials, one to two months before the election of new Directors and the appointment of new managers; and
- (7) Complete other follow-up work according to the decisions and feedback of the Board.

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2. Remuneration and Appraisal Committee

The primary duties and authorities of the Remuneration and Appraisal Committee are as follows:

- (1) to make recommendations to the Board on remuneration plans or proposals and the establishment of formal and transparent procedures for the formulation of the above remuneration plans or proposals, according to the primary scope, responsibilities and importance of the management positions of Directors and senior management members and the remuneration standards of relevant positions in other relevant enterprises;
- (2) the remuneration plans or proposals shall include, but not be limited to, performance appraisal criteria, procedures and key appraisal system, and major incentive and penalty plans and systems;
- (3) to determine the specific remuneration packages of all executive Directors and senior management, including benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of office or appointment), and to make recommendations to the Board on the remuneration of non-executive Directors;
- (4) to review and approve the performance-based remuneration packages by making reference to the corporate objectives approved from time to time by the Board;
- (5) to review the performance of duties of the Directors (non-independent Directors) and the senior management of the Company, and to conduct annual performance appraisals on them;
- (6) to examine and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment, to ensure that such compensation is determined in accordance with the relevant contractual terms; or, where not so determined, that such compensation is fair and reasonable and does not impose an undue burden on the Company;
- (7) to review and approve compensation arrangements relating to the dismissal or removal of Directors for misconduct, to ensure that such arrangements are determined in accordance with the relevant contractual terms; or, where not so determined, that such compensation is reasonable and appropriate; to ensure that no Director or any of his/her associates (as defined in the Hong Kong Listing Rules) is involved in deciding his/her own remuneration;
- (8) to supervise the implementation of the Company's remuneration system;
- (9) to review and/or approve matters relating to share schemes under Chapter 17 of the Hong Kong Listing Rules; and
- (10) to perform other duties as conferred by laws and regulations, the relevant regulatory rules of the place where the Company is listed (such as the Hong Kong Listing Rules), rules of procedure and the Board.

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3. Audit Committee

The primary duties of the Audit Committee include:

- (1) to make recommendations to the Board regarding the appointment, re-appointment or dismissal of external auditors; to provide recommendations to the Board, and to approve the remuneration and terms of engagement of the external auditors; and to deal with all matters relating to the resignation or dismissal of external auditors;
- (2) to review and monitor the independence and objectivity of the external auditors and the effectiveness of the audit process in accordance with applicable standards;
- (3) to formulate and implement policies relating to the engagement of external auditors for non-audit services;
- (4) to supervise the internal audit system of the Company and its implementation; to examine the truthfulness, completeness and accuracy of the financial statements, annual reports and accounts, half-year reports and quarterly reports (if any) of the Company, and to review important opinions regarding financial reporting in such statements and reports;
- (5) to review the financial information and its disclosure of the Company;
- (6) to review the financial control, internal control and risk management systems of the Company, and to audit material connected transactions;
- (7) to discuss with the management on risk management and internal control systems to ensure that the management has performed its duty to maintain effective risk management and internal control systems;
- (8) to review the major findings of investigations on risk management and internal control, and the management's response to such findings on its own initiative or as delegated by the Board; and
- (9) to review the financial and accounting policies and practices of the Group.

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4. Strategy Committee

The primary duties of the Strategy Committee include:

- (1) to conduct research on, and make recommendations on, the long-term development strategy and planning of the Company;
- (2) to conduct research on, and make recommendations on, significant investment and financing proposals;
- (3) to conduct research on, and make recommendations on, significant capital operation and asset operation projects;
- (4) to conduct research on, and make recommendations on, significant matters affecting the development of the Company; and
- (5) to perform other duties as required by laws, regulations, rules, normative documents and the Articles of Association, and as delegated by the Board.

VI. EXPLANATION ON THE AUDIT COMMITTEE FINDING RISKS IN THE COMPANY

☐ Applicable ☒ N/A

The Audit Committee has no objection to the supervisory matters during the Reporting Period.

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VII.EMPLOYEES OF THE PARENT AND THE MAJOR SUBSIDIARIES AT THE END OF THE REPORTING PERIOD

(I) Employees

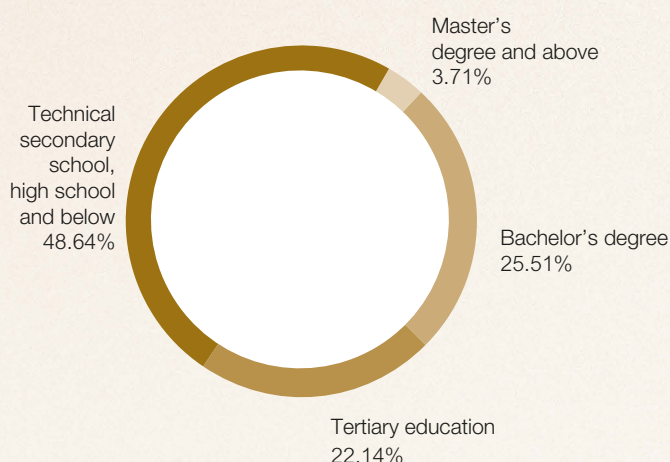
Number of existing employees of the parent company	4,678
Number of existing employees of major subsidiaries	24,604
Total number of existing employees	29,282
Number of the resigned and retired staff whose expenses need to be borne by the parent company and its major subsidiaries	2

Professional composition	
Category of professionals	Number of employees
Production personnel	21,977
Sales personnel	129
Technical personnel	3,462
Financial personnel	362
Administrative personnel	3,352
Total	29,282

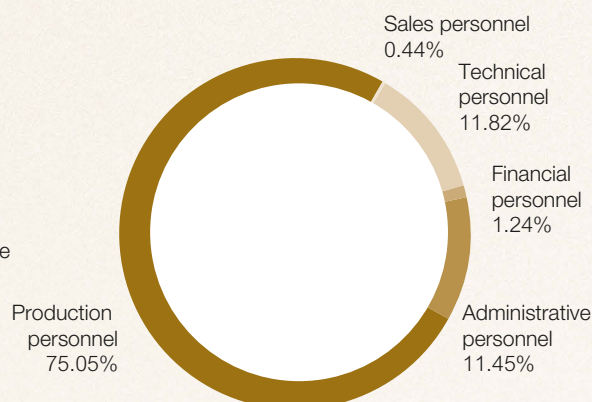
Educational level	
Category of educational level	Number (person)
Master's degree and above	1,087
Bachelor's degree	7,470
Tertiary education	6,482
Technical secondary school and below	14,243
Total	29,282

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Educational level



Professional composition



(II) Remuneration Policies

☒ Applicable ☐ N/A

Guided by its strategy and the principle of market-oriented distribution, the Company has established a position-based performance salary system that is internally competitive, equitable and motivating, while remaining externally competitive in the market. The Company implements company-wide performance appraisal and reinforces the incentive role of performance. For senior management, the Company signs annual target responsibility statements, determines annual remuneration standards with reference to market levels, and pays out performance-based compensation based on the assessment results against the targets set in the statements.

(III) Training Plan

☒ Applicable ☐ N/A

In 2025, the Company continuously strengthened exchanges and cooperation with external institutions in employee training, launching initiatives such as the “Bringing Training to Enterprises” program to effectively enhance the comprehensive capabilities of its workforce.

Management Personnel Training: In collaboration with renowned domestic and international research institutions, the Company conducted training programs for management personnel at various levels. The training covered multiple areas including production operations, human resources, engineering management, financial auditing, financial management, and resource mergers and acquisitions.

Professional and Technical Personnel Training: A continuing education system for professional and technical personnel was established, covering 13 specialties including geology, surveying, mining, mineral processing, electromechanical, and others. Additionally, a learning system for the Expert Committee was implemented, covering 5 specialties including geology, surveying, mining, mineral processing, and electromechanical. These initiatives have effectively enhanced the professional competence of the Company's technical staff.

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Skilled Worker Training: Leveraging skills competitions and skills level evaluations, the Company solidly carried out vocational skills level certification and independent evaluations for job types unique to the gold mining industry. This has provided strong support for the development of a high-skilled talent pipeline.

(IV) Labour Outsourcing

☒ Applicable ☐ N/A

Total number of working hours of labour outsourcing 22,726,714 hours

Total compensation paid for labour outsourcing (RMB0'000) 151,417

VIII. PROPOSAL ON PROFIT DISTRIBUTION OR TRANSFER OF CAPITAL RESERVE

(I) Formulation and Implementation of or Adjustment to the Cash Dividend Policy

☒ Applicable ☐ N/A

1. Formulation of profit distribution policy

In order to effectively protect the legitimate rights and interests of small and medium Shareholders, establish and improve shareholder return mechanisms, enhance the transparency and operability of the profit distribution policy decision-making process, and proactively reward investors, the Company, in accordance with the Opinions of the General Office of the State Council on Further Strengthening the Protection of Legitimate Rights and Interests of Small and Medium Investors in Capital Markets (Guo Ban Fa [2013] No. 110) and the “No. 3 Guidance for Listed Companies Supervision — Cash Dividends of Listed Companies”, and other laws, regulations and normative documents, considered and approved the “Proposal on Formulating ‘The Company’s Shareholder Return Plan for the Next Three Years (2023-2025)’” at the 35th meeting of the Sixth Session of the Board of Directors and the 19th meeting of the Sixth Session of the Supervisory Committee held on 24 February 2023, and at the Second Extraordinary General Meeting of 2023 and the First A Share and H Share Class General Meetings of 2023 held on 23 March 2023; furthermore, at the 74th meeting of the Sixth Session of the Board of Directors and the 46th meeting of the Sixth Session of the Supervisory Committee held on 28 July 2025 and the Third Extraordinary General Meeting of 2025 held on 14 August 2025, the Company considered and approved the “Resolution regarding the Abolition of Supervisory Committee, Amendments to the ‘Articles of Association’ and the Completion of Registration and Filing”, making corresponding revisions to the Company’s profit distribution policy, thereby further improving the forms, decision-making mechanisms, and procedures for profit distribution. The main contents are as follows:

The Company’s profit distribution policies are as follows:

- (I) Principle of Profit Distribution: The Company shall adhere to a principle of sustained and stable profit distribution. The distribution of profits shall emphasize providing shareholders with reasonable returns on their investments while taking into account the long-term interests of the Company, the interests of all Shareholders and the sustainable development of the Company.

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- (II) Form of Profit Distribution: The Company may distribute profits in the form of cash, shares, or a combination of cash and shares. When the conditions for cash dividends are met, cash dividends are preferred shares dividends. The Company's cash dividend policy goal is the residual dividend policy.
- (III) Profit distribution period: The Company generally distributes profits on an annual basis and may also distribute interim profits (in cash) based on its capital requirements.
- (IV) Differentiated cash dividend policy: When actually distributing dividends, the Company's Board of Directors shall comprehensively consider factors such as the characteristics of the industry in which the Company operates, its stage of development, its business model, its profitability level, and whether there are significant capital expenditure arrangements. Based on these considerations, the Board shall differentiate among the following situations and propose a differentiated cash dividend policy:
 1. When the Company is in a mature stage of development and has no significant capital expenditure arrangements, the proportion of cash dividends distributed in the current profit distribution shall be no less than 80%;
 2. When the Company is in a mature stage of development and has significant capital expenditure arrangements, the proportion of cash dividends distributed in the current profit distribution shall be no less than 40%;
 3. When the Company is in a growth stage of development and has significant capital expenditure arrangements, the proportion of cash dividends distributed in the current profit distribution shall be no less than 20%;

If the Company's stage of development is difficult to determine but it has significant capital expenditure arrangements, the provisions of the preceding paragraph may apply.

The proportion of cash dividends in the current profit distribution shall be calculated as cash dividends divided by the sum of cash dividends and stock dividends.

When conditions for cash dividends are met, the Company's Board of Directors may propose an interim cash distribution based on the Company's profitability and capital requirements.

- (V) Interval and Proportion of Cash Dividends: The Company shall have at least one cash dividend distribution every three consecutive years. The specific distribution proportion shall be determined by the Board of Directors based on the Company's operating conditions and the relevant provisions of the CSRC, and shall be reviewed and approved by the shareholders' meeting.

The cumulative profits distributed by the Company in cash over the most recent three years shall be no less than 30% of the average annual distributable profits realized over the same three-year period.

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(VI) The Company may not distribute profits under the following circumstances:

1. The audit report of the latest year is an unqualified opinion or an unqualified opinion with significant uncertainties related to going concern;
2. The net operating cash flow of the distribution year is negative;
3. There are major investment plans or significant cash expenditures (except for fund raising projects). Significant investment plans or significant cash expenditures refer to the proposed external investment, acquisition of assets or purchase of equipment by the Company in the coming twelve months with accumulated expenses amounting to or exceeding 50% of the latest audited net assets of the Company.
4. The Company's asset-liability ratio is higher than 70%.

(VII) Conditions for Share Dividend Distribution. Subject to the conditions for cash dividend distribution being met, if the Company's operating revenue and net profit are growing rapidly, and the Board of Directors considers the Company's share capital size and equity structure reasonable, the Board may, in addition to proposing a cash dividend distribution plan, propose and implement a share dividend distribution plan.

Procedures for decision-making on profit distribution by the Company:

- (I) The Board of Directors of the Company is responsible for formulating the profit distribution plan. In the process of formulating the profit distribution plan, the Board of Directors should fully discuss with the independent Directors and the Audit Committee, listen to the opinions of public shareholders through multiple channels and ways, and demonstrate the rationality of the profit distribution plan; and carefully study and discuss, among others, the timing, conditions as well as the minimum ratio, conditions for adjustments and the requirements of the procedures for decision-making in respect of the cash dividend distribution of the Company.
- (II) Before the shareholders' meeting considers the specific cash dividend proposal, the Company actively communicates with shareholders, especially minority shareholders, through various means, fully listens to the opinions and demands of minority shareholders, and timely answers to the concerns of minority shareholders.
- (III) Independent Directors have the right to express independent opinions if they think that the specific cash dividend proposal may harm the rights and interests of the Company or minority shareholders. If the opinions of the independent Directors are not adopted or fully adopted by the Board of Directors, the opinions of the independent Directors and the specific reasons for non-adoption shall be recorded in the resolution of the Board of Directors and disclosed.

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The consideration procedures of the profit distribution proposal mainly include:

- (I) Consideration and approval by the Audit Committee according to the procedures;
- (II) Consideration and approval by the Board of Directors;
- (III) The shareholders' meeting shall consider and approve it by ordinary resolutions. When the shareholders' meeting of the Company discusses and considers profit distribution matters, it can adopt various methods such as online voting and setting up an investor communication platform on the Company's website as needed to provide opportunities for public shareholders to express their opinions and demands.

2. Implementation of the profit distribution policy

On 11 June 2025, the Company held its 2024 Annual General Meeting and the 5th Extraordinary General Meeting of 2024, at which the Profit Distribution Proposal for 2024 of the Company and the Resolution regarding the Company Proposing to the General Meeting to Authorize the Board to Formulate and Implement the 2025 Interim Dividend Distribution Plan were reviewed and approved. The relevant announcements were published on the Shanghai Stock Exchange website, China Securities Journal, Shanghai Securities News, Securities Times, and Securities Daily on 12 June 2025.

On 17 July 2025, the Company disclosed the Announcement on the Implementation of the 2024 Annual Equity Distribution, distributing a cash dividend of RMB1.48 (tax inclusive) per 10 Shares to all Shareholders, totaling RMB662,067,569.70 in cash dividends (tax inclusive: including RMB534,937,615.36 for A Shares and RMB127,129,954.34 for H Shares). On 16 October 2025, the Company disclosed the Announcement on the Implementation of the 2025 Semi-Annual Equity Distribution, distributing a cash dividend of RMB1.7467 (tax inclusive) per 10 shares to all Shareholders, totaling RMB805,216,390.13 in cash dividends (tax inclusive, including RMB631,334,819.42 for A Shares and RMB173,881,570.71 for H Shares). The relevant announcements were published on the Shanghai Stock Exchange website, China Securities Journal, Shanghai Securities News, Securities Times, and Securities Daily on 17 July 2025 and 16 October 2025, respectively.

The 2024 annual cash dividends for the Company's A Shares and H Shares were fully distributed on 24 July 2025 and 11 August 2025, respectively; the 2025 semi-annual cash dividends were fully distributed on 23 October 2025 and 27 October 2025, respectively.

3. Adjustments or changes to the Company's profit distribution policy during the Reporting Period

On 9 September 2025, the Company completed the issuance of 136,500,000 new H Shares through placing, increasing the Company's total share capital from 4,473,429,525 Shares to 4,609,929,525 Shares (including 3,614,443,347 A Shares and 995,486,178 H Shares). Based on the above change in total share capital, the total share capital eligible for profit distribution was 4,609,929,525 Shares. Adhering to the principle of maintaining the total cash dividend amount unchanged, the Company adjusted the per-share distribution amount of its 2025 Interim Profit Distribution Plan, revising the cash dividend per share from RMB0.18 (tax inclusive) to RMB0.17467 (tax inclusive).

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(II) Special Explanation of Cash Dividend Policy

☒ Applicable ☐ N/A

Whether it complies with the provisions of the Articles of Association or the requirements of the resolution of the shareholders' meeting	☒ Yes ☐ No
Whether the dividend standard and ratio are specific and clear	☒ Yes ☐ No
Whether the relevant decision-making procedures and mechanisms are complete	☒ Yes ☐ No
Whether the Independent Directors performed their duties and played their due role	☒ Yes ☐ No
Whether minority shareholders have the opportunity to fully express their opinions and demands, and whether their legitimate rights and interests have been fully protected	☒ Yes ☐ No

(III) Profits Have Been Made During the Reporting Period and the Parent Company's Profits Distributed to the Shareholders are Positive. However, If the Resolution on Distribution of Cash Profit is Unavailable, the Company Shall Disclose in Detail the Causes Thereof as well as the Purpose and Use Plan of the Undistributed Profit

☐ Applicable ☒ N/A

(IV) Distribution of Profits and Resolutions on Capitalization of Capital Reserves for the Current Reporting Period

☒ Applicable ☐ N/A

	Unit: RMB
Number of bonus shares to be distributed for per 10 shares (share)	0
Amount of dividends to be distributed for per 10 shares (RMB) (tax inclusive)	3.5467
Conversion into share capital for per 10 shares (shares)	0
Amount of cash dividend (tax inclusive)	1,635,003,704.63
Net profit attributable to ordinary shareholders of the listed company in the consolidated statements	4,232,111,499.73
Ratio of amount of cash dividend in the net profit attributable to ordinary shareholders of the listed company in the consolidated statements (%)	38.63
Amount of shares repurchased in form of cash and accounted into cash dividend	0
Total amount of cash dividend (tax inclusive)	1,635,003,704.63
Ratio of total amount of dividend in the net profit attributable to ordinary shareholders of the listed company in the consolidated statements (%)	38.63

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Approved by the Ninth Meeting of the Seventh Session of the Board of Directors, the Company's proposed profit distribution plan for 2025 is as follows:

The Company proposes to distribute a cash dividend of RMB1.80 (tax inclusive, the same below) per 10 Shares to all Shareholders. As of the date of convening this Board meeting, the Company's total share capital was 4,609,929,525.00 Shares. Based on this base, the proposed cash dividend to be distributed is RMB829,787,314.50, with the remaining undistributed profit to be carried forward to future years for distribution. The Company implemented the semi-annual profit distribution for 2025 on 23 October 2025, distributing a cash dividend of RMB1.7467 per 10 Shares to all Shareholders. The Company's cash dividend for 2025 was RMB3.5467 per 10 Shares, amounting to a total of RMB1,635,003,704.63, representing 38.63% of the net profit attributable to ordinary shareholders of the listed company after deducting perpetual bond interest from the consolidated financial statements for the year 2025.

This profit distribution plan is subject to review and approval at the Company's 2025 Annual General Meeting.

(V) Cash Dividends for the Last Three Fiscal Years

☒ Applicable ☐ N/A

Unit: RMB

Amount of cumulative cash dividend (tax inclusive) in the last three fiscal years (1)	3,281,225,769.83
Cumulative repurchase and cancellation amount in the last three fiscal years (2)	
Cumulative cash dividend and repurchase and cancellation amount in the last three fiscal years (3) = (1) + (2)	3,281,225,769.83
Average net profit amount in the last three fiscal years (4)	2,881,029,973.02
Ratio of cash dividend in the last three fiscal years (%) (5) = (3)/(4)	113.89
Net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements of the last fiscal year	4,232,111,499.73
Undistributed profits at the end of the parent company's financial statements for the most recent fiscal year	5,864,032,036.48

In 2025, the Company achieved a net profit attributable to shareholders of the listed company of RMB4,739,393,120.72, which included the interest attributable to the holders of the perpetual bonds of RMB507,281,620.99. After deducting the perpetual bond interest, the Company's net profit attributable to ordinary shareholders of the listed company for 2025 was RMB4,232,111,499.73.

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IX. EQUITY INCENTIVE SCHEME, EMPLOYEE SHAREHOLDING SCHEME AND OTHER STAFF INCENTIVE MEASURES OF THE COMPANY AND THEIR IMPACTS

(I) Relevant Incentive Matters Disclosed in the Provisional Announcements without Progress or Change in the Follow-Up Implementation

☐ Applicable ☒ N/A

(II) Incentive Conditions Not Disclosed in the Provisional Announcement or with Subsequent Progress

Equity incentive

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

Employee shareholding scheme

☐ Applicable ☒ N/A

Other incentive measures

☐ Applicable ☒ N/A

(III) The Equity Incentives Granted to the Directors and Senior Management During the Reporting Period

☐ Applicable ☒ N/A

(IV) The Establishment and Implementation of the Evaluation Mechanism and Incentive Mechanism for Senior Management Members During the Reporting Period

☒ Applicable ☐ N/A

The Company has entered into an Annual Operating Performance Responsibility Letter with its senior management, adopting a compensation system consisting of base salary and performance salary for senior management. Each year, a comprehensive assessment is conducted on the performance of duties and completion of performance targets by senior management, and the performance salary is settled based on the assessment results.

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X. CONSTRUCTION AND IMPLEMENTATION OF INTERNAL CONTROL SYSTEM DURING THE REPORTING PERIOD

☒ Applicable ☐ N/A

The Company strictly complies with laws and regulations such as the Company Law and the Code of Corporate Governance for Listed Companies, as well as the relevant regulatory requirements and rules of the Shanghai Stock Exchange and the Hong Kong Stock Exchange. In accordance with the Basic Standards for Enterprise Internal Control and its supporting guidelines, the Company has conducted a comprehensive review, revision, and update of its existing internal control system to ensure that the system remains consistent with the latest regulatory requirements. Focusing on key business processes including production and operations, investments and financing, and financial management, the Company has completed optimization designs and strengthened risk control points at each stage, further consolidating its internal control management foundation.

The Company consistently prioritizes the self-assessment of its internal controls, having established and implemented a self-assessment working mechanism characterized by unified deployment and graded implementation. During the evaluation process, the Company strictly adheres to the principles of comprehensiveness, materiality, objectivity, and risk-orientation, conducting a holistic and systematic assessment of internal control elements, including the internal environment, risk assessment, control activities, information and communication, and internal supervision. Through in-depth analysis of the rationality of the internal control system's design and the effectiveness of its operation, the Company promptly identifies and rectifies any weak links within the system, effectively preventing various operational and management risks.

For the year, the Company has achieved significant results in the construction and implementation of its internal control system, with continued improvement in the standardization and effectiveness of its internal control management. The building of the Company's internal control system is a long-term and systematic endeavor requiring continuous improvement and optimization. In the future, the Company will continuously enhance its internal control management level and effectively prevent various risks by promoting the deep integration of internal control management with corporate governance, comprehensively deepening risk management capabilities, accelerating the digitalization of internal controls, fostering a company-wide culture of internal control compliance, continuously optimizing business processes, and strengthening internal and external collaboration. These efforts aim to provide a solid guarantee for the Company's achievement of sustainable, high-quality development.

The Company's 2025 Internal Control Evaluation Report has been reviewed and approved at the 9th Meeting of the Seventh Session of the Board of Directors. For details, please refer to the disclosure on the Shanghai Stock Exchange website (<http://www.sse.com.cn>).

Description on major defects in the internal control during the Reporting Period

☐ Applicable ☒ N/A

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

XI. MANAGEMENT AND CONTROL OF SUBSIDIARIES DURING THE REPORTING PERIOD

√ Applicable □ N/A

During the Reporting Period, the Company continuously deepened its management and control system over subsidiaries. By optimizing governance structures, strengthening risk prevention and control, and enhancing operational efficiency, the Company ensured overall strategic synergy and compliant, stable operations.

1. Improving Governance Structures and Strengthening the Institutionalized Management System

Adhering to the principles of “unified strategy, clear rights and responsibilities, and controllable risks”, the Company continuously improved the corporate governance structures of its subsidiaries. By dynamically revising the lists of rights and responsibilities, optimizing the rules of procedure for the Board of Directors, and clarifying decision-making boundaries at each level, governance efficiency was enhanced. Simultaneously, the Company further streamlined its management chains and improved decision-making efficiency by reducing legal entity tiers and integrating overseas management platforms.

2. Perfecting Corporate Governance Mechanisms and Deepening the Construction of the Board of Directors

Each subsidiary strictly complied with relevant requirements of the Company Law, the Code of Corporate Governance for Listed Companies, and other regulations, strengthening the construction of their boards of directors and actively leveraging the board’s role in “setting strategy, making decisions, and preventing risks”. The parent company exercised management and control over its subsidiaries by appointing or nominating directors to the subsidiaries, as well as nominating or recommending senior management personnel such as general managers, deputy general managers, and chief financial officers for the subsidiaries.

3. Strengthening Institutional Alignment and Enforcement Supervision

The Company promoted the deep integration of internal control with business operations. By sorting out business processes, identifying key risk points, and setting control nodes, it achieved full-process institutional coverage and enforcement supervision. A comprehensive, end-to-end risk control system was established, strengthening the routine monitoring of safety, environmental, and compliance risks, improving risk warning and response efficiency, and preventing systemic risks.

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4. Enhancing Operational Efficiency and Boosting Innovation Drive

The Company guided its subsidiaries to undertake targeted efforts in areas such as improving production efficiency, refining cost control, and pursuing intelligent transformation. Resource utilization efficiency was improved by optimizing mining and processing techniques and promoting intelligent systems. Furthermore, subsidiaries were encouraged to increase investment in scientific research, deepen industry-university-research cooperation, and promote the transformation of scientific and technological achievements, providing support for sustainable development.

During the Reporting Period, the Company continuously enhanced its synergy and risk prevention and control capabilities over its subsidiaries through systematic management initiatives. In the future, the Company will further optimize the efficiency of resource integration, strengthen its governance resilience under a globalized layout, and achieve high-quality development.

Risk warning regarding abnormalities in the management and control of subsidiaries

☐ Applicable ☒ N/A

XII. Audit Report on Internal Control

☒ Applicable ☐ N/A

Approved by the Company's shareholders' meeting, the Company engaged ShineWing Certified Public Accountants (Special General Partnership) to audit the effectiveness of the Company's internal control related to financial reports for 2025. A standard unqualified opinion was issued. For details of the Internal Control Audit Report, please refer to the "Shandong Gold Mining Co., Ltd. 2025 Internal Control Audit Report" disclosed by the Company on the Shanghai Stock Exchange website (<http://www.sse.com.cn>) simultaneously with this report.

Whether the audit report on internal control is disclosed: Yes

Type of opinion on the audit report on internal control: Unqualified opinion

Whether a non-standard audit opinion on internal control is issued during the Reporting Period or the previous year

☐ Yes ☒ No

XIII. RECTIFICATION OF SELF-CHECKED ISSUES IN SPECIAL ACTIONS ON GOVERNANCE OF LISTED COMPANIES

None

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

XIV. ENVIRONMENTAL INFORMATION OF LISTED COMPANY AND THEIR MAJOR SUBSIDIARIES INCLUDED IN THE LIST OF ENTERPRISES SUBJECT TO LEGAL ENVIRONMENTAL DISCLOSURE

√ Applicable □ N/A

Number of enterprises included in the list of enterprises
subject to legal environmental disclosure

22

No.	Name of Enterprises	Enquiry Index for Legal Environmental Information Disclosure Report
1	Shandong Gold Mining (Laizhou) Co., Ltd. Sanshandao Gold Mine	Enterprise Environmental Information Disclosure System (Shandong Province) http://221.214.62.226:8090/EnvironmentDisclosure/
2	Shandong Gold Mining (Laizhou) Co., Ltd. Jiaojia Gold Mine	Enterprise Environmental Information Disclosure System (Shandong Province) http://221.214.62.226:8090/EnvironmentDisclosure/
3	Shandong Gold Mining (Linglong) Co., Ltd.	Enterprise Environmental Information Disclosure System (Shandong Province) http://221.214.62.226:8090/EnvironmentDisclosure/
4	Shandong Gold Mining Co., Ltd. Xincheng Gold Mine	Enterprise Environmental Information Disclosure System (Shandong Province) http://221.214.62.226:8090/EnvironmentDisclosure/
5	Shandong Gold Smelting Co., Ltd.	Enterprise Environmental Information Disclosure System (Shandong Province) http://221.214.62.226:8090/EnvironmentDisclosure/
6	Shandong Gold Group Penglai Mining Co., Ltd.	Enterprise Environmental Information Disclosure System (Shandong Province) http://221.214.62.226:8090/EnvironmentDisclosure/
7	Shandong Gold Mining (Yinan) Co., Ltd.	Enterprise Environmental Information Disclosure System (Shandong Province) http://221.214.62.226:8090/EnvironmentDisclosure/
8	Shandong Jinzhou Mining Group Co., Ltd.	Enterprise Environmental Information Disclosure System (Shandong Province) http://221.214.62.226:8090/EnvironmentDisclosure/
9	Shandong Gold Guilaizhuang Mining Co., Ltd.	Enterprise Environmental Information Disclosure System (Shandong Province) http://221.214.62.226:8090/EnvironmentDisclosure/
10	Shandong Gold Mining (Laixi) Co., Ltd.	Enterprise Environmental Information Disclosure System (Shandong Province) http://221.214.62.226:8090/EnvironmentDisclosure/
11	Chifeng Chaihulanzi Gold Mining Co., Ltd.	Enterprise Environmental Information Disclosure System (Inner Mongolia Autonomous Region) http://111.56.142.62:40010/support-yfpl-web/web/viewRunner.html?viewId= http://111.56.142.62:40010/support-yfpl-web/web/sps/views/yfpl/views/yfplHomeNew/index.js&cantonCode=150000

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No.	Name of Enterprises	Enquiry Index for Legal Environmental Information Disclosure Report
12	Xihe Zhongbao Mining Co., Ltd.	Enterprise Environmental Information Disclosure System of Gansu Province https://zwfw.sthj.gansu.gov.cn/revealPubVue/#/home
13	Xinjiang Jinchuan Mining Co., Ltd.	Xinjiang Uygur Autonomous Region Enterprise Environmental Information Disclosure and Credit Evaluation System https://xxpl.xjpmic.cn:9015/index
14	SDG Heavy Industry Co., Ltd. (山金重工有限公司)	Enterprise Environmental Information Disclosure System (Shandong Province) http://221.214.62.226:8090/EnvironmentDisclosure/
15	Shandong Gold Mining (Xinhui) Co., Ltd. (山東黃金礦業(鑫匯)有限公司)	Enterprise Environmental Information Disclosure System (Shandong Province) http://221.214.62.226:8090/EnvironmentDisclosure/
16	Fujian Province Zhenghe County Yuanxin Mining Co., Ltd. (福建省政和縣源鑫礦業有限公司)	Enterprise Environmental Information Disclosure System (Fujian Beta Version) http://220.160.52.213:10053/idp-province/#/home
17	Baotou Changtai Mining Co., Ltd. (包頭市昶泰礦業有限責任公司)	As Changtai Mining does not fall within the scope of enterprises holding pollutant discharge permits or subject to mandatory cleaner production requirements in the locality for 2025, and in accordance with local policy requirements, it is not required to disclose information in the Enterprise Environmental Information Disclosure System. This is hereby explained.
18	Shenzhen SD Gold Mining Precious Metal Co., Ltd. (深圳市山金礦業貴金屬有限公司)	Department of Ecology and Environment of Guangdong Province-Enterprise Environmental Information Disclosure System https://www-app.gdeei.cn/gdeepub/front/dal/dal/newindex
19	Inner Mongolia Yulong Mining Co., Ltd. (內蒙古玉龍礦業股份有限公司)	Enterprise Environmental Information Disclosure System (Inner Mongolia Autonomous Region) http://111.56.142.62:40010/support-yfpl-web/web/viewRunner.html?viewId= http://111.56.142.62:40010/support-yfpl-web/web/sps/views/yfpl/views/yfplHomeNew/index.js&cantonCode=150000
20	Qinghai Dachaidan Mining Co., Ltd. (青海大柴旦礦業有限公司)	Enterprise Environmental Information Disclosure System of Qinghai Province http://110.167.168.147:8074/idp-province/#/home
21	Jilin Banmiaozi Mining Co., Ltd. (吉林板廟子礦業有限公司)	Enterprise Environmental Information Disclosure System of Jilin Province http://36.135.7.198:9015/index#menu_2091
22	Heihe Luoke Mining Development Co., Ltd. (黑河洛克礦業開發有限責任公司)	Enterprise Environmental Information Disclosure System of Heilongjiang Province http://111.40.190.123:8082/eps/index/enterprise-search

Other Explanation

☐ Applicable ☒ N/A

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

XV.DETAILS OF SOCIAL RESPONSIBILITY WORK

(I) Whether to Separately Disclose Social Responsibility Report, Sustainable Development Report or ESG Report

☒ Applicable ☐ N/A

For details of the Sustainable Development Report, please refer to the “Shandong Gold Mining Co., Ltd. 2025 Sustainable Development Report” disclosed by the Company on the Shanghai Stock Exchange website (<http://www.sse.com.cn>).

(II) Specific Information of Social Responsibility Work

☒ Applicable ☐ N/A

Donation and public welfare projects	Number/ content	Explanation
Gross investment (RMB0'000)	292.20	
Including: Fund (RMB0'000)	268.89	Donations to support education, medical assistance, emergency rescue and disaster relief, etc.
Amount of materials (RMB0'000)	23.31	Donating books, water wells, and distributing festive greetings, etc.
Number of people benefited (person)	3,240	

Specific Explanation

☒ Applicable ☐ N/A

Shandong Gold deeply practices its core values of “Openness, Inclusiveness, Loyalty, and Responsibility”, consistently upholding the ideal goal of “benefiting as many individuals and as broad a scope as possible through the existence of Shandong Gold”, and integrates the fulfillment of social responsibility into the very fabric of the company’s development. The enterprises under the Company actively engage in public welfare initiatives, proactively integrating into the development of the communities where they are located. Over the years, they have persistently carried out public welfare activities covering areas such as educational support, medical assistance, emergency rescue and disaster relief, and environmental protection. In 2025, the Company’s total investment in external donations and public welfare projects amounted to RMB2.922 million, benefiting 3,240 people, thereby conveying the warmth of SDG through concrete actions and demonstrating the responsibility of a state-owned enterprise.

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XVI.DETAILS OF CONSOLIDATING THE ACHIEVEMENTS OF POVERTY ALLEVIATION AND RURAL REVITALIZATION

√ Applicable □ N/A

Poverty alleviation and rural revitalization projects	Number/ content	Explanation
Gross investment (RMB0'000)	218.07	
Including: Fund (RMB0'000)	201.03	Targeted poverty alleviation, assistance to farmers and herders, improvement of infrastructure, etc.
Amount of materials (RMB0'000)	17.04	Daily necessities, firefighting supplies, etc.
Number of people benefited (person)	2,106	
Forms of assistance (such as poverty alleviation through industry, poverty alleviation through employment, and poverty alleviation through education)	Industrial poverty alleviation and educational poverty alleviation	

Specific Explanation

√ Applicable □ N/A

Shandong Gold actively responded to the national call for rural revitalization assistance, deeply integrating the responsibility of a state-owned enterprise into the economic development of the communities where it operates. Precisely focusing on the most concerned, realistic, and pressing “urgent, difficult, and longed-for” issues of local villagers, the Company took concrete actions starting with specific matters such as industrial support, agricultural technology assistance, and infrastructure improvement. It proactively contributed to the improvement of local livelihoods and rural economic development by organizing a series of warm and impactful rural revitalization support activities. These efforts have effectively promoted the deep sharing of resources between the enterprise and the local community, improved the living standards of villagers, and made positive contributions to supporting rural revitalization.

XVII.Others

□ Applicable √ N/A

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

XVIII. Board of Directors

(I) Board Composition and Practice

The “Resolution Considering and Approving the Re-election of the Board of Directors and the Election of Non-independent Directors of the Seventh Session of the Board of Directors” and the “Resolution Considering and Approving the Re-election of the Board of Directors and the Election of Independent Directors of the Seventh Session of the Board of Directors” were considered and approved by way of cumulative voting at the 2025 third extraordinary general meeting of the Company. Mr. Han Yaodong, Mr. Liu Qin, Mr. Xiu Guolin, Mr. Xu Jianxin and Mr. Tang Qi were elected as non-independent Directors of the seventh session of the Board of Directors at the extraordinary general meeting, and Mr. Zhan Kai, Mr. Liew Fui Kiang and Ms. Zhao Feng were elected as independent Directors of the seventh session of the Board of Directors at the shareholders’ meeting. In addition, pursuant to the Articles of Association, Ms. Liu Yanfen was elected as an employee representative Director at the meeting of the employee representatives of the Company held on 14 August 2025, with a term of three years commencing from the date of the 2025 third extraordinary general meeting of the Company until the expiration of the term of the seventh session of the Board of Directors. Following the conclusion of the shareholders’ meeting, Mr. Li Hang (Chairman, non-executive Director), Mr. Wang Shuhai (executive Director), Ms. Wang Xiaoling (non-executive Director) and Mr. Wang Yunmin (independent non-executive Director), Directors of the sixth session of the Board of Directors, retired from office. For details, please refer to the announcements of the Company dated 28 July 2025 and 14 August 2025 and the circular of the Company dated 29 July 2025 published on the website of the Hong Kong Stock Exchange.

Mr. Han Yaodong, Mr. Xiu Guolin, Mr. Xu Jianxin, Ms. Liu Yanfen and Mr. Zhan Kai, the newly appointed Directors, have each obtained the legal advice referred to in Rule 3.09D of the Hong Kong Listing Rules on 13 August 2025, and has confirmed that he/she understands his/her responsibilities as a Director of the Company.

As at the date of this report, the Board comprises nine Directors, including four executive Directors, Mr. Xiu Guolin, Mr. Xu Jianxin, Mr. Tang Qi and Ms. Liu Yanfen, two non-executive Directors, Mr. Han Yaodong and Mr. Liu Qin, and three independent non-executive Directors, Mr. Zhan Kai, Mr. Liew Fui Kiang and Ms. Zhao Feng. Biographical details of each of the Directors are set out in Section 4 “Corporate Governance, Environment and Society” of this report. To the best of the Board’s knowledge, there is no relationship among the members of the Board.

During the Reporting Period, the Board has at all times complied with Rules 3.10 and 3.10A of the Hong Kong Listing Rules in relation to the appointment of at least three independent non-executive Directors, of whom at least one independent non-executive Director must possess appropriate professional qualifications or accounting or related financial management expertise. The Company has received from each of the independent non-executive Directors an annual confirmation of his/her independence. The Nomination Committee has assessed their independence in accordance with the relevant guidelines under Rule 3.13 of the Hong Kong Listing Rules, and the Company considers them to be independent.

Led by the chairman of the Board, the Board is responsible for resolving on the Company’s business plans and investment plans, preparing the annual financial budgets and final financial plans of the Company, preparing the profit distribution plan and the loss make-up plan of the Company, formulating plans for material acquisitions, purchase of Shares of the Company, merger, division, dissolution or transformation of the Company, listening to work reports of the general manager of the Company and reviewing the work of the general manager, convening shareholders’ meetings, reporting to shareholders’ meetings and implementing resolutions of general meetings. The chairman has delegated the secretary to the Board to draft the agenda of each Board meeting. With the assistance of the executive Directors, the secretary to the Board and the company secretary, the chairman will ensure that all Directors will be provided with sufficient and reliable information in a timely manner to enable them to make necessary analysis according to their business expertise.

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(II) Chairman and General Manager

The chairman and general manager of the Company are two clearly distinct positions, and their respective responsibilities are clearly set out in the Articles of Association. The primary duties of the chairman are: to preside over shareholders' meetings and to convene and preside over Board meetings; to urge and inspect the implementation of Board resolutions; to sign Share certificates of the Company; to sign important documents of the Board and other documents; in the event of an emergency such as a major natural disaster or other force majeure, to exercise special powers of disposal over the affairs of the Company that are consistent with the relevant laws and regulations and the interests of the Company, and to report to the Board and the shareholders' meeting thereafter; and to exercise such other authorities as may be conferred by the Board. The primary duties of the general manager are: to preside over the production and operation management of the Company; to organise the implementation of Board resolutions and report to the Board; to organise the implementation of the Company's annual operation plans and investment plans; to formulate proposals for the establishment of internal management departments of the Company; to formulate the basic management systems of the Company; to formulate specific rules and regulations of the Company; to propose to the Board the appointment or dismissal of any vice general manager and the chief financial officer of the Company; to decide on the appointment or dismissal of management personnel other than those to be appointed or dismissed by the Board; and to exercise such other authorities as may be conferred by the Articles of Association or the Board.

The chairman of the Company is mainly responsible for overall and strategic development, investment planning and human resources allocation, and has delegated the day-to-day operational management to relevant management personnel. The executive Directors and the vice general managers of the Group are responsible for the day-to-day management of various matters (including the implementation of Board resolutions), and report to the general manager on the business operations of the Group.

(III) Meeting Practices and Conduct

Board meetings include regular Board meetings and extraordinary Board meetings. Regular Board meetings shall be held at least four times a year, and shall be convened by the chairman, with written notice to be given to all Directors and Supervisors at least 14 days before the date of the meeting. Regular Board meetings shall not be convened by way of correspondence.

An extraordinary Board meeting may be held by request of Shareholders representing more than 1/10 of the voting rights, more than 1/3 of Directors, or the Audit Committee. The chairman shall convene and preside over a Board meeting within 10 days after receipt of the proposal. Notice of an extraordinary Board meeting shall be given by telephone or in writing, and the time limit for the delivery of such notice shall be at least three days before the meeting. In urgent circumstances where an extraordinary Board meeting is required to be held as soon as possible, notice of the meeting may be given at any time by telephone or orally, in which case the convener shall give an explanation at the meeting.

The Board shall keep minutes of resolutions passed at meetings of the Board. Directors present at a meeting shall sign the minutes. Minutes of the Board meetings shall be kept as records of the Company for a period of 10 years.

If any Director has a connected relationship with the enterprise involved in any resolution made at a Board meeting, the said Director shall not exercise voting rights on such resolution himself or on behalf of any other Director.

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(IV) Appointment and Re-election of Directors

In accordance with the Articles of Association, Directors shall be elected or changed by the shareholders' meeting and serve a term of three years; provided that, upon the expiration of their term of office, Directors may serve consecutive terms if re-elected.

Any other appointment, resignation, removal or redesignation of Directors will be timely disclosed to Shareholders by way of announcement, which shall include the reasons given by the Director for his/her resignation. Each of the non-executive Directors has entered into a service contract or letter of appointment for a fixed term of three years.

XIX. Other Disclosures

(I) Model Code for Securities Transactions by Directors and Supervisors

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by Directors and Supervisors (all Supervisors retired from office on 14 August 2025 as a result of the abolition of the Supervisory Committee by the Company). Following specific enquiries with all Directors and Supervisors, each of the Directors has confirmed that he/she has complied with the Model Code during the Reporting Period, and each of the Supervisors has confirmed that he/she has complied with the Model Code during the period when he/she held the position of Supervisor in 2025.

(II) Philosophies of the Company

The development concept of the Company is "Safe Shandong Gold, Ecological Shandong Gold, Vibrant Shandong Gold and Humanistic Shandong Gold". The enterprise spirit of the Company is the pursuit of excellence and pioneering innovation. The brand image of the Company is "Shandong Gold, Ecological Mining". The core values of the Company are openness, inclusiveness, loyalty and responsibility. The tenet of the Company is benefiting employees, repaying Shareholders, benefiting society and contributing to a powerful country. The cooperation philosophy of the Company is respect, integration, mutual benefit and sharing. The management philosophy of the Company is resource focused, benefit first and innovation centered. The safety and environmental protection philosophy of the Company is "Zero accident in both safety and environmental protection". The talent philosophy of the Company is to select capable and high-caliber talents with both moral integrity and professional competence. The Party building philosophy of the Company is sticking to the revolutionary heritage and keeping in mind the original aspiration and missions. The integrity philosophy of the Company is upholding integrity and frugality, and maintaining a clean and upright atmosphere. The care philosophy of the Company is the "Three Yeses" and "Three Nos" commitment.

(III) Corporate Governance Functions

The Board is responsible for formulating the corporate governance policies of the Company and performing the following corporate governance functions:

1. to formulate and review the corporate governance policies and practices of the Group, and to make recommendations;
2. to review and monitor the training and continuous professional development of the Directors and senior management;

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3. to review and monitor the Group's policies and practices on compliance with all legal and regulatory requirements (where applicable);
4. to formulate, review and monitor the code of conduct and compliance manual (if any) applicable to the employees of the Group and the Directors; and
5. to review the Group's compliance with the Corporate Governance Code and the disclosure requirements of the corporate governance report.

During the year ended 31 December 2025, the Board has performed the functions set out in code provision A.2.1 of the Corporate Governance Code.

During the Reporting Period, the Company strictly complied with the requirements of the PRC Company Law, the PRC Securities Law, the Code of Corporate Governance for Listed Companies, the Listing Rules of the Shanghai Stock Exchange, the Hong Kong Listing Rules and other domestic and overseas laws and regulations, and continuously improved its corporate governance structure, regulated its operations and enhanced its corporate governance standards. At present, the Company has established a relatively sound corporate governance structure and corporate governance system.

(IV) Mechanisms to Ensure Independent Views

The Company ensures independent views and input are available to the Board via the following mechanisms:

1. the Board composition and the independence of the independent non-executive Directors shall be reviewed by the Nomination Committee on an annual basis;
2. the Company has received from each of the independent non-executive Directors a written confirmation of his/her independence to the Company. The Company considers all such independent non-executive Directors to be independent;
3. in view of good corporate governance practices and to avoid conflict of interests, the Directors who are also directors and/or senior management of the Company's controlling shareholders and/or certain subsidiaries of the controlling shareholders shall abstain from voting on the relevant Board resolutions in relation to the transactions with the controlling shareholders and/or their associates;
4. the chairman of the Board shall meet with the independent non-executive Directors at least once annually; and
5. all members of the Board can seek independent professional advice when necessary in accordance with the Company's policy in order to perform their responsibilities.

The Board reviews the relevant mechanism on an annual basis to ensure that independent views and input are available to the Board, whether in terms of the proportion, recruitment and independence of independent non-executive Directors, and to ensure their contribution and access to external independent professional advice.

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(V) Board Diversity Policy

The Company has adopted a Board diversity policy (the “Diversity Policy”), which sets out the approach for achieving diversity of the members of the Board. The Company believes that diversity of the members of the Board can significantly enhance the quality of the Company’s performance.

Pursuant to the Diversity Policy, the Company seeks to achieve diversity of the members of the Board by considering a number of aspects, including but not limited to gender, race, language, cultural background, educational background, industry experience and professional experience.

In identifying and selecting suitable candidates to serve as a Director of the Company, the Nomination Committee shall, before making recommendations to the Board, refer to the above necessary criteria for the purpose of executing the corporate strategy and achieving diversity of the members of the Board (where appropriate).

The composition of the members of the Board reflects different cultural and educational backgrounds, professional development, length of service, knowledge of the Company, and a broad range of individual attributes, interests and values. The Board considers that the current composition of its members provides the Company with a balanced and diverse set of skills and experience appropriate to the Company’s business. The Board will, taking into consideration the specific needs of the Group’s business, continue to review the composition of its members from time to time.

As at the date of this report, the Board has two female Directors, representing 25% of the members of the Board. The Board strives to maintain at least one female Director. When appointing new Directors, the Board will fully consider the existing gender ratio in identifying suitable candidates and will strive to increase the proportion of female members of the Board.

The Nomination Committee will review the implementation of the Board Diversity Policy at least annually, and will make recommendations on any proposed changes to the Board for the Board’s review and approval to ensure its continued appropriateness and effectiveness. During the year, the Board and the Nomination Committee have reviewed the implementation and effectiveness of the Board Diversity Policy and consider that the Board Diversity Policy and its implementation are sufficient and effective.

In order to recruit potential successors to the Board to achieve diversity of the members of the Board, including gender diversity, the Board has prepared a list setting out the desirable skills, experience, qualifications, gender or perspectives that the candidates should possess. If the Board determines that an additional or replacement Director is required, it will deploy multiple channels to identify suitable Director candidates, including referrals from Directors, Shareholders, management, the Company’s advisers and external executive search firms.

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(VI) Workforce Diversity

For the year ended 31 December 2025, the gender ratio (male to female) in the workforce (including senior management) of the Company is approximately 7:1, representing a relatively high proportion of female participation within the mining industry. Although the nature of the Group's business requires high physical strength, resulting in the majority of male employees, the Group is committed to achieving the goal of employee diversity to the greatest extent and takes gender diversity into consideration when recruiting employees. The Company will continue to take measures to promote gender diversity at all levels of the Company, including but not limited to the levels of the Board and senior management, and to establish channels for female senior managers and potential successors to enter the Board.

(VII) Remuneration Policy of Directors

To ensure the ability to attract and retain talents, the Group's remuneration policy of Directors is built upon the principle of providing equitable and market-competitive remuneration packages that supports the performance culture and enables the achievement of strategic business goals. The Group's remuneration policy of Directors is, therefore, aimed at providing competitive but not excessive remuneration packages to the Directors.

The Directors' remuneration comprises fixed salary or service fee and variable components (such as bonus), which is benchmarked against companies of comparable business or scale with reference to a mix of factors such as the prevailing market conditions, the performance of the Company, and the qualifications, skills, experience and educational background of the Directors.

The Directors' remuneration is subject to Shareholders' approval.

(VIII) Joint Company Secretaries

Ms. Wang Yi ("Ms. Wang"), the joint company secretary, is responsible for advising the Board on corporate governance matters and ensuring that Board policies and procedures, and applicable laws, rules and regulations are followed.

In order to uphold good corporate governance and ensure compliance with the Hong Kong Listing Rules and applicable Hong Kong laws, the Company also engages Mr. Wong Chun Wing Samuel ("Mr. Wong"), the assistant manager of the Listing Services Department of TMF Hong Kong Limited, a company secretarial service provider, as the joint company secretary to assist Ms. Wang in discharging the duties of a company secretary of the Company. The primary contact person of Mr. Wong at the Company is Ms. Wang.

During the year ended 31 December 2025, Ms. Wang and Mr. Wong have undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Hong Kong Listing Rules.

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(IX) Investor Relations

In order to promote effective communication with Shareholders, the Company has adopted a shareholders' communication policy (the "Shareholders' Communication Policy"), which is published on the Company's website. According to the Shareholders' Communication Policy, among other things:

- (1) Information shall be disseminated by the Company to Shareholders and investors mainly through the publication of interim reports, annual reports, the annual general meeting and other shareholders' meetings convened, as well as information disclosed or published on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>), the website of the SSE (<http://www.sse.com.cn/>) and the Company's website (<http://www.sdhjgf.com.cn>).
- (2) The shareholders' meeting is regarded by the Company as the principal channel of communications with the Shareholders. The Shareholders are encouraged to participate in the Company's shareholders' meetings in person or, where they are unable to attend the meetings, appoint proxies to attend and vote at the meetings on their behalf.
- (3) The Company will, on a regular basis, hold roadshows, investor meetings, investor/analyst presentations, individual meetings and media interviews to facilitate communication between the Company and its Shareholders and the investment community.

The Board has reviewed and considered that the Shareholders' Communication Policy has been appropriately implemented and remained effective during the year ended 31 December 2025.

(X) Dissemination of Inside Information

The Company strictly complies with the regulations of the Registration System for Persons with Inside Information and other related regulations to standardize the management of inside information of the Company, properly protect the confidentiality of inside information, and effectively prevent illegal and non-compliant securities activities, such as insider trading. During the Reporting Period, the Directors, Supervisors and senior management of the Company and other relevant personnel strictly complied with the Registration System for Persons with Inside Information; no instance was identified that any insider was trading the Company's shares with inside information; and there was no case where any insider was investigated or penalized by regulatory authorities for any suspected involvement in insider trading.

The Board is of the view that the Company and its Directors, Supervisors or senior management have not been criticized or punished by the CSRC, the Hong Kong Stock Exchange, the SSE or other regulatory authorities, and the actual corporate governance structure is in line with the requirements of the PRC Company Law and the relevant requirements of the CSRC.

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(XI) Directors' Responsibility for Financial Reporting

All the Directors have confirmed their responsibility for the preparation of the financial report of the Group. The Directors ensure that the financial report of the Group is prepared in compliance with the relevant laws and regulations and applicable accounting standards, and that the financial report of the Group is published in a timely manner.

The responsibility statement of the auditor of the Company on the financial report of the Group is set out in Section 8 "Financial Report" of this report.

(XII) Liabilities of Directors and Officers

During the Reporting Period, the Company has purchased and maintained Directors', Supervisors' and senior management's liability insurance to provide appropriate protection to Directors, Supervisors and senior management against certain legal actions. The scope of coverage of such insurance is reviewed annually.

(XIII) Articles of Association

In accordance with the PRC Company Law which took effect on 1 July 2024, the "Transitional Arrangements for the Implementation of the Supporting System and Rules of the New Company Law" issued by the China Securities Regulatory Commission, the "Guidelines for the Articles of Association of Listed Companies (revised in March 2025)", the "Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (revised in April 2025)" and the "Self-regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 1 – Standardized Operation (revised in May 2025)", and other relevant laws and regulations, rules and other normative documents, and having regard to the actual circumstances of the Company, the Company proposed to abolish the Supervisory Committee and to make amendments to the Articles of Association, the Rules of Procedure of the Shareholders' Meeting and the Rules of Procedure of the Board of Directors. The relevant resolutions were considered and approved at the 2025 third extraordinary general meeting of the Company. For details, please refer to the announcements of the Company dated 28 July 2025 and 14 August 2025 and the circular of the Company dated 29 July 2025 published on the website of the Hong Kong Stock Exchange.

Save as disclosed above, there were no other changes to the Articles of Association during the Reporting Period.

(XIV) Risk Management and Internal Control

1. Internal Audit Function

The Company has an internal audit function. The Audit Committee is responsible for overseeing the internal audit system. The Audit Committee and the Board review the risk management and internal control systems at least annually, and the Company considers that such systems are effective and adequate.

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2. Risk Management and Internal Control Systems

The risk management and internal control systems have been designed to provide reasonable assurance for the legal and compliant operation and management, the safety of assets, the truthfulness and completeness of financial reports and related information, to enhance operational efficiency and effectiveness, and to facilitate the achievement of the development strategy.

The Board's annual review has ensured the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions.

The Board has overall responsibility for maintaining sound and effective risk management (including environmental, social and governance risks) and internal control systems throughout the Group, which include a defined management structure with limits of authority, and are designed to ensure the proper application of accounting standards and the provision of reliable financial data for internal use and for publication, as well as to secure compliance with the relevant laws and regulations. The systems are developed to provide reasonable, but not absolute, assurance against material misstatement or omission, and to manage, but not fully eliminate, the risks of operational systems failure and the risks of the Group's failure in meeting the standards. The Board will review the risk management (including environmental, social and governance risks) and internal control systems on an ongoing basis.

The Audit Committee assists the Board in leading the management and overseeing the design, implementation and monitoring of the risk management and internal control systems. The Board authorized the Audit Committee to supervise the financial reporting system, the risk management (including environmental, social and governance risks) and internal control systems of the Company; to review the financial controls of the Company and to review the risk management (including environmental, social and governance risks) and internal control systems of the Company on an annual basis; to discuss the risk management and internal control systems with the management and to ensure that the management has performed its duties in establishing effective systems; and to consider major investigation findings on risk management and internal control matters and the management's response to such investigation findings on its own initiative or as delegated by the Board. The management has reported and confirmed to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems.

The Company's procedures for identifying, evaluating and managing major risks include but are not limited to: 1. identifying, analysing and scientifically predicting possible risks, focusing on key and difficult issues such as gold prices, production safety and resource reserves, and formulating practical and feasible response plans; 2. in accordance with the principles of concentration and classification, reviewing the implementation and management of the major and important risk responses of subordinate enterprises at the end of each quarter against the position at the beginning of the year, and strengthening risk control; 3. combining comprehensive risk management and special risk management, strengthening risk management of major business matters, and conducting special risk assessments on significant investments and major mergers and acquisitions; 4. using internal audit as an important means of risk prevention and control, and completing audit projects such as overseas audit, economic responsibility, large fund use and safety special audit, with financial audit, engineering audit, mining project acceptance and settlement and other special audits as the focus.

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The Company continues to improve the construction of comprehensive risk management and internal control systems, clarifying the risk management and internal control responsibilities of the Board, the management, the various departments and the various positions, so as to form a comprehensive, all-staff, whole-process, complete-system, and full-coverage risk management and internal control mechanism, providing a solid guarantee for the sustainable development of the Company.

The Company's procedures for examining the effectiveness of the risk management and internal control systems include: formulating an evaluation work plan, establishing an evaluation working group, conducting on-site testing, identifying control deficiencies, summarising evaluation results, and forming an evaluation report. The Board has, in accordance with the requirements for the identification of major deficiencies, important deficiencies and general deficiencies under the corporate internal control standard system, and having regard to factors such as the Company's scale, industry characteristics, risk preference and risk tolerance, studied and determined the specific identification standards of internal control deficiencies applicable to the Company. The Company will, in respect of any deficiencies identified, promptly adopt response strategies to effectively control risks within tolerable limits.

3. Review of the Effectiveness of Risk Management and Internal Control

For the year ended 31 December 2025, the Board has, through the Audit Committee, conducted an annual review of the effectiveness of the Group's risk management (including environmental, social and governance risks) and internal control systems, covering all material financial, operational and compliance controls, and considers the Group's risk management and internal control systems to be effective and adequate. During the year, no suspected material irregularities or significant areas of concern that might affect the Shareholders were identified.

ShineWing Certified Public Accountants (Special General Partnership) has audited the effectiveness of the internal control of the Company in relation to financial reporting and issued a report with unqualified opinions.

(XV) Taxation

1. Withholding and Payment of Enterprise Income Tax for Non-resident Enterprise Shareholders Outside the PRC

According to the Enterprise Income Tax Law of the People's Republic of China and its implementation regulations (the "EIT Law"), the tax rate of enterprise income tax applicable to the income of a non-resident enterprise deriving from the PRC is 10%. For this purpose, any H Shares registered under the name of a non-individual enterprise, including those registered under the name of HKSCC Nominees Limited, other nominees or trustees, or other organizations or entities, shall be deemed as Shares held by non-resident enterprise shareholders (as defined under the EIT Law), and the Company will distribute dividends to such non-resident enterprise shareholders subject to a deduction of 10% enterprise income tax withheld and paid by the Company on their behalf.

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Any resident enterprise (as defined under the EIT Law) which has been legally incorporated in the PRC, or which was established pursuant to the laws of foreign countries (regions) but has its effective place of management in the PRC, and whose name appears on the H Shareholders' register of the Company, shall, if it does not wish to have the 10% enterprise income tax withheld and paid on its behalf by the Company, deliver in due course to the H share registrar of the Company, Tricor Investor Services Limited, a legal opinion ascertaining its status as a resident enterprise issued by a qualified PRC lawyer (with the official chop of the law firm issuing the opinion affixed thereon) and the relevant documents.

Pursuant to the "Notice on the Issues Concerning the Administration of Individual Income Tax Collection after the Annulment of Document Guo Shui Fa [1993] No. 045" (the "Notice") issued by the State Administration of Taxation on 28 June 2011, the dividend to be distributed by a PRC non-foreign-invested enterprise that has issued shares in Hong Kong to overseas resident individual shareholders is, in general, subject to individual income tax at a rate of 10%. However, the tax rates for respective overseas resident individual shareholders may vary depending on the relevant tax agreements between their countries of residence and Mainland China. Accordingly, when distributing dividends to individual H Shareholders whose names appear on the H Shareholders' register of the Company on the record date, the Company will withhold 10% of the dividends as individual income tax, unless otherwise stipulated in the relevant taxation regulations, tax treaties or the Notice.

The Company shall not be liable for any claim arising from any delay in, or inaccurate determination of, the status of the Shareholders or any disputes over the mechanism of withholding.

2. Profit Distribution to Investors of Shanghai-Hong Kong Stock Connect (Shanghai Connect)

For investors of the Hong Kong Stock Exchange (including enterprises and individuals) investing in the A Shares listed on the SSE (the "Shanghai Connect"), their dividends will be distributed in RMB by the Company through the Shanghai Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominee holding such Shares. The Company will withhold and pay income tax at the rate of 10% on behalf of those investors, and will report the withholding to the competent tax authorities. For investors of Shanghai Connect who are tax residents of other countries and whose country of residence has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may, on their own or by entrusting a withholding agent, apply to the competent tax authorities for the entitlement to the relevant rate under such tax treaty. Upon approval by the competent tax authorities, the difference between the tax already withheld and the tax payable based on the rate stipulated under such tax treaty will be refunded.

The arrangements regarding the record date and date of distribution of cash dividends and other matters for investors of Shanghai Connect will be the same as those for the A Shareholders.

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

3. Profit Distribution to Investors of Hong Kong Stock Connect (Southbound Trading)

For investors of the SSE and the Shenzhen Stock Exchange (including enterprises and individuals) investing in the H Shares listed on the Hong Kong Stock Exchange (the “Southbound Trading”), the cash dividends will be distributed in RMB. The arrangements regarding the record date and date of distribution of cash dividends and other matters for investors of Southbound Trading will be the same as those for the H Shareholders. The relevant taxation policies are governed by the relevant provisions of the “Notice on the Tax Policies Related to the Pilot Programme of the Shanghai-Hong Kong Stock Connect (Caishui [2014] No. 81)” and the “Notice on the Tax Policies Related to the Pilot Programme of the Shenzhen-Hong Kong Stock Connect (Caishui [2016] No. 127)”. For dividends received by domestic individual investors from investing in the H Shares listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, the Company will withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in the H Shares listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The Company will not withhold or pay the income tax on dividends for domestic enterprise investors, and the tax payable shall be reported and paid by such enterprise investors themselves.

Shareholders are recommended to consult their tax advisers regarding the tax implications in the PRC, Hong Kong and other countries (regions) of holding and disposing of the Shares.

(XVI) Subsequent Events of Corporate Governance

Save as disclosed in the annual report, the Group has no material events after the Reporting Period.

SECTION 5 IMPORTANT MATTERS

I. FULFILLMENT OF UNDERTAKINGS

(I) Undertakings Made by the De Facto Controller, Shareholders, Related Parties, Buyers and the Relevant Parties of the Company during or up to the Reporting Period

✓ Applicable □ N/A

Background	Type of undertaking	Undertaking party	Content of undertaking	Date of undertaking	Whether there is a deadline for performance	Term of undertaking	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe plans in next steps
Undertaking relating to the material asset reorganisation	Solving the issues concerning competition in the same industry	SDG Group, Non-ferrous Group	On 26 November 2014, SDG Group and Non-ferrous Group made the following commitments: (1) after the completion of this restructuring, all the business assets owned by their controlled subsidiaries in the PRC territory that meet the requirements for injection into Shandong Gold Mining and which are identical or similar to Shandong Gold Mining's principal business will be injected into Shandong Gold Mining; (2) assets that do not temporarily meet the listing conditions have been entrusted to Shandong Gold for management. Within three years from the issuance of the undertaking letter, the aforesaid assets relating to the gold business will be disposed of by way of external sales, and Shandong Gold shall have the right of first refusal in respect of the aforesaid assets under the same conditions; (3) not to engage in and, to the maximum extent possible, procure their controlled subsidiaries to give up similar businesses of Shandong Gold that they intend to engage in and to transfer to Shandong Gold any similar businesses or business opportunities substantially acquired by them; not to engage in identical or similar businesses as that of Shandong Gold so as to avoid direct or indirect competition with the business operations of Shandong Gold; (4) when there may be an unfair influence on Shandong Gold in terms of market share, business opportunities and allocation of resources, they will voluntarily forego and use its best efforts to procure their controlled subsidiaries to forego business competition with Shandong Gold; (5) they shall compensate Shandong Gold for any losses or expenses suffered or incurred by Shandong Gold due to the violation of any commitment in the undertaking letter. On 10 November 2022 and 24 December 2025, upon approval at the Company's 2022 4th Extraordinary General Meeting and 2025 5th Extraordinary General Meeting, SDG Group and Non-ferrous Group made further commitments as follows: (1) Qinghai Shanjin Mining Co., Ltd., Hainan Shanjin Mining Co., Ltd., Shandong Gold Jinchuang Group Co., Ltd., Songxian Shanjin Mining Co., Ltd., Zhaoyuan Jiuzhou Mining Co., Ltd. and Shandong Chengjin Mining Co., Ltd. in the Company and other enterprises controlled by the Company, which own gold business assets but are not eligible for listing or for the considerations of overall planning, are held by the Company or other enterprises controlled by the Company. The Company undertakes to initiate the procedure of injection into Shandong Gold in accordance with the law if relevant laws and regulations and related requirements of the CSRC are complied with and the following conditions are met or if Shandong Gold deems it necessary to inject into the listed companies from the perspective of strategic layout, endowment of resources and market: normal operation of the business, clear ownership, good compliant status, net asset yields of the active enterprises (where such assets are owned by the enterprises) not lower than the previous year's level of Shandong Gold or the financial internal yields of the non-active enterprises not lower than 8%. The Company will steadily promote the resolution of horizontal competition by giving priority to the injection of the aforesaid assets related to gold business into Shandong Gold before 10 November 2030, or by obtaining prior consent from Shandong Gold to sell them to unrelated third parties if the aforesaid relevant conditions for injection into Shandong Gold are not met or if Shandong Gold is unwilling to acquire them. (2) Not to engage in and, to the maximum extent possible, procure the subsidiaries controlled by the Company to give up similar businesses of Shandong Gold that they intend to engage in and to transfer to Shandong Gold any similar businesses or business opportunities substantially acquired by them; to ensure that the Company and its controlled subsidiaries will not engage in identical or similar businesses as that of Shandong Gold so as to avoid direct or indirect competition with the business operations of Shandong Gold. (3) When the Company or its controlled subsidiaries may have unfair influence on Shandong Gold in terms of market share, business opportunities and allocation of resources, the Company will voluntarily forego and use its best efforts to procure the subsidiaries controlled by the Company to forego business competition with Shandong Gold. (For details, please refer to the Company's Announcement Nos. Lin 2022-072 and 2025-075 on the website of Shanghai Stock Exchange (http://www.sse.com.cn))	10 November 2022	Yes	Before 10 November 2025	Yes		

SECTION 5 IMPORTANT MATTERS

Background	Type of undertaking	Undertaking party	Content of undertaking	Date of undertaking	Whether there is a deadline for performance	Term of undertaking	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe plans in next steps
Undertaking relating to the material asset reorganisation	Others	SDG Group, Non-ferrous Group	It shall ensure the independence of Shandong Gold in terms of personnel, assets, finance, institutions and business, ensure that Shandong Gold maintains independence in other aspects, and assume liability for compensation for losses caused to the listed company due to breach of this undertaking.	26 November 2014	No	Long term	Yes		
Undertaking relating to the material asset reorganisation	Settlement of connected transactions	SDG Group, Non-ferrous Group	(1) Minimize connected transactions with Shandong Gold to the greatest extent possible; (2) Not use its status and influence as a controlling shareholder or person acting in concert to seek for Shandong Gold to provide preferential terms better than those offered to third parties in the market in aspects such as business cooperation, nor seek priority rights for concluding transactions with Shandong Gold; (3) In accordance with the provisions of relevant laws, regulations and normative documents, as well as Shandong Gold's Articles of Association and Provisions on the Management of Connected Transactions, follow the general commercial principles of equality, voluntariness, equivalence and consideration, enter into connected transaction agreements with Shandong Gold, and ensure that the prices of connected transactions are fair and reasonable. In principle, the prices shall not deviate from the prices or fee standards of independent third parties in the market, so as to protect the interests of Shandong Gold and other shareholders; at the same time, fulfill the decision-making procedures for connected transactions in accordance with the provisions of relevant laws, regulations and normative documents, and perform the information disclosure obligations according to law; (4) Not damage the legitimate rights and interests of Shandong Gold and other shareholders through connected transactions, nor illegally occupy or transfer Shandong Gold's funds, assets and other resources, nor require Shandong Gold to provide guarantees in violation of regulations.	26 November 2014	No	Long term	Yes		
Undertaking relating to the material asset reorganisation	Settlement of connected transactions	Non-ferrous Group, SDG Capital Management, Guilaizhuang Company, Penglai Mining	After the closing date of the implementation of this restructuring, Guilaizhuang Company and Penglai Mining will become subsidiaries of Shandong Gold, and the standard gold produced by them will be consigned to Shandong Gold Mining (Laizhou) Co., Ltd. Jiaojia Refinery (a subsidiary of Shandong Gold; its name was changed to Shandong Gold Smelting Co., Ltd. from July 2016) for sales on their behalf.	26 November 2014	No	Performance commenced after 20 September 2016	Yes		
Undertaking relating to the material asset reorganisation	Others	SDG Group	(1) The Dongfeng Exploration Right has met the statutory conditions for conversion to a Mining Right, and the Mining License can be completed within the time frame estimated in the Evaluation Report on the Mining Right of Dongfeng Mining Area and the Detailed Exploration Right of Its Periphery of Shandong Gold Group Co., Ltd. (Zhonglian Pingkuang Baozi [2014] No. 1121, hereinafter referred to as the "Evaluation Report"); (2) The Dongfeng Exploration Right can be used to apply for and obtain the Mining License in accordance with the mine design production scale specified in the Evaluation Report.	12 August 2015	Yes	31 December 2017	No	The Dongfeng Exploration Right has been removed from the ecological red line in Luoshan, Zhaoyuan, and has also been excluded from the core protection area. It is now only partially located within the general core area.	The Ministry of Natural Resources is currently studying a plan for layered mining within the general protection area. Once the layered mining plan is approved, we will proceed with the renewal of the exploration licence at the earliest possible time and advance subsequent related work.

SECTION 5 IMPORTANT MATTERS

Background	Type of undertaking	Undertaking party	Content of undertaking	Date of undertaking	Whether there is a deadline for performance	Term of undertaking	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe plans in next steps
Undertaking relating to the material asset reorganisation	Others	Non-ferrous Group, Wang Zhiqiang (王志强), Jinmao Mining	(1) The Qijagou-Hulu Route Exploration Right has met the statutory conditions for conversion to a Mining Right, and the Mining License can be completed within the time frame estimated in the Evaluation Report on the Exploration Right for Gold Exploration in the Deep Part and Periphery of Qijagou-Hulu Route Mining Area, Penglai City, Shandong Province (Haidiren Kuangqing Baozi [2014] No. 53); (2) The Qijagou-Hulu Route Exploration Right can be used to apply for and obtain the Mining License in accordance with the mine design production scale specified in the Evaluation Report.	12 August 2015	Yes	31 August 2017	No	This exploration right has been included in the Plan for the Integration, Optimization and Adjustment of Gold Mineral Resources in Penglai District, Yantai City, which was approved by the People's Government of Penglai District. The new mining license after integration was obtained in July 2024.	

SECTION 5 IMPORTANT MATTERS

Background	Type of undertaking	Undertaking party	Content of undertaking	Date of undertaking	Whether there is a deadline for performance	Term of undertaking	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe plans in next steps
Undertaking relating to the material asset reorganisation	Others	Gold Geological Exploration	(1) The Xinli Exploration Right has met the statutory conditions for conversion to a Mining Right, and the Mining Right can be completed within the time frame estimated in the Evaluation Report on the Exploration Right for Gold Exploration in Xinli Village, Laizhou City, Shandong Province (Zhonglian Pingkuang Baoz) [2014] No. 1123; (2) The Xinli Exploration Right can be used to apply for and obtain the Mining License in accordance with the mine design production scale specified in the Evaluation Report.	12 August 2015	Yes	30 June 2017	No	Pursuant to the Reply of the People's Government of Shandong Province on the Integration of Mineral Resources of Sanshandao Gold Mine of Shandong Gold Group Co., Ltd. (Lu Zheng Zi [2017] No. 99), the Company has integrated two Mining Rights (i.e., the Mining Right of Sanshandao Gold Mine and the Mining Right of Xinli Gold Mine) and three Exploration Rights (i.e., the Detailed Geological Survey of the Periphery of Sanshandao Gold Mine Area, the Gold Exploration of the 55-91 Line Ore Section in Xinli Mining Area, and the Gold Exploration of Xinli Village Gold Mine) under its ownership, with Sanshandao Gold Mine as the integration entity. The new integrated Mining License was obtained in 2019.	

SECTION 5 IMPORTANT MATTERS

Background	Type of undertaking	Undertaking party	Content of undertaking	Date of undertaking	Whether there is a deadline for performance	Term of undertaking	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe plans in next steps
Undertaking relating to the material asset reorganisation	Others	SDG Group	(1) The ownership of the Mineral Rights is clear and complete; the aforementioned Mineral Rights and related assets are free from restrictive circumstances such as pledges, guarantees or other third-party rights, and there are no other circumstances restricting transfer such as being sealed up, frozen or entrusted for management; (2) The aforementioned Mineral Rights and related assets have obtained or are in the process of applying for all valid approvals and licenses required for owning and operating their properties and assets as well as conducting the business currently operated. There are no substantive legal obstacles to the approvals and licenses that are still being processed; (3) The mineral right fees that may be involved have been fully settled; if the competent authority requires supplementary payment of fees for the aforementioned Mineral Rights in the future, the Company is willing to compensate Shandong Gold with cash equivalent to the amount of the supplementary fees; (4) With respect to the land expropriated for the development of the Dongfeng Exploration Right and Dongfeng Mining Right, the Company shall ensure that the land user registered in the State-owned Land Use Certificate is Shandong Gold; (5) With regard to the Mineral Rights, assets and liabilities transferred by the Company in this transaction, the Company undertakes to complete the work of obtaining written consent from the relevant creditors before the second board meeting of this restructuring transaction; (6) The Company shall fully cooperate with Shandong Gold in handling the examination and approval procedures for the transfer and modification of Exploration Rights/Mining Rights at the competent land and resources authorities as well as the name change procedures, and undertakes to complete such procedures within three months from the date on which the major asset restructuring of Shandong Gold's share issuance for asset acquisition is approved by the CSRC.	15 September 2015	Yes	Article (4) of this undertaking shall remain valid for a long term	Yes		

SECTION 5 IMPORTANT MATTERS

Background	Type of undertaking	Undertaking party	Content of undertaking	Date of undertaking	Whether there is a deadline for performance	Term of undertaking	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe plans in next steps
Undertaking relating to the material asset reorganisation	Others	Non-ferrous Group	(1) The Company undertakes that the 70.65% equity interest in Shandong Gold Guliaizhuang Mining Co., Ltd. (山東黃金歸來莊礦業有限公司) (hereinafter referred to as "Guliaizhuang Company") and the 51% equity interest in Shandong Gold Group Penglai Mining Co., Ltd. (山東黃金集團 蓬萊礦業有限公司) (hereinafter referred to as "Penglai Mining") held by the Company are all obtained through legal means; the registered capital of the aforesaid enterprises has been fully paid up, and there is no situation of insufficient capital contribution or any factor affecting their legal existence; the ownership of the aforesaid equity interests held by the Company is clear and complete, and the Company has legal and complete right to dispose of the aforesaid equity interests; the aforesaid equity interests are free from restrictive circumstances such as pledges, guarantees or other third-party rights, and there are no other circumstances restricting transfer such as being sealed up, frozen or entrusted for management; (2) The Company undertakes that the business operated by the Target Assets held thereby is legal, and the asset rights owned thereby are complete: A. The Target Companies have obtained or are in the process of applying for all valid approvals and licenses required for owning and operating their properties and assets as well as conducting the business currently operated, and there are no substantive legal obstacles to the approvals and licenses that are still being processed; B. The Target Companies have legal and complete ownership, right to use or right of disposal over their assets; C. If the competent authority requires the Target Companies to make supplementary payment of mineral right fees for their Mineral Rights, the Company is willing to compensate Shandong Gold with cash equivalent to the amount of supplementary fees that the Company shall bear (i.e., the amount of supplementary fees multiplied by the proportion of the Target Companies' equity interests held by the Company); (3) In the operation of the Target Companies, there is no situation where a third party claims rights or initiates litigation against the Target Companies due to infringement of any third party's patents, copyrights, trademarks or similar intellectual property rights; (4) The Target Companies have not signed any business contracts or arrangements with abnormal commercial terms, which would have a material adverse impact on the financial or asset status of the Target Companies; (5) Except as already disclosed to Shandong Gold, the Target Companies have no equity investments, equity-like investments or investment commitments to any person; (6) Except as already disclosed to Shandong Gold, the Target Companies have no outstanding loans, contingent liabilities or other forms of liabilities; (7) The Target Companies have not received any legally binding written notice from any creditor that the creditor will compulsorily dispose of any assets of the Target Companies; (8) Since their establishment, the Target Companies have paid taxes in accordance with the law, with no material taxes due but unpaid, and have not been subject to any material tax investigations or penalties; (9) The financial statements of the Target Companies provided to Shandong Gold truly and fairly reflect the assets, liabilities (including contingent liabilities, liabilities with undetermined amounts or disputed liabilities) of the Target Companies as of the corresponding date of the financial statements, as well as the profits or losses of the Target Companies for the financial period corresponding to the financial statements; such financial statements comply with the applicable accounting principles and truly reflect the financial status of the Target Companies as of the corresponding date or for the corresponding period of the financial statements; (10) There are no pending lawsuits, arbitrations, investigations, claims or other proceedings against the Target Companies, nor any such proceedings that the Company or the Target Companies are aware of as likely to be initiated, except for lawsuits, arbitrations, investigations, claims or other proceedings that would not have a material adverse impact on the Target Companies individually or in the aggregate; (11) The Company undertakes that, with respect to the collective land currently used by Penglai Mining under lease for its main production and operation purposes, the State-owned Land Use Right Certificate shall be completed by 30 June 2020, and the House Ownership Certificate for the production and operation houses constructed on the land with the relevant State-owned Land Use Right Certificate shall also be completed by the same date; and the Company shall bear the relevant expenses such as land transfer fees incurred in the application for the aforesaid State-owned Land Use Right Certificate and House Ownership Certificate in proportion to the equity interest of Penglai Mining held by the Company; (12) The Company undertakes to standardize and rectify the historical over-mining issues of Guliaizhuang Company.	27 November 2014	No	Long term	No	As of the disclosure date of this report, Penglai Mining has not yet completed the procedures for obtaining land and property ownership certificates for the land and properties used in its production and operation. This is due to the impact of various policy factors, including the delineation of the ecological red line in Shandong Province, the integration of gold mineral resources in Yantai, Shandong Province, obstacles in the land use policies for mining enterprises, and the shortage of land quotas.	The Company has been actively discussing with Non-ferrous Group, Wang Zhiqiang, and Jinmao Mining the subsequent plan for improving the arrangements related to the ownership of land and houses of Penglai Mining. Currently, the "Yanshan Integration Area Mining Project" of Penglai Mining is undergoing project approval procedures. Regarding land matters, Penglai Mining has obtained the Land Pre-examination and Site Selection Opinion Letter and is concurrently carrying out land requisition application work, striving to complete the land title certification as soon as possible.

SECTION 5 IMPORTANT MATTERS

Background	Type of undertaking	Undertaking party	Content of undertaking	Date of undertaking	Whether there is a deadline for performance	Term of undertaking	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe plans in next steps
Undertaking relating to the material asset reorganisation	Others	Gold Geological Exploration	(1) The ownership of the Xinli Exploration Right is clear and complete. The aforementioned Mineral Right and related assets are free from restrictive circumstances such as pledges, guarantees or other third-party rights, and there are no other circumstances restricting transfer such as being sealed up, frozen or entrusted for management. The Company has legal and complete right to dispose of the aforementioned Mineral Right and related assets; the Company undertakes to assume liability for compensation for any losses suffered by Shandong Gold due to defects in the asset rights of the aforementioned Mining Right; (2) The Company has obtained or is in the process of applying for all valid approvals and licenses required for owning and operating its properties and assets as well as conducting the business it currently operates, and there are no substantive legal obstacles to the approvals and licenses that are still being processed; (3) After Shandong Gold obtains the approval of the CSRC for this restructuring, the Company will fully cooperate with Shandong Gold in handling the examination and approval procedures for the transfer and modification of the Exploration Right at the competent land and resources authorities as well as the name change procedures, and undertakes to complete such procedures within three months from the date on which Shandong Gold obtains the approval of the CSRC for the major restructuring of share issuance for asset acquisition.	26 November 2014	No	Long term	Yes		

SECTION 5 IMPORTANT MATTERS

Background	Type of undertaking	Undertaking party	Content of undertaking	Date of undertaking	Whether there is a deadline for performance	Term of undertaking	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe plans in next steps
Undertaking relating to the material asset reorganisation	Others	Jinmao Mining; Wang Zhiqiang	(1) The Company undertakes that the ownership of the equity interest in Penglai Mining held thereby is clear and complete, and the Company has legal and complete right to dispose of the aforesaid equity interests; the aforesaid equity interests are free from restrictive circumstances such as pledges, guarantees or other third-party rights, and there are no other circumstances restricting transfer such as being sealed up, frozen or entrusted for management; (2) The Company undertakes that the business operated by the Target Assets held thereby is legal, and the asset rights owned thereby are complete: A. The Target Companies have obtained or are in the process of applying for all valid approvals and licenses required for owning and operating their properties and assets as well as conducting the business currently operated, and there are no substantive legal obstacles to the approvals and licenses that are still being processed; B. The Target Companies have legal and complete ownership, right to use or right of disposal over their assets; C. If the competent authority requires the Target Companies to make supplementary payment of mineral right fees for their Mineral Rights, the Company is willing to compensate Shandong Gold with cash equivalent to the amount of supplementary fees that the Company shall bear (i.e., the amount of supplementary fees multiplied by the proportion of the Target Companies' equity interests held by the Company); (3) In the operation of the Target Companies, there is no situation where a third party claims rights or initiates litigation against the Target Companies due to infringement of any third party's patents, copyrights, trademarks or similar intellectual property rights; (4) The Target Companies have not signed any business contracts or arrangements with abnormal commercial terms, which would have a material adverse impact on the financial or asset status of the Target Companies; (5) Except as already disclosed to Shandong Gold, the Target Companies have no equity investments, equity-like investments or investment commitments to any person; (6) Except as already disclosed to Shandong Gold, the Target Companies have no outstanding loans, contingent liabilities or other forms of liabilities; (7) The Target Companies have not received any legally binding written notice from any creditor that the creditor will compulsorily dispose of any assets of the Target Companies; (8) Since their establishment, the Target Companies have paid taxes in accordance with the law, with no material taxes due but unpaid, and have not been subject to any material tax investigations or penalties; (9) The financial statements of the Target Companies provided to Shandong Gold truly and fairly reflect the assets, liabilities (including contingent liabilities, liabilities with undetermined amounts or disputed liabilities) of the Target Companies as of the corresponding date of the financial statements, as well as the profits or losses of the Target Companies for the financial period corresponding to the financial statements; such financial statements comply with the applicable accounting principles and truly reflect the financial status of the Target Companies as of the corresponding date or for the corresponding period of the financial statements; (10) There are no pending lawsuits, arbitrations, investigations, claims or other proceedings against the Target Companies, nor any such proceedings that the Company or the Target Companies are aware of as likely to be initiated, except for lawsuits, arbitrations, investigations, claims or other proceedings that would not have a material adverse impact on the Target Companies individually or in the aggregate; (11) The Company undertakes that, with respect to the collective land currently used by Penglai Mining under lease for its main production and operation purposes, the State-owned Land Use Right Certificate shall be completed by 30 June 2020, and the House Ownership Certificate for the production and operation houses constructed on the land with the relevant State-owned Land Use Right Certificate shall also be completed by the same date; and the Company shall bear the relevant expenses such as land transfer fees incurred in the application for the aforesaid State-owned Land Use Right Certificate and House Ownership Certificate in proportion to the equity interest of Penglai Mining held by the Company.	26 November 2014	No	Long term	No	As of the disclosure date of this report, Penglai Mining has not yet completed the procedures for obtaining land and property ownership certificates for the land and properties used in its production and operation. This is due to the impact of various policy factors, including the delineation of the ecological red line in Shandong Province, the integration of gold mineral resources in Yantai, Shandong Province, obstacles in the land use policies for mining enterprises, and the shortage of land quotas.	The Company has been actively discussing with Non-ferrous Group, Wang Zhiqiang, and Jinmao Mining the subsequent plan for improving the arrangements related to the ownership of land and houses of Penglai Mining. Currently, the "Yanshan Integration Area Mining Project" of Penglai Mining is undergoing project approval procedures. Regarding land matters, Penglai Mining has obtained the Land Pre-examination and Site Selection Opinion Letter and is concurrently carrying out land requisition application work, striving to complete the land title certification as soon as possible.
Undertaking relating to the initial public offering	Solving the issues concerning competition in the same industry	SDG Group	The Company has priority over the Group Co. and its other wholly-owned and holding subsidiaries (excluding the Company) in obtaining Exploration Rights and Mining Rights. If the Company gives its consent, the aforesaid acts shall be carried out by the Company in accordance with the terms agreed by the Company.	28 August 2002	No	Long term	Yes		
Other undertaking made to minority shareholders of the Company	Other increase in shareholding	SDG Group	A plan has been put forward to increase the shareholding in A shares of Shandong Gold through centralized bidding, block trading, or other methods on the Shanghai Stock Exchange within twelve months from 9 April 2025 as and when appropriate, with the proposed increase amount being no less than RMB500 million (inclusive) and no more than RMB1 billion (inclusive).	9 April 2025	Yes	8 April 2026	Yes		

SECTION 5 IMPORTANT MATTERS

(II) If there is an Earning Forecast as Regard to the Assets or Projects of the Company and the Reporting Period Remains in the Earning Prediction Period, the Company Will Give an Explanation as to the Achievement of the Original Forecast as Regard to the Assets or Projects and the Relevant Reasons

☐ Achieved ☐ Not achieved ☒ N/A

(III) Performance Commitment

☐ Applicable ☒ N/A

Changes in performance commitment

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

II. NON-OPERATING FUNDS OCCUPIED BY CONTROLLING SHAREHOLDERS AND OTHER RELATED PARTIES DURING THE REPORTING PERIOD

☐ Applicable ☒ N/A

III. ILLEGAL GUARANTEE

☐ Applicable ☒ N/A

IV. EXPLANATION FROM THE BOARD OF DIRECTORS OF THE COMPANY ON “NON-STANDARD AUDITORS’ REPORT” ISSUED BY THE AUDITORS

☐ Applicable ☒ N/A

V. EXPLANATIONS OF THE COMPANY ON THE REASONS FOR AND EFFECTS OF CHANGES IN THE ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY OR REMEDIES FOR MAJOR ACCOUNTING ERRORS

(I) Explanations of the Company on the Reasons for and Effects of Changes in the Accounting Policies and Accounting Estimates

☐ Applicable ☒ N/A

(II) Analysis and Explanation of the Company on Causes and Effects of Corrections of Significant Accounting Errors

☐ Applicable ☒ N/A

SECTION 5 IMPORTANT MATTERS

(III) Communications with Former Accounting Firm

☐ Applicable ☒ N/A

(IV) Approval Procedures and Other Explanations

☐ Applicable ☒ N/A

VI. APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRMS

Unit: RMB0'000

Current accounting firm	
Name of the domestic accounting firm	ShineWing Certified Public Accountants (Special General Partnership)
Remuneration of the domestic accounting firm	410
Term of audit services provided by the domestic accounting firm	4
Name of certified public accountant of the domestic accounting firm	Pan Sujiao, Wang Lei
Accumulated term of audit services provided by certified public accountants of the domestic accounting firms	Pan Sujiao 4, Wang Lei 3

	Name	Remuneration
Accounting firm engaged for internal control audit	ShineWing Certified Public Accountants (Special General Partnership)	70

Explanations on appointment and dismissal of accounting firms

☒ Applicable ☐ N/A

The Company successively held the 71st meeting of the Sixth Session of the Board of Directors and the 2024 Annual General Meeting on 27 March 2025 and 11 June 2025, at which the Proposal on the Company's Reappointment of the Accounting Firm for 2025 was considered and approved. It was resolved to reappoint ShineWing Certified Public Accountants (Special General Partnership) and SHINEWING (HK) CPA Limited as the Company's A-share and H-share financial audit institutions for 2025, respectively, and to reappoint ShineWing Certified Public Accountants (Special General Partnership) as the Company's internal control audit institution for 2025.

SECTION 5 IMPORTANT MATTERS

The Company convened the 74th meeting of the Sixth Session of the Board of Directors on 28 July 2025, and the third extraordinary general meeting of 2025 on 14 August 2025, at which the Proposal on the Uniform Adoption of China Accounting Standards for Business Enterprises for the Preparation of Financial Reports and the Termination of the Reappointment of the H-Share Financial Report Audit Firm was reviewed and approved. It was resolved to uniformly adopt the China Accounting Standards for Business Enterprises for the preparation of financial reports by the Company commencing from the 2025 interim financial report, and to terminate the reappointment of SHINEWING (HK) CPA Limited as the Company's H-share financial report auditor, replacing it with ShineWing Certified Public Accountants (Special General Partnership), a domestic audit firm.

Explanation on change of accounting firm during the audit period

☐ Applicable ☒ N/A

Explanation on a decrease of more than 20% (inclusive) in audit fees as compared with the previous year

☐ Applicable ☒ N/A

VII. RISK OF DELISTING

(I) Reasons for Delisting Warning

☐ Applicable ☒ N/A

(II) Corresponding Measures to be Taken by the Company

☐ Applicable ☒ N/A

(III) Circumstances for Delisting and Reasons Thereof

☐ Applicable ☒ N/A

VIII. MATTERS RELATING TO BANKRUPTCY AND REORGANISATION

☐ Applicable ☒ N/A

IX. MATERIAL LITIGATIONS AND ARBITRATIONS

☐ The Company had material litigations and arbitrations during the year
☒ The Company had no material litigations and arbitrations during the year

X. SITUATIONS OF POTENTIAL VIOLATIONS OF LAWS AND REGULATIONS BY, AND PUNISHMENT AND RECTIFICATION AGAINST THE LISTED COMPANY AND ITS DIRECTORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS

☐ Applicable ☒ N/A

SECTION 5 IMPORTANT MATTERS

XI. DESCRIPTION OF THE CREDIT STATUS OF THE COMPANY AND ITS CONTROLLING SHAREHOLDERS, DE FACTO CONTROLLERS DURING THE REPORTING PERIOD

☐ Applicable ☒ N/A

During the Reporting Period, the Company and its controlling shareholder and ultimate controller operated legally by strictly following the requirements of the laws and regulations and normative documents, such as the Company Law and the Securities Law, and duly fulfilled all the undertakings without committing any default.

XII. MATERIAL CONNECTED TRANSACTIONS

(I) Connected Transactions Related to Daily Operation

1. Matters disclosed in provisional announcements without progress or change in the follow-up implementation

☒ Applicable ☐ N/A

Overview	Search index
At the 2nd meeting of the Seventh Session of the Board of Directors held on 27 August 2025, the Company considered and approved the Resolution Regarding the Adjustment of the Caps for Normal Connected Transactions by the Company for 2025, and resolved to adjust the caps for normal connected transactions for 2025 to RMB6,467.0497 million, comprising RMB3,926.8405 million for purchase of goods and acceptance of services, RMB2,395.5677 million for sale of goods and provision of services, RMB85.6161 million for leasing (as lessee), RMB4.8018 million for leasing (as lessor), RMB5 million for custodianship, and RMB49.2236 million for interest on borrowings.	For details, please refer to the Announcement Regarding the Adjustment of the Caps for Normal Connected Transactions by the Company for 2025 (Lin 2025-053) disclosed on 28 August 2025.

2. Matters disclosed in provisional announcements with progress or change in the follow-up implementation

☐ Applicable ☒ N/A

3. Matters which were not disclosed in provisional announcements

☐ Applicable ☒ N/A

SECTION 5 IMPORTANT MATTERS

(II) Connected Transactions in Relation to the Acquisition or Disposal of Assets or Equity Interests

1. **Matters disclosed in provisional announcements without progress or change in the follow-up implementation**
☐ Applicable ☒ N/A
2. **Matters disclosed in provisional announcements with progress or change in the follow-up implementation**
☐ Applicable ☒ N/A
3. **Matters which were not disclosed in provisional announcements**
☐ Applicable ☒ N/A
4. **Results which are related to results agreements and shall be disclosed for the Reporting Period**
☐ Applicable ☒ N/A

(III) Material Connected Transactions Relating to Common External Investments

1. **Matters disclosed in provisional announcements without progress or change in the follow-up implementation**
☐ Applicable ☒ N/A
2. **Matters disclosed in provisional announcements with progress or change in the follow-up implementation**
☐ Applicable ☒ N/A
3. **Matters which were not disclosed in provisional announcements**
☐ Applicable ☒ N/A

(IV) Connected Creditors' Rights and Debt Transactions

1. **Matters disclosed in provisional announcements without progress or change in the follow-up implementation**
☐ Applicable ☒ N/A
2. **Matters disclosed in provisional announcements with progress or change in the follow-up implementation**
☐ Applicable ☒ N/A
3. **Matters which were not disclosed in provisional announcements**
☐ Applicable ☒ N/A

SECTION 5 IMPORTANT MATTERS

(V) Financial Business Between the Company and Its Connected Financial Company, and Between Financial Company Controlled by The Company and Connected Parties

☒ Applicable ☐ N/A

1. Deposit business

☒ Applicable ☐ N/A

Unit: RMB0'000

Related party	Related relationship	Maximum daily deposit limit	Range of deposit rates	Beginning balance	Amount incurred during the period		Ending balance
					Total amount deposited in the period	Total amount withdrawn in the period	
Shandong Gold Group Finance Co., Ltd. (山東黃金集團財務有限公司)	Finance company in which the controlling shareholder holds 70% of the shares	359,689.08	0.35%-2.03%	327,379.81	20,297,021.35	20,265,318.08	359,083.08
Total	/	/	/	327,379.81	20,297,021.35	20,265,318.08	359,083.08

Note: According to the Financial Services Framework Agreement entered into between the Company and Shandong Gold Group Finance Co., Ltd. (山東黃金集團財務有限公司) (hereinafter referred to as "SDG Finance Co."), the daily deposit balance of the Company's members with SDG Finance Co. in 2025 shall not exceed RMB3.6 billion.

2. Loan business

☒ Applicable ☐ N/A

Unit: RMB0'000

Related party	Related relationship	Loan limit	Range of loan interest rate	Beginning balance	Amount incurred during the period		Ending balance
					Total amount borrowed in the period	Total amount repaid in the period	
Shandong Gold Group Finance Co., Ltd.	Finance company in which the controlling shareholder holds 70% of the shares	480,000.00	2.01%-2.8%	217,870.00	104,500.00	151,070.00	171,300.00
Total	/	/	/	217,870.00	104,500.00	151,070.00	171,300.00

SECTION 5 IMPORTANT MATTERS

3. Facilities business or other financial business

☒ Applicable ☐ N/A

Unit: RMB0'000

Related party	Related relationship	Business type	Total	Actual transaction amount
Shandong Gold Group Finance Co., Ltd.	Finance company in which the controlling shareholder holds 70% of the shares	Comprehensive credit facilities	600,000.00	600,000.00
Shandong Gold Group Finance Co., Ltd.	Finance company in which the controlling shareholder holds 70% of the shares	Loans and other financing	480,000.00	356,902.18
Shandong Gold Group Finance Co., Ltd.	Finance company in which the controlling shareholder holds 70% of the shares	Overdraft of legal person accounts	100,000.00	36,000.00

Notes: 1. The total amount of comprehensive credit facilities is RMB6 billion. Pursuant to the provisions of the Framework Agreement on Financial Services signed between the Company and SDG Finance Co., the total credit facilities provided by SDG Finance Co. to the Company's members shall not exceed RMB6 billion in 2025.

2. The total amount of loans and other financing, which is RMB4.8 billion, represents the maximum daily balance. Pursuant to the provisions of the Framework Agreement on Financial Services signed between the Company and SDG Finance Co., the maximum daily balance of loans and other financing provided by SDG Finance Co. to the Company's members shall not exceed RMB4.8 billion in 2025.

3. The total amount of the overdraft of legal person accounts, which is RMB1 billion, represents the maximum daily balance. Pursuant to the provisions of the Framework Agreement on Financial Services signed between the Company and SDG Finance Co., the maximum daily balance of the overdraft services provided by SDG Finance Co. to the Company's members shall not exceed RMB1 billion in 2025.

4. The service types covered by loans and other financing include working capital loans, project loans, letters of guarantee, domestic letters of credit, bill acceptance and discounting, etc.

5. The actual amount incurred for loans and other financing as well as overdraft of legal person accounts refers to the actual maximum daily balance incurred.

4. Other explanations

☐ Applicable ☒ N/A

(VI) Others

☐ Applicable ☒ N/A

SECTION 5 IMPORTANT MATTERS

XIII. MATERIAL CONTRACTS AND THEIR EXECUTION

(I) Trust, Contracting and Leasing Matters

1. Trust

☐ Applicable ☒ N/A

2. Contracting

☐ Applicable ☒ N/A

3. Leasing

☐ Applicable ☒ N/A

(II) Guarantee

☒ Applicable ☐ N/A

Unit: RMB'00 million

External guarantees provided by the Company (excluding guarantees provided for its subsidiaries)														
Relationship between the guarantor and the listed company	Guaranteed party	Amount guaranteed	Date of guarantee			Expiry date of guarantee	Type of guarantee	Guaranty (if any)	Whether the guarantee has been performed	Overdue or not	Amount overdue	Whether a		
			(date of agreement)	date of guarantee	related-party guarantee							Related relationship		

Total guarantee incurred during the reporting period
(excluding those provided for subsidiaries)

Total balance of guarantee as at the end of the
reporting period (A) (excluding those provided for
subsidiaries)

Guarantees provided by the Company and its subsidiaries for subsidiaries

Total guaranteed amount to subsidiaries during the
Reporting Period

69.51

Total guaranteed balance to subsidiaries as at the
end of the Reporting Period (B)

94.72

SECTION 5 IMPORTANT MATTERS

Total guarantees (including guarantees to subsidiaries) provided by the Company

Total guaranteed amount (A+B)	94.72
Total guaranteed amount as a percentage of the net asset value of the Company (%)	14.71
Of which:	
Guaranteed amount provided for shareholders, de facto controller and their related parties (C)	
Debt guaranteed amount provided directly or indirectly to parties with gearing ratio exceeding 70% (D)	
Total guaranteed amount in excess of 50% of net asset value (E)	
Total guaranteed amount of the above three items (C+D+E)	
Statement on the contingent joint liability in connection with unexpired guarantees	
Details of guarantee	

1. The Company held the 71st meeting of the sixth session of the Board of Directors on 27 March 2025 and the 2024 Annual General Meeting on 11 June 2025, at which it considered and approved the "Proposal on the Company's Annual Guarantee Quota for Hong Kong Subsidiaries in 2025". The Company shall provide a total guarantee of no more than USD1.80 billion to its overseas wholly-owned subsidiary, Shandong Gold Mining (Hong Kong) Co., Limited, in 2025. The validity period of the guarantee quota shall be from the date of approval by the Company's 2024 Annual General Meeting to the date of the convening of the 2025 Annual General Meeting.

As of the end of the Reporting Period, the Company's guarantee balance for Hong Kong Company was USD921 million (equivalent to RMB6,473 million).

SECTION 5 IMPORTANT MATTERS

2. The Company held the 16th meeting of the sixth session of the Board of Directors and the 9th Meeting of the sixth session of the Supervisory Committee on 30 November 2021, as well as the 2021 Third Extraordinary General Meeting on 22 December 2021. At these meetings, the “Proposal on Providing Guarantee for the Financing of Shandong Gold Mining (Laizhou) Co., Ltd.” was considered and approved. To meet the capital needs of the acquisition project, Laizhou Company (a subsidiary of the Company) applied to banks for a merger and acquisition loan of no more than 60% of the acquisition price, i.e., RMB4,279 million. The Company provided a joint and several liability guarantee for this loan.

As of the end of the Reporting Period, the Company's guarantee balance for Laizhou Company was RMB2,407 million.

3. The Company held the 69th meeting of the sixth session of the Board of Directors on 19 December 2024 and the 2025 First Extraordinary General Meeting on 14 January 2025 respectively, at which the “Proposal on the Estimated Guarantee Quota for the Company's Controlling Subsidiary Shanjin International to Provide Guarantees for Its Subsidiaries” was considered and approved; Shanjin International held the 9th Meeting of the Ninth Session of the Board of Directors, the 7th Meeting of the Ninth Session of the Supervisory Committee on 19 December 2024, and the 2025 1st Extraordinary General Meeting on 15 January 2025 respectively, at which the “Proposal on the Estimated Guarantee Quota for Providing Guarantees for Subsidiaries” was considered and approved. In order to meet the daily operation and business development needs of the Company's controlling subsidiary, Shanjin International, and its subsidiaries, and to improve the efficiency of Shanjin International's financing decision-making, Shanjin International agreed to provide guarantees for its wholly-owned and controlling subsidiaries within the scope of the consolidated statements, with an estimated total guarantee amount of RMB4,554 million, of which the guarantee amount shall not exceed RMB1,994 million for subsidiaries with an asset-liability ratio of less than 70%, and the guarantee amount shall not exceed RMB2,560 million for subsidiaries with an asset-liability ratio of more than 70%. The validity period of the guarantee quota shall be from the date of approval by Shanjin International's 2025 first extraordinary general meeting to 31 December 2025.

As of the end of the Reporting Period, the guarantee balance of Shanjin International, a controlling subsidiary of the Company, for its subsidiaries was RMB592 million.

SECTION 5 IMPORTANT MATTERS

(III) Entrusted Cash Assets Management

1. Entrusted wealth management

(1). Overall condition of entrusted wealth management

√ Applicable ☐ N/A

Unit: RMB0'000

Type	Risk Characteristics	Balance Not yet Due	Amount Overdue but yet to Recovery
Wealth management products in banks	Floating return		
Brokerage wealth management products	Equity	41,406.14	
Trust wealth management products	Equity	30,000.00	
Others	Equity	51,940.55	10,168.37

Other conditions

☐ Applicable ☒ N/A

(2). Single entrusted wealth management

√ Applicable ☐ N/A

Unit: RMB0'000

Trustee	Type of entrusted wealth management	Risk Characteristics	Amount of entrusted wealth management	Start date of entrusted wealth management	End date of entrusted wealth management	Committed investment project	Whether there are restricted circumstances	Actual income or loss	Amount Not yet Due	Amount Overdue but yet to Recovery
1. Beijing Xixin Capital Management Center (Limited Partnership)	Others	Equity (limited partnership)	2,000.00	2015/5/7	2019/5/6	Equity investments	No	-1,170.48		1,758.05
2. Western Advantage Capital Co., Ltd.	Others	Equity (limited partnership)	10,000.00	2015/4/21	2020/4/20	Equity investments	No	-2,497.71		7,547.98
3. Hangzhou Changyu Asset Management Partnership (Limited Partnership)	Others	Equity (limited partnership)	2,500.00	2017/12/18	2023/12/17	Equity investments	No	-583.06		862.34
4. Caitong Asset – Tongying No. 5 Special Asset Management Plan for Multiple Specific Clients	Brokerage wealth management products	Equity-type	40,000.00	2018/3/30	The date of realization of asset disposal	Equity investments	No	-37,265.53	41,406.14	

Note: In the above table, the column for “actual income or loss” refers to the loss from fair value changes.

SECTION 5 IMPORTANT MATTERS

Other conditions

√ Applicable □ N/A

1. The above entrusted wealth management investment was made by SDG Capital Management prior to its acquisition by the Company. On 7 May 2015, it invested RMB20.00 million in Beijing Xixin Yonghui Investment Center (Limited Partnership), with a total size of RMB60.00 million. The investment term is 4 years, and the trustee is Beijing Xixin Capital Management Center (Limited Partnership). For this entrusted wealth management project, the principal at the end of the period was RMB17,580,500, the net asset value at the end of the period was RMB5,875,700, and a loss arising from fair value changes of RMB11,704,800 was recognised. As of the disclosure date of this report, the project is in liquidation, and the subsidiary SDG Capital Management will regularly monitor the actual operation of each sub-project of the underlying assets to ensure the recovery of funds.
2. The above entrusted wealth management investment was made by SDG Capital Management prior to its acquisition by the Company. On 21 April 2015, it invested RMB100.00 million in Beijing Xixin Kaiyuan Equity Investment Center(Limited Partnership), with a total size of RMB226.5 million. The investment term is 5 years, and the trustee is Western Advantage Capital Co., Ltd. For this entrusted wealth management project, the principal at the end of the period was RMB75,479,800, the net asset value at the end of the period was RMB50,502,700, and a loss arising from fair value changes of RMB24,977,100 was recognised. As of the disclosure date of this report, the project is in liquidation, and the subsidiary SDG Capital Management will regularly monitor the actual operation of each sub-project of the underlying assets to ensure the recovery of funds.
3. The above entrusted wealth management investment was made by SDG Capital Management prior to its acquisition by the Company. On 18 December 2017, it invested RMB25.00 million in Hangzhou Changyu Asset Management Partnership (Limited Partnership), with a total size of RMB450.00 million. The investment term is 6 years. For this entrusted wealth management project, the principal at the end of the period was RMB8,623,400, the net asset value at the end of the period was RMB2,792,800, and a loss arising from fair value changes of RMB5,830,600 was recognised. As of the disclosure date of this report, the project is in the process of exiting, and the subsidiary SDG Capital Management will regularly monitor the actual operation of each sub-project of the underlying assets to ensure the recovery of funds.
4. The above entrusted wealth management investment was made by SDG Capital Management prior to its acquisition by the Company. On 30 March 2018, it invested RMB400.00 million in Caitong Asset – Tongying No.5 Special Asset Management Plan for Multiple Specific Clients, with a total size of RMB2,683,100,000 from the maturity date to the date of realization of asset disposal. For this entrusted wealth management project, the balance at the end of the period was RMB414,061,400, the net asset value at the end of the period was RMB41,406,100, and a loss arising from fair value changes of RMB372.6553 million was recognised. The subsidiary SDG Capital Management will regularly monitor the actual operation of each sub-project of the underlying assets to ensure the recovery of funds.

SECTION 5 IMPORTANT MATTERS

(3). *Provision for impairment of entrusted wealth management*

☐ Applicable ☒ N/A

2. Particulars of entrusted loans

(1). *Overview of entrusted loans*

☐ Applicable ☒ N/A

Other conditions

☐ Applicable ☒ N/A

(2). *Details of single entrusted loans*

☐ Applicable ☒ N/A

Other conditions

☐ Applicable ☒ N/A

(3). *The provision for impairment of entrusted loans*

☐ Applicable ☒ N/A

3. Other information

☐ Applicable ☒ N/A

SECTION 5 IMPORTANT MATTERS

(IV) Other Material Contracts

√ Applicable □ N/A

M&A Agreement

Contract name	Contract signing parties	Contract content	Contract amount	Signing time	Performance status
Asset Restructuring and Transfer Agreement of Pingdu Jinxing Gold Mine in Qingdao City	Party A: Shandong Gold Mining (Xinhui) Co., Ltd. Party B: Pingdu Jinxing Gold Mine in Qingdao City Party C: Dazhuangzi Village Committee of Xinhe Town (Former Huibu Town), Pingdu City	Party C is the legitimate investor of Party B. Party A, Party B, and Party C have signed the Asset Restructuring and Transfer Agreement of Pingdu Jinxing Gold Mine in Qingdao City. After the restructuring of Party B's main assets, liabilities, and personnel, Party A will acquire the target asset package.	RMB174,179,700	2017.09.26	The acquisition has been completed, and the payment is in the process of performance.
Contract for the Transfer of Exploration Rights of Deep Gold Deposits in Linglong Mining Area, Zhaoyuan City, Shandong Province	Party A (Transferor): Shandong Gold Group Co., Ltd. Party B (Transferee): Shandong Gold Mining (Linglong) Co., Ltd.	Party A shall transfer the "Exploration Rights of Deep Gold Deposits in Linglong Mining Area, Zhaoyuan City, Shandong Province" to Party B.	RMB79,637,200	2017.11.01	The transfer of the mineral rights has been completed, and the payment is in the process of performance.
Mining Rights Lease Agreement	Party A (Lessor): Laizhou Ludi Mining Investment and Development Co., Ltd. Party B (Lessee): Shandong Gold Mining (Laizhou) Co., Ltd.	Party B, due to the need for the overall planning, development of the Jiaojia Gold Mine after integration, leases the original Jincheng Gold Mine Mining Right owned by Party A within the scope of the Jiaojia Gold Mine for construction purposes.	Annual rent: RMB31.9491 million	2022.05.29	The contract is being performed.
Asset Transfer Contract	Party A (Transferor): Shandong Jinchuang Co., Ltd. Party B (Transferee): Shandong Gold Group Penglai Mining Co., Ltd.	Party A shall transfer the Qigouyifen Mine asset package held by it to Party B, including: intangible assets (two mineral rights and one land use right), fixed assets (including buildings and structures, shaft and drift engineering, equipment and other fixed assets), current assets and other assets.	RMB465,173,000	2023.07.28	Penglai Mining has obtained the mining license for the Yanshan Mine Area, and the payment is in progress.

SECTION 5 IMPORTANT MATTERS

Contract name	Contract signing parties	Contract content	Contract amount	Signing time	Performance status
Supplementary Agreement on the Transfer of the Asset Package of Qigouyifen Mine	Party A: Shandong Jinchuang Co., Ltd. Party B: Shandong Gold Group Penglai Mining Co., Ltd. Party C: Shandong Gold Jinchuang Group Co., Ltd.	Party B shall undertake the liabilities of RMB324,047,187.67 and the personnel under the mineral rights related to the asset package project of Qigouyifen Mine owned by Party A. The liabilities include: a loan of RMB321,000,000.00 from Party A to Party C, the shaft and drift construction project payment of RMB1.2791 million to Penglai Branch of Shandong Huaxin Mining Engineering Co., Ltd., and the land reclamation fee of RMB1.7681 million to the Natural Resources Bureau of Penglai District, Yantai City.	RMB324,047,200	2023.08.02	Penglai Mining has obtained the mining license for the Yanshan Mine Area, and the payment is in progress.
Contract for the Transfer of the Mineral Rights Asset Package Related to "Yanshan, Tuwu and Cishan"	Party A (Transferor): Shandong Gold Jinchuang Group Co., Ltd. Party B (Transferee): Shandong Gold Group Penglai Mining Co., Ltd.	Party B acquires the asset package consisting of the relevant assets and liabilities of the Yanshan Mining Area of Daliuhang Gold Mine in Penglai District, Yantai City, as well as 3 mineral rights, related assets, liabilities and personnel, which are held by Party A.	RMB405,818,200	2023.08.31	Fully performed.
Contract for the Transfer of Exploration Rights	Party A (Transferor): Shandong Gold Geological and Mineral Exploration Co., Ltd. Party B (Transferee): Shandong Gold Mining Co., Ltd.	Party A shall transfer the exploration right of "Exploration of Gold Mine in Xiling Village, Laizhou City, Shandong Province" held by it to Party B.	RMB10,334,248,700	2024.01.16	The transfer of mineral rights has been completed. The original mining right of Sanshandao Gold Mine and the exploration right of Xiling Gold Mine have been integrated into one mining right. The payment is in progress.

SECTION 5 IMPORTANT MATTERS

Contract name	Contract signing parties	Contract content	Contract amount	Signing time	Performance status
Equity Transfer Agreement	Party A (Transferors): You Xiansheng (游惠生), Guo Ruchong (郭汝冲), Chen Jianxin (陳建新), He Jianyang (何建陽), Huang Yitan (黃依談), Liu Ronghuan (劉榮環) Party B (Transferee): Shandong Gold Mining Co., Ltd. Party C (Target Company): Baotou Changtai Mining Co., Ltd.	You Xiansheng, Guo Ruchong, Chen Jianxin, He Jianyang, Huang Yitan, and Liu Ronghuan, the six natural person shareholders, shall transfer the 70% equity interest in Baotou Changtai Mining Co., Ltd. held by them to Party B.	RMB471,100,000	2024.03.11	Fully performed.
Asset Transfer Agreement	Party A (Transferee): Chifeng Chaihulanzi Gold Mining Co., Ltd. Party B (Transferor): Chifeng Hexin Mining Co., Ltd. Party C (Guarantor): Hu Xiaoqing (胡小青)	Party B shall transfer the "Shihuiyaogou Iron Mine of Chifeng Hexin Mining Co., Ltd.", the exploration right of "Detailed Exploration of the Deep Part of Shihuiyaogou Iron Mine of Chifeng Hexin Mining Co., Ltd.", and auxiliary assets such as shaft and drift engineering within the mining area scope, all of which are held by Party B, to Party A.	RMB42,280,000	2024.12.15	Fully performed.

SECTION 5 IMPORTANT MATTERS

XIV. DESCRIPTION OF THE PROGRESS ON THE USE OF THE RAISED PROCEEDS

☒ Applicable ☐ N/A

(I) Overall Use of the Raised Proceeds

☒ Applicable ☐ N/A

Unit: RMB0'000

Use of A-share raised proceeds

Source of proceeds raised	Time of receipt of proceeds raised	Total amount of proceeds raised	Net amount of proceeds raised (1)	Total amount of proceeds raised committed for investment in the prospectus or offering document(2)	Total amount of over-raised proceeds (3)=(1)-(2)	Total cumulative amount of proceeds raised invested as at the end of the Reporting Period (4)	Among which: total cumulative amount of over-raised proceeds invested as at the end of the Reporting Period (5)	Cumulative progress of proceeds raised invested as at the end of the Reporting Period (%) (6)=(4)/(1)	Cumulative progress of proceeds over-raised invested as at the end of the Reporting Period (%) (7)=(5)/(3)	Amount invested in the current year (8)	Proportion of amount invested in the current year (%) (9)=(8)/(1)	Total amount of proceeds raised with change in usage
Issuance of shares to specific targets	29 September 2016	167,918.24	164,282.24	164,282.24	0	114,398.04	0	69.64%	-	1,772.90	1.08%	0
Total	/	167,918.24	164,282.24	164,282.24	0	114,398.04	0	/	/	1,772.90	/	0

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Use of H-share raised proceeds

Unit: HKD'00 million

Source of proceeds raised	Time of receipt of proceeds raised	Total amount of proceeds raised	Net amount of proceeds raised (1)	Total amount of proceeds raised committed for investment in the prospectus or offering document(2)	Total amount of over-raised proceeds (3)=(1)-(2)	Total cumulative amount of proceeds raised invested as at the end of the Reporting Period (4)	Among which: total cumulative amount of over-raised proceeds invested as at the end of the Reporting Period (5)	Cumulative progress of proceeds raised invested as at the end of the Reporting Period (%) (6)=(4)/(1)	Cumulative progress of proceeds over-raised invested as at the end of the Reporting Period (%) (7)=(5)/(3)	Amount invested in the current year (8)	Proportion of amount invested in the current year (%) (9)=(8)/(1)	Total amount of proceeds raised with change in usage
Issuance of shares to specific targets	9 September 2025	39.01	38.93	38.93	0	38.93	0	100%	-	38.93	100%	0
Total	/	39.01	38.93	38.93	0	38.93	0	/	/	38.93	/	0

Other explanations

√ Applicable □ N/A

In order to further advance the international layout of the Company in the capital market, further enhance the capital strength of the Company, optimize its capital structure, promote healthier, more sustainable and high-quality development of the enterprise, and assist in building a globally competitive world-class gold mining enterprise, on 2 September 2025 (before the trading hours of the Hong Kong Stock Exchange), the Company entered into a placing agreement with the placing agents (namely, China International Capital Corporation Hong Kong Securities Limited and CLSA Limited). Pursuant to which, the placing agents agreed to procure, on a best efforts basis, placees to subscribe for the new H Shares (i.e. the overseas listed foreign shares of the Company with a par value of RMB1.00 each in the ordinary share capital of the Company) to be issued by the Company.

On 9 September 2025, all the conditions set out in the placing agreement were satisfied, and the placing was completed in accordance with the terms and conditions of the placing agreement. The Company allotted and issued an aggregate of 136,500,000 H placing Shares, with an aggregate nominal value of the H Shares issued of RMB136,500,000. The placing price per placing Share was HK\$28.58. The closing price of the H Shares quoted on the Hong Kong Stock Exchange on 1 September 2025 (being the last trading day on which the terms of the placing were determined) was HK\$31.40 per Share.

SECTION 5 IMPORTANT MATTERS

Pursuant to the terms and conditions of the placing agreement, the placing agents have successfully placed the above Shares to not less than six placees. To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, (i) each of the placees and their respective ultimate beneficial owners (where applicable) is an independent third party and is not connected with the Company or its connected persons; and (ii) upon completion of the placing, none of the placees has become a substantial shareholder of the Company (as defined in the Hong Kong Listing Rules).

The gross proceeds from the placing were approximately HK\$3,901.17 million. After deduction of the commission for the placing and other related costs and expenses of the placing, the net proceeds from the placing were approximately HK\$3,892.42 million. On this basis, the net placing price receivable by the Company per placing Share was approximately HK\$28.52. The net proceeds from the placing are intended to be used in their entirety for the repayment of debts of the Company.

For the year ended 31 December 2025, the Group had utilized approximately HK\$3,892.42 million of the net proceeds from the placing. As at 31 December 2025, the unutilized net proceeds from the placing were nil. The actual use of the proceeds and the subsequent intended use by the Company are in full conformity with the plan previously disclosed in the placing announcement of the Company dated 2 September 2025, with no material changes or delay.

(II) Details of the Proceeds Projects

√ Applicable ☐ N/A

1. Details of use for the proceeds

√ Applicable ☐ N/A

SECTION 5 IMPORTANT MATTERS

Use of A-share proceeds projects

Unit: RMB0'000

Source of proceeds	Name of project	Nature of project	Whether committed investment project under the prospectus or offering document	Whether change of use involved	Total amount of investment proceed (1)	Amount of investment in the year	Total amount of proceeds accumulatively invested as at the end of the Reporting Period (2)	Accumulated investment progress which the project is ready for the Reporting Period (%) (3)=(2)/(1)	Date on which the project is ready for the use	Whether completed	Whether the investment progress is in line with the planned progress	Specific reasons for the investment progress has not met the plan	Benefits achieved this year	Whether the feasibility of the project has changed significantly, if so, please specify the details	The rest amount
Issuance of shares to specific targets	Dongfeng Mining Area (Dongfeng Phase II construction project)	Production and construction	Yes	No	114,658.38	1,772.90	74,251.88	64.76		No	Yes			No	
Issuance of shares to specific targets	Xinli Mining Exploration Permit (Deep mine construction project in Xinli Mining Exploration Permit)	Production and construction	Yes	No	32,746.28	-	33,226.71	101.47		Yes	Yes			No	
Issuance of shares to specific targets	Guilaizhuang Company (Deep construction project in Guilaizhuang gold mine)	Production and construction	Yes	No	6,911.45	-	6,919.45	100.12		Yes	Yes			No	
Issuance of shares to specific targets	Penglai Mining (Chugezhuang and Huluxian mine construction project in Penglai gold mine)	Production and construction	Yes	No	9,966.13	-	-	0.00						No	
Total	/	/	/	/	164,282.24	1,772.90	114,398.04	69.64	/	/	/	/	/	/	/

SECTION 5 IMPORTANT MATTERS

Use of H-share proceeds projects

Unit: HKD'00 million

Source of proceeds	Name of project	Nature of project	Whether committed investment project under the prospectus or offering	Whether change of use involved	Total planned investment amount of proceed (1)	Amount of investment in the year	Total amount of proceeds accumulated as at the end of the Reporting Period (2)	Investment progress as at the end of the Reporting Period (%) (3)=(2)/(1)	Date on which the project is ready for the use	Whether completed	Whether the investment progress is in line with the plan	Specific reasons for the investment progress	Benefits or research and development achieved this year	Whether the project has changed significantly, if so, please specify the details	The rest amount
			document												
Issuance of shares to specific targets	Repayment of the Company's debts	Replenishment of working capital and repayment of loans	Yes	No	38.93	38.93	38.93	100		Yes	Yes			No	
Total	/	/	/	/	38.93	38.93	38.93	100	/	/	/	/	/	/	

SECTION 5 IMPORTANT MATTERS

2. Details of use of the proceeds from the over-allotment

☐ Applicable ☒ N/A

(III) Change or Termination of Fund Raising and Investment during the Reporting Period

☐ Applicable ☒ N/A

(IV) Other Information on the Use of Proceeds during the Reporting Period

1. Initial investment and replacement of proceeds invested in projects

☐ Applicable ☒ N/A

2. Use of idle proceeds to temporarily supplement working capital

☒ Applicable ☐ N/A

On 19 December 2024, the Company held the 69th meeting of the sixth session of the Board of Directors and the 42nd meeting of the sixth session of the Supervisory Committee, at which the Proposal on Using Idle Proceeds to Temporarily Supplement Working Capital was considered and approved. It was approved that the Company use idle proceeds of RMB550,000,000.00 to temporarily supplement working capital, with a term not exceeding 12 months, and that the Company should timely and fully return such proceeds to the special account for raised funds before the expiry of the term. On 17 November 2025, the Company returned the said proceeds of RMB550,000,000.00, which had been used to temporarily supplement working capital, to the special account for raised funds ahead of schedule, and notified the sponsor and sponsor representatives of the Company of such return.

On 8 December 2025, the Company held the seventh meeting of the seventh session of the Board of Directors, at which the Proposal on Using Idle Proceeds to Temporarily Supplement Working Capital was considered and approved. It was approved that the Company use idle proceeds of RMB500,000,000.00 to temporarily supplement working capital, with a term not exceeding 12 months, and that the Company should timely and fully return such proceeds to the special account for raised funds before the expiry of the term. The Company shall use such proceeds solely for production and operation activities related to its principal business.

3. Cash management of idle proceeds and investment in relevant products

☐ Applicable ☒ N/A

SECTION 5 IMPORTANT MATTERS

4. Others

√ Applicable □ N/A

1. Dongfeng mining area (Dongfeng Phase II Construction Project): Affected by two gold mine safety accidents in Shandong Province in early 2021, the Dongfeng mining area of Linglong Gold Mine suspended production from the end of January to the end of March 2021 for safety inspections; and some areas of the Dongfeng mining area involved Shandong Province Ecological Protection Red Line Plan (2016-2020), due to the policy impact of ecological protection red line delineation in Shandong Province, the mining license in Dongfeng mining area expired on 10 November 2021, and was not renewed, resulting in the suspension of production. After the Ecological Protection Red Line Plan was approved, Dongfeng mining area obtained the extended mining license in December 2022 and resumed production in January 2023. During the above suspension period, the construction of the Dongfeng mining area project cannot be carried out, so the proceeds have not been fully used. As of the disclosure date of this report, production and infrastructure construction have been carried out normally within the scope of the mining rights of the Dongfeng mining area, and the part outside the scope of mining rights can only be continued after the completion of the boundary expansion of mining rights. In July 2025, the plan for the optimization and integration of nature reserves and stratified mining has been submitted to the Ministry of Natural Resources. Upon approval, Linglong Gold Mine will actively advance the deep boundary expansion and capacity expansion of the Dongfeng Mining Area.
2. Penglai Mining (The Chugezhuang and Huluxian Mine Construction Projects of Penglai Gold Mine): It's Qijiagou mining area mining rights, Huluxian Gold Mine Area mining rights, Qijiagou-Huluxian mining area deep and surrounding gold mine exploration mining rights involve part of the Shandong Province Ecological Protection Red Line Plan (2016-2020), due to the policy impact of ecological protection red line delineation in Shandong Province, the Chugezhuang and Huluxian Gold Mine Area's boundary and capacity expansion project failed to obtain a mining license and carry out project construction. According to the Approval of Shandong Provincial People's Government on the Mineral Resource Integration Plan of Gold Mines Across 8 Districts (Cities) in Yantai City (《山東省人民政府關於煙台8個區(市)金礦礦產資源整合方案的批覆》) (Lu Zheng Zi [2021] No.133) and the Optimised and Adjusted Mineral Resource Integration Plan of Gold Mines in Penglai District of Yantai City (《煙台市蓬萊區金礦礦產資源整合優化調整方案》) approved by the government of Penglai District, Penglai Mining's Chugezhuang and Huluxian Gold Mine Area's boundary and capacity expansion project was expanded to the "Yanshan Integrated Area Mining Area". Penglai Mining acquired two mining rights owned by Shandong Jinchuang Co., Ltd. and three mining rights owned by Shandong Gold Jinchuang Group Co., Ltd., and integrated all the existing mining rights of Penglai Mining into one mining right. The construction of the mining area project can only be carried out after obtaining a new mining license and project construction procedures. Affected by the above factors, the proceeds from the Penglai mining area have not yet been used. Penglai Mining has obtained the mining license for Yanshan Integrated Area Mining Area of Shandong Gold Group Penglai Mining Co., Ltd. in July 2024. As of the disclosure date of this report, the land use pre-examination submission materials have been approved by the Yantai Municipal Bureau of Natural Resources and Planning. Meanwhile, the project approval process is underway, and relevant project construction work will be commenced as soon as possible upon completion of the approval.

SECTION 5 IMPORTANT MATTERS

(V) Conclusive Opinions of intermediary Institutions on Special Verification and Authentication of the Storage and Use of Proceeds

☒ Applicable ☐ N/A

CITIC Securities Co., Ltd. is of the view that Shandong Gold has disclosed the deposit and actual use of the supporting proceeds in a timely, true, accurate and complete manner in accordance with the relevant laws and regulations. The use of proceeds has gone through the necessary approval procedures, and there is no illegal management of the proceeds.

ShineWing Certified Public Accountants (Special General Partnership) is of the view that the above Special Report on the Deposit, Management and Use of Proceeds of Shandong Gold has been prepared in accordance with the relevant requirements of the Shanghai Stock Exchange, and truly reflects the actual deposit, management and use of the proceeds of Shandong Gold in 2025 in all material respects.

Explanation of the relevant situation of abnormalities of verification

☐ Applicable ☒ N/A

(VI) Subsequent Rectification of Unauthorized Changes to the Use of Proceeds and Illegal Occupation of Proceeds

☐ Applicable ☒ N/A

XV. EXPLANATION ON OTHER MATERIAL MATTERS THAT HAVE A SIGNIFICANT IMPACT ON INVESTORS' VALUE JUDGMENTS AND INVESTMENT DECISIONS

☐ Applicable ☒ N/A

XVI. CONTINUING CONNECTED TRANSACTIONS

1. Financial Services Framework Agreement

On 28 March 2022, the Company entered into a new financial services framework agreement with SDG Finance Co. (the “**Financial Services Framework Agreement**”), pursuant to which SDG Finance Co. will provide the Company and/or our associates with financial services, among others, (i) deposits and related services (the “**Deposit Services**”); (ii) loans, overdrafts, bills and other financing related services under the total credit facilities (the “**Financing Services**”); and (iii) other financial services, including settlement, guarantee, insurance agent and financial consultancy (the “**Other Financial Services**”), for a term from 31 May 2022 to 31 December 2024, in order to facilitate the Group’s operational needs of financial services.

SECTION 5 IMPORTANT MATTERS

Having considered that the Financial Services Framework Agreement expired on 31 December 2024, the Company entered into a new financial services framework agreement (the “**New Financial Services Framework Agreement**”) with SDG Finance Co. on 20 September 2024 (after trading hours), to renew these continuing connected transactions and to set the annual caps thereunder for 2025, 2026 and 2027. The New Financial Services Framework Agreement will be valid for a term of three years from 1 January 2025 until 31 December 2027. The New Financial Services Framework Agreement and the annual caps thereunder were approved by the independent Shareholders at the 2024 fifth extraordinary general meeting of the Company held on 18 October 2024. For details, please refer to the announcements of the Company dated 20 September 2024 and 18 October 2024 and the circular of the Company dated 27 September 2024 published on the website of the Hong Kong Stock Exchange.

The annual caps for the transactions under the Financial Services Framework Agreement and the New Financial Services Framework Agreement for the three years ended/ending 31 December 2025, 2026 and 2027 are set out below.

	Annual Caps (RMB million)		
	For the year ended/ending 31 December		
	2025	2026	2027
Deposit Services			
Maximum daily balance of deposit services	3,600	3,800	4,000
Interest income from deposit services calculated on an actual basis	85	100	120
Financing Services			
Maximum daily balance of loans and other financing services	4,800	5,000	5,200
Maximum daily balance of overdraft services	1,000	1,100	1,200
Total annual credit facilities	6,000	6,300	6,600
Interest expense on financing services calculated on an actual basis	130	140	150
Other Financial Services			
Handling fees and other financial services	50	50	50

SECTION 5 IMPORTANT MATTERS

For the year ended 31 December 2025, the historical amounts of the transactions are set out as follows:

	Historical transaction amount for the year ended 31 December 2025 (RMB million)
Deposit Services	
Maximum daily balance of deposit services	3,596.89
Interest income from deposit services calculated on an actual basis	37.98
Financing Services	
Maximum daily balance of loans and other financing services	2,263.70
Maximum daily balance of overdraft services	360.00
Total annual credit facilities	6,000.00
Interest expense on financing services calculated on an actual basis	43.60
Other Financial Services	
Handling fees and other financial services	1.13

SDG Finance Co. is held as to 70% by SDG Group Co. and as to 30% by the Company, and is therefore a connected person of the Company. As one or more of the percentage ratios (as defined under Rule 14.07 of the Hong Kong Listing Rules) of the annual caps applicable to the Deposit Services under the Financial Services Framework Agreement and the New Financial Services Framework Agreement exceeds 0.1% but is less than 5%, the Deposit Services to be provided by SDG Finance Co. to the Group are subject to the reporting and announcement requirements set out in Rule 14A.35 of the Hong Kong Listing Rules, but are exempt from the independent shareholders' approval requirements set out in Rules 14A.36 to 14A.39 of the Hong Kong Listing Rules. For details, please refer to the announcements of the Company dated 28 March 2022 and 18 October 2024.

SECTION 5 IMPORTANT MATTERS

2. New Comprehensive Service Framework Agreement

In view of the expiration of the Comprehensive Service Framework Agreement on 31 December 2023, the Company entered into a new comprehensive service framework agreement (the “**New Comprehensive Service Framework Agreement**”) with SDG Group Co. on 4 December 2023 to renew these continuing connected transactions, and to set the annual caps thereunder for 2024, 2025 and 2026. Pursuant to which, the Group may provide SDG Group with comprehensive services, and SDG Group may also provide comprehensive services to the Group, including (i) the procurement of supplies, products and services by the Group from SDG Group (the “**Procurement of Products and Services from SDG Group**”); (ii) the sales of supplies, products and services by the Group to SDG Group (the “**Sales of Products and Services to SDG Group**”); (iii) the granting by SDG Group to the Group of the right to use certain trademarks/logos and certain equipment, vehicles, buildings and lands property rights (the “**Granting of Trademark Licensing and Property Leasing by SDG Group**”); (iv) the leasing of buildings and equipment by the Group to SDG Group (the “**Provision of Property Leasing to SDG Group**”); and (v) the equity entrustment services provided by the Group to SDG Group (the “**Equity Entrustment Services**”). The New Comprehensive Service Framework Agreement is valid for three years from 1 January 2024 to 31 December 2026. The New Comprehensive Service Framework Agreement and the annual caps thereunder have been approved by the independent shareholders at the 2023 sixth extraordinary general meeting of the Company held on 28 December 2023. For details, please refer to the announcements of the Company dated 4 December 2023 and 28 December 2023, as well as the circular of the Company dated 11 December 2023, published on the website of the Hong Kong Stock Exchange.

As the actual amounts of the Sales of Products and Services to SDG Group, the Granting of Trademark Licensing and Property Leasing by SDG Group, and the Provision of Property Leasing to SDG Group were expected to exceed the original projections, the existing annual caps for the above transactions for the year ended 31 December 2024 were expected to be insufficient. Accordingly, on 28 August 2024 (after trading hours), the Board approved the resolution to increase the annual caps for the year ended 31 December 2024 in respect of the Sales of Products and Services to SDG Group, the Granting of Trademark Licensing and Property Leasing by SDG Group, and the Provision of Property Leasing to SDG Group, and to comply afresh with the requirements of Chapter 14A of the Hong Kong Listing Rules. For details, please refer to the announcement of the Company dated 28 August 2024 published on the website of the Hong Kong Stock Exchange.

As the actual amounts of the Sales of Products and Services to SDG Group and the Granting of Trademark Licensing and Property Leasing by SDG Group were expected to exceed the original projections, the existing annual caps for the Sales of Products and Services to SDG Group and the Granting of Trademark Licensing and Property Leasing by SDG Group for the financial year ended 31 December 2025 were expected to be insufficient. Accordingly, on 27 August 2025 (after trading hours), the Board approved the resolution to increase the annual caps for the year ended 31 December 2025 in respect of the Sales of Products and Services to SDG Group and the Granting of Trademark Licensing and Property Leasing by SDG Group, and to comply afresh with the requirements of Chapter 14A of the Hong Kong Listing Rules. For details, please refer to the announcement of the Company dated 27 August 2025 published on the website of the Hong Kong Stock Exchange.

SECTION 5 IMPORTANT MATTERS

The annual caps for the transactions under the New Comprehensive Service Framework Agreement for the three years ended/ending 31 December 2024, 2025 and 2026 are set out below:

	Annual Caps (RMB million)		
	For the year ended/ending 31 December		
	2024	2025	2026
Procurement of Products and Services from SDG Group	3,423.8542	3,926.8405	4,172.2608
Sales of Products and Services to SDG Group	1,900.2709	2,395.5677	1,413.1600
Granting of Trademark Licensing and Property Leasing by SDG Group	61.6677	85.6161	56.8238
Provision of Property Leasing to SDG Group	9.0769	4.8018	4.8018
Provision of Equity Entrustment Services to SDG Group	5.0000	5.0000	5.0000

For the year ended 31 December 2025, the historical amounts of the transactions are set out as follows:

	Historical transaction amount for the year ended 31 December 2025 (RMB million)
Procurement of Products and Services from SDG Group	3,438.1818
Sales of Products and Services to SDG Group	1,664.9867
Granting of Trademark Licensing and Property Leasing by SDG Group	81.9516
Provision of Property Leasing to SDG Group	0.6527
Provision of Equity Entrustment Services to SDG Group	3.7737

SDG Group Co. is the controlling Shareholder of the Company and therefore a connected person of the Company. Accordingly, pursuant to the Hong Kong Listing Rules, the New Comprehensive Service Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

As one or more of the applicable percentage ratios for the annual cap of the Procurement of Products and Services from SDG Group under the New Comprehensive Service Framework Agreement exceeds 5% when calculated on an annual basis, the Procurement of Products and Services from SDG Group is subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios for each of the annual caps of the Sales of Products and Services to SDG Group, and the Granting of Trademark Licensing and Property Leasing by SDG Group under the New Comprehensive Service Framework Agreement exceeds 0.1% but is less than 5% when calculated on an annual basis, each of the Sales of Products and Services to SDG Group, and the Granting of Trademark Licensing and Property Leasing by SDG Group, is subject to the reporting and announcement requirements set out in Chapter 14A of the Hong Kong Listing Rules, but is exempt from the independent shareholders' approval requirements.

SECTION 5 IMPORTANT MATTERS

As all of the applicable percentage ratios for each of the annual caps of the Provision of Property Leasing to SDG Group and the Equity Entrustment Services under the New Comprehensive Service Framework Agreement are less than 0.1% when calculated on an annual basis, each of the Provision of Property Leasing to SDG Group and the Equity Entrustment Services under the New Comprehensive Service Framework Agreement constitutes a transaction at the lowest exemption level pursuant to Rule 14A.76(1) (a) of the Hong Kong Listing Rules, and is fully exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

3. Annual Review of Continuing Connected Transactions

Pursuant to Rule 14A.56 of the Hong Kong Listing Rules, the Board engaged the auditor of the Company to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information", and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor of the Company has confirmed to the Board that:

- (i) nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Board;
- (ii) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions are not, in all material respects, in accordance with the pricing policies of the Group;
- (iii) nothing has come to their attention that causes them to believe that the transactions are not, in all material respects, entered into in accordance with the relevant agreements governing such transactions; and
- (iv) with respect to the aggregate amount of each of the disclosed continuing connected transactions, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have exceeded the annual caps as set by the Company.

The independent non-executive Directors have reviewed the above-mentioned continuing connected transactions and confirmed that, for the year ended 31 December 2025:

- (i) the transactions have been entered into in the ordinary and usual course of business of the Group;
- (ii) the transactions have been entered into on normal commercial terms or on terms no less favourable than terms available to or from independent third parties; and
- (iii) the transactions have been entered into in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The continuing connected transactions of the Group have complied with the disclosure requirements of Chapter 14A of the Hong Kong Listing Rules. The Company confirms that the execution and performance of the specific agreements under the above-mentioned continuing connected transactions for the year ended 31 December 2025 have complied with the pricing principles governing such continuing connected transactions.

SECTION 6 CHANGES IN SHARES AND INFORMATION OF SHAREHOLDERS

I. CHANGES IN SHARE CAPITAL

(I) Statement of Changes in Shares

1. Statement of changes in shares

Unit: Share

	Before the change		Increase or decrease (+,-) in the change					After the change	
	Number	Percentage	Issuance of new shares	Bonus issue	Conversion from reserve	Other	Subtotal	Number	Percentage
		(%)							(%)
I. Shares subject to selling restrictions									
1. State-owned shares									
2. State-owned corporate shares									
3. Other domestic shares									
Including: shares held by domestic									
non-state-owned legal									
persons									
Domestic natural person									
shares									
4. Foreign shares									
Including: Foreign corporate shares									
Foreign natural person									
shares									
II. Tradable shares not subject to selling									
restrictions	4,473,429,525	100	136,500,000	0	0	0	136,500,000	4,609,929,525	100
1. RMB ordinary shares	3,614,443,347	80.80	0	0	0	0	0	3,614,443,347	78.41
2. Domestic listed foreign shares	0	0	0	0	0	0	0	0	0
3. Overseas listing foreign shares	858,986,178	19.20	136,500,000	0	0	0	136,500,000	995,486,178	21.59
4. Others	0	0	0	0	0	0	0	0	0
III. Total number of shares	4,473,429,525	100	136,500,000	0	0	0	136,500,000	4,609,929,525	100

2. Explanation on the changes in shares

√ Applicable □ N/A

Pursuant to the authorization granted at the Company's 2024 annual general meeting, the Company held the third meeting of the seventh session of the Board of Directors on 1 September 2025, at which the Resolution on the Issuance of H Shares by the Company under the General Mandate was considered and approved. On 9 September 2025, the Company issued 136,500,000 new H shares. The type of shares issued in this issuance was overseas listed foreign shares (H Shares) with a par value of RMB1.00 per Share. The total number of H Shares issued in this issuance was 136,500,000. The registered capital of the Company increased from the original RMB4,473,429,525 to RMB4,609,929,525.

SECTION 6 CHANGES IN SHARES AND INFORMATION OF SHAREHOLDERS

3. The effects of changes in shares on the financial indicators such as earnings per share and net assets per share, in the previous year and the latest period (if any)

☐ Applicable ☒ N/A

4. Other disclosures deemed necessary by the Company or required by securities regulatory

☐ Applicable ☒ N/A

(II) Changes in Shares Subject to Selling Restrictions

☐ Applicable ☒ N/A

II. SHARE ISSUE AND LISTINGS

(I) Issuance of Securities During the Reporting Period

☐ Applicable ☒ N/A

Issuance of securities during the Reporting Period (bonds with different interest rates within the effective period shall be separately specified):

☐ Applicable ☒ N/A

(II) Changes in Total Shares and Share Structure and Changes in the Structure of Assets and Liabilities

☐ Applicable ☒ N/A

(III) Existing Internal Employee Shares

☐ Applicable ☒ N/A

III. INFORMATION ABOUT SHAREHOLDERS AND DE FACTO CONTROLLER

(I) Total Number of Shareholders

Total number of ordinary shareholders as of the end of the Reporting Period	121,661
Number of holders of the ordinary shares as of the end of the month preceding the disclosure of the annual report	176,568
Total number of shareholders of preference shares with restored voting right as of the end of the Reporting Period	0
Total number of shareholders of preferred shares with voting rights restored at the end of the month immediately before the date of disclosure of the annual report	0

SECTION 6 CHANGES IN SHARES AND INFORMATION OF SHAREHOLDERS

(II) Shareholding of Top Ten Shareholders, Top Ten Shareholders of Circulating Shares (or Holders of Shares not Subject to Selling Restrictions) as of the End of the Reporting Period

Unit: Share

Shareholding of top ten shareholders (excluding shares lent through securities lending and refinancing)							
Name of shareholders (full name)	Increase/ decrease during the Reporting Period	Number of shares held as at the end of the period	Percentage (%)	Number of shares held subject to selling restrictions	Share pledged, marked or frozen Share status	Number	Nature of shareholder
Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)	874,337	1,621,443,588	35.17	0	Pledged	123,892,247	State-owned legal person
Shandong Gold Resources Development Co., Ltd. (山東黃金資源開發有限公司)	0	268,372,049	5.82	0	Nil	0	State-owned legal person
China Securities Finance Co., Ltd.	0	108,834,732	2.36	0	Nil	0	State-owned legal person
Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. (山東黃金有色礦業集團有限公司)	0	102,941,860	2.23	0	Nil	0	State-owned legal person
HKSCC Nominees Limited	136,536,111	995,343,823	21.59	0	Nil	0	Overseas legal person
Hong Kong Securities Clearing Company Limited	19,173,924	99,446,707	2.16	0	Nil	0	Overseas legal person
National Social Security Fund-Portfolio 112 (全國社保基金一一二組合)	6,406,600	33,994,988	0.74	0	Nil	0	Other
China Life Insurance Company Limited-Bonus - Individual Bonus - 005L - FH002 Shanghai (中國人壽保險股份有限公司-分紅-個人分紅-005L-FH002滬)	27,047,187	33,342,802	0.72	0	Nil	0	Other
Shandong Gold Group Qingdao Gold Co., Ltd. (山東黃金集團青島黃金有限公司)	0	31,467,157	0.68	0	Nil	0	State-owned legal person
Agricultural Bank of China Limited-Yongying CSI SZ-HK Stock Connect Gold Industry Stock Exchange-Traded Open-ended Index Securities Investment Fund (中國農業銀行股份有限公司-永贏中證滬深港黃金產業 股票交易型開放式指數證券投資基金)	22,090,672	30,463,450	0.66	0	Nil	0	Other
Industrial and Commercial Bank of China Limited - Huatai- Pinebridge CSI 300 Exchange Traded Open-ended Index Securities Investment Fund (中國工商銀行股份有限公司-華泰柏瑞滬深300交易型 開放式指數證券投資基金)	-1,385,423	29,846,932	0.65	0	Nil	0	Other

SECTION 6 CHANGES IN SHARES AND INFORMATION OF SHAREHOLDERS

Shareholding of top ten Shareholders not subject to selling restrictions (excluding shares lent through securities lending and refinancing)				
Name of shareholder	Number of tradable shares held not subject to selling restrictions	Type and number of shares		Number
		Type		
Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)	1,621,443,588	RMB ordinary shares		1,621,443,588
Shandong Gold Resources Development Co., Ltd. (山東黃金資源開發有限公司)	268,372,049	RMB ordinary shares		268,372,049
China Securities Finance Co., Ltd.	108,834,732	RMB ordinary shares		108,834,732
Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. (山東黃金有色礦業集團有限公司)	102,941,860	RMB ordinary shares		102,941,860
HKSCC Nominees Limited	995,343,823	Overseas-listed foreign shares		995,343,823
Hong Kong Securities Clearing Company Limited	99,446,707	RMB ordinary shares		99,446,707
National Social Security Fund-Portfolio 112 (全國社保基金一一二組合)	33,994,988	RMB ordinary shares		33,994,988
China Life Insurance Company Limited-Bonus - Individual Bonus - 005L - FH002 Shanghai (中國人壽保險股份有限公司—分紅—個人分紅-005L-FH002 滬)	33,342,802	RMB ordinary shares		33,342,802
Shandong Gold Group Qingdao Gold Co., Ltd. (山東黃金集團青島黃金有限公司)	31,467,157	RMB ordinary shares		31,467,157
Agricultural Bank of China Limited-Yongying CSI SZ-HK Stock Connect Gold Industry Stock Exchange-Traded Open-ended Index Securities Investment Fund (中國農業銀行股份有限公司— 永贏中證滬深港黃金產業股票交易型開放式指數證券投資基金)	30,463,450	RMB ordinary shares		30,463,450
Industrial and Commercial Bank of China Limited – Huatai- Pinebridge CSI 300 Exchange Traded Open-ended Index Securities Investment Fund (中國工商銀行股份有限公司—華泰柏瑞滬深300交易型開放式指 數證券投資基金)	29,846,932	RMB ordinary shares		29,846,932
Explanation of special accounts for repurchase among the top ten Shareholders	N/A			
Explanation of the proxy voting right, entrusted voting right and waiver of voting right of the aforesaid Shareholders	N/A			
Explanation on the connected relationship or concerted actions among the aforesaid shareholders	There are connected relationships among Shandong Gold Group Co., Ltd., the largest shareholder of the Company and Shandong Gold Non-ferrous Metal Mine Group Co., Ltd., Shandong Gold Resources Development Co., Ltd., and Shandong Gold Group Qingdao Gold Co., Ltd. Shandong Gold Group Co., Ltd. has no connected relationships with other shareholders, which are also not persons acting in concert as defined by Regulations for Disclosure of Changes in Shareholding of Listed Companies (《上市公司股東持股變動信息披露管理 辦法》); and the Company is not aware of any connected relationship among other shareholders, or that any of them is person acting in concert defined by Regulations for Disclosure of Changes in Shareholding of Listed Companies.			
Explanation on the restoration of voting rights of holders of preference shares and the number of shares held	N/A			

SECTION 6 CHANGES IN SHARES AND INFORMATION OF SHAREHOLDERS

In April 2023, SDG Group transferred the 130,000,000 A-shares it held in the Company to a pledged account it opened at the Shanghai Branch of China Securities Depository and Clearing Co., Ltd, to provide guarantee for non-public issuance of exchangeable corporate bonds by Shandong Gold Group Co., Ltd. to professional investors in 2023.

As of 31 December 2025, Shandong Gold Group Co., Ltd. held 1,621,443,588 A-shares in its A-share account, including 1,497,551,341 shares held through its own account and 123,892,247 shares held through the Pledged Account for the non-public issuance of exchangeable corporate bonds to professional investors by Shandong Gold Group Co., Ltd. in 2023. As of the end of December, bondholders had converted a total of 6,107,753 shares.

Shares lent through securities lending and refinancing by shareholders holding more than 5% of the shares, top ten shareholders and top ten shareholders not subject to selling restrictions

☐ Applicable ☒ N/A

Changes in the top ten shareholders and top ten shareholders not subject to selling restrictions from the previous period due to lending/returning of shares through securities lending and refinancing business

☐ Applicable ☒ N/A

Shareholding of the top ten holders of Shares subject to selling restrictions and conditions for selling restrictions

☐ Applicable ☒ N/A

(III) Strategic Investors or General Legal Persons who Have Become Top Ten Shareholders by Virtue of Placement of New Shares

☐ Applicable ☒ N/A

(IV) Disclosure of Interests and Short Positions of the Substantial Shareholders of the Company

As at 31 December 2025, so far as the Directors and chief executives of the Company are aware, the following persons (not being a Director or chief executive of the Company) had interests and long/short positions in the Shares or underlying Shares which were required, pursuant to Section 336 of the SFO, to be entered into the register required to be kept by the Company referred to therein, or required to be notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

SECTION 6 CHANGES IN SHARES AND INFORMATION OF SHAREHOLDERS

Name of substantial shareholder	Nature of interest	Number of Shares			Approximate percentage of shareholding in the relevant class of Shares	Approximate percentage of shareholding in the total issued share capital
		Class of Shares	or underlying Shares interested	Long/short position		
SDG Group Co.	Beneficial owner	A Shares	1,621,443,588	Long position	44.86%	35.17%
	Interest held by controlled corporations ⁽¹⁾	A Shares	406,038,111	Long position	11.23%	8.81%
SDG Resources Development	Beneficial owner ⁽²⁾	A Shares	268,372,049	Long position	7.42%	5.82%
Schroders PLC	Investment manager	H Shares	51,149,650	Long position	5.14%	1.11%
BlackRock, Inc. ⁽³⁾	Interest held by controlled corporations	H Shares	55,218,576	Long position	5.55%	1.20%
			4,892,500	Short position	0.49%	0.11%

Notes:

- (1) These 406,038,111 A Shares comprise 268,372,049 A Shares held by SDG Resources Development, 102,941,860 A Shares held by Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. ("**SDG Non-ferrous**"), 31,467,157 A Shares held by Shandong Gold Group Qingdao Gold Co., Ltd. ("**Qingdao Gold**") and 3,257,045 A Shares held by SDG (Beijing) Industry Investment Co., Ltd. ("**Beijing Industry Investment**"). Each of SDG Resources Development, SDG Non-ferrous, Qingdao Gold and Beijing Industry Investment is wholly-owned by SDG Group Co.. SDG Group Co. holds 100% equity interest of SDG Non-ferrous. As such, for the purpose of the Securities and Futures Ordinance, SDG Group Co. is deemed to be interested in the Shares held by SDG Resources Development, SDG Non-ferrous, Qingdao Gold and Beijing Industry Investment.
- (2) SDG Resources Development is wholly-owned by SDG Group Co., and therefore, for the purpose of the Securities and Futures Ordinance, SDG Group Co. is deemed to be interested in all the Shares held by SDG Resources Development.
- (3) According to a corporate substantial shareholder notice in respect of relevant event dated 31 December 2025 filed with the Hong Kong Stock Exchange by BlackRock, Inc., it held 55,218,576 H Shares (long position) and 4,892,500 H Shares (short position) through a number of subsidiaries. These include 1,899,250 H Shares (long position) and 4,204,250 H Shares (short position) under cash-settled unlisted derivatives.

Save as disclosed above, as at 31 December 2025, the Directors and chief executives of the Company are not aware of any person (not being a Director or chief executive of the Company) who had any interest or short position in the Shares or underlying Shares which would be required to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was interested in 5% or more of the nominal value of any class of the share capital carrying the rights to vote in all circumstances at shareholders' meetings of the Company, or who had any interest or short position which would be required to be entered into the register to be kept by the Company pursuant to Section 336 of the SFO.

SECTION 6 CHANGES IN SHARES AND INFORMATION OF SHAREHOLDERS

IV. PARTICULARS OF CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER

(II) Controlling Shareholder

1. Legal person

☒ Applicable ☐ N/A

Name	Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)
Person in charge or legal representative	Zhang Xiaohai (張曉海)
Date of incorporation	16 July 1996
Principal business	(The following operations are limited to subsidiary companies) gold geological exploration and mining; power supply for gold mines; car rental. (Valid only as permitted by the license). Purification, processing, production, and sales of gold jewelry; gold beneficiation and smelting and technical services; purification, processing, production, and sales of precious metal and non-ferrous metal products; production and sales of specialized equipment and supplies for gold mines, and building materials; equipment maintenance; import-export business within the approved scope, processing with imported materials, and “three processing and one compensation” businesses; computer software development; business management and accounting consulting, property management. (Projects subject to approval according to the law must be approved by the relevant authorities before business operations can be carried out).
Shareholdings in other domestic and overseas listed companies controlled or invested during the Reporting Period	The SDG Group and its concert parties hold 43.98% of the shares in the A+H share listed company, Shandong Gold (600547). Shandong Gold International Mining Co., Ltd., a subsidiary of the SDG Group, holds 63.18% of the shares in Focus Minerals Ltd. (ASX: FML).
Other information	On 27 June 2025, the Company’s legal representative was changed from Li Hang to Zhang Xiaohai.

2. Natural person

☐ Applicable ☒ N/A

3. Special explanation on the Company not having controlling shareholders

☐ Applicable ☒ N/A

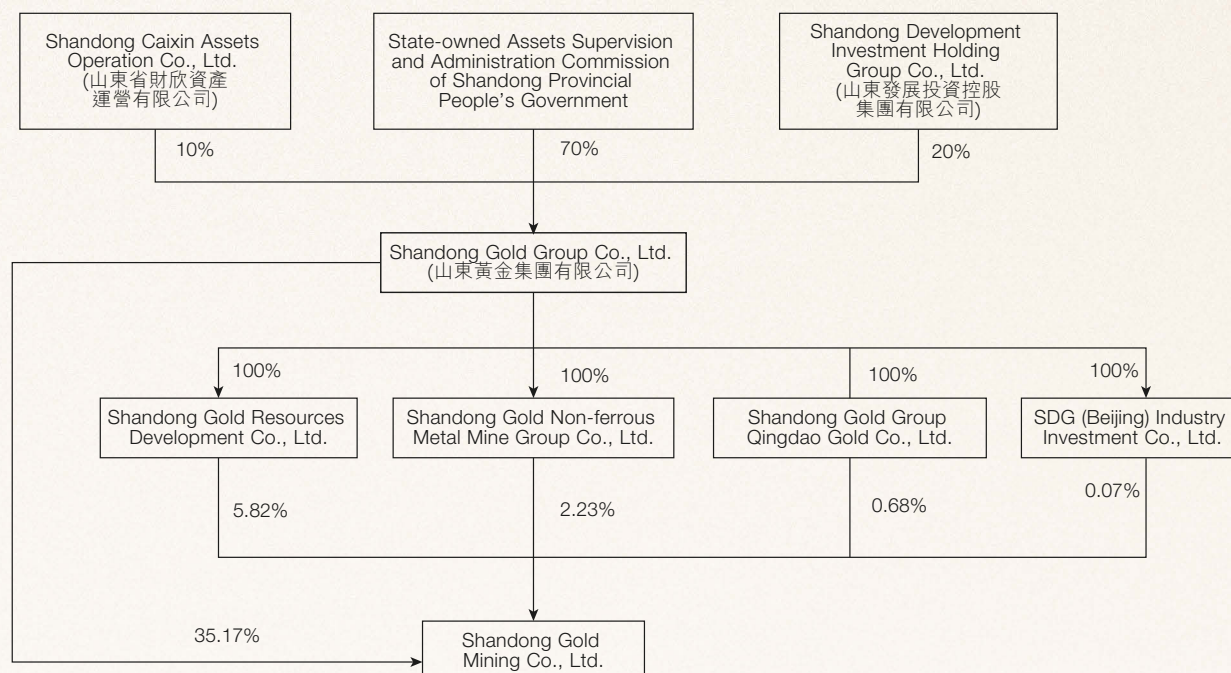
4. Changes in controlling shareholders during the Reporting Period

☐ Applicable ☒ N/A

SECTION 6 CHANGES IN SHARES AND INFORMATION OF SHAREHOLDERS

5. The chart of the relationship between the Company and the controlling shareholders on the ownership and controlling relationship

√ Applicable □ N/A



(II) De Facto Controller

1. Legal person

√ Applicable □ N/A

Name	State-owned Assets Supervision and Administration Commission of Shandong Provincial People's Government
Date of incorporation	18 June 2004

2. Natural person

□ Applicable √ N/A

3. Special explanation on the Company not having de facto controllers

□ Applicable √ N/A

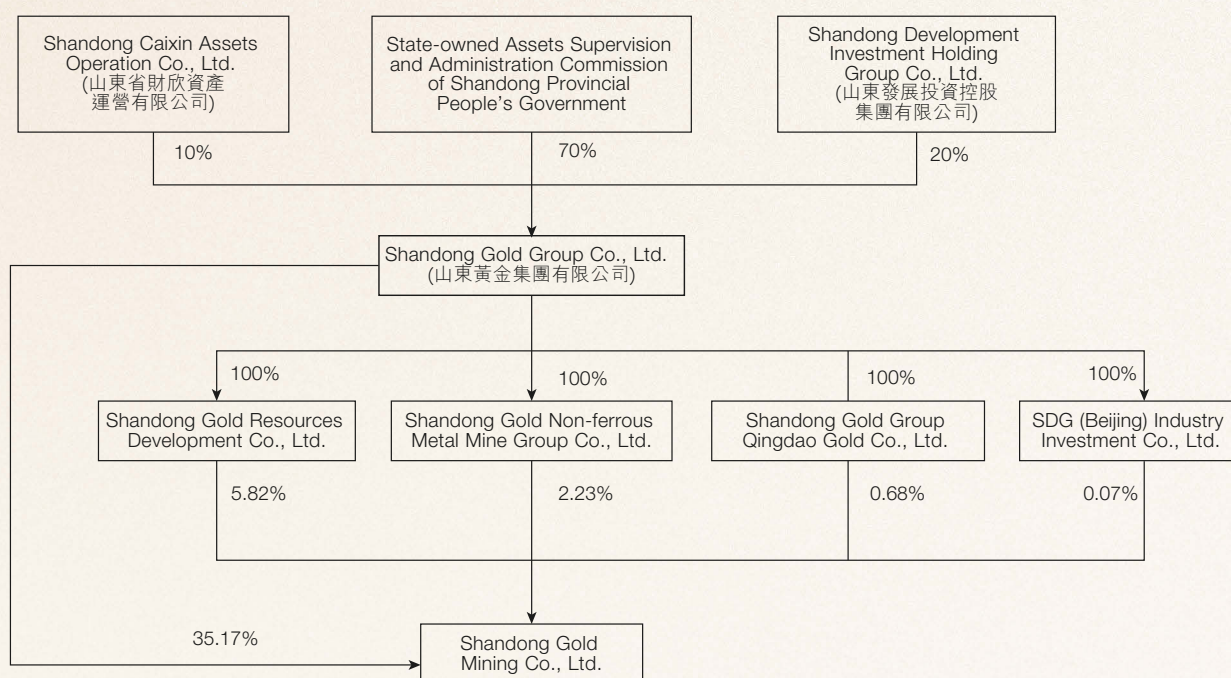
4. Changes in the control of the Company during the Reporting Period

□ Applicable √ N/A

5. Diagram of the ownership and controlling relationship between the Company and its de facto controller

√ Applicable □ N/A

SECTION 6 CHANGES IN SHARES AND INFORMATION OF SHAREHOLDERS



6. Control of the Company by de facto controllers by way of trust or other means of asset management

☐ Applicable ☒ N/A

(III) Other Explanation Regarding the Controlling Shareholder and the De Facto Controller

☐ Applicable ☒ N/A

V. THE ACCUMULATIVE PLEDGED SHARES OF THE COMPANY'S CONTROLLING SHAREHOLDER OR LARGEST SHAREHOLDER AND ITS PERSONS ACTING IN CONCERT ACCOUNT FOR MORE THAN 80% OF THE COMPANY'S SHARES HELD BY THEM

☐ Applicable ☒ N/A

VI. OTHER LEGAL PERSON SHAREHOLDERS HOLDING OVER 10% OF THE TOTAL SHARES OF THE COMPANY

☐ Applicable ☒ N/A

VII. EXPLANATION ON REDUCED SHAREHOLDING

☐ Applicable ☒ N/A

SECTION 6 CHANGES IN SHARES AND INFORMATION OF SHAREHOLDERS

VIII. SPECIFIC IMPLEMENTATION OF SHARE REPURCHASE DURING THE REPORTING PERIOD

☐ Applicable ☒ N/A

IX. INFORMATION ABOUT PREFERENCE SHARES

☐ Applicable ☒ N/A

SECTION 7 CORPORATE BONDS

I. CORPORATE BONDS (INCLUDING ENTERPRISE BONDS) AND DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES

☒ Applicable ☐ N/A

(I) Corporate Bonds (Including Enterprise Bonds)

☒ Applicable ☐ N/A

1. Overview of corporate bonds

Unit: RMB'00 million

The Latest											Whether There is a Risk of Termination of the Listing or Suspension		
Name of Bonds	Abbreviation	Code	Date of Initial Putback Date		Outstanding		Payment of		Appropriate Arrangement of Investors	Mechanism of Trading			
			Date of Issuance	Interest Accrued	After 30 April 2026	Date of Maturity	Balance of Bonds	Coupon Rate (%)				Principal and Interest	Place of Trading
The 2023 Public Issuance of Technology Innovation Renewable Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the First Tranche) (See Note 1 for details)	Lujin KY01	240265	2023/11/15	2023/11/17	-	2026/11/17	20	3.19	Interest to be paid annually, principal to be repaid at maturity	GF Securities Co., Ltd., Zhongtai Securities Co., Ltd., China International Capital Corporation Limited	GF Securities Co., Ltd.	Match transaction, click transaction, inquiry transaction, bidding transaction, negotiation transaction	No
The 2023 Public Issuance of Technology Innovation Renewable Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the Second Tranche) (See Note 2 for details)	Lujin KY02	240334	2023/11/23	2023/11/27	-	2026/11/27	20	3.22	Interest to be paid annually, principal to be repaid at maturity	GF Securities Co., Ltd., Zhongtai Securities Co., Ltd., China International Capital Corporation Limited	GF Securities Co., Ltd.	Match transaction, click transaction, inquiry transaction, bidding transaction, negotiation transaction	No

SECTION 7 CORPORATE BONDS

Name of Bonds	Abbreviation	Code	Date of Issuance	The Latest		Date of Interest Accrued	Date of Initial Putback Date After 30 April 2026	Date of Maturity	Outstanding Balance of Bonds	Coupon Rate (%)	Payment of Principal and Interest	Place of Trading	Lead Underwriter	Trustee	Appropriate Arrangement of Investors	Mechanism of Trading	Whether There is a Risk of Termination of the Listing or Suspension
				Interest	Putback Date												
The 2024 Public Issuance of Technology Innovation Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the First Tranche) (Type 1)	24 Lujin K1	240785	2024/03/25	2024/03/27	-	2024/03/27	-	2029/03/27	20	2.80	Interest to be paid annually, principal to be repaid at maturity	Shanghai Stock Exchange	GF Securities Co., Ltd., Zhongta Securities Co., Ltd., China International Capital Corporation Limited	GF Securities Co., Ltd.	Professional institutional investors	Match transaction, click transaction, inquiry transaction, bidding transaction, negotiation transaction	No
The 2024 Public Issuance of Technology Innovation Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the Second Tranche) (Type 1)	24 Lujin K3	241624	2024/9/10	2024/09/12	-	2024/09/12	-	2027/09/12	10	2.12	Interest to be paid annually, principal to be repaid at maturity	Shanghai Stock Exchange	GF Securities Co., Ltd., Zhongta Securities Co., Ltd., China International Capital Corporation Limited	GF Securities Co., Ltd.	Professional institutional investors	Match transaction, click transaction, inquiry transaction, bidding transaction, negotiation transaction	No
The 2024 Public Issuance of Technology Innovation Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the Second Tranche) (Type 2)	24 Lujin K4	241625	2024/9/10	2024/09/12	-	2024/09/12	-	2034/09/12	10	2.50	Interest to be paid annually, principal to be repaid at maturity	Shanghai Stock Exchange	GF Securities Co., Ltd., Zhongta Securities Co., Ltd., China International Capital Corporation Limited	GF Securities Co., Ltd.	Professional institutional investors	Match transaction, click transaction, inquiry transaction, bidding transaction, negotiation transaction	No

Note 1: The 2023 Public Issuance of Technology Innovation Renewable Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the First Tranche) takes every three interest-bearing years as one cycle, and at the end of each cycle, the Company has the right to choose to extend the bond term by one cycle (i.e. extend three years), or choose to settle the bond in full when it matures at the end of the cycle.

Note 2: The 2023 Public Issuance of Technology Innovation Renewable Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the Second Tranche) takes every three interest-bearing years as one cycle, and at the end of each cycle, the Company has the right to choose to extend the bond term by one cycle (i.e. extend three years), or choose to settle the bond in full when it matures at the end of the cycle.

SECTION 7 CORPORATE BONDS

The Company's response to the risk of the termination of listing and suspension of the bonds

☐ Applicable ☒ N/A

Settlement of interests and principals of the bonds during the Reporting Period

☒ Applicable ☐ N/A

Name of Bonds	Description of Interest Payment Status
The 2023 Public Issuance of Technology Innovation Renewable Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the First Tranche)	The Company paid interest on 18 November 2025 for the period from 18 November 2024 to 17 November 2025. For details, please refer to the "2025 Interest Payment Announcement of the 2023 Public Issuance of Technology Innovation Renewable Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the First Tranche)" disclosed on the website of the Shanghai Stock Exchange (http://www.sse.com.cn)
The 2023 Public Issuance of Technology Innovation Renewable Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the Second Tranche)	The Company paid interest on 27 November 2025 for the period from 27 November 2024 to 26 November 2025. For details, please refer to the "2025 Interest Payment Announcement of the 2023 Public Issuance of Technology Innovation Renewable Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the Second Tranche)" disclosed on the website of the Shanghai Stock Exchange (http://www.sse.com.cn)
The 2024 Public Issuance of Technology Innovation Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the First Tranche) (Type 1)	The Company paid interest on 27 March 2025 for the period from 27 March 2024 to 26 March 2025. For details, please refer to the Announcement on the 2025 Interest Payment of the 2024 Public Issuance of Technology Innovation Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the First Tranche) (Type 1) disclosed on the website of the Shanghai Stock Exchange (http://www.sse.com.cn)
The 2024 Public Issuance of Technology Innovation Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the Second Tranche) (Type 1)	The Company paid interest on 10 September 2025 for the period from 10 September 2024 to 9 September 2025. For details, please refer to the Announcement on the 2025 Interest Payment of the 2024 Public Issuance of Technology Innovation Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the Second Tranche) (Type 1) disclosed on the website of the Shanghai Stock Exchange (http://www.sse.com.cn)
The 2024 Public Issuance of Technology Innovation Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the Second Tranche) (Type 2)	The Company paid interest on 10 September 2025 for the period from 10 September 2024 to 9 September 2025. For details, please refer to the Announcement on the 2025 Interest Payment of the 2024 Public Issuance of Technology Innovation Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the Second Tranche) (Type 2) disclosed on the website of the Shanghai Stock Exchange (http://www.sse.com.cn)

SECTION 7 CORPORATE BONDS

2. Triggers and execution of option terms for the Company or investors, and investor protection terms

☐ Applicable ☒ N/A

3. Intermediaries providing services for bond issuance and duration business

Name of intermediary	Office address	Name of signing accountants (if applicable)	Contact persons	Telephone
GF Securities Co., Ltd.	GF Securities Building, No. 26 Machang Road, Tianhe District, Guangzhou City, Guangdong Province	N/A	Zhu Hao	020-66338888
Zhongtai Securities Co., Ltd.	17/F, Hongsheng International Center, No. 9 Chaoyangmen North Street, Dongcheng District, Beijing	N/A	Lei Xuyang	010-59013929
China International Capital Corporation Limited	33/F, Tower 2, China World Office, No.1 Jianguomenwai Avenue, Chaoyang District, Beijing	N/A	Chang Zheng, Gao Ce	010-65051166
Beijing Deheng Law Office	12/F, Tower B, Focus Place, No.19 Finance Street, Xicheng District, Beijing	N/A	Hou Hualei	18765319322
ShineWing Certified Public Accountants	8/F, Block A, Fuhua Mansion, 8 Chaoyangmen Beidajie, Dongcheng District, Beijing	Pan Sujiao, Wang Lei	Pan Sujiao	18553129300
TianYuanQuan Certified Public Accountants	Room 22, 23, 24 and 25, 5th Floor, International Communication Building, No. 19A, Chegongzhuang West Road, Haidian District, Beijing	Li Zhihao	Zhong Xudong	010-83914188
China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing	N/A	Huo Fei	010-66428877

Changes in the above intermediaries

☐ Applicable ☒ N/A

4. Adjustments to credit rating results

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

5. Change, variation and implementation of guarantees, debt repayment plans and other debt repayment safeguards during the Reporting Period and their impact

☐ Applicable ☒ N/A

SECTION 7 CORPORATE BONDS

(II) Use of Proceeds from Corporate Bonds

- ☐ The corporate bonds involved in the use of proceeds or rectification during the Reporting Period
☒ All corporate bonds of the Company did not involve the use of proceeds or rectification during the Reporting Period

(1). Use of proceeds for specific projects

- ☐ Applicable ☒ N/A

(III) Other Matters to be Disclosed for Special Types of Bonds

- ☒ Applicable ☐ N/A

1. The Company as the issuer of convertible corporate bonds

- ☐ Applicable ☒ N/A

2. The Company as the issuer of green corporate bonds

- ☐ Applicable ☒ N/A

3. The Company as the issuer of renewable corporate bond

- ☒ Applicable ☐ N/A

Unit: RMB'00 million

Bond code	240265.SH
Bond abbreviation	Lujin KY01
Bond balance	20.00
Renewal	Not involved during the Reporting Period
Interest rate hike	Not involved during the Reporting Period
Deferred interest	Not involved during the Reporting Period
Mandatory interest payment	Not involved during the Reporting Period
Whether it is still included in equity and related accounting treatment	Included in owner's equity – other equity instruments
Other matters	Not applicable

Bond code	240334.SH
Bond abbreviation	Lujin KY02
Bond balance	20.00
Renewal	Not involved during the Reporting Period
Interest rate hike	Not involved during the Reporting Period
Deferred interest	Not involved during the Reporting Period
Mandatory interest payment	Not involved during the Reporting Period
Whether it is still included in equity and related accounting treatment	Included in owner's equity – other equity instruments
Other matters	Not applicable

SECTION 7 CORPORATE BONDS

4. The Company is an issuer of corporate bonds for poverty alleviation

☐ Applicable ☒ N/A

5. The Company is an issuer of corporate bonds for rural revitalisation

☐ Applicable ☒ N/A

6. The Company is an issuer of corporate bonds for the Belt and Road Initiative

☐ Applicable ☒ N/A

7. The Company is an issuer of sci-tech innovation corporate bonds or innovation and entrepreneurship corporate bonds

☒ Applicable ☐ N/A

Unit: RMB'00 million

Applicable issuer category for this bond	☒ Sci-tech innovation enterprise ☐ Sci-tech innovation upgrade ☐ Sci-tech innovation investment ☐ Sci-tech innovation incubation ☐ Financial institution
Bond code	241625.SH
Bond abbreviation	24 Lujin K4
Bond balance	10.00
Progress on the investment of funds raised by sci-tech innovation projects or financial institutions in the field of scientific and technological innovation	The proceeds from this bond are used to repay mature interest-bearing debts, and no sci-tech innovation projects are involved
Effect on promoting sci-tech innovation development	The issuer is categorized as a sci-tech innovation enterprise The proceeds from this bond have all been used to repay interest-bearing debts, which has effectively optimized the debt structure of the sci-tech innovation enterprise
Operation of fund products (if applicable)	Not applicable to this bond
Other matters	Not applicable

SECTION 7 CORPORATE BONDS

Applicable issuer category for this bond	☒ Sci-tech innovation enterprise ☒ Sci-tech innovation upgrade ☐ Sci-tech innovation investment ☐ Sci-tech innovation incubation ☐ Financial institution
Bond code	241624.SH
Bond abbreviation	24 Lujin K3
Bond balance	10.00
Progress on the investment of funds raised by sci-tech innovation projects or financial institutions in the field of scientific and technological innovation	The proceeds from this bond are used to repay mature interest-bearing debts, and no sci-tech innovation projects are involved
Effect on promoting sci-tech innovation development	The issuer is categorized as a sci-tech innovation enterprise The proceeds from this bond have all been used to repay interest-bearing debts, which has effectively optimized the debt structure of the sci-tech innovation enterprise
Operation of fund products (if applicable)	Not applicable to this bond
Other matters	Not applicable

Applicable issuer category for this bond	☒ Sci-tech innovation enterprise ☐ Sci-tech innovation upgrade ☐ Sci-tech innovation investment ☐ Sci-tech innovation incubation ☐ Financial institution
Bond code	240785.SH
Bond abbreviation	24 Lujin K1
Bond balance	20.00
Progress on the investment of funds raised by sci-tech innovation projects or financial institutions in the field of scientific and technological innovation	The proceeds from this bond are used to repay mature interest-bearing debts, and no sci-tech innovation projects are involved
Effect on promoting sci-tech innovation development	The issuer is categorized as a sci-tech innovation enterprise The proceeds from this bond have all been used to repay interest-bearing debts, which has effectively optimized the debt structure of the sci-tech innovation enterprise
Operation of fund products (if applicable)	Not applicable to this bond
Other matters	Not applicable

SECTION 7 CORPORATE BONDS

Applicable issuer category for this bond	☒ Sci-tech innovation enterprise ☐ Sci-tech innovation upgrade ☐ Sci-tech innovation investment ☐ Sci-tech innovation incubation ☐ Financial institution
Bond code	240265.SH
Bond abbreviation	Lujin KY01
Bond balance	20.00
Progress on the investment of funds raised by sci-tech innovation projects or financial institutions in the field of scientific and technological innovation	The proceeds from this bond are used to repay mature interest-bearing debts, and no sci-tech innovation projects are involved
Effect on promoting sci-tech innovation development	The issuer is categorized as a sci-tech innovation enterprise The proceeds from this bond have all been used to repay interest-bearing debts, which has effectively optimized the debt structure of the sci-tech innovation enterprise
Operation of fund products (if applicable)	Not applicable to this bond
Other matters	Not applicable

Applicable issuer category for this bond	☒ Sci-tech innovation enterprise ☐ Sci-tech innovation upgrade ☐ Sci-tech innovation investment ☐ Sci-tech innovation incubation ☐ Financial institution
Bond code	240334.SH
Bond abbreviation	Lujin KY02
Bond balance	20.00
Progress on the investment of funds raised by sci-tech innovation projects or financial institutions in the field of scientific and technological innovation	The proceeds from this bond are used to repay mature interest-bearing debts, and no sci-tech innovation projects are involved
Effect on promoting sci-tech innovation development	The issuer is categorized as a sci-tech innovation enterprise The proceeds from this bond have all been used to repay interest-bearing debts, which has effectively optimized the debt structure of the sci-tech innovation enterprise
Operation of fund products (if applicable)	Not applicable to this bond
Other matters	Not applicable

SECTION 7 CORPORATE BONDS

8. The Company is an issuer of low-carbon transition (linked) corporate bonds

☐ Applicable ☒ N/A

9. The Company is an issuer of bail-out corporate bonds

☐ Applicable ☒ N/A

10. The Company is an issuer of micro, small and medium-sized enterprise backed bonds

☐ Applicable ☒ N/A

11. Matters relating to other special types of corporate bonds

☐ Applicable ☒ N/A

(IV) Significant Events Relating to the Corporate Bonds during the Reporting Period

☒ Applicable ☐ N/A

1. Non-operating transactions and fund lending/borrowing

(1) Balance of non-operating transactions and fund lending/borrowing

At the beginning of the Reporting Period, the balance of non-operating transactions and fund lending/borrowing (receivables from other parties not directly arising from production and operation) by the Company on a consolidated basis amounted to RMB0 billion;

During the Reporting Period, the addition to and the recovery of non-operating transaction appropriation and capital lending/borrowing were RMB0 billion and RMB0 billion, respectively;

During the Reporting Period, whether there was any breach of the relevant agreements or commitments in the prospectus in respect of non-operating occupied fund and capital lending/borrowing

☐ Yes ☒ No

As at the end of the Reporting Period, the total amount of uncollected non-operating occupied fund and capital lending/borrowing was RMB0 billion, of which the controlling shareholders, de facto controllers and other related parties accounted for or borrowed funds totaled RMB0 billion.

(2) Breakdown of non-operating occupied fund and capital lending/borrowing

As at the end of the Reporting Period, the proportion of the Company's uncollected consolidated non-operating occupied fund and capital lending/borrowing to consolidated net assets was 0%.

Whether it exceeds 10% of the consolidated net assets: ☐ Yes ☒ No

(3) Implementation of collection arrangements disclosed in previous Reporting Periods

☒ Fully implemented ☐ Not fully implemented ☐ N/A

SECTION 7 CORPORATE BONDS

2. Information on liabilities

(1). Information on interest-bearing liabilities and their changes

1.1 Information on the liability structure of the Company

As at the beginning and the end of the Reporting Period, the outstanding balance of interest-bearing liabilities of the Company (on non-consolidated basis) was RMB43.272 billion and RMB47.105 billion, respectively. During the Reporting Period, the outstanding balance of interest-bearing liabilities changed by 8.86% year on year.

Unit: RMB'00 million

Type of interest-bearing liabilities	Overdue	Time of maturity		Total amount	Proportion of the amount to interest-bearing liabilities (%)
		Within 1 year (1 year inclusive)	More than 1 year (1 year exclusive)		
Corporate credit bonds			40.00	40.00	8.49
Bank borrowings		300.31	130.74	431.05	91.51
Total		300.31	170.74	471.05	100

As at the end of the Reporting Period, among the existing corporate credit bonds of the Company, the outstanding balance of corporate bonds, enterprise bonds and non-financial corporate debt financing instruments amounted to RMB8 billion (of which, RMB4 billion was recorded in owner's equity — other equity instruments, and RMB4 billion was recorded in bonds payable), RMB0 million and RMB0 million, respectively.

SECTION 7 CORPORATE BONDS

- 1.2 Information on the interest-bearing liability structure of the Company on consolidated basis
As at the beginning and the end of the Reporting Period, the outstanding balance of interest-bearing liabilities of the Company on consolidated basis was RMB63.252 billion and RMB64.997 billion, respectively. During the Reporting Period, the outstanding balance of interest-bearing liabilities changed by 2.76% year on year.

Unit: RMB'00 million

Type of interest-bearing liabilities	Time of maturity		Total amount	Proportion of the amount to interest-bearing liabilities (%)
	Overdue	Within 1 year (1 year inclusive)	More than 1 year (1 year exclusive)	
Corporate credit bonds			40.00	6.15
Bank borrowings		388.03	204.81	91.21
Loans from non-bank financial institutions		6.38	10.75	2.64
Total		394.41	255.56	100.00

As at the end of the Reporting Period, among the existing corporate credit bonds of the Company on consolidated basis, the outstanding balance of corporate bonds, enterprise bonds and non-financial corporate debt financing instruments amounted to RMB8 billion (of which, RMB4 billion was recorded in owner's equity — other equity instruments, and RMB4 billion was recorded in bonds payable), RMB0 million and RMB0 million, respectively.

1.3 Overseas bonds

As of the end of the Reporting Period, the balance of overseas bonds issued by the Company within the scope of the consolidated financial statement was RMB0 million.

- (2). *As at the end of the Reporting Period, the Company and its subsidiaries had overdue interest-bearing debts or corporate credit bonds with an amount exceeding RMB10 million*

☐ Applicable ☒ N/A

- (3). *Details of prioritized repayment of liabilities against any third party*

As of the end of the Reporting Period, there were priority liabilities against third parties within the scope of the Company's consolidated financial statements:

☐ Applicable ☒ N/A

3. Change in the management system of information disclosure during the Reporting Period

☐ Changeable ☒ N/C

SECTION 7 CORPORATE BONDS

(V) Non-financial Enterprise Debt Financing Instruments in the Interbank Bond Market

☐ Applicable ☒ N/A

(VI) Losses within the Scope of Consolidated Statements of the Company during the Reporting Period Exceeds 10% of its Net Assets at the End of the Previous year

☐ Applicable ☒ N/A

(VII) Interest-bearing Debts other than Bonds Overdue as at the End of the Reporting Period

☐ Applicable ☒ N/A

(VIII) Impact on the Rights and Interests of Bond Investors due to Violations of Laws and Regulations, the Articles of Association, the Policy on Information Disclosure Management and the Agreements or Commitments set out in the Bond Prospectus during the Reporting Period

☐ Applicable ☒ N/A

SECTION 7 CORPORATE BONDS

(IX) Accounting Data and Financial Indicators of the Company for the Past Two Years as at the End of the Reporting Period

√Applicable □ N/A

Unit: RMB

Principal indicators	2025	2024	Increase/ decrease during the current period compared with the corresponding period of last year (%)	Reasons for change
Net profit attributable to shareholders of the listed company after deducting non-recurring gains/(losses)	4,993,016,202.63	2,991,496,941.24	66.91	
Liquidity ratio	46.99%	46.01%	0.98	
Quick ratio	35.63%	32.68%	2.95	
Debt-to-Asset Ratio (%)	62.21	63.54	-1.33	
Debt-to-EBITDA Ratio	0.26	0.19	36.84	
Interest coverage ratio	5.71	3.71	53.91	
Cash flow interest coverage ratio	11.13	6.39	74.18	
EBITDA interest coverage ratio	9.48	6.16	53.90	
Loan repayment rate (%)	100.00	100.00		
Interest repayment rate (%)	100.00	100.00		

II. CONVERTIBLE BONDS OF THE COMPANY

□ Applicable √ N/A

SECTION 8 FINANCIAL REPORT

I. AUDIT REPORT

☒Applicable ☐N/A

Audit Report

XYZH/2026JNAA2B0078
Shandong Gold Mining Co., Ltd.

To the Shareholders of Shandong Gold Mining Co., Ltd.:

I. Audit Opinion

We have audited the financial statements of Shandong Gold Mining Co., Ltd. (hereinafter referred to as “Shandong Gold”), which comprise the consolidated and parent company’s balance sheets as at 31 December 2025, and the consolidated and parent company’s income statements, consolidated and parent company’s statements of cash flows, consolidated and parent company’s statements of changes in shareholders’ equity for the year ended 31 December 2025, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and parent company financial position of Shandong Gold as at 31 December 2025, and its consolidated and parent company financial performance and cash flows for the year ended 31 December 2025 in accordance with Accounting Standards for Business Enterprises.

II. Basis for Audit Opinion

We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants. Our responsibilities under those standards are further described in the section headed “Certified Public Accountants’ Responsibilities for the Audit of the Financial Statements” of the Audit Report. We are independent of Shandong Gold in accordance with the independence requirements applicable to audits of financial statements of public interest entities under the China Standards on Independence for Certified Public Accountants and the Code of Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

SECTION 8 FINANCIAL REPORT

III. Key Audit Matters *(Continued)*

1. Valuation of financial assets measured at fair value

Key Audit Matter	Audit Response
As disclosed in Notes V.2 and V.13 to the financial statements, as of 31 December 2025, the carrying amount of held-for-trading financial assets in the consolidated balance sheet of Shandong Gold was RMB2,594 million, and the carrying amount of other non-current financial assets was RMB3,282 million. The financial assets measured at fair value of Shandong Gold include investments in listed and unlisted securities, asset management plans, trust plans, and funds. Due to the significant amounts involved in the valuation of fair value and the significant judgments required by Shandong Gold's management in determining valuation methodologies, we have identified the valuation of financial assets measured at fair value as a key audit matter.	The main audit procedures we performed are as follows: (1) We discussed with management and independent valuation experts the appropriateness of valuation techniques, evaluated the reasonableness of the valuation bases, assumptions, and parameter selections used by management and independent valuation experts in performing fair value measurements with reference to available market data, and examined the fair value measurement calculations; (2) We examined the possible impact of significant transactions occurring after the balance sheet date on the fair value measurement, and, where necessary, recommended adjustments to the measurement or enhancements to disclosures; (3) We evaluated the adequacy of Shandong Gold's disclosures in the financial report regarding significant information related to the valuation of financial assets measured at fair value.

SECTION 8 FINANCIAL REPORT

III. Key Audit Matters (Continued)

2. Impairment of property, plant and equipment and intangible assets

Key Audit Matter	Audit Response
As disclosed in Notes V.15 and V.18 to the financial statements, as of 31 December 2025, the carrying amount of fixed assets in the consolidated financial statements of Shandong Gold was RMB59,245 million, and the carrying amount of intangible assets was RMB47,239 million. For fixed assets and intangible assets with finite useful lives, Shandong Gold assesses at each balance sheet date whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated and an impairment test is performed. Because management's assessment of impairment of fixed assets and intangible assets involves significant accounting estimates and judgments, we have identified the impairment of fixed assets and intangible assets as a key audit matter.	The main audit procedures we performed are as follows: (1) We obtained and reviewed the information used by Shandong Gold's management to assess whether there were any indications of impairment of fixed assets and intangible assets, considered the appropriateness and completeness of management's assessment of the existence of impairment indicators, and carefully evaluated the reasonableness of management's impairment testing process and results for fixed assets and intangible assets, as well as any indications of management bias; (2) We obtained the impairment test schedules for fixed assets with identified impairment indicators prepared by management, as well as the valuation reports issued by independent valuation experts, evaluated the reasonableness of the valuation bases, assumptions, and parameter selections disclosed in the valuation reports, and checked and reviewed the accuracy of calculations, including the calculation of recoverable amounts and the determination of impairment amounts, to ensure that the calculation process complied with accounting standards; (3) We evaluated the adequacy of Shandong Gold's disclosures in the financial report regarding significant information related to the impairment of fixed assets and intangible assets.

SECTION 8 FINANCIAL REPORT

III. Key Audit Matters (Continued)

3. Impairment of goodwill

Key Audit Matter	Audit Response
As disclosed in Note V.19 to the financial statements, as of 31 December 2025, the carrying amount of goodwill in the consolidated balance sheet of Shandong Gold was RMB12,671 million. For goodwill arising from business combinations, Shandong Gold performs an impairment test at least annually at each year-end. The impairment test requires an estimate of the recoverable amount of the relevant cash-generating units (CGUs) to which the goodwill is allocated, which is the higher of (a) the fair value less costs of disposal of the relevant CGUs, and (b) the present value of the estimated future cash flows of the relevant CGUs. In determining the fair value less costs of disposal and the present value of estimated future cash flows of the relevant CGUs, Shandong Gold engages external valuation experts to perform the impairment testing and valuation work. Because the impairment testing of goodwill involves significant accounting estimates and judgments, we have identified the impairment of goodwill as a key audit matter.	The main audit procedures we performed are as follows: (1) Based on our understanding of Shandong Gold's business and the requirements of accounting standards for enterprises, we evaluated management's identification of each asset and CGU, and how goodwill and other assets have been allocated to each CGU; (2) We evaluated the competence, professional qualifications, and objectivity of the external valuation experts engaged by management in assessing whether goodwill is impaired; (3) For all goodwill, we obtained the valuation reports issued by independent valuation experts and evaluated the reasonableness of the valuation bases, assumptions, and parameter selections disclosed in the valuation reports (4) We reviewed the reasonableness of the significant estimates and judgments used in the impairment testing for the determination of fair value less costs of disposal and the present value of estimated future net cash flows. (5) We evaluated the adequacy of Shandong Gold's disclosures in the financial statements regarding significant information related to the impairment of goodwill.

SECTION 8 FINANCIAL REPORT

IV. Other Information

The management of Shandong Gold (hereinafter referred to as “Management”) is responsible for the other information. The other information comprises the information included in the 2025 annual report of Shandong Gold, but does not include the financial statements and our auditor’s report thereon.

Our audit opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the work we have performed, if we conclude that a material misstatement of the other information exists, we are required to report that fact. We have nothing to report in this regard.

V. Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for preparing the financial statements in accordance with accounting standards for enterprises to achieve fair presentation, and for designing, implementing, and maintaining internal control necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Shandong Gold’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern, and using the going concern basis of accounting unless management either intends to liquidate Shandong Gold, cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Shandong Gold’s financial reporting process.

VI. Certified Public Accountants’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

SECTION 8 FINANCIAL REPORT

VI. Certified Public Accountants' Responsibilities for the Audit of the Financial Statements *(Continued)*

As part of an audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Shandong Gold's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Shandong Gold to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, and evaluate whether the financial statements fairly present the underlying transactions and events.
- (6) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within Shandong Gold to express an audit opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

SECTION 8 FINANCIAL REPORT

VI. Certified Public Accountants' Responsibilities for the Audit of the Financial Statements *(Continued)*

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

ShineWing Certified Public Accountants
(Special General Partnership)

Beijing, China

Chinese Certified Public Accountants: Pan Sujiao
(Project Partner)

Chinese Certified Public Accountant: Wang Lei

26 March 2026

CONSOLIDATED BALANCE SHEET

31 December 2025

Prepared by: Shandong Gold Mining Co., Ltd.

Unit: RMB

Item	Notes	31 December 2025	31 December 2024
Current assets:			
Monetary funds	VII. 1	17,491,068,240.14	11,077,274,906.35
Balances with clearing companies			
Placements with banks and other financial institutions			
Held-for-trading financial assets	VII. 2	2,593,509,746.86	3,749,373,193.21
Derivative financial assets	VII. 3	5,914,356.65	1,919,103.18
Notes receivable	VII. 4	132,496,950.29	123,886,585.10
Accounts receivable	VII. 5	376,778,739.91	493,049,005.61
Receivables financing	VII. 7	5,341,418.51	80,034.15
Prepayments	VII. 8	412,155,487.83	472,574,999.65
Premiums receivable			
Accounts receivable from reinsurers			
Deposits receivable from reinsurers			
Other receivables	VII. 9	5,073,224,619.02	4,940,701,333.75
Among which: Interests receivable			
Dividends receivable			
Financial assets held under resale agreements			
Inventories	VII. 10	6,904,356,083.62	6,819,745,616.21
Among which: Data resources			
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets	VII. 13	872,800,579.11	1,022,644,405.61
Total current assets		33,867,646,221.94	28,701,249,182.82

CONSOLIDATED BALANCE SHEET

31 December 2025

Prepared by: Shandong Gold Mining Co., Ltd.

Unit: RMB

Item	Notes	31 December 2025	31 December 2024
Non-current Assets:			
Loans and advances granted			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	VII. 17	2,604,294,296.82	2,526,932,631.88
Other investments in equity instruments	VII. 18	29,319,822.20	28,719,822.20
Other non-current financial assets	VII. 19	3,281,775,250.31	4,481,600,576.61
Investment properties	VII. 20	121,878,738.94	132,847,463.01
Fixed assets	VII. 21	59,245,157,254.37	50,826,259,662.77
Construction in progress	VII. 22	6,642,718,850.94	10,604,445,075.41
Biological assets for production			
Oil and gas assets			
Right-of-use assets	VII. 25	341,273,486.56	212,065,851.77
Intangible assets	VII. 26	47,239,340,824.75	47,347,838,861.91
Among which: Data resources		4,962,644.23	2,350,831.58
Development expenditures		38,020,943.43	17,797,553.43
Among which: Data resources		1,542,427.14	
Goodwill	VII. 27	12,670,694,343.37	13,033,245,227.92
Long-term deferred expenditures	VII. 28	81,755,297.16	72,659,747.42
Deferred income tax assets	VII. 29	1,842,679,939.10	921,755,853.93
Other non-current assets	VII. 30	2,367,603,059.44	1,752,536,677.28
Total non-current assets		136,506,512,107.39	131,958,705,005.54
Total assets		170,374,158,329.33	160,659,954,188.36

CONSOLIDATED BALANCE SHEET

31 December 2025

Prepared by: Shandong Gold Mining Co., Ltd.

Unit: RMB

Item	Notes	31 December 2025	31 December 2024
Current liabilities:			
Short-term borrowings	VII. 32	28,855,131,220.78	26,269,496,757.73
Borrowings from central bank			
Placements from banks and other financial institutions			
Held-for-trading financial liabilities	VII. 33	31,034,491.69	864,631,222.45
Derivative financial liabilities	VII. 34	37,071,358.85	9,934,794.49
Notes payable	VII. 35	6,096,277,395.81	2,867,623,523.83
Accounts payable	VII. 36	11,921,715,587.59	14,099,955,640.58
Advances received	VII. 37	841,504.09	656,585.26
Contract liabilities	VII. 38	694,202,457.74	427,135,295.37
Financial assets sold under repurchase agreements			
Deposits from customers and due to placements from banks and other financial institutions			
Accounts payable to brokerage clients			
Accounts payable to underwriting clients			
Employee salaries payable	VII. 39	669,276,431.24	626,183,255.77
Taxes payable	VII. 40	2,465,244,007.37	962,099,132.81
Other payables	VII. 41	10,079,685,139.69	9,144,431,460.83
Among which: Interests payable			
Dividends payable		75,246,381.57	128,982,745.71
Handling fees and commissions payable			
Payable to reinsurers			
Held-for-sale liabilities			
Non-current liabilities due within one year	VII. 43	11,034,124,071.95	6,898,133,097.49
Other current liabilities	VII. 44	194,315,158.13	215,538,868.09
Total current liabilities		72,078,918,824.93	62,385,819,634.70

CONSOLIDATED BALANCE SHEET

31 December 2025

Prepared by: Shandong Gold Mining Co., Ltd.

Unit: RMB

Item	Notes	31 December 2025	31 December 2024
Non-current liabilities:			
Provisions for insurance contracts			
Long-term borrowings	VII. 45	21,555,573,934.00	26,609,694,266.16
Bonds payable	VII. 46	4,000,000,000.00	4,000,000,000.00
Among which: Preferred shares			
Perpetual bonds			
Lease liabilities	VII. 47	118,143,515.55	124,369,283.43
Long-term payables	VII. 48	1,438,853,450.22	1,638,102,263.69
Long-term employee salaries payables			
Accrued liabilities	VII. 50	1,586,038,453.58	1,119,105,218.62
Deferred revenue	VII. 51	15,172,463.12	12,152,191.25
Deferred income tax liabilities	VII. 29	5,201,824,375.55	6,180,340,264.85
Other non-current liabilities	VII. 52		20,348,804.07
Total non-current liabilities		33,915,606,192.02	39,704,112,292.07
Total liabilities		105,994,525,016.95	102,089,931,926.77
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	VII. 53	4,609,929,525.00	4,473,429,525.00
Other equity instruments	VII. 54	13,943,166,984.76	12,941,337,821.92
Among which: Preferred shares			
Perpetual bonds		13,943,166,984.76	12,941,337,821.92
Capital reserve	VII. 55	6,473,554,164.10	3,072,233,109.83
Less: Treasury shares			
Other comprehensive income	VII. 57	-82,673,744.69	117,680,305.51
Special reserve	VII. 58	96,832,428.42	99,191,476.90
Surplus reserve	VII. 59	1,567,350,522.63	1,495,482,054.17
General risk provision		26,687,808.98	25,701,712.81
Undistributed profit	VII. 60	18,264,421,942.24	15,572,448,966.97
Total equity attributable to owners of the parent company (or shareholders' equity)		44,899,269,631.44	37,797,504,973.11
Non-controlling interests		19,480,363,680.94	20,772,517,288.48
Total owners' equity (or shareholders' equity)		64,379,633,312.38	58,570,022,261.59
Total liabilities and owners' equity (or shareholders' equity)		170,374,158,329.33	160,659,954,188.36

Officer in charge of the Company:
Han Yaodong

Officer in charge of the accounting
affairs: Teng Hongmeng

Head of the Accounting Department:
Li Rui

BALANCE SHEET OF THE PARENT COMPANY

31 December 2025

Prepared by: Shandong Gold Mining Co., Ltd.

Unit: RMB

Item	Notes	31 December 2025	31 December 2024
Current Assets:			
Monetary funds		790,966,997.66	2,195,463,907.39
Held-for-trading financial assets			
Derivative financial assets			
Notes receivable		168,000,000.00	
Accounts receivable	XIX. 1	4,643,918,771.80	4,215,519,819.01
Receivables financing			53,603,500.00
Prepayments		1,100,930.90	1,790,922.57
Other receivables	XIX. 2	30,742,248,722.25	30,435,017,572.79
Among which: Interests receivable			
Dividends receivable		170,818,171.99	140,781,769.99
Inventories		24,361,071.23	24,401,928.99
Among which: Data resources			
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets		13,578,921.76	84,443,817.70
Total current assets		36,384,175,415.60	37,010,241,468.45
Non-current Assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	XIX. 3	44,818,050,540.39	45,162,067,630.86
Other investments in equity instruments		500,000.00	500,000.00
Other non-current financial assets			
Investment properties		97,107,688.52	103,347,180.80
Fixed assets		8,257,865,743.68	6,378,534,266.92
Construction in progress		768,897,167.06	1,160,260,489.92
Biological assets for production			
Oil and gas assets			
Right-of-use assets		23,808,403.28	39,469,273.91
Intangible assets		2,944,567,999.85	2,976,021,178.64
Among which: Data resources			
Development expenditures			
Among which: Data resources			
Goodwill			
Long-term deferred expenditures		8,577,117.26	6,125,684.57
Deferred income tax assets			
Other non-current assets		159,427,150.24	156,837,551.10
Total non-current assets		57,078,801,810.28	55,983,163,256.72
Total assets		93,462,977,225.88	92,993,404,725.17

BALANCE SHEET OF THE PARENT COMPANY

31 December 2025

Prepared by: Shandong Gold Mining Co., Ltd.

Unit: RMB

Item	Notes	31 December 2025	31 December 2024
Current liabilities:			
Short-term borrowings		16,457,106,399.76	11,793,320,925.69
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable		761,681,864.57	671,711,933.33
Accounts payable		4,813,744,723.83	4,546,058,683.53
Advances received		187,085.46	7,551.67
Contract liabilities		99,639.64	944,229.00
Employee salaries payable		108,502,521.41	75,918,316.54
Taxes payable		46,729,862.69	29,848,991.20
Other payables		1,308,331,508.91	1,949,472,302.03
Among which: Interests payable			
Dividends payable		168,300.00	168,300.00
Held-for-sale liabilities			
Non-current liabilities due within one year		13,700,132,793.09	8,646,405,947.23
Other current liabilities		12,953.15	122,749.77
Total current liabilities		37,196,529,352.51	27,713,811,629.99
Non-current liabilities:			
Long-term borrowings		13,073,725,000.00	25,754,300,000.00
Bonds payable		4,000,000,000.00	4,000,000,000.00
Among which: Preferred shares			
Perpetual bonds			
Lease liabilities		6,704,872.20	31,591,964.16
Long-term payables		540,547,611.41	590,650,865.45
Long-term employee salaries payables			
Accrued liabilities		37,293,158.47	35,040,324.37
Deferred revenue		1,195,200.13	773,097.67
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities		17,659,465,842.21	30,412,356,251.65
Total liabilities		54,855,995,194.72	58,126,167,881.64

BALANCE SHEET OF THE PARENT COMPANY

31 December 2025

Prepared by: Shandong Gold Mining Co., Ltd.

Unit: RMB

Item	Notes	31 December 2025	31 December 2024
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)		4,609,929,525.00	4,473,429,525.00
Other equity instruments		13,943,166,984.76	12,941,337,821.92
Among which: Preferred shares			
Perpetual bonds		13,943,166,984.76	12,941,337,821.92
Capital reserve		12,622,502,962.29	9,211,331,076.78
Less: Treasury shares			
Other comprehensive income			
Special reserve			
Surplus reserve		1,567,350,522.63	1,450,869,550.62
Undistributed profit		5,864,032,036.48	6,790,268,869.21
Total owners' equity (or shareholders' equity)		38,606,982,031.16	34,867,236,843.53
Total liabilities and owners' equity (or shareholders' equity)		93,462,977,225.88	92,993,404,725.17

Officer in charge of the Company:
Han Yaodong

Officer in charge of the accounting
affairs: Teng Hongmeng

Head of the Accounting Department:
Li Rui

CONSOLIDATED INCOME STATEMENT

January to December 2025

Unit: RMB

Item	Notes	2025	2024
I. Total operating income		104,287,391,583.12	82,517,993,538.30
Among which: Operating income	VII. 61	104,287,391,583.12	82,517,993,538.30
Interest income			
Income earned from premiums			
Income from handling fee and commissions			
II. Total operating costs		91,853,583,528.77	76,296,401,905.82
Among which: Operating costs	VII. 61	82,949,651,366.17	68,902,025,733.03
Interest expense			
Handling fee and commissions expense			
Surrender fee			
Net expenditure for compensation payments			
Net withdrawal on provision for insurance liabilities			
Insurance policy dividend expenses			
Reinsurance expenses			
Taxes and surcharges	VII. 62	2,220,005,304.24	1,296,133,009.19
Selling expenses	VII. 63	167,202,418.53	184,583,367.35
General and administrative expenses	VII. 64	3,614,114,140.13	2,855,068,490.35
Research and development expenses	VII. 65	992,891,266.26	770,411,080.33
Finance costs	VII. 66	1,909,719,033.44	2,288,180,225.57
Among which: Interest expenses		1,930,825,091.04	2,074,452,630.94
Interest income		153,275,094.45	190,016,962.76
Add: Other revenue	VII. 67	43,825,633.19	36,660,070.27
Investment gains (loss is represented by “-”)	VII. 68	-569,716,494.06	-174,987,410.11
Among which: In vestment gains from associates and joint ventures		31,176,386.75	33,485,045.98
Gains on derecognition of financial assets measured at amortised cost			
Foreign currency exchange gains (loss is represented by “-”)			
Gains from net exposure hedges (loss is represented by “-”)			
Gains from changes in fair value (loss is represented by “-”)	VII. 70	-1,496,140,744.54	-252,892,347.40
Credit impairment loss (loss is represented by “-”)	VII. 71	-221,873,613.93	-35,922,609.69
Asset impairment loss (loss is represented by “-”)	VII. 72	-798,911,209.53	-50,270,909.80
Gains from disposal of assets (loss is represented by “-”)	VII. 73	-2,309,165.46	160,373.31
III. Operating profit (loss is represented by “-”)		9,388,682,460.02	5,744,338,799.06
Add: Non-operating income	VII. 74	74,381,567.20	35,950,265.33
Less: Non-operating expenses	VII. 75	374,356,056.75	98,093,284.66
IV. Total profits (total loss is represented by “-”)		9,088,707,970.47	5,682,195,779.73
Less: Income tax expense	VII. 76	2,461,814,317.39	1,243,061,697.45
V. Net profit (net loss is represented by “-”)		6,626,893,653.08	4,439,134,082.28
(I) Categorized by nature of continued operation			
1. Net profit from continued operation (net loss is represented by “-”)		6,626,893,653.08	4,439,134,082.28
2. Net profit from discontinued operation (net loss is represented by “-”)			

CONSOLIDATED INCOME STATEMENT

January to December 2025

Unit: RMB

Item	Notes	2025	2024
(II) Categorized by owners' equity			
1. Net profit attributable to shareholders of the parent company (net loss is represented by "-")		4,739,393,120.72	2,951,551,189.32
2. Profit or loss of minority shareholders (net loss is represented by "-")		1,887,500,532.36	1,487,582,892.96
VI. Other comprehensive income, net of tax	VII. 77	-200,043,452.27	52,271,455.08
(I) Other comprehensive income attributable to owners of the parent company, net of tax		-200,354,050.20	39,536,828.31
1. Other comprehensive income that may not be reclassified to profit or loss			
(1) Changes arising from the re-measurement of defined benefit plans			
(2) Other comprehensive income that may not be reclassified to profit or loss under the equity method			
(3) Changes in fair value of other investments in equity instruments			
(4) Changes in fair value of the enterprise's own credit risks			
2. Other comprehensive income that may be reclassified to profit or loss		-200,354,050.20	39,536,828.31
(1) Other comprehensive income that may be reclassified to profit or loss under the equity method			
(2) Changes in fair value of other debt investments			
(3) Amount of financial assets reclassified into other comprehensive income			
(4) Credit impairment provision for other debt investments			
(5) Cash flow hedge reserve			
(6) Differences of exchange for foreign currency financial statements		-200,354,050.20	39,536,828.31
(7) Others			
(II) Other comprehensive income attributable to minority shareholders, net of tax		310,597.93	12,734,626.77
VII. Total comprehensive income		6,426,850,200.81	4,491,405,537.36
(I) Total comprehensive income attributable to owners of the parent company		4,539,039,070.52	2,991,088,017.63
(II) Total comprehensive income attributable to minority shareholders		1,887,811,130.29	1,500,317,519.73
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		0.94	0.57
(II) Diluted earnings per share (RMB/share)		0.94	0.57

For business combination involving enterprises under common control in the current period, net profit of the acquiree realized before business combination: RMB0; net profit of the acquiree realized in the previous period: RMB0.

Officer in charge of the Company:
Han Yaodong

Officer in charge of the accounting
affairs: Teng Hongmeng

Head of the Accounting Department:
Li Rui

INCOME STATEMENT OF THE PARENT COMPANY

January to December 2025

Unit: RMB

Item	Notes	2025	2024
I. Operating income	XIX. 4	3,403,229,452.30	2,929,023,132.32
Less: Operating costs	XIX. 4	1,576,898,412.29	1,243,203,323.54
Taxes and surcharges		164,139,272.36	176,259,209.17
Selling expenses		14,283,476.51	12,373,598.93
General and administrative expenses		672,327,737.91	611,835,517.27
Research and development expenses		118,701,752.95	111,690,868.15
Finance costs		472,495,688.10	715,266,610.87
Among which: interest expenses		1,220,149,417.30	1,270,177,101.31
Interest income		737,977,956.05	564,427,151.13
Add: Other revenue		2,515,673.64	3,908,471.94
Investment income (loss is represented by “-”)	XIX. 5	432,982,936.19	1,159,398,157.96
Including: Investment income from associates and joint ventures		31,784,844.62	35,575,678.43
Gains from derecognition of financial assets measured at amortized cost (loss is represented by “-”)			
Gains from net exposure to hedging (loss is represented by “-”)			
Gain on changes in fair value (loss is represented by “-”)		358,963,072.29	214,516,687.99
Impairment loss of credit (loss is represented by “-”)		-23,127,958.33	-804,387.73
Impairment loss of assets (loss is represented by “-”)			
Gains from disposal of assets (loss is represented by “-”)			40,724.68
II. Operating profit (loss is represented by “-”)		1,155,716,835.97	1,435,453,659.23
Add: Non-operating income		19,022,230.88	1,979,460.51
Less: Non-operating expenses		9,929,346.75	18,297,694.58
III. Total profit (total loss is represented by “-”)		1,164,809,720.10	1,419,135,425.16
Less: Income tax expense			
IV. Net profit (net loss is represented by “-”)		1,164,809,720.10	1,419,135,425.16
(I) Net profit from continuing operations (net loss is represented by “-”)		1,164,809,720.10	1,419,135,425.16
(II) Net profit from discontinued operations (net loss is represented by “-”)			

INCOME STATEMENT OF THE PARENT COMPANY

January to December 2025

Unit: RMB

Item	Notes	2025	2024
V. Net other comprehensive income after tax			
(I) Other comprehensive income not reclassified to profit or loss			
1. Changes arising on remeasurement of defined benefit plans			
2. Other comprehensive income accounted for using the equity method that cannot be reclassified to profit or loss			
3. Changes in fair value of investments in other equity instruments			
4. Changes in fair value of own credit risk of the Company			
(II) Other comprehensive income to be reclassified to profit or loss			
1. Other comprehensive income accounted for using the equity method that may be reclassified to profit or loss			
2. Changes in fair value of other debt investments			
3. Amount of financial assets reclassified into other comprehensive income			
4. Provisions for credit impairment of other debt investments			
5. Reserve for cash flow hedging			
6. Exchange differences on translation of financial statements in foreign currency			
7. Others			
VI. Total comprehensive income		1,164,809,720.10	1,419,135,425.16
VII.Earnings per share:			
(I) Basic earnings per share (RMB/share)			
(II) Diluted earnings per share (RMB/share)			

Officer in charge of the Company:
Han Yaodong

Officer in charge of the accounting
affairs: Teng Hongmeng

Head of the Accounting Department:
Li Rui

CONSOLIDATED STATEMENT OF CASH FLOWS

January to December 2025

Unit: RMB

Item	Notes	2025	2024
I. Cash flows from operating activities:			
Cash received from sales of goods and provision of services		110,060,340,078.89	87,429,315,219.83
Net increase in deposits from clients and placements from other banks			
Net increase in borrowings from central bank			
Net increase in loans from other financial institutions			
Cash received from premiums of original insurance contracts			
Net cash received from reinsurance business			
Net increase in deposits from policyholders and investments			
Cash received from interest, handling fees and commissions			
Net increase in loans from other banks			
Net increase in repurchases business fund			
Net cash received from agency security transaction			
Receipt of tax rebates		102,092,706.36	463,575,950.84
Other cash received relating to operating activities	VII. 78(1)	75,171,793,653.94	59,270,817,687.53
Sub-total of cash inflow from operating activities		185,334,226,439.19	147,163,708,858.20
Cash paid for goods purchased and services rendered		77,119,231,765.90	66,203,995,287.17
Net increase in loans and advances to customers			
Net increase in placements with central bank and other banks			
Cash paid for claims on original insurance contracts			
Net increase in loans to other banks			
Cash payment for interest, handling fees and commissions			
Cash payment for premium bonus			
Cash paid to and on behalf of staff		5,133,524,207.11	4,197,239,386.58
Taxes paid		5,370,244,033.12	3,374,903,051.89
Other cash paid relating to operating activities	VII. 78(1)	76,218,471,589.50	60,047,773,603.50
Sub-total of cash outflow from operating activities		163,841,471,595.63	133,823,911,329.14
Net cash flows generated from operating activities		21,492,754,843.56	13,339,797,529.06

CONSOLIDATED STATEMENT OF CASH FLOWS

January to December 2025

Unit: RMB

Item	Notes	2025	2024
II. Cash flows generated from investment activities:			
Cash received from disposal of investments		11,374,989,453.47	14,515,653,281.20
Cash received from gains in investments		57,355,109.90	92,560,108.96
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		15,488,739.96	3,507,517.63
Net cash received from disposal of subsidiaries and other operating entities			
Other cash received relating to investment activities	VII. 78(2)	5,493,583,420.11	2,041,186,716.65
Sub-total of cash inflow from investment activities		16,941,416,723.44	16,652,907,624.44
Cash paid for purchase of fixed assets, intangible assets and other long-term assets		12,928,502,009.10	20,102,968,313.79
Cash paid for investment		10,873,601,061.09	14,924,870,757.41
Net increase in pledged loans			
Net cash paid for acquiring subsidiaries and other operating entities		155,727,062.51	2,269,938,734.48
Other cash paid relating to investment activities	VII. 78(2)	6,592,286,118.83	2,155,996,205.61
Sub-total of cash outflow from investment activities		30,550,116,251.53	39,453,774,011.29
Net cash flows generated from investment activities		-13,608,699,528.09	-22,800,866,386.85
III. Cash flows from financing activities:			
Proceeds received from investments		7,547,675,545.47	3,000,100,000.00
Including: Proceeds received by subsidiaries from minority interests' investment			100,000.00
Cash received from borrowings		38,296,929,160.21	49,616,281,982.24
Other cash received relating to financing activities	VII. 78(3)	10,616,806,552.47	23,597,453,141.17
Sub-total of cash inflow from financing activities		56,461,411,258.15	76,213,835,123.41
Cash paid for repayment of debts		38,516,617,026.29	40,204,159,761.27
Cash payments for dividend and profit distribution or interest repayment		4,884,773,968.89	4,191,121,094.68
Including: Dividend and profit paid by subsidiaries to minority interests		1,109,518,124.00	947,478,635.87
Other cash paid relating to financing activities	VII. 78(3)	14,934,603,432.02	20,814,599,981.19
Sub-total of cash outflow from financing activities		58,335,994,427.20	65,209,880,837.14
Net cash flows generated from financing activities		-1,874,583,169.05	11,003,954,286.27

CONSOLIDATED STATEMENT OF CASH FLOWS

January to December 2025

Unit: RMB

Item	Notes	2025	2024
IV. Effect on cash and cash equivalents due to changes in foreign exchange rates		52,828,512.96	35,841,774.98
V. Net increase in cash and cash equivalents		6,062,300,659.38	1,578,727,203.46
Add: Balance of cash and cash equivalents at the beginning of the period		9,931,630,518.82	8,352,903,315.36
VI. Balance of cash and cash equivalents at the end of the period		15,993,931,178.20	9,931,630,518.82

Officer in charge of the Company:
Han Yaodong

Officer in charge of the accounting
affairs: Teng Hongmeng

Head of the Accounting Department:
Li Rui

STATEMENT OF CASH FLOWS OF THE PARENT COMPANY

January to December 2025

Unit: RMB

Item	Notes	2025	2024
I. Cash flows from operating activities:			
Cash received from sales of goods and provision of services		3,153,966,881.38	2,856,384,352.27
Receipt of tax rebates			2,411,900.52
Other cash received relating to operating activities		22,044,755,803.35	22,792,376,404.04
Sub-total of cash inflow from operating activities		25,198,722,684.73	25,651,172,656.83
Cash paid for goods purchased and services rendered		548,218,976.25	484,533,675.85
Cash paid to and on behalf of staff		857,132,398.20	682,168,801.25
Taxes paid		162,203,020.19	204,608,415.52
Other cash paid relating to operating activities		21,558,291,862.78	20,789,631,510.34
Sub-total of cash outflow from operating activities		23,125,846,257.42	22,160,942,402.96
Net cash flows generated from operating activities		2,072,876,427.31	3,490,230,253.87
II. Cash flows generated from investment activities:			
Cash received from disposal of investments		499,990,000.00	
Cash received from gains in investments		396,973,624.66	1,093,488,231.74
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			6,707,959,956.00
Net cash received from disposal of subsidiaries and other operating entities			
Other cash received relating to investment activities		13,690,658,494.92	11,238,026,057.30
Sub-total of cash inflow from investment activities		14,587,622,119.58	19,039,474,245.04
Cash paid for purchase of fixed assets, intangible assets and other long-term assets		1,878,097,968.41	9,873,644,438.68
Cash paid for investment		397,110,000.00	493,990,000.00
Net cash paid for acquiring subsidiaries and other operating entities			
Other cash paid relating to investment activities		13,487,166,398.38	21,295,594,763.73
Sub-total of cash outflow from investment activities		15,762,374,366.79	31,663,229,202.41
Net cash flows generated from investment activities		-1,174,752,247.21	-12,623,754,957.37

STATEMENT OF CASH FLOWS OF THE PARENT COMPANY

January to December 2025

Unit: RMB

Item	Notes	2025	2024
III. Cash flows generated from financing activities:			
Proceeds received from investments		7,547,675,545.47	3,000,000,000.00
Cash received from borrowings		11,718,000,000.00	29,207,051,299.15
Other cash received relating to financing activities		11,141,652,750.00	13,305,214,435.97
Sub-total of cash inflow from financing activities		30,407,328,295.47	45,512,265,735.12
Cash paid for repayment of debts		16,897,994,774.29	20,326,096,720.00
Cash payments for dividend and profit distribution or interest repayment		3,075,978,843.07	2,499,984,471.30
Other cash paid relating to financing activities		12,759,650,051.46	12,266,052,229.98
Sub-total of cash outflow from financing activities		32,733,623,668.82	35,092,133,421.28
Net cash flows generated from financing activities		-2,326,295,373.35	10,420,132,313.84
IV. Effect on cash and cash equivalents due to changes in foreign exchange rates			
		10,953,779.89	381,465.40
V. Net increase in cash and cash equivalents		-1,417,217,413.36	1,286,989,075.74
Add: Balance of cash and cash equivalents at the beginning of the period		2,053,640,550.51	766,651,474.77
VI. Balance of cash and cash equivalents at the end of the period		636,423,137.15	2,053,640,550.51

Officer in charge of the Company:
Han Yaodong

Officer in charge of the accounting
affairs: Teng Hongmeng

Head of the Accounting Department:
Li Rui

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

January to December 2025

Unit: RMB

Item	2025									
	Equity attributable to the owners of the parent company									
	Other equity instruments					Less:		Other comprehensive income		Total owners' equity
	Paid-up capital (or share capital)	Preference shares	Perpetual bonds	Others	Capital reserve	Treasury shares		Special reserve	Surplus reserve	
							General risk reserve	Undistributed profit	Others	
I. Balance at the end of previous year	4,473,429,525.00		12,941,337,821.92		3,072,233,109.83		25,701,712.81	15,572,448,966.97		37,797,504,973.11
Add: Changes in accounting policy										
Prior-period error correction										
Others										
II. Balance at the beginning of the current year	4,473,429,525.00		12,941,337,821.92		3,072,233,109.83		25,701,712.81	15,572,448,966.97		37,797,504,973.11
III. Amount of increase/decrease in the current year (decrease is represented by "-")										
(I) Total comprehensive income										
(II) Contribution and reduction of capital by owners	136,500,000.00		1,001,829,162.84		3,401,321,054.27		986,096.17	2,891,972,975.27		7,101,764,658.33
1. Ordinary shares contributed by owners										
2. Capital contributed by holders of other equity instruments	136,500,000.00		1,000,000,000.00		3,411,171,885.51			4,739,393,120.72		4,539,039,070.52
3. Amount included in owners' equity in share payment			1,000,000,000.00		3,411,171,885.51					4,547,671,885.51
4. Others										3,547,671,885.51
(III) Profit distribution										
1. Withdrawal of surplus reserve			1,829,162.84				986,096.17	-2,047,420,145.45		-1,972,736,417.98
2. Withdrawal of general risk reserve								-71,868,468.46		-71,868,468.46
3. Distributions to owners (or shareholders)							986,096.17	-986,096.17		
4. Others								-1,467,283,959.83		-1,467,283,959.83
(IV) Carry-forward of owners' equity								-507,281,820.99		-505,452,488.15
1. Conversion of capital reserves to increase capital (or share capital)										
2. Conversion of surplus reserves to increase capital (or share capital)										
3. Making up of losses by surplus reserves										
4. Carry-forward of retained earnings from changes in defined benefit plans										
5. Carry-forward of retained earnings from other comprehensive income										
6. Others										
(V) Special reserves										
1. Current withdrawal										
2. Current use										
Others										
IV. Balance at the end of the current period	4,609,929,525.00		13,943,166,984.76		-9,850,831.24		26,687,808.98	18,264,421,942.24		64,375,633,312.38

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

January to December 2025

Unit: RMB

Item	2024														
	Equity attributable to the owners of the parent company														
	Other equity instruments														
	Paid-up capital (or share capital)	Preference shares	Perpetual bonds	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others	Sub-total	Non-controlling interest	Total owners' equity
I. Balance at the end of previous year	4,473,429,525.00	9,939,376,988.48			3,063,241,559.50		78,143,477.20	689,424.13	1,138,480,329.82	23,217,916.27	14,369,371,415.15		33,084,960,645.55	20,174,453,073.85	53,259,403,719.40
Add: Changes in accounting policy															
Prior-period error correction															
Others															
II. Balance at the beginning of the current year	4,473,429,525.00	9,939,376,988.48			3,063,241,559.50		78,143,477.20	689,424.13	1,138,480,329.82	23,217,916.27	14,369,371,415.15		33,084,960,645.55	20,174,453,073.85	53,259,403,719.40
III. Amount of increase/decrease in the current year (decrease is represented by "-")															
(I) Total comprehensive income															
(II) Contribution and reduction of capital by owners															
1. Ordinary shares contributed by owners															
2. Capital contributed by holders of other equity instruments															
3. Amount included in owners' equity in share payment															
4. Others															
(III) Profit distribution															
1. Withdrawal of surplus reserve															
2. Withdrawal of general risk reserve															
3. Distributions to owners (or shareholders)															
4. Others															
(IV) Carry-forward of owners' equity															
1. Conversion of capital reserves to increase capital (or share capital)															
2. Conversion of surplus reserves to increase capital (or share capital)															
3. Making up of losses by surplus reserves															
4. Carry-forward of retained earnings from changes in defined benefit plans															
5. Carry-forward of retained earnings from other comprehensive income															
6. Others															
(V) Special reserves															
1. Current withdrawal															
2. Current use															
(VI) Others															
IV. Balance at the end of the current period	4,473,429,525.00	12,941,337,821.92			3,072,233,109.83		117,680,305.51	99,191,476.90	1,485,482,054.17	25,701,712.81	15,572,448,966.97		37,797,934,973.11	20,772,517,288.48	58,570,022,261.59

Officer in charge of the Company:

Han Yaodong

Officer in charge of the accounting affairs:

Teng Hongmeng

Head of the Accounting Department:

Li Rui

STATEMENT OF CHANGES IN OWNERS' EQUITY OF THE PARENT COMPANY

January to December 2025

Unit: RMB

Item	2025										
	Other equity instruments										
	Paid-up capital (or share capital)	Preference shares	Perpetual bonds	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total owners' equity
I. Balance at the end of previous year	4,473,429,525.00	12,941,337,821.92			9,211,331,076.78			1,450,869,550.62	6,790,268,869.21		34,867,236,843.53
Add: Changes in accounting policy											
Prior-period error correction											
Others											
II. Balance at the beginning of the current year	4,473,429,525.00	12,941,337,821.92			9,211,331,076.78			1,450,869,550.62	6,790,268,869.21		34,867,236,843.53
III. Amount of increase/decrease in the current year (decrease is represented by "-")											
(I) Total comprehensive income	136,500,000.00	1,001,823,162.84			3,411,171,885.51			116,480,972.01	-926,236,832.73		3,739,745,187.63
(II) Contribution and reduction of capital by owners	136,500,000.00	1,000,000,000.00			3,411,171,885.51			116,480,972.01	1,164,809,720.10		1,164,809,720.10
1. Ordinary shares contributed by owners	136,500,000.00				3,411,171,885.51						4,547,671,885.51
2. Capital contributed by holders of other equity instruments											3,547,671,885.51
3. Amount included in owners' equity in share payment		1,000,000,000.00									1,000,000,000.00
4. Others											
(III) Profit distribution			1,823,162.84					116,480,972.01	-2,091,046,552.83		-1,972,736,417.98
1. Withdrawal of surplus reserve								116,480,972.01	-116,480,972.01		
2. Distributions to owners (or shareholders)									-1,467,283,959.83		-1,467,283,959.83
3. Others			1,823,162.84					-507,281,620.99	-505,452,458.15		-505,452,458.15
(IV) Carry-forward of owners' equity											
1. Conversion of capital reserves to increase capital (or share capital)											
2. Conversion of surplus reserves to increase capital (or share capital)											
3. Making up of losses by surplus reserves											
4. Carry-forward of retained earnings from changes in defined benefit plans											
5. Carry-forward of retained earnings from other comprehensive income											
6. Others											
(V) Special reserves								84,820,456.62			84,820,456.62
1. Current withdrawal								84,820,456.62			84,820,456.62
2. Current use											
(VI) Others											
IV. Balance at the end of the current period	4,609,929,525.00	13,943,166,984.76			12,622,502,962.29			1,567,350,522.63	5,864,032,036.48		38,606,982,031.16

STATEMENT OF CHANGES IN OWNERS' EQUITY OF THE PARENT COMPANY

January to December 2025

Unit: RMB

Item	2024										
	Other equity instruments										
	Paid-up capital (or share capital)	Preference shares	Perpetual bonds	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total owners' equity
I. Balance at the end of previous year	4,473,429,525.00		9,938,376,988.48		9,211,331,076.78			142,609.67	1,308,956,008.10	6,902,035,103.18	31,834,271,311.21
Add: Changes in accounting policy											
Prior-period error correction											
Others											
II. Balance at the beginning of the current year	4,473,429,525.00		9,938,376,988.48		9,211,331,076.78			142,609.67	1,308,956,008.10	6,902,035,103.18	31,834,271,311.21
III. Amount of increase/decrease in the current year (decrease is represented by "-")											
(I) Total comprehensive income											
(II) Contribution and reduction of capital by owners											
1. Ordinary shares contributed by owners											
2. Capital contributed by holders of other equity instruments											
3. Amount included in owners' equity in share payment											
4. Others											
(III) Profit distribution											
1. Withdrawal of surplus reserve											
2. Distributions to owners (or shareholders)											
3. Others											
(IV) Carry-forward of owners' equity											
1. Conversion of capital reserves to increase capital											
(or share capital)											
2. Conversion of surplus reserves to increase capital											
(or share capital)											
3. Making up of losses by surplus reserves											
4. Carry-forward of retained earnings from changes in defined benefit plans											
5. Carry-forward of retained earnings from other comprehensive income											
6. Others											
(V) Special reserves											
1. Current withdrawal											
2. Current use											
(VI) Others											
IV. Balance at the end of the current period	4,473,429,525.00		12,941,337,821.92		9,211,331,076.78			-142,609.67	1,450,869,550.62	6,790,268,869.21	34,867,236,846.53
								43,439,860.93			43,439,860.93
								43,582,470.60			43,582,470.60

Head of the Accounting Department:

Li Rui

Officer in charge of the accounting affairs:

Teng Hongmeng

Officer in charge of the Company:

Han Yaodong

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

III. BASIC INFORMATION OF THE COMPANY

1. Corporate profile

√Applicable ☐N/A

Shandong Gold Mining Co., Ltd. (hereinafter referred to as the “Company”, collectively referred to as the “Group” when including subsidiaries) was established in January 2000, with its registered address at No. 2503 Jingshi Road, Licheng District, Jinan, Shandong Province, and its head office address at No.2503 Jingshi Road, Licheng District, Jinan, Shandong Province.

The Company successfully listed on the Shanghai Stock Exchange in August 2003 and on the Main Board of the Hong Kong Stock Exchange in September 2018.

The Company operates in the non-ferrous metal mining and beneficiation industry. The Group’s main business activities include non-ferrous metal mining, smelting, processing, precious metal investment, equity investment and asset management. Primary operations include gold and non-ferrous metal mining and smelting (subject to the validity period of the relevant licence); processing and sales of by-products from gold and non-ferrous metal production; production and sales of gold mine-specific equipment, and building decoration materials (excluding products restricted by national laws and regulations). The Company primarily produces standard gold ingots, various specifications of investment gold bars, alloy gold and silver ingots.

For details on the scope of the consolidated financial statements for the current period and its changes, please refer to “IX. CHANGES IN THE SCOPE OF CONSOLIDATION” and “X. EQUITY IN OTHER ENTITIES” in this section. The Company’s controlling Shareholder is Shandong Gold Group Co., Ltd. (山東黃金集團有限公司), and the de facto controller of the Company is the State-owned Assets Supervision and Administration Commission of Shandong Provincial People’s Government (山東省人民政府國有資產監督管理委員會).

The financial statements were approved by the Company’s Board of Directors for issuance on 26 March 2026.

IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. Basis of preparation

The Group’s financial statements have been prepared in accordance with the actual transactions and events that have occurred, and are prepared in accordance with the Accounting Standards for Business Enterprises and its application guidance, interpretations, and other relevant regulations (hereinafter collectively referred to as the “Accounting Standards for Business Enterprises”) issued by the Ministry of Finance of the People’s Republic of China, as well as the Codification of Rules for the Information Disclosure of Companies Offering Securities to the Public No. 15 — General Rules for Financial Reporting (2023 Revision) and other relevant regulations issued by the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”). The financial statements also comply with the disclosure requirements of the Companies Ordinance of Hong Kong and the Listing Rules of Hong Kong Stock Exchange.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS *(Continued)*

2. Going concern

☒Applicable ☐N/A

The Group evaluated the going concern capability for the 12 months from the end of the reporting year and found no matters or circumstances that could raise serious doubts about the going concern capability. Therefore, the financial statements are presented on a going concern basis.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Specific accounting policies and accounting estimates indication:

☒Applicable ☐N/A

The specific accounting policies and accounting estimates formulated by the Group according to the actual production and operation characteristics include impairment of financial instruments, measurement of inventories dispatched, classification and depreciation methods of fixed assets, amortization of intangible assets, impairment of goodwill, revenue recognition and measurement, etc.

1. Statement of compliance with accounting standards for business enterprises

The financial statements prepared by the Company meet the requirements of the Accounting Standards for Business Enterprises and give a true and complete view of the financial position of the Company and the Group as at 31 December 2025, the 2025 annual operating results, cash flows and other relevant information.

2. Accounting period

The Group's accounting period is from 1 January to 31 December of each calendar year.

3. Business cycle

☒Applicable ☐N/A

The Group's business cycle is 12 months, which is used as the basis for classifying the liquidity of assets and liabilities.

4. Functional currency

The functional currency of the Company and its subsidiaries in the PRC is Renminbi. The overseas subsidiaries of the Company determine their functional currencies according to the currency in the principal economic environment in which they operate. Financial statements denominated in foreign currency are translated into Renminbi for the preparation of the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

5. Methodology for determining materiality criteria and basis for selection

√Applicable ☐N/A

Item	Materiality criteria
Significant receivables for which bad debt provision is made on an individual basis/ significant receivables	The single amount accounts for more than 10% of the total bad debt provision for various receivable/balance of various receivables and the amount is greater than RMB10 million
Prepayments of significant amounts and with aging of over 1 year	The amount of a single prepayment with aging of over 1 year accounts for more than 10% of the total prepayments
Material contract liabilities	The amount of a single contract liability with aging of over 1 year accounts for more than 10% of the total contract liabilities
Significant accounts payables and other payables	The amount of a single item of accounts payable/ other payable with aging of over 1 year accounts for more than 10% of the total accounts payables/other payables
Major construction in progress	The cumulative expenditure of individual construction in progress accounts for more than 1% of the net assets of the consolidated statements
Major investing activities	The amount of individual investment activities accounts for more than 1% of the net assets of the consolidated statements
Major non-wholly-owned subsidiaries/joint ventures and associates/joint operations/ material overseas operating entities included in the scope of consolidation/structured entities	The income, net profit, net assets and total assets of a single entity account for more than 10% of the related items of such entities included in the scope of consolidation
Major joint ventures or associates	The book value of long-term equity investment in a single investee accounts for more than 1% of the Group's net assets, or the investment profit and loss under the equity method of long-term equity investment accounts for more than 2.5% of the Group's consolidated net profit

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

6. Accounting treatments of business combinations involving entities under common control and entities not under common control

√Applicable ☐N/A

(1) Business combinations involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

Assets and liabilities acquired by the Group as a consolidator in a business combination under common control are measured at the book value of the consolidated party in the consolidated statements of the ultimate controlling party at the date of consolidation. The difference between the book value of the net assets acquired and the book value of the consideration paid for the merger (or the total par value of the issued shares) is adjusted to capital reserves; if capital reserves are not sufficient to offset the difference, retained earnings are adjusted.

(2) Business combinations involving entities not under common control

A business combination involving entities not under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the business combination.

The acquiree's identifiable assets, liabilities and contingent liabilities obtained by the Group as the purchaser in a business combination not under common control shall be measured at fair value at the acquisition date. Where the cost of combination exceeds the acquirer's share of the fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill; where the cost of combination is less than the acquirer's share of the fair value of the acquiree's identifiable net assets, the measurement of the fair values of all the identifiable assets, liabilities and contingent liabilities obtained in the business combination and the combination cost is firstly reviewed. If, after that review, the cost of combination is still less than the acquirer's share of the fair value of the acquiree's identifiable net assets in the business combination, the difference shall be included in the consolidated non-operating income for the period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

7. Criteria of control and preparation of consolidated financial statements

√Applicable ☐N/A

The scope of consolidated financial statements of the Group is determined on the basis of control, including the Company and all subsidiaries controlled by the Company (including enterprises, a divided part of investees and structured entities that are controlled by the Company). The Group's criteria for determining control are that the Group has power over the investee, enjoys variable returns by participating in the relevant activities of the investee, and has the ability to use its power to affect its returns.

When preparing the consolidated financial statements, where the accounting policy and the accounting period that subsidiaries adopted are inconsistent with the Company, necessary adjustments are made to the financial statements of those subsidiaries according to the accounting policies or accounting period of the Company.

The impact of internal transactions between the Company and subsidiaries and internal transactions among subsidiaries on the consolidated financial statements is offset at the time of consolidation. Proportion of owner's equity of the subsidiaries which do not belong to the Company, and proportion of profit or loss for current period, other comprehensive income and total comprehensive income which belong to the equity of minority shareholders, which shall be listed under "non-controlling interests, profit or loss attributable to non-controlling interests, other comprehensive income attributable to non-controlling interests and total comprehensive income attributable to non-controlling interests" in the consolidated financial statements.

For subsidiaries acquired through business combination under common control, the operating results and cash flows of the acquiree shall be consolidated into the consolidated financial statements since the beginning of the period of combination. When preparing comparative consolidated financial statements, adjustment shall be made to the related items in the financial statements for the last year, as if the reporting entity formed after the combination had existed continuously since the date on which the ultimate controlling party first obtained control.

For subsidiaries acquired through business combination not under common control, its operating results and cash flows shall be included in the consolidated financial statements since the Group obtained its control. When preparing consolidated financial statements, adjustment shall be made to financial statements of the subsidiaries using the fair values of the identifiable assets, liabilities and contingent liabilities determined at the acquisition date as the basis for adjustment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

8. Classification of joint venture arrangements and accounting treatment for joint operations

☒Applicable ☐N/A

Joint arrangement of the Group includes joint operation and joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement only have rights to the net assets of the arrangement.

As for joint operation, the Group, as the party in the joint operation, recognizes assets and liabilities that it holds and assumes individually, and the assets and liabilities that it holds or assumes in proportion, and recognizes the related income and expenses separately or on a share basis according to relevant agreements. In the case of a purchase or sale of assets that do not constitute a business with a joint operation, only the portion of the profit or loss arising from the transaction attributable to other participants in the joint operation is recognized.

9. Determination criteria for cash and cash equivalents

Cash in the statement of cash flows of the Group refers to cash on hand and deposits that are readily available for payment. Cash equivalents in the statement of cash flows refer to investments held for no more than three months, which are highly liquid, readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

10. Foreign currency businesses and translation of foreign currency statements

☒Applicable ☐N/A

(1) Foreign currency transactions

The foreign currency transactions of the Group, when initially recognized, are translated into the functional currency at the prevailing spot exchange rate on the date of the transaction. As at the balance sheet date, foreign currency monetary items are translated into functional currency using the spot exchange rate at the balance sheet date. Translation differences arising thereon are directly included in the profit or loss for the period, except that exchange differences arising from specific borrowings in foreign currency attributable to the construction or production of a qualifying asset for capitalization are dealt with based on the capitalization principle. The foreign currency non-monetary items measured at historical cost shall still be translated at the spot exchange rate on the date of the transaction, and the amount measured by the functional currency is not changed. Foreign currency non-monetary items measured at fair value are translated at the spot exchange rate on the date of determination of the fair value. The difference between the amounts of the functional currency before and after the translation will be treated as changes in fair value (including changes in foreign exchange rates) and recognized in profit or loss for the period. The capital invested in foreign currency by the investor shall be converted at the spot rate on the date of the transaction, and there is no translation difference between the capital invested in foreign currency and the amount of the corresponding monetary item measured by the functional currency.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Foreign currency businesses and translation of foreign currency statements (Continued)

(2) Translation of foreign currency financial statements

The Group translates the financial statements of its foreign operations into RMB in the preparation of its consolidated financial statements, of which: the asset and liability items in the foreign currency balance sheet shall be translated as per the spot exchange rate on the balance sheet date; the owner's equity items, except for the item of "undistributed profit", shall be translated as per the spot exchange rate at the time of business occurrence; the income and expenditure items in the income statement shall be translated as per the spot exchange rate (or based on the actual situations) on the transaction date. The translation differences in the foreign currency financial statements arising from the above translations shall be presented in other comprehensive income. Foreign currency cash flow is translated as per the spot exchange rate (or based on the actual situations) on the date when the said cash flow occurs. The amount of influence of exchange rate change on cash shall be listed in the statement of cash flows separately.

11. Financial instruments

√Applicable ☐ N/A

(1) Recognition and derecognition of financial instrument

A financial asset or financial liability is recognized when the Group becomes a party to a contract for a financial instrument.

When the following conditions are satisfied, financial assets (or part of the financial assets or part of a group of similar financial assets) are derecognized, i.e. the previously recognized financial assets are transferred out of the account and balance sheet: 1) the rights to receive cash flows from the financial assets expire; 2) the rights to receive cash flows from the financial assets have been transferred, or the obligation to promptly pay all of the cash flows to a third party has been assumed under a "passthrough" agreement; and substantially all of the risks and rewards of ownership of the financial assets have been transferred, or substantially all of the risks and rewards of ownership of the financial assets have not been transferred or retained but the control over such financial assets has been renounced.

A financial liability is derecognized when the obligation is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same creditor on substantially different terms, or the terms of an existing financial liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference shall be included in the current profit or loss.

Regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Financial instruments (Continued)

(2) Measurement and classification of financial assets

The Group's financial assets are classified into financial assets at amortized cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets at initial recognition. All affected related financial assets will be reclassified only if the Group changes its business model for managing financial assets.

In making judgments about the business model, the Group considers, among other things, the way the enterprise evaluates and reports the performance of financial assets to key management personnel, the risks affecting the performance of financial assets and the way they are managed, and the manner in which the relevant business management personnel are compensated. In evaluating whether the objective is to collect contractual cash flows, the Group analyzes and judges the reasons, timing, frequency, and value of sales of financial assets before their maturity dates.

When judging the characteristics of contractual cash flow, the Group needs to determine whether the contractual cash flow is only for the payment of principal and interest based on unpaid principal. When evaluating the correction of the time value of money, it is necessary to judge whether there is a significant difference compared to the benchmark cash flow. For financial assets with prepayment characteristics, it is necessary to judge whether the fair value of prepayment characteristics is very low.

Financial assets are measured at fair value on initial recognition, but trade receivables or bills receivable arising from the sale of goods or rendering of services that do not contain a significant financing component, or for which the financing component for a period of not more than one year is not considered, are initially measured at the transaction price.

For financial assets measured at fair value through profit or loss, transaction costs are charged directly to profit or loss, and transaction costs relating to other types of financial assets are charged to the amount initially recognized.

Subsequent measurement of financial assets depends on their classification:

1) *Financial assets measured in amortized cost*

The Group classifies financial assets as financial assets at amortized cost if both of the following conditions are met: ① the financial asset is managed in a business model that aims to collect the contractual cash flows; and ② the contractual terms of the financial asset specify that the cash flows that arise at a particular date are solely payments of principal and interest based on the amount of the principal outstanding. Interest income from such financial assets is recognised using the effective interest method. Any gains or losses arising from their derecognition, modification, or impairment are recognised in profit or loss for the current period. The Group's financial assets that fall into this category include bills and trade receivables, other receivables, debt investments and long-term receivables etc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Financial instruments (Continued)

(2) Measurement and classification of financial assets (Continued)

2) *Investments in debt instruments at fair value through other comprehensive income*

Financial assets that simultaneously meet the following conditions are classified as financial assets at fair value through other comprehensive income: ① the financial asset is managed by the Group in a business model that aims at both collecting the contractual cash flows and selling the financial asset; and ② the contractual terms of the financial asset stipulate that the cash flows generated at a particular date are solely payments of principal and interest based on the amount of the principal outstanding. The Group recognizes interest income on these financial assets using the effective interest method. Changes in fair value are included in other comprehensive income, except for interest income, impairment losses and exchange differences, which are recognized in profit or loss for the period. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income to profit or loss for the current period. The Group's financial assets in this category mainly include: other debt investment and receivables financing.

3) *Investments in equity instruments at fair value through other comprehensive income*

The Group irrevocably designates part of the investments in non-trading equity instruments as financial assets at fair value through other comprehensive income. The Group only recognizes relevant dividend income (except for dividend income that is clearly recovered as part of the investment cost) in profit or loss for the period, and subsequent changes in fair value are included in other comprehensive income without making the provision for impairment. Upon derecognition of the financial assets, the cumulative gains or losses previously included in other comprehensive income shall be transferred out and be included in retained earnings. The Group's financial assets in this category are investments in other equity instruments.

4) *Financial assets at fair value through profit or loss*

Other than the above financial assets classified as financial assets measured at amortized cost and those classified as financial assets at fair value through other comprehensive income, the Group classifies its financial assets as financial assets at fair value through profit or loss. Such financial assets are subsequently measured at fair value, with all changes in fair value included in profit or loss for the period except for those related to hedge accounting. The Group's financial assets in this category mainly include: financial assets held for trading.

For the financial assets that consist of the contingent consideration recognized by the Group in the business combination not under common control, such financial assets are classified as the financial assets at fair value through profit or loss.

At initial recognition, in order to eliminate or significantly reduce the accounting mismatch, the Group designates the following financial assets as financial assets at fair value through profit or loss: other non-current financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Financial instruments (Continued)

(3) Classification, recognition and measurement of financial liabilities

Except for the issued financial guarantee contracts, the loan commitments for loans at below-market interest rates, and financial liabilities arising from the transfer of a financial asset that does not meet the conditions for derecognition or continues to be involved in the transferred financial asset, the Group classifies its financial liabilities as financial liabilities at fair value through profit or loss and financial liabilities measured at amortized cost at the time of initial recognition. For financial liabilities measured at fair value through profit or loss, relevant transaction costs are charged directly to profit or loss for the period; as for financial liabilities measured at amortized cost, relevant transaction costs are charged to the amount initially recognized.

Subsequent measurement of financial liabilities depends on their classification:

1) *Financial liabilities measured at amortized cost*

Financial liabilities measured at amortized cost are recognized using the effective interest method and subsequently measured at amortized cost.

2) *Financial liabilities at fair value through profit or loss*

Financial liabilities (including derivative instruments that are financial liabilities) at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as measured at fair value through profit or loss at initial recognition. Financial liabilities held for trading (includes derivative instruments that are financial liabilities) are subsequently measured at fair value, with all changes in fair value included in profit or loss for the period, except for those related to hedge accounting. Financial liabilities designated as measured at fair value through profit or loss are subsequently measured at fair value. Other changes in fair value are included in the profit or loss of the current period except for changes in fair value arising from changes in the Group's own credit risk, which are included in other comprehensive income. If changes in fair value arising from changes in the Group's own credit risk are recognized in other comprehensive income, which would cause or enlarge an accounting mismatch in profit or loss, the Group will account for all changes in fair value (including the amount of the effect of changes in its own credit risk) in profit or loss for the current period.

Only if one of the following conditions is met, financial liabilities can be designated as financial liabilities at fair value through profit or loss on initial recognition: ① it can eliminate or significantly reduce the accounting mismatch; ② the formal written document of risk management or investment strategy has stated that the portfolio of financial instruments is managed, evaluated and reported to key managers on the basis of fair value; ③ a hybrid instrument that contains one or more embedded derivatives, unless the embedded derivatives have no significant change in the cash flow of the hybrid instrument, or the embedded derivatives should obviously not be separated from the related hybrid instruments; ④ hybrid instruments containing embedded derivatives that need to be split but cannot be measured separately at the time of acquisition or at subsequent ends of reporting periods.

According to the above conditions, the financial liabilities designated by the Group mainly include financial liabilities held for trading or financial liabilities portfolio. Financial liabilities arising from contingent consideration recognized by the Group as the acquirer in a business combination not involving entities under common control are accounted for at fair value through profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Financial instruments (Continued)

(4) Impairment of financial instruments

Based on expected credit losses, the Group conducts impairment treatment and recognizes loss provisions for financial assets measured at amortized cost, debt investments measured at fair value through other comprehensive income, contract assets, receivables, loan commitments, and financial guarantee contracts.

1) *Measurement of the expected credit losses*

Expected credit losses are the weighted average of the credit losses on financial instruments weighted by the risk of default. Credit losses represent the difference between all contractual cash flows receivable under the contract and all cash flows expected to be received, discounted at the Group's original effective interest rate, being the present value of all cash shortfalls.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the balance sheet date (or a shorter period if the expected life of the instrument is less than 12 months).

For receivables, including accounts receivable, bills receivable, receivables financing, and contract assets, that do not contain a significant financing component and are generated from ordinary operating activities, such as sales of goods and rendering of services, the Group applies a simplified measurement methodology to measure the provision for losses at an amount equal to the expected credit losses over the entire life of the asset.

For lease receivables, receivables and contract assets with significant financing components, the Group applies a simplified measurement methodology to measure the provision for losses at an amount equal to the expected credit losses over the entire life of the asset.

Except for financial assets (such as debt investments, other debt investments, other receivables), loan commitments and financial guarantee contracts that adopt simplified measurement methods as mentioned above, the Group adopts the general method (three-stage method) to calculate expected credit losses. On each balance sheet date, the Group assesses whether its credit risk has significantly increased since initial recognition. If the credit risk has not significantly increased since initial recognition and is in the first stage, the Group measures the provision for losses based on an amount equivalent to the expected credit loss for the next 12 months, and calculates interest income based on the book balance and actual interest rate. If credit risk has significantly increased since initial recognition but credit impairment has not yet occurred, in the second stage, the Group measures loss provisions at an amount equivalent to the expected credit loss over the entire existence period, and calculates interest income based on the book balance and actual interest rate. If credit impairment occurs after initial recognition, in the third stage, the Group measures the provision for losses at an amount equivalent to the expected credit loss for the entire existence period, and calculates interest income at amortized cost and actual interest rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Financial instruments (Continued)

(4) Impairment of financial instruments (Continued)

1) *Measurement of the expected credit losses (Continued)*

For financial instruments with only low credit risk at the balance sheet date, the Group assumes that their credit risk has not increased significantly since initial recognition. Please refer to Note XII. 1 for the disclosure of the criteria for significantly increasing credit risk and the definition of credit impairment assets that have occurred in the Group.

The Group has adopted the expected credit loss model to evaluate the impairment of financial instruments and contract assets. The Group estimates the changes of the debtor's credit risk according to past repayment records, taking into account economic policies, macro-economic indicators, industry risks and other factors. Differences in estimates may have an impact on the provision for impairment. A provision for impairment may not be equal to the actual amount of impairment losses in the future.

2) *Combination category and determination basis of impairment provision based on combination of credit risk characteristics*

The Group evaluates the expected credit losses of financial instruments on an individual and portfolio basis. When evaluating on a combination basis, the Group divides financial instruments into different groups based on common credit risk characteristics. The common credit risk characteristics adopted by the Group include: financial instrument type, credit risk rating, debtor's geographical location, debtor's industry, overdue information, ageing of accounts receivable, etc.

① Portfolio category and determination basis for accounts receivable

The Group classifies accounts receivable according to the similarity and correlation of credit risk characteristics based on information such as aging, nature of accounts, credit risk exposure and historical collection status. For accounts receivable, the Group regards aging as the main factor affecting their credit risk. Therefore, the Group assesses their expected credit losses based on aging portfolio.

② Portfolio category and determination basis of notes receivable

The Group classifies notes receivable into different portfolios based on the credit risk of the acceptor as a shared risk characteristic, and establishes the accounting estimation policy for expected credit losses as follows: a. bank acceptance bills issued by listed commercial banks are considered by the Group to carry low credit risk; consequently, no expected credit loss is recognized; b. bank acceptance bills issued by non-listed commercial banks and trade acceptance bills are measured for expected credit losses by applying the Group's expected loss rate policy for accounts receivable, with portfolio classification consistent with that of accounts receivable.

③ Portfolio category and determination basis of other receivables

Other receivables of the Group mainly include deposits and guarantees receivable, employee reserve funds receivable, rent receivable, loans and advances receivable, current accounts due from related parties, tax refunds receivable, etc. Based on the nature of receivables and the credit risk characteristics of different counterparties, the Group classified other receivables into the following portfolios: deposits and guarantees receivable, amounts due from related parties, tax refund receivables, other receivables and low-risk portfolios.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Financial instruments (Continued)

(4) Impairment of financial instruments (Continued)

3) *Criteria for judging individual provision for bad debt impairment provision*

If a customer's credit risk characteristics are significantly different from others in the portfolio or have significantly changed, for example, the customer is in severe financial difficulty, the expected credit loss rate of the receivables from the customer has been significantly higher than the expected credit loss rate of the customer's ageing and overdue ranges, etc., the Group makes a provision for loss on the basis of individual provision for the receivables from the customer.

4) *Write-off of impairment provision*

When the Group no longer has a reasonable expectation that it will be able to recover, in whole or in part, the contractual cash flows from a financial asset, the Group directly writes down the carrying amount of the financial asset. If the written-down financial asset is subsequently recovered, the reversal of the impairment loss is recognised in profit or loss in the period in which it is recovered.

(5) Recognition basis and measurement method of transfer of financial assets

For financial asset transfer transactions, if the Group has transferred almost all the risks and rewards of ownership of the financial asset to the transferee, the recognition of the financial asset shall be terminated. If almost all risks and rewards related to the ownership of financial assets are retained, the recognition of such financial assets shall not be terminated; If almost all risks and rewards related to the ownership of financial assets have not been transferred or retained, and control over the financial asset has been relinquished, the recognition of the financial asset and the recognition of the resulting assets and liabilities shall be terminated. If control over the financial asset has not been relinquished, relevant financial asset shall be recognised based on its continued involvement in the transferred financial assets, with corresponding liabilities recognised.

If the whole transfer of the financial asset meets the conditions for derecognition, the difference between the carrying amount of the transferred financial asset at the date of derecognition and the sum of the consideration received for the transfer and the accumulative amount of fair value changes originally recorded into other comprehensive income which is relevant to the portion of derecognition (the transferred financial asset shall meet all of the following conditions: ① the Group's financial assets are managed within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and ② the contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.) is included in the profit or loss for the period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Financial instruments (Continued)

(5) Recognition basis and measurement method of transfer of financial assets (Continued)

If the transfer of financial asset partially satisfies the conditions of derecognition, the entire carrying amount of the transferred financial asset is, between the portion which is derecognised and the portion which is not, apportioned according to their respective relative fair value, and the difference between the sum of the consideration received from the transfer and the accumulative amount of the changes of the fair value originally included in other comprehensive income which shall be apportioned to the derecognised portion (the transferred financial asset shall meet all of the following conditions: ① the Group's financial assets are managed within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and ② the contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding), and the apportioned entire carrying amount of the said financial assets is included in the profit or loss for the period.

For those who continue to be involved by providing financial guarantees for the transferred financial assets, the assets formed by further involvement shall be recognised based on the lower of the book value of the financial assets and the amount of financial guarantees. The financial guarantee amount refers to the highest amount of consideration received that will be required to be repaid.

(6) Classification and treatment of financial liabilities and equity instruments

The Group classifies financial liabilities and equity instruments on the following principles: (1) Where the Group is unable to unconditionally avoid delivering cash or another financial asset to fulfill a contractual obligation, the contractual obligation meets the definition of a financial liability. Although some financial instruments do not explicitly include the terms and conditions imposing the contractual obligation to deliver cash or another financial asset, they may indirectly give rise to the contractual obligation through other terms and conditions. (2) Where a financial instrument will or may be settled in the Group's own equity instrument, consideration shall be given to whether the Group's own equity instrument used to settle the instrument is a substitute of cash or another financial asset or the residual interest in the assets of an entity after deducting all of its liabilities. In the former case, the instrument shall be the issuer's financial liability; in the latter case, the instrument shall be the equity instrument of the issuer. Under certain circumstances whereby a financial instrument contract stipulates that the Group will or may use its own equity instrument to settle the financial instrument, and the amount of the contractual right or obligation equal to the number of its own equity instruments to be received or delivered multiplied by their fair value at the time of settlement, the contract shall be classified as a financial liability, regardless of whether the amount of the contractual right or obligation is fixed, or fluctuates in full or in part in response to changes in a variable other than the market price of the Group's own equity instruments (for example an interest rate, a commodity price or a financial instrument price).

When classifying a financial instrument (or a component thereof) in consolidated financial statements, the Group shall consider all terms and conditions agreed between members of the Group and the holders of the financial instrument. If the Group as a whole has an obligation in respect of the instrument to settle it by delivering cash or another financial asset or in such a way that it would be a financial liability, such instrument shall be classified as a financial liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Financial instruments (Continued)

(6) Classification and treatment of financial liabilities and equity instruments (Continued)

At initial recognition, the Group classifies the preference shares and perpetual bonds issued or their components as financial assets, financial liabilities, or equity instruments based on their contractual terms and economic substance with reference to the definition of financial assets, financial liabilities, and equity instruments.

If the financial instrument or its components are classified as financial liabilities, the relevant interest, stock dividends (or dividends), gains or losses, and gains or losses arising from redemption or refinancing are included in profit or loss for the current period.

If the financial instrument or its components are equity instruments, it is treated as a change in equity, and no change in the fair value of the equity instruments is recognised when the instrument is issued (including refinancing), repurchased, sold or cancelled.

(7) Derivative financial instruments

The Group uses derivative financial instruments, such as foreign exchange forward contracts, commodity forward contracts, and interest rate swaps, to hedge exchange rate risk, commodity price risk, and interest rate risk, respectively. Derivative financial instruments are initially measured at their fair value on the date of signing the derivative transaction contract, and subsequently measured at their fair value. Derivative financial instruments with a positive fair value are recognised as an asset, while those with a negative fair value are recognised as a liability.

Gains or losses arising from changes in fair value of derivative instruments are directly included in the profit or loss for current period.

(8) Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made by the Group to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are measured at fair value at initial recognition. Subsequent to initial recognition, financial guarantee contracts that are not designated as financial liabilities at fair value through profit or loss are measured at the higher of the expected credit loss provision recognised at the balance sheet date and the amount initially recognised less cumulative amortization amount in accordance with the guidance for revenue recognition.

(9) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities of the Group shall be presented separately in the balance sheet and shall not be offset. However, when all of the following conditions are met, a financial asset and a financial liability shall be offset and the net amount is presented in the balance sheet: (1) the Group has a legal right that is currently enforceable to set off the recognised amount, and (2) the Group intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

12. Notes receivable

☒Applicable ☐N/A

Portfolio categories and determination basis with provision for bad debts made according to the credit risk characteristic portfolio

☒Applicable ☐N/A

The Group evaluates the expected credit losses of financial instruments based on individual and combination. When evaluating on a combination basis, the Group divides financial instruments into different groups based on common credit risk characteristics. The common credit risk characteristics adopted by the Group include: financial instrument type, credit risk rating, debtor's geographical location, debtor's industry, overdue information, ageing of accounts receivable, etc.

Portfolio category and determination basis of notes receivable

The Group classifies notes receivable into different portfolios based on the credit risk of the acceptor as a shared risk characteristic, and establishes the accounting estimation policy for expected credit losses as follows: a. bank acceptance bills issued by listed commercial banks are considered by the Group to carry low credit risk; consequently, no expected credit loss is recognized; b. bank acceptance bills issued by non-listed commercial banks and trade acceptance bills are measured for expected credit losses by applying the Group's expected loss rate policy for accounts receivable, with portfolio classification consistent with that of accounts receivable.

The ageing calculation method for the credit risk characteristic portfolio confirmed based on the ageing of accounts

☐Applicable ☒N/A

Judgment criteria for individual provision with provision for bad debts made on an individual basis

☐Applicable ☒N/A

13. Accounts receivable

☒Applicable ☐N/A

Portfolio categories and determination basis with provision for bad debts made according to the credit risk characteristic portfolio

☒Applicable ☐N/A

The Group classifies accounts receivable according to the similarity and correlation of credit risk characteristics based on information such as aging, nature of accounts, credit risk exposure and historical collection status. For accounts receivable, the Group regards aging as the main factor affecting their credit risk. Therefore, the Group assesses their expected credit losses based on aging portfolio.

The ageing calculation method for the credit risk characteristic portfolio confirmed based on the ageing of accounts

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

13. Accounts receivable (Continued)

Judgment criteria for individual provision with provision for bad debts made on an individual basis

☒Applicable ☐N/A

If a customer's credit risk characteristics are significantly different from others in the portfolio or have significantly changed, for example, the customer is in severe financial difficulty, the expected credit loss rate of the receivables from the customer has been significantly higher than the expected credit loss rate of the customer's ageing and overdue ranges, etc., the Group makes a provision for loss on the basis of individual provision for the receivables from the customer.

14. Receivables financing

☒Applicable ☐N/A

Portfolio categories and determination basis with provision for bad debts made according to the credit risk characteristic portfolio

☒Applicable ☐N/A

The Company's receivables financing consists of bank acceptance with high credit ratings. The risk that such notes will not be honored upon maturity is very low, indicating low credit risk. The Company derecognizes these notes upon endorsement or discounting. Therefore, no allowance for bad debts is provided for them.

The ageing calculation method for the credit risk characteristic portfolio confirmed based on the ageing of accounts

☐Applicable ☒N/A

Judgment criteria for individual provision with provision for bad debts made on an individual basis

☐Applicable ☒N/A

15. Other receivables

☒Applicable ☐N/A

Portfolio categories and determination basis with provision for bad debts made according to the credit risk characteristic portfolio

☒Applicable ☐N/A

Other receivables of the Group mainly include deposits and guarantees receivable, employee reserve funds receivable, rent receivable, loans and advances receivable, current accounts due from related parties, tax refunds receivable, etc. Based on the nature of receivables and the credit risk characteristics of different counterparties, the Group classified other receivables into the following portfolios: deposits and guarantees receivable, amounts due from related parties, tax refund receivables, other receivables, and a low-risk portfolio.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

15. Other receivables (Continued)

The ageing calculation method for the credit risk characteristic portfolio confirmed based on the ageing of accounts

☐Applicable ☒N/A

Judgment criteria for individual provision with provision for bad debts made on an individual basis

☐Applicable ☒N/A

16. Inventories

☒Applicable ☐N/A

Categories of inventories, valuation method of inventories upon delivery, count system, amortization method for low cost and short-lived consumable items and packaging materials

☒Applicable ☐N/A

The Group's inventories mainly include raw materials, turnover materials, commissioned processing materials, goods delivered, consumable biological assets, contract performance costs, work-in-progress and goods in stock.

Inventories are initially measured at cost. Cost of inventories includes purchase costs, processing costs and other costs. Inventories adopt the perpetual inventory system, and are valued by the actual cost when acquired. The actual costs of requisitioned or issued inventories are determined by the weighted average method. Turnover materials are amortized by the one-off write-off method.

Determination criteria and provision method for inventory write-downs

☒Applicable ☐N/A

On the balance sheet date, inventories should be measured at the cost or the net realizable value, whichever is lower. Where the inventory cost is higher than its net realizable values, the inventory write downs should be made and included in the profit or loss for current period. The net realizable values refer to the amounts of the estimated selling prices of inventories minus the estimated costs to completion, estimated selling expenses and relevant taxes and surcharges.

The net realisable value of inventories of merchandise held for direct sale, such as goods in stock, work-in-progress and materials for sale of the Group, shall be determined as the estimated selling price of the inventory less estimated selling expenses and related taxes and surcharges; the net realisable value of inventories of materials held for production shall be determined as the estimated selling price of the finished goods less the estimated costs to be incurred upon completion, estimated selling expenses and related taxes and surcharges.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

16. Inventories (Continued)

Portfolio category and determination basis of provision for inventories on a collective basis, basis for determining net realizable value for different categories of inventories

☐Applicable ☒N/A

Calculation method of and basis for determining net realizable value for each age group of inventories whose net realizable value is determined based on its age in stock

☐Applicable ☒N/A

17. Contract assets

☒Applicable ☐N/A

Recognition method and criteria of contract assets

☒Applicable ☐N/A

Contract assets refer to the rights to receive consideration for the transfer of goods by the Group to its customers, and that right depends on factors other than the passage of time. If the Group sells two commodities that can be clearly distinguished to its customers, under which condition the Group has the right to collect money because one of the commodities has been delivered, while the collection of money also depends on the delivery of the other commodity, the Group regards the right to collect money as the contract assets.

Portfolio categories and determination basis with provision for bad debts made according to the credit risk characteristic portfolio

☐Applicable ☒N/A

The ageing calculation method for the credit risk characteristic portfolio confirmed based on the ageing of accounts

☐Applicable ☒N/A

Judgment criteria for individual provision with provision for bad debts made on an individual basis

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

18. Non-current assets or disposal group held for sale

√Applicable □N/A

The Group classifies non-current assets or disposal group that meet the following criteria as available-for-sale: (1) Disposable immediately under current conditions based on similar transactions for disposals of such assets or practices for the disposal group; (2) Probable disposal; that is, a decision has been made on a plan for disposal and an undertaking to purchase has been obtained, and the disposal is expected to be completed within a year. Relevant approval is required for disposals requiring approval of relevant authorities or regulators as required by relevant regulations. Before the Group classifies non-current assets or disposal groups as held for sale for the first time, the book value of each asset and liability of the non-current assets or disposal group is measured according to the requirements of the relevant accounting standards. On initial measurement or remeasurement of non-current assets held for sale or a disposal group on the balance sheet date, if their carrying amount is higher than the fair value less disposal expenses, the carrying amount shall be reduced to the fair value less disposal expenses. The amount of the reduction shall be recognized as an asset impairment loss and included in the profit or loss for current period, and an impairment provision for held-for-sale assets shall be made simultaneously.

Non-current assets or disposal groups which the Group acquired specifically for disposal, satisfy the requirement of “expected completion of disposal within one year” on the date of acquisition, and is probable to satisfy conditions of other held for sale classifications in the short term (usually within 3 months) are classified as held for sale on the date of acquisition. At initial measurement, the initial measurement assuming that it is not classified as held for sale and the net value of fair value less disposal expenses are compared, and the lower of the two is measured. Other than non-current assets or disposal groups acquired through corporate merger, the difference arising from recognising the net value of fair value of non-current assets or disposal groups less disposal expenses as initial measurement is recognised in profit and loss in the current period.

Where the Group has lost control of a subsidiary due to reasons such as disposal of investment in a subsidiary, regardless of the Group retaining part equity investment after the disposal, upon the investment in subsidiary intended to be disposed of satisfying the conditions for classification as held for sale, the investment in subsidiary will be generally classified as held for sale in the parent’s separate financial statements, and all assets and liabilities of the subsidiary is classified as held for sale in the consolidated financial statements.

Where there is increase in net value of fair value less disposal expenses for non-current assets held for sale on subsequent balance sheet dates, the previously charged difference should be recovered and reversed in asset impairment loss recognised after classification as held for sale investment, with the reversal amount recognised in profit and loss in the current period. Asset impairment loss recognised before classification as held for sale is not reversible.

Asset impairment loss recognised for disposal groups held for sale is first offset against the book value of goodwill of the disposal group and then offset against the book values proportionally according to the share of book value of each non-current asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

18. Non-current assets or disposal group held for sale (Continued)

Where there is increase in net value of fair value less disposal expenses of held for sale disposal groups subsequent to the balance sheet date, the previously charged difference should be recovered and reversed in asset impairment loss of non-current assets recognised as required by the appropriate relevant measurement after classification as held for sale, with the reversal amount recognised in profit and loss in the current period. Offset goodwill book value and asset impairment loss recognised before classification as held for sale are not reversible.

Reversal amount after recognition of asset impairment loss of held for sale disposal group other than goodwill in the disposal group should be added proportionally based on the book value share to the book value of each non-current asset.

No provision for depreciation or amortization of non-current assets held for sale non-current assets or disposal groups, and interest on liabilities and other expenses of disposal groups held for sale continues to be recognised.

When non-current assets or disposal groups held for sale are no longer classified as held for sale or noncurrent assets are removed from disposal groups held for sale, measurement is performed based on the lower of the following: (1) book value prior to classification as held for sale adjusted by recognition of depreciation, amortization or impairment assuming there was no classification as held for sale; (2) recoverable amount.

Upon derecognition of non-current assets or disposal groups held for sale, unrecognised gain or loss is recognised in profit or loss in the current period.

Recognition criteria and accounting treatment methods for non-current assets or disposal groups classified as held for sale

☐Applicable ☒N/A

Identification criteria and presentation method of discontinued operation

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

19. Long-term equity investments

☒ Applicable ☐ N/A

Long-term equity investments of the Group include the investments in subsidiaries, investments in associates and investments in joint ventures.

(1) Judgment of significant influence and joint control

The Group's investment in associates refers to the equity investment that has a significant influence on the investee. Significant influence means that the Group has the power to participate in decision-making on the financial and operational policies of the investee, but cannot control or jointly control the formulation of these policies with other parties. When the Company directly or indirectly throughout its subsidiary owns 20% (inclusive) or more but less than 50% shares with voting rights in the investee, it is generally considered that the Company has significant influence on the investee, unless there is clear evidence that the Group cannot participate in the production and operation decisions of the investee or form control over the investee. Where the Company holds less than 20% of the voting rights in the investee, it may still be considered to have significant influence if, for example, it has a representative on the Board of Directors or a similar governing body of the investee, participates in the process of formulating the financial and operating policies of the investee, has material transactions with the investee, sends management personnel to the investee, or provides key technical information to the investee.

The equity investment in a joint venture refers to the investment in which the Group exercises joint control with other joint venture parties over the investee and has the power over the net assets of the investee. Joint control refers to the shared control over a certain arrangement in accordance with relevant agreements, and the related activities of the arrangement must be unanimously agreed upon by the participating parties who share control before decision-making can be made. Basis for determination in respect of joint control is that all participating parties or a group of participating parties collectively control such arrangement, and that policies of such related activities of such arrangement have to obtain unanimous agreement by all parties that collectively control such arrangement.

(2) Accounting treatment method

The Group initially measures the long-term equity investments obtained based on the initial investment cost.

For long-term equity investments obtained through business combination under common control, proportion of carrying amount of net assets obtained on the date of combination in the consolidated financial statements of the ultimate controller shall be accounted as the initial investment cost. For carrying amount of net assets of the acquiree which is negative on the date of combination, the initial investment cost is calculated as zero.

For long-term equity investments acquired through business combination not under common control, cost of combination will be treated as the initial investment cost;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

19. Long-term equity investments (Continued)

(2) Accounting treatment method (Continued)

Apart from the long-term equity investments acquired through business combination, for long-term equity investments acquired by cash payment, the initial investment cost shall be based on the actual purchase price paid and the expenses, taxes and other necessary expenditures directly related to the acquisition of long-term equity investments. For long-term equity investments acquired by issuing equity securities, the cost of investment is the fair value of the equity securities issued;

The Company's investments in subsidiaries are accounted for in individual financial statements using the cost method. When the cost method is used, long-term equity investments are measured at their initial investment cost. When making additional investment, carrying amount of the long-term equity investments will be increased according to the fair value of cost of additional investment and the related expenses incurred by related transactions. For cash dividend or profit paid by the investee, it shall be recognised as investment income for current period using the amount which it entitles.

The Group's investments in the joint ventures and associates are accounted for under the equity method. When using the equity method, if the initial investment cost of a long-term equity investment exceeds the share of the fair value of the identifiable net assets of the investee that should be enjoyed at the time of investment, the book value of the long-term equity investment shall not be adjusted. If the initial investment cost of a long-term equity investment is less than the share of the fair value of the identifiable net assets of the investee that should be enjoyed at the time of investment, the difference shall be adjusted to the book value of the long-term equity investment and included in the profit or loss for current investment period.

For long-term equity investment for which the subsequent measurement is accounted for under the equity method, carrying amount of long-term equity investment shall be increased or decreased accordingly according to the change in the shareholders' equity of the investee during the investment period. When determining the amount of proportion of net profit or loss in the investee which it entitles, fair value of each identifiable asset of the investee at the time when the investment is obtained shall be used as basis, and according to the accounting policies and accounting period of the Group, and after offsetting profit or loss from unrealized internal transaction arising from transactions between associates and joint ventures that do not constitute a business, and calculate the proportion which is attributable to the Group according to the shareholding (if internal transaction losses belong to asset impairment losses, they shall be fully recognised), and recognised after adjustment is made to the net profit of the investee. The Group recognises the net loss incurred by the investee, with the book value of long-term equity investments and other long-term equity essentially constituting the net investment in the investee reduced to zero, except for the obligation of the Group to bear additional losses.

When the Group disposes of long-term equity investments, the difference between the carrying amount and the consideration actually received is included in the current investment income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

19. Long-term equity investments (Continued)

(2) Accounting treatment method (Continued)

For long-term equity investments under the equity method, when the investment is no longer accounted for under the equity method, the other comprehensive income measured originally under the equity method adopt the same accounting basis as the assets or liabilities disposed of by the investee directly. The owners' equity recognised due to other changes in owners' equity of the investee except the net profit or loss, other comprehensive income and profit distribution shall be transferred to the current investment income in a full amount when the investment is no longer accounted for under the equity method.

If the remaining equity after the disposal of part of the equity is still accounted for using the equity method, the relevant other comprehensive income originally accounted for using the equity method will be treated on the same basis as the investee's direct disposal of relevant assets or liabilities and carried forward on a proportional basis. Owners' equity recognized due to other changes in owners' equity other than net profit or loss, other comprehensive income, and profit distribution will be carried forward to the investment income of the current period on a proportional basis.

Where the common control or significant influence over the investee is lost due to the partial disposal of equity investment, the residual equity after disposal will be recognized as a financial asset, and the difference between the fair value and carrying amount of such residual equity on the date when the common control or significant influence is lost shall be included in profit or loss for the current period.

For the loss of the control over the investee due to disposal of partial long-term equity investments, the residual equity after disposal, if capable of realizing joint control or exerting significant influence over the investee, is changed to the equity method for calculation, the difference for disposal of carrying amount and consideration is included in the investment income, and the residual equity is adjusted as if it was calculated using the equity method since it was acquired; the residual equity after disposal, if unable to realize joint control or exert significant influence on the investee, the financial asset is recognized, the difference between the carrying amount of the equity investment disposed of and the disposal consideration is included in the investment income, and the difference between the fair value and carrying amount of the residual equity on the control-lost date is included in profit or loss for the current period.

For each transaction where equity is disposed of by the Group in stages until loss of control and which does not belong to a package deal, the accounting for each transaction shall be conducted separately. For a package deal, the accounting treatment shall be conducted in a way that each transaction is part of the transaction that disposes of a subsidiary with loss of control. However, before loss of control, the difference between the disposal price for each transaction and the carrying amount of the corresponding long-term investments of the equity disposed of, shall be recognized as other comprehensive income, and, upon loss of control, shall be transferred to the current profit or loss when the control is lost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

20. Investment properties

(1). If the cost measurement model is adopted

Method of depreciation or amortization

The Group's investment properties refer to properties held for the purpose of earning rentals or capital appreciation, or both, including buildings, land use rights, etc. It was measured using the cost model.

The Group's investment properties are depreciated or amortised in the same manner as buildings or land use rights. The estimated useful lives, net residual value rates and annual depreciation (amortization) rates of various investment properties are as follows:

Category	Depreciation period (years)	Expected residual value rate (%)	Annual depreciation rate (%)
Land use right	5-50	0-5	1.90-20.00
Buildings	5-50	0-5	1.90-20.00

21. Fixed assets

(1). Recognition conditions

☒Applicable ☐N/A

The Group's fixed assets are tangible assets with the following characteristics at the same time, i.e., held for the purpose of production of goods, provision of labor services, leasing, or business management, with a useful life of more than one year.

Fixed assets are recognized when it is probable that the economic benefits associated with them will flow to the Group and their cost can be measured reliably. The Group's fixed assets include houses and buildings, general equipment, special equipment, and other equipment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

21. Fixed assets (Continued)

(2). Method of depreciation

☒ Applicable ☐ N/A

Category	Method of depreciation	Depreciation period (years)	Residual rate	Annual depreciation rate
Buildings and structures	Average year method or units-of-production method	5-50	0-5	1.90-20.00
General equipment	Average year method	2-20	0-5	4.75-50.00
Special equipment	Average year method	2-20	0-5	4.75-50.00
Furniture, appliances, fittings and others	Average year method	3-30	0-5	3.17-33.33

At the end of each year, the Group reviews the estimated useful life, estimated net residual value and depreciation method of fixed assets, and if there is a change, it treats it as a change in accounting estimate.

Except for fixed assets that have been fully depreciated and continue to be used, and land that is separately valued and recorded as fixed assets according to regulations, the Group adopts the units-of-production method when depreciating the underground works assets of buildings and structures, and the depreciation method of other fixed assets is the average year method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

22. Construction in progress

√Applicable ☐N/A

Construction in progress is measured at its actual costs. The actual costs include various construction expenditures during the construction period, borrowing costs capitalised before it is ready for intended use and other relevant costs.

Construction in progress is carried forward to fixed assets at the estimated value from the date it reaches the intended usable state, based on the project budget, cost, or actual cost of construction, etc. Depreciation starts from the following month, and the difference in the original value of fixed assets is adjusted after the completion of the final accounting procedures.

Construction in progress is transferred to fixed assets when it is ready for its intended use and the criteria are as follows:

Items	Criteria for transferring to fixed assets
Buildings and structures	When buildings reach the predetermined design requirements and pass the acceptance inspections by the surveying, design, construction, and supervision units, and the assets are in a condition ready for use, they are transferred to fixed assets.
Underground works assets	When various technical indicators of underground works (such as roadway cross-section dimensions, slope, support strength, ventilation capacity, drainage system, etc.) meet the predetermined design requirements and pass the acceptance inspections by the surveying, design, construction, and supervision units, and the assets are in a condition ready for use, they are transferred to mine roadway engineering assets.
Machinery and equipment	The equipment user department and the equipment manufacturer are jointly responsible for equipment installation and commissioning, including hardware debugging and process condition adjustment. After commissioning is completed and the equipment has passed the joint inspection and acceptance by the equipment user department and the equipment manufacturer, the equipment is transferred to fixed assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

23. Borrowing costs

☒Applicable ☐N/A

The Group will capitalise the borrowing costs that can be directly attributed to the construction or production of assets eligible for capitalisation, and include them in the relevant asset costs. Other borrowing costs will be recognised in the profit or loss for current period. The assets eligible for capitalisation as determined by the Group include borrowing costs for fixed assets, investment properties and inventories that require more than one year of construction or production activities to reach their intended usable or saleable condition. Capitalisation starts when the assets expenses and borrowing costs have been incurred and the construction or production activities for making the assets reach their intended usable or saleable condition have started; capitalisation stops when the constructed or produced assets eligible for capitalisation conditions have reached their intended usable or saleable condition. Borrowing costs incurred afterwards are included into the profit or loss for current period. If assets eligible for capitalisation conditions interrupt abnormally during construction or production progress, and such interruption lasts for more than three consecutive months, capitalisation of borrowing costs shall be suspended until construction of assets or production activities resume.

In each accounting period within the capitalization period, the Group recognizes the capitalized amount of borrowing costs according to the following method: if a special loan is borrowed, the actual incurred interest costs in current period shall be determined after the interest income from deposits in banks or investment income from temporary investment with the unused borrowings is deducted from it. General borrowings shall be determined by multiplying the weighted average of the excess of the accumulated asset expenditures over the asset expenditures of special borrowings with the capitalization rate of general borrowings used. The capitalization rate shall be calculated and determined in light of the weighted average interest rate of the general borrowings.

24. Biological assets

☒Applicable ☐N/A

The biological assets of the Group include consumable biological assets.

The consumable biological assets refer to the biological assets held for sale, or biological assets to be harvested as agricultural products in the future. The Company's consumable biological assets are mainly seedlings. The consumable biological assets are initially measured at cost. The cost of any consumable biological asset by way of self-planting, cultivating or propagating is the necessary expenditures directly attributable to this asset before it is put into storage, consisting of borrowing costs that meet the conditions of capitalization. The subsequent expenditures such as maintenance costs incurred after consumable biological assets are put into storage shall be included in profit or loss for the current period.

The cost of a consumable biological asset shall, at the time of harvest or sale, be carried forward at its book value by the weighted average method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

25. Oil and gas assets

☐Applicable ☒N/A

26. Intangible assets

(1). Service life and its determination basis, estimation situation, amortization method or checking procedures

☒Applicable ☐N/A

Intangible assets of the Group include land use rights, mining rights and exploration rights, software, non-patented technology, etc., which are measured at actual costs at the time of acquisition. Among them, intangible assets purchased are measured at actual costs based on actual payment and other related expenditures; actual costs of intangible assets invested by investors shall be calculated based on value agreed upon in the investment contract or agreement. However, if value agreed upon in the contract or agreement is unfair, then actual costs shall be confirmed by fair value. However, for intangible assets acquired from the merged party in business combination not under common control, and which are not recognized in its financial statements, they shall be recognized as intangible assets at fair value at the time of initial recognition of the acquiree's assets.

Land use rights are amortised on a straight-line basis over the grant term from the commencement date of the land grant; mining rights are amortized using the production method from the commencement of mining operations in the relevant mine; exploration rights are not amortized, when they are converted to mining rights, amortization is accrued based on the work performed. Intangible assets such as software, non-patented technology, etc. are amortized evenly in the shortest period among following three periods: their expected service life, period of enjoying benefits specified in the contract, and effective service life specified by law; The amortization amount shall be recorded into relevant asset cost and current profit or loss based on its beneficiaries. The estimated service life and amortization method of intangible assets with limited service life shall be reviewed at the end of each year. If there are any changes, they shall be treated as accounting estimate changes. During each accounting period, the Group checks estimated service life of intangible assets with an uncertain service life.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

26. Intangible assets (Continued)

(2). Scope of R&D expenditures and related accounting treatment methods

☒Applicable ☐N/A

The scope of R&D expenditures of the Group includes salaries of R&D personnel, direct input expenses, depreciation and deferred expenses, and other expenses.

Based on nature of expenditures of internal R&D projects, as well as whether there is a significant uncertainty for intangible assets to be ultimately produced by R&D activities, the Group divides them into research stage expenditures and development stage expenditures. During the research phase, expenditures incurred are recorded into current profit or loss. For expenditures incurred during the development stage, they shall be capitalized when following conditions are met simultaneously: the Group deems that it is technically feasible to successfully produce intangible assets, and can use or sell them; the Group has the intention to successfully produce intangible assets, and use or sell it; intangible assets are expected to bring economic benefits to the Group; the Group has sufficient technical, financial, and other resources to support the development of the intangible asset, and has the ability to use or sell such intangible assets; expenditures belonging to the development stage of intangible assets can be reliably measured. Expenditures incurred during the development phase that do not meet the capitalization standards shall be recorded into current profit or loss. Typically, the Group capitalizes the expenditures incurred during the development phase of a R&D project, provided that the Group has completed the theoretical and applied research of the project, conducted process experiment simulations, and initially verified that the relevant plan can effectively improve production efficiency and enhance product functions and performance, and that the technical feasibility of completing the aforementioned development has been established.

27. Impairment of long-term assets

☒Applicable ☐N/A

On each balance sheet date, the Group shall check long-term equity investments, investment properties measured by a cost model, fixed assets, construction work in process, right-of-use assets, intangible assets with a limited service life, operating lease assets, and other items. When there are signs of impairment, the Group shall carry out impairment tests. Impairment tests shall be conducted at the end of each year for goodwill, intangible assets with an uncertain service life, and development expenditures of those that have not yet reached the predetermined usable state, regardless whether or not there are signs of impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

27. Impairment of long-term assets (Continued)

(1) Impairment of non-current assets except financial assets and goodwill

When the Group conducts an impairment test, the recoverable amount is the higher of the fair value of the asset less costs of disposal and the present value of the estimated future cash flow expected to be derived from the asset. After impairment testing, if the asset's carrying amount exceeds its recoverable amount, the difference is recognized as an impairment loss.

The Group estimates the recoverable amount based on a single asset. If it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of an asset shall be determined based on the group to which such asset belongs. The identification of an asset group is based on whether or not main cash inflow engendered by the asset group is independent from cash inflow of other assets or other asset groups.

The net amount of fair value less disposal expenses is determined by referring to the sales agreement price or observable market price of similar assets in an orderly transaction occurring on the measurement date, less the incremental costs directly attributable to the disposal of the asset. When estimating the present value of future cash flows, management estimates the future cash flows from the asset during its continuing use and upon its eventual disposal and select an appropriate discount rate to determine the present value of future cash flows.

(2) Impairment of goodwill

Goodwill generated in business combination shall be allotted to relevant asset groups, by a reasonable method from the date of purchase. If it is difficult to allot them to relevant asset groups, they shall be allotted to relevant asset portfolios. When conducting impairment tests on asset groups or asset portfolios that incorporate goodwill, if there are signs of impairment in asset groups or asset portfolios related to goodwill, impairment tests should be conducted first on asset groups or asset portfolios that do not incorporate goodwill. Recoverable amount should be calculated, and shall be compared with relevant book value, so as to confirm corresponding impairment loss; further impairment tests shall be conducted on asset groups or asset portfolios that incorporate goodwill, book value and recoverable amount shall be compared, if the recoverable amount is lower than the book value, then impairment loss shall be first offset against the book value of goodwill allotted to the asset groups or asset portfolios. Then, based on the proportion of the book value of assets other than goodwill in the asset group or asset portfolios, the book value of other assets shall be offset proportionally.

For the methods, parameters, and assumptions of goodwill impairment testing, see Note VII.27.

Once the impairment loss of the above-mentioned assets is recognized, it shall not be reversed in future accounting periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

28. Long-term deferred expenditures

☒Applicable ☐N/A

The long-term deferred expenses of the Group include expenses such as highway outside the mining area, environmental governance fees, expenditures for improvements to fixed assets and special maintenance funds, which have already been paid by the Group but are allocated to current and future periods over a period of more than one year. These expenses are amortized evenly over the benefit period. If the long-term deferred expense item cannot benefit future accounting periods, the amortized value of the item that has not been amortized will be fully transferred to the current profit or loss.

29. Contract liabilities

☒Applicable ☐N/A

Contract liabilities reflect the obligation of the Group to transfer goods to customers due to the consideration received or receivable by the Group. Contract assets and contract liabilities under the same contract are presented at net amount.

30. Employee salaries

(1). Accounting treatment method of the short-term compensation

☒Applicable ☐N/A

Employee salaries of the Group include short-term compensation, post-employment benefits, termination benefits and other long-term benefits.

Short-term compensation primarily includes employee salaries, bonuses, allowances, subsidies, employee benefit expenses, housing provident fund contributions, trade union funds, employee education funds, medical insurance, work-related injury insurance, maternity insurance, short-term paid absences, and short-term profit-sharing plans. The Group shall recognize the short-term compensation actually incurred as liability and include it in the current profit or loss or related asset cost during the accounting period when employees provide services.

(2). Accounting treatment method of the post-employment benefits

☒Applicable ☐N/A

Post-employment benefits mainly include basic pension insurance, enterprise annuities, etc., which shall be classified into defined contribution plan and defined benefit plan according to risk and obligation assumed by the Company. For the services provided by the employees in the accounting period on the balance sheet date, in the defined contribution plan, contribution paid to individual shall be recognized as liabilities and included in current profit or loss or related asset cost according to the benefit object. Defined benefit plan refers to the post-employment benefit plan other than the defined contribution plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

30. Employee salaries (Continued)

(3). Accounting treatment method of termination benefits

☒Applicable ☐N/A

Termination benefits refer to compensation provided to employees for terminating the labor relationship with employees before the expiration of the labor contract between the Group and the employee, or for encouraging the employees to voluntarily accept the lay-off. When the Group cannot unilaterally withdraw the termination benefits provided due to the labor relationship termination plan or the redundancy offer, or when the costs or expenses related to reorganization concerning the termination benefit payment are recognized (whichever is earlier), the liabilities of the employee compensation arising from termination benefits shall be recognized and included in current profit or loss.

(4). Accounting treatment of other long-term employee benefits

☒Applicable ☐N/A

Other long-term employee benefits refer to the employee compensation except for short-term compensation, post-employment benefits and termination benefits, including long-term compensated absences, long-term disability benefits, long-term profit sharing plan, etc.

Other long-term employee benefits provided by the Group to employees that meet the conditions of defined contribution plan, the accounting shall be treated in accordance with the relevant provisions for defined contribution plan as mentioned above. Otherwise, the Group recognizes and measures the net liability or net asset for other long-term employee benefits in accordance with the relevant provisions for defined benefit plan as described above.

31. Estimated liabilities

☒Applicable ☐N/A

When the businesses related to contingencies including pending litigation or arbitration and product quality assurance conform to the following conditions simultaneously, the Group recognizes them as liabilities: the obligation is a present obligation of the Group; it is probable that an outflow of economic benefits from the Group will result from the settlement of the obligation; and the amount for such obligation can be measured reliably.

The estimated liabilities are initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors surrounding a contingency, such as the risks, uncertainties and the time value of money, are taken into account as a whole in reaching the best estimate of the estimated liabilities. The Group reviews the current best estimate and adjusts the book value of the estimated liabilities at the balance sheet date.

Estimated liabilities expected to be payable within one year from the balance sheet date shall be presented as current liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

31. Estimated liabilities (Continued)

Contingent liabilities of the acquiree acquired in a business combination not under common control are measured at fair value on initial recognition and subsequently measured at the higher of the amount to be recognized for the estimated liabilities and the amount initially recognized less accumulated amortization determined in accordance with the revenue recognition principle.

For the accounting treatment method for estimated liabilities arising from financial guarantee contracts, see V.11. Financial instruments (8) Financial guarantee contracts.

32. Share-based payments

☒ Applicable ☐ N/A

Share-based payments settled by equity in exchange for provision of services from employees are measured at fair value of the equity instruments granted to employees as at the date of grant. If the rights can be exercised immediately after they are granted, fair value of equity instruments on the grant date shall be recorded into relevant costs or expenses, and the capital reserve shall be increased correspondingly. If the rights can be exercised only after service in the waiting period is completed or stipulated goals are achieved, on each balance sheet date in the waiting period, based on the best estimate of number of equity instruments expected to vest, according to fair value of equity instruments on the grant date, service obtained in the period shall be recorded into relevant costs or expenditures and capital reserve. If clause that share-based payments shall be settled by equity is modified, service obtained shall be recognized according to unchanged clause. What's more, if the fair value of equity instruments is modified, or those changes can benefit employees on the date of modification, it shall be deemed that service obtained is increased.

If share-based payments settled by equity are canceled, it shall be treated as accelerated exercise of rights on the cancellation date, and the unrecognized amount will be immediately recognized. If employees or other parties satisfy the vesting conditions, but they do not achieve goals in the waiting period, it shall be treated that share-based payments settled by equity are canceled. However, if a new equity instrument is granted, and it is determined on the grant date that the new equity instrument is intended to replace the canceled equity instrument, the replacement of equity instrument granted shall be treated in the same manner as the modification of the terms and conditions of the original equity instrument.

For cash-settled share-based payments, they shall be measured by fair value of liabilities, which are borne by the Group and are confirmed based on share or other equity instruments. If the rights can be immediately exercised immediately after they are granted, the fair value of the liability assumed on the grant date shall be recorded into relevant costs or expenses, and the liability shall be increased correspondingly. If the rights can be exercised only after service in the waiting period is completed or stipulated goals are achieved, on each balance sheet date in the waiting period, based on the best estimate of the vesting conditions being satisfied, the services obtained in current period shall be recorded into costs or expenses, according to fair value of liabilities borne by the Group, and such liabilities shall be adjusted accordingly. On each balance sheet date and settlement date prior to settlement of relevant liabilities, fair value of liabilities shall be remeasured, and any changes shall be recorded in current profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

33. Preferred shares, perpetual bond and other financial instruments

☒Applicable ☐N/A

Any preferred share or perpetual bond classified as debt instrument is measured initially at fair value after deduction of the transaction cost, and subsequently at amortized cost using the effective interest method. Its interest expense or dividend distribution is accounted as borrowing cost, and its profit or loss on repurchase or redemption shall be recognized as profit or loss of the current period.

For any preferred share or perpetual bond classified as equity instrument, the consideration received upon its issuance is, after deduction of the transaction cost, added to the owner's equity. Its interest expense or dividend distribution is accounted as profit distribution, and its repurchase or cancellation shall be accounted as change in equity.

34. Revenue

(1). Disclosure of accounting policies for revenue recognition and measurement by business type

☒Applicable ☐N/A

(1) General principles

The Group recognises revenue when a performance obligation in the contract is fulfilled, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customers. Acquiring control over relevant goods or services means to be able to dominate the use of such goods or the provision of such services and obtain almost all economic benefits from them.

A performance obligation is a contractual commitment by the Group to transfer clearly distinguishable goods to a customer. The Group's performance obligations are fulfilled within a certain period of time if one of the following conditions is met; otherwise, they are fulfilled at a certain point in time: ① the customer acquires and consumes the economic benefits arising from the Group's performance at the same time as the Group's performance; ② the customer can control the goods that are under progress in the course of the Group's performance; ③ the goods that are produced in the course of the Group's performance have irreplaceable usages and the Group is entitled to receive payment for the cumulative portion of performance completed to date throughout the contract period.

The Group recognises the revenue on the basis of the progress of performance of a contractual obligation that is to be performed within a certain period of time. When the progress of performance is not reasonably certain, the Group recognises the revenue at the amount of costs incurred until such time as the progress of performance is reasonably certain, provided that the costs incurred are expected to be reimbursed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

34. Revenue (Continued)

(1). Disclosure of accounting policies for revenue recognition and measurement by business type (Continued)

(1) General principles (Continued)

For performance obligations fulfilled at a point in time, the Group recognises revenue at the point in time when the customer obtains control of the relevant goods. In determining whether the customer has obtained control of the goods, the Group takes into account the following indications: ① the Group has a present right to receive payment for the goods, i.e. the customer has a present obligation to pay for the goods; ② the Group has transferred the legal ownership of the goods to the customer, i.e. the customer has legal ownership to the goods; ③ the Group has physically transferred the goods to the customer, i.e. the customer has physical possession of the goods; ④ the Group has transferred to the customer the principal risks and rewards of ownership of the goods, i.e. the customer has acquired the principal risks and rewards of ownership of the goods; ⑤ the customer has accepted the goods; and ⑥ other indications that the customer has acquired control of the goods.

(2) Specific methods

The revenue of the Group mainly includes revenue from sale of goods and trading revenue.

① Revenue from sale of goods

The Group is engaged in the mining, beneficiation, smelting, processing and sales of standard gold ingots, composite gold, lead concentrate (containing silver) and zinc concentrate. The Company is the member of the Shanghai Gold Exchange. Standard gold ingots are sold through the Shanghai Gold Exchange's centralized trading system. The selling price of composite gold is determined with reference to the Shanghai Gold Exchange prices, while the selling prices of other products are based on publicly available quotation platforms such as the Shanghai Nonferrous Metals Network and settled according to domestic industry pricing practices. The Group recognizes revenue from sales of goods upon dispatch of products and confirmation of receipt by customers.

The Group sells products such as composite gold, lead concentrate (containing silver), and zinc concentrate using a price-point pricing method. The sales revenue is recognized when the relevant products are delivered and the control is transferred to the customer. After recognizing the sales revenue, the Group designates changes in receivables arising from customer price-point settlement rights as financial assets measured at fair value through profit or loss. At the balance sheet date, the Group calculates the fair value of these financial assets based on publicly available quotations from platforms such as the Shanghai Gold Exchange and the Shanghai Nonferrous Metals Network, and recognizes gains or losses from changes of fair value. When customers exercise price-point settlement, the financial assets measured at fair value through profit or loss are adjusted based on the final settlement price, changes in receivables are recognized, and corresponding investment income is recorded.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

34. Revenue (Continued)

(1). Disclosure of accounting policies for revenue recognition and measurement by business type (Continued)

(2) Specific methods (Continued)

① Revenue from sale of goods (Continued)

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The transaction price confirmed by the Group does not exceed the amount that is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The Group shall recognize a liability if the Group expects to refund some or all of the consideration to the customer and does not include it in the transaction price. Where there is a significant financing component in the contract, the Group shall determine the transaction price on the basis of the amount payable in cash when the customer assumes control of the goods or services. The difference between the transaction price and the contract consideration shall be amortized by the effective interest rate method during the contract period. The Group shall not take into account the existence of a significant financing component in the contract if the Group expects, at contract inception, that the period between when the customer acquires control of a promised good or service and when the customer pays for that good or service will be one year or less.

② Revenue from trading activities

The specific commodities involved in the trade business operated by the Group include non-ferrous metal products.

The Group's aforementioned trading activities involve the participation of third parties. If the Group obtains control of goods from third parties and subsequently transfers them to customers, during the transaction process, the Group assumes the primary responsibility for transferring the goods to customers, bears inventory risks, and has the authority to autonomously determine the prices of the goods traded, the Group acts as the principal in the transaction, and recognizes trade revenue based on the total consideration it expects to be entitled to receive as stipulated in the contracts. Conversely, if the Group does not obtain control of the specific goods, or does not assume price fluctuation risk and inventory risk, the Group acts as an agent in the transaction. In such cases, trade revenue is recognized on a net basis, representing the amount of the consideration received or receivable after deducting the amount payable to the other involved parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

34. Revenue (Continued)

(2). The adoption of different business models for the same type of business involves different revenue recognition and measurement methods

☒ Applicable ☐ N/A

When a contract has two or more performance obligations, the Group allocates the transaction price to each one based on the relative standalone selling prices of the promised goods or services on the commencement date of contract. Revenue is then recognized using this allocated transaction price for each obligation.

The transaction price is the amount of consideration that the Group is expected to be entitled to receive due to the transfer of goods or services to customers, excluding payments received on behalf of third parties and amounts expected to be refunded to the customer. In determining the transaction price, the Group considers the impact of variable consideration, the existence of significant financing elements in the contract and other factors.

In case of the existence of variable consideration in the contract, the Group shall determine the best estimates of the variable consideration based on the expected value or the most probably incurred amount. The transaction price including variable consideration shall not exceed the amount of the cumulatively recognised revenue which is unlikely to be significantly reversed when relevant uncertainty is eliminated. At each balance sheet date, the Group re-estimates the amount of variable consideration which should be recognised in transaction price.

Where there is a significant financing component in the contract, the Group shall determine the transaction price on the basis of the amount payable in cash when the customer assumes control of the goods. The difference between such transaction price and contract consideration is amortised over the contract period using the effective interest rate method based on a ratio that discounts the nominal contractual consideration to the current selling price of the products. The Group shall not take into account the existence of a significant financing component in the contract if the Group expects, at contract inception, that the period between when the customer acquires control of a promised good or service and when the customer pays for that good or service will be one year or less.

The Group determines whether its identity at the time of performing a transaction is a principal or an agent based on whether it has control over the goods prior to transferring the goods to the customer. If the Group is able to control the goods before transferring them to the customer, the Group is a principal and recognizes revenue based on the total amount of consideration received or receivable; otherwise, the Group, as an agent, recognizes revenue based on the amount of commissions or handling fees to which it is expected to be entitled, which shall be determined based on either the net amount of the total consideration received or receivable less the price payable to other related parties or the established commission amount or proportion.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

34. Revenue (Continued)

(2). The adoption of different business models for the same type of business involves different revenue recognition and measurement methods (Continued)

In connection with sales with a return clause, revenue is recognised according to the amount of consideration it expects to be entitled to for the transfer to a customer when the customer acquires control of the relevant goods. Amounts expected to be refunded for the return of sales are recognised as estimated liabilities. At the same time, the balance of the carrying value of the product expected to be returned upon transfer less expected costs for the recall of such product (including impairment loss of the recalled product) shall be recognised as an asset (i.e. cost of return receivables), and the net amount of the carrying value of the transferred product upon the transfer less the aforesaid asset cost shall be transferred to cost. At each balance sheet date, the Group reassess the future return of sales and remeasured the above assets and liabilities.

Based on contractual agreements, legal and other provisions, the Group provides quality assurance for goods sold, which is a guarantee-type quality assurance to assure customers that the goods sold meet the established standards, and the Group accounts for it in accordance with Section V.31 Estimated liabilities.

35. Contract costs

☒ Applicable ☐ N/A

(1) Method of determination of amount of assets relating to contract costs

The Group's assets relating to contract costs include contract performance cost and contract acquisition cost. According to the liquidity, contract performance costs are presented separately in inventory and other non-current assets, while contract acquisition costs are presented separately in other current assets and other non-current assets.

Contract performance cost refers to the cost incurred by the Group to perform a contract which does not fall under the scope of the Accounting Standards for Business Enterprises, such as inventories, fixed assets or intangible assets, and meets all of the following conditions, which is recognised as an asset as contract performance cost: the costs relate directly to an existing contract or to a specifically identifiable anticipated contract, including direct labour, direct materials, manufacturing costs (or similar costs), costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract; the costs generate resources of the Group that will be used in satisfying performance obligations in the future; the costs are expected to be recovered.

Contract acquisition cost refers to the incremental cost for the Group to obtain a contract which is expected to be recoverable and which is recognised as an asset as contract acquisition cost. If the amortization period of such asset is no more than one year, the Group chooses the simplified treatment of including such contract acquisition cost in profit or loss as incurred. Incremental cost refers to the cost which will not be incurred by the Group had no contract been acquired (such as commission, etc.). Other expenses incurred by the Group to obtain contracts (other than the incremental cost which is expected to be recoverable) (such as travelling expenses which will be incurred regardless of whether the contract will be obtained) are included in profit or loss as incurred, save for those expressly to be borne by customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

35. Contract costs (Continued)

(2) Amortization of assets relating to contract costs

The Group's assets relating to contract costs are amortised using the same basis as that for recognition of the revenue from goods relating to the assets, which are included in profit or loss.

(3) Impairment of assets relating to contract costs

If the carrying amount of the Group's assets relating to contract costs is higher than the difference between the following two items, the Group makes a provision for impairment and recognises the excess as an asset impairment loss: ① the remaining consideration expected to be received from transfer of the goods relating to the asset; and ② the cost expected to be incurred for transfer of the relevant goods. After the provision for impairment is made, if the factors of impairment in previous periods change so that the difference between the above two is higher than the carrying amount of the asset, the original provision for impairment of the asset is reversed and included in profit or loss for the period, provided that the carrying amount of the asset after the reversal does not exceed the carrying amount of the asset at the date of reversal assuming no provision for impairment being made.

36. Government grants

☒ Applicable ☐ N/A

Government grants are recognized when the conditions attached to them can be met and they are receivable. Government grants that are monetary assets are measured based on the actual amounts received. For government grants with the subsidies paid according to fixed quota standards, or when concrete evidence shows that relevant conditions specified in fiscal support policies can be met and the fiscal support funds can be received based on estimates at the end of the period, the government grants shall be measured based on the receivable amounts. Government grants that are non-monetary assets are measured based on their fair value; if the fair value cannot be estimated reliably, it will be measured based on the nominal amount (RMB1).

The Group's government grants include asset-related and income-related government grants. In particular, asset-related government grants refer to those obtained by the Group and used for the acquisition or construction of long-term assets or the obtainment of such assets by other means. Income-related government grants refer to those other than asset-related government grants. If no assistance object is specified in the government documents, the Group will make a judgment based on the above principles. If it is difficult to distinguish, it is integrally classified as income-related government grants.

Asset-related government grants are recognized as deferred income. Asset-related government grants recognized as deferred income will be included in current profit or loss in a reasonable and systematic manner within the useful life of the relevant assets. For relevant assets that are sold, transferred, discarded, or damaged before the end of their useful lives, the relevant unallocated deferred income is transferred into the profit or loss of the current period when the assets are disposed of.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

36. Government grants (Continued)

Income-related government grants used to compensate for related costs or losses during future periods are recognized as deferred income and will be included in current profit or loss or offset against the relevant costs during the period when they are recognized. Those granted to compensate for already incurred relevant costs, expenses or losses shall be directly recognized in current profit or loss or offset against the relevant costs. Government grants related to daily activities are included in other income or set off against relevant costs according to the nature of the economic activities. Government grants unrelated to daily activities are included in non-operating income and expenses.

37. Deferred income tax assets/deferred income tax liabilities

☒Applicable ☐N/A

Deferred income tax assets and deferred income tax liabilities of the Group are recognized by calculating the difference between the tax base and the carrying amount thereof, as well as the difference between the tax bases of items that are not recognized as assets and liabilities but whose tax bases can be determined in accordance with tax laws and the carrying amount (temporary differences).

The Group recognizes deferred income tax liabilities for all taxable temporary differences except for the following situations: (1) the temporary difference arising from the initial recognition of goodwill, or the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible loss); (2) taxable temporary differences related to investments in subsidiaries, associates and joint ventures, where the Group is able to control the timing of reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group recognizes deferred income tax assets for deductible temporary differences, deductible losses and tax credits to the extent that it is probable that future taxable profit will be available in the future against which the deductible temporary differences, deductible losses and tax credits can be utilized, except for the following circumstances: (1) the temporary difference arising from the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible loss); (2) when it is probable that the deductible temporary differences arising from investments in subsidiaries, associates and joint ventures cannot meet the following conditions at the same time: temporary differences will be reversed in the foreseeable future and the deductible taxable profit will be available in the future against which the temporary differences can be utilized.

Deferred income tax assets are recognized for all unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized. Significant judgment is required to estimate the amount and timing of future taxable profit so as to determine, together with the tax planning strategies, the amount of deferred income tax assets to be recognized, therefore there is uncertainty.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

38. Leases

√Applicable ☐N/A

Judgment basis and accounting treatment of short-term leases and leases of low-value assets as a simplified treatment for lessees

√Applicable ☐N/A

(1) Lease recognition

Except for short-term leases and leases of low-value assets, on the beginning date of the lease term, the Group recognizes the right-of-use asset and the lease liability of the lease.

The right-of-use asset refers to the Group's right as a lessee to use the leased assets during the lease term, and is initially measured at cost. The cost comprises: ① the initial measurement of the lease liability; ② the lease payments made on or before the commencement date of the lease, less the amount of lease incentives received; ③ any initial direct costs incurred, and ④ an estimate of costs to dismantle and remove the leased asset or to restore the site where the leased asset is located or restore the leased asset to its agreed condition under the terms of the leases (except those incurred for the production of inventory). If the Group remeasures lease liabilities in accordance with the relevant provisions of the lease standards, the carrying amount of the right-of-use assets will be adjusted accordingly.

The Group depreciates right-of-use assets on a straight-line basis based on the expected consumption pattern of the economic benefits related to the right-of-use assets. If it can reasonably be determined that the ownership of the leased asset can be acquired at the expiration of the lease term, the leased asset shall be depreciated within its remaining useful life. If the lessee cannot reasonably determine that the ownership of the leased asset can be acquired at the expiration of the lease term, the leased asset shall be depreciated within the lease term or its remaining useful life (whichever is shorter). The depreciation amount accrued shall be included in the cost of the relevant assets or the current profit or loss, according to the purpose of the right-of-use assets.

The Group initially measures lease liabilities based on the present value of the unpaid lease payments at the commencement date of the lease term. Lease payments include: ① fixed payments and substantive fixed payments, net of lease incentive-related amounts; ② variable lease payments that depend on an index or ratio; ③ the exercise price of the purchase option when the Group reasonably determines that it will exercise the purchase option; ④ the lease term reflects the amount required to be paid when the Group exercises the option to terminate the lease; ⑤ the amount expected to be paid based on the residual value of the guarantee provided by the Group.

When calculating the present value of lease payments, the Group uses the interest rate implicit in the lease as the discount rate. If the interest rate implicit in the lease cannot be determined, the incremental borrowing rate shall then be used by the Group as the discount rate. The Group calculates the interest expense of the lease liability for each period of the lease term according to a fixed periodic interest rate, and it is included in the current profit or loss, except for those that should be capitalized.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

38. Leases (Continued)

Judgment basis and accounting treatment of short-term leases and leases of low-value assets as a simplified treatment for lessees (Continued)

(1) Lease recognition (Continued)

After the commencement of the lease term, when the Group recognizes the interest on the lease liability, it increases the carrying amount of the lease liability; when it pays the lease payment, it reduces the carrying amount of the lease liability. When the actual fixed payment amount changes, the estimated amount payable of the guaranteed residual value changes, the index or ratio used to determine the lease payment changes, the evaluation results or actual exercise of the purchase option, lease renewal option or termination option changes, the Group remeasures the lease liability based on the present value of the changed lease payments.

(2) Changes in leases

Changes in leases refer to the changes in the lease scope, lease consideration and lease term other than the original contract terms, including the addition or termination of the right-of-use of one or more leased assets, and the extension or shortening of the lease term stipulated in the contract. The effective date of the lease change refers to the date both parties agreed on a lease change.

If a lease change happens and meets the following conditions, the Group will conduct accounting treatment for the lease change as a separate lease: ① the lease change expands the lease scope or extends the lease term by increasing the right-of-use of one or more leased assets; ② the increased consideration and the individual price of the expanded part of the lease scope or the extended part of the lease term are equivalent after adjustment is made in accordance with situation of the contract.

If accounting treatment for the lease change as a separate lease is not conducted, on the effective date, the Group shall apportion the consideration of the changed contract in accordance with the relevant provisions of the lease standards, and re-determine the lease term after the change; and discount the modified lease payments using the revised discount rate, in order to remeasure the lease liabilities. When calculating the present value of the lease payments after modification, the Group adopts the interest rate implicit in the lease for the remaining lease periods as the discount rate; if the lease interest rate implicit in the lease for the remaining lease term cannot be readily determined, the lessee's incremental borrowing rate shall then be used by the Group as the discount rate on the effective date of modification of the lease. In view of the consequences of the above adjustment of the lease liabilities, the Group conducts accounting treatment in each of the following cases accordingly: ① if the lease change results in a narrower lease scope or a shorter lease term, the lessee shall reduce the carrying amount of the right-of-use assets, and recognize the gain or loss relevant to the partial or complete termination of the lease in profit or loss for the current period; ② for other modification of lease that may lead to remeasurement of lease liabilities, the lessee adjusts the carrying amount of the right-of-use assets accordingly.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

38. Leases (Continued)

Judgment basis and accounting treatment of short-term leases and leases of low-value assets as a simplified treatment for lessees (Continued)

(3) Short-term leases and leases of low-value assets

For short-term leases with lease terms of no more than 12 months and leases of low-value assets where the individual leased asset is of low value when it is brand-new asset, the Group chooses not to recognize right-of-use assets and lease liabilities. The Group shall recognize lease payments for short-term leases and leases of low-value assets in relevant asset costs or current profit or loss in each period of the lease term using the straight-line method or other systematic and reasonable methods.

Classification criteria and accounting method of leases as a lessor

☒Applicable ☐N/A

As a lessor, if a lease has essentially transferred substantially all the risks and rewards associated with the ownership of the leased assets, the Group shall classify the lease as financing lease, and other kinds of lease shall be classified as operating lease.

(1) Financing lease

At the commencement date of the lease term, the Group recognizes receivable financing lease payments for financing lease, and derecognizes the financing lease assets. When the Group initially measures receivable financing lease payments, net lease investment shall be used as the book value of the receivable financing lease payments.

The net lease investment is the sum of the unguaranteed residual value and the present value of the receivable lease payments not yet received at the commencement date of the lease term discounted at the interest rate implicit in the lease. The Group calculates and recognizes the interest income in each period of the lease term at a fixed periodic interest rate. The variable lease payments obtained by the Group that are not included in the measurement of the net lease investment shall be recognized in current profit or loss when they actually occur.

(2) Operating lease

The Group recognizes receivable lease payments from operating leases as rental income using the straight-line method in each period of the lease term.

The initial direct expenses related to operating leases incurred by the Group shall be capitalized into the cost of the underlying leased assets and recognized in current profit or loss over the lease terms in installments on the same recognition basis as rental income. The variable lease payments related to operating leases obtained by the Group that are not included in the receivable lease payments shall be recognized in current profit or loss when they actually occur.

If there is a change in the operating lease, the Group accounts for it as a new lease commencing from the effective date of the change, and the advance or receivable lease payments related to the lease before the change shall be regarded as the receivables of the new lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

39. Other significant accounting policies and accounting estimates

√Applicable ☐N/A

(1) Hedging business

In respect of the methods of hedge accounting, the Company's hedging is classified as fair value hedge, that is, a hedge of the exposure to changes in fair value of a recognized asset or liability.

At the inception of a hedging relationship, the Company formally designates the hedging relationship and prepares formal written documents regarding the hedging relationship, risk management objectives and risk management strategies. The documents specify the hedging instruments, the hedged items, the nature of the hedged risks and the Company's assessment methods for hedging effectiveness. Hedging effectiveness refers to the extent to which the changes in fair value or cash flows of the hedging instruments can offset the fair value or cash flows of the hedged items caused by the hedged risks. Such hedges are assessed on an ongoing basis to meet the hedging effectiveness requirements at the initial designation date and in subsequent periods.

If the hedging instrument expires or is sold, terminated in accordance with contracts or exercised (but the rollover or replacement as part of the hedging strategy is not treated as expiration or termination in accordance with contracts), or the hedging relationship no longer meets the risk management objective due to changes in the risk management objective, or the hedge no longer meets other conditions of the hedge accounting method, the Company terminates the use of hedge accounting.

(2) Safety production fee

The safety production fee set aside by the metal mine enterprises under the Group in accordance with national regulations is included in the cost of related products or current profit or loss, and is also recorded in the "special reserve" item. When using the set aside safety production fee, if it is an expensed expenditure, it shall be directly offset against the special reserve. If it forms a fixed asset, the expenditures incurred are collected under the "construction in progress" item, and it is recognized as a fixed asset when the safety project is completed and reaches the intended usable state; at the same time, the cost of forming the fixed asset is offset against the special reserve, and the accumulated depreciation of the same amount is recognized. The fixed assets will not be depreciated in the subsequent periods.

The Company's provision standard for special reserve is: RMB5/ton for open-pit mines; RMB10/ton, RMB15/ton or RMB20/ton for underground mines; and RMB1-5/ton for tailings safety production fees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

40. Changes in important accounting policies and accounting estimates

(1) Changes in important accounting policies

There were no other changes in accounting policies for the Group during the year.

(2) Changes in important accounting estimates

There were no other changes in accounting estimates for the Group during the year.

41. Adjustments to the financial statements at the beginning of the year for the first implementation due to the first implementation of the new accounting standards or interpretation of standards since 2025

☐Applicable ☒N/A

42. Others

☐Applicable ☒N/A

VI. TAXATION

1. Main types of taxes and corresponding rates

Main types of taxes and corresponding rates

☒Applicable ☐N/A

Tax type	Tax base	Tax rate
Value-added tax	Taxable income	3%, 5%, 6%, 9%, 13%
Resource tax	Revenue from sales of mineral products	5%, 4.5%, 4.2%, 4%, 3% for gold; 5%, 3%, 2.5% for silver; 6% for lead and zinc; 5%, 3%, 2% for waste ores
Consumption tax	Revenue from sales of precious metals	5%
Urban maintenance and construction tax	Turnover tax payable	1%, 5%, 7%
Education surcharge	Turnover tax payable	3%
Local education surcharge	Turnover tax payable	2%, 1%
Enterprise income tax	Taxable income	15%, 20%, 25%

The resource tax for subsidiaries in Shandong Province is paid at 4.2% of the gold sales revenue, while other companies pay the resource tax according to the tax items and applicable rates determined by the provincial people's government of their location.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VI. TAXATION (Continued)

1. Main types of taxes and corresponding rates (Continued)

Main types of taxes and corresponding rates (Continued)

(1) Please make a disclosure if there are taxpayers with different enterprise income tax rates
☒ Applicable ☐ N/A

Name of taxpayer	Income tax rate (%)
The Company	15
Xihe Zhongbao Mining Co., Ltd.* (西和縣中寶礦業有限公司)	15
Fujian Zhenghe County Yuanxin Mining Co., Ltd.* (福建省政和縣源鑫礦業有限公司)	15
Shandong Gold Mining (Yinan) Co., Ltd.* (山東黃金礦業(沂南)有限公司)	15
Chifeng Chaihulanzi Gold Mining Co., Ltd.* (赤峰柴胡欄子黃金礦業有限公司)	15
SDG Heavy Industry Co., Ltd.* (山金重工有限公司)	15
Shandong Gold Mining (Xinhui) Co., Ltd.* (山東黃金礦業(鑫匯)有限公司)	15
Shandong Gold Guilaizhuang Mining Co., Ltd. (山東黃金歸來莊礦業有限公司)	15
Shandong Gold Mining Technology Co., Ltd.* (山東黃金礦業科技有限公司)	15
Shandong Gold Mining (Laixi) Co., Ltd.* (山東黃金礦業(萊西)有限公司)	15
Xinjiang Jinchuan Mining Co., Ltd.* (新疆金川礦業有限公司)	15
Inner Mongolia Yulong Mining Co., Ltd.* (內蒙古玉龍礦業股份有限公司)	15
Jilin Banmiaozi Mining Co., Ltd.* (吉林板廟子礦業有限公司)	15
Hainan Shengwei Trading Co., Ltd.* (海南盛蔚貿易有限公司)	15
Shenzhen SD Gold Mining Precious Metal Co., Ltd.* (深圳市山金礦業貴金屬有限公司)	20
Tianshan Goldfield (Xinjiang) Investment Advisory Limited* (新疆天山金田投資諮詢有限公司)	20
SDG International Capital Management Co., Ltd.* (山金國際資產管理有限公司)	20
Shandong Shanjin Materials Co., Ltd.* (山東山金物資有限公司)	20
Other taxpayers except those mentioned above	25

(2) Main types of taxes and tax rates thereof applicable to overseas subsidiaries of the Company are presented as follows:

Country or area	Type of tax	Tax base	Tax rate
Hong Kong	Enterprise income tax	Taxable income	16.50%
Argentina	Enterprise income tax	Taxable income	35%
Australia	Enterprise income tax	Taxable income	30%
Ghana	Enterprise income tax	Taxable income	35%
Singapore	Enterprise income tax	Taxable income	17%
Canada	Enterprise income tax	Taxable income	27%
Mauritius	Enterprise income tax	Taxable income	15%
Namibia	Enterprise income tax	Taxable income	32%, 37.5%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VI. TAXATION (Continued)

2. Tax incentives

√Applicable □N/A

(1) Value-added tax (VAT)

According to the Announcement No. 11 [2025] of the Ministry of Finance and the State Administration of Taxation, the “Announcement of the Ministry of Finance and the State Administration of Taxation Policies Related to Gold”, when member units or customers sell standard gold through the Shanghai Gold Exchange or the Shanghai Futures Exchange, such sales are exempt from VAT. Where no physical delivery takes place, the exchange is exempt from VAT. Where physical delivery occurs, and the member unit purchases standard gold for investment purposes, the exchange is entitled to a VAT refund upon collection (i.e., immediate refund), while being exempt from urban maintenance and construction tax and educational surcharges. If the purchasing member unit processes the standard gold into non-investment gold products and sells them, or sells them directly or after processing, VAT shall be payable in accordance with existing regulations. The sale of standard gold not through an exchange shall be subject to VAT in accordance with existing regulations.

(2) Enterprise income tax

Shandong Gold Mining Co., Ltd. has been recognized as a high-tech enterprise in accordance with the Notice on Announcing the List of High-Tech Enterprises in Shandong Province for 2024 issued by the Department of Science & Technology of Shandong Province, the Shandong Provincial Department of Finance and the Shandong Provincial Tax Service, enjoying a certificate with the certificate number of GR202437003705 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2025.

Xihe Zhongbao Mining Co., Ltd. has been recognized as a high-tech enterprise in accordance with the Public Announcement on Filing the First Batch of High-Tech Enterprises Certified by Gansu Province's Certification Authority in 2024 issued by the National Leading Group Office for the Administration of the Recognition of High-Tech Enterprises, enjoying a certificate with the certificate number of GR202462000242 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2025.

Fujian Zhenghe County Yuanxin Mining Co., Ltd. has been recognized as a high-tech enterprise in accordance with the Public Announcement on Filing the First Batch of High-Tech Enterprises Certified by Fujian Province's Certification Authority in 2024 issued by the National Leading Group Office for the Administration of the Recognition of High-Tech Enterprises, enjoying a certificate with the certificate number of GR202435000942 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2025.

Shandong Gold Mining (Yinan) Co., Ltd. has been recognized as a high-tech enterprise in accordance with the Public Announcement on Filing the Third Batch of High-Tech Enterprises Certified by Shandong Province's Certification Authority in 2023 issued by the National Leading Group Office for the Administration of the Recognition of High-Tech Enterprises, enjoying a certificate with the certificate number of GR202337008752 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VI. TAXATION *(Continued)*

2. Tax incentives *(Continued)*

(2) Enterprise income tax *(Continued)*

Chifeng Chaihulanzhi Gold Mining Co., Ltd. has been recognized as a high-tech enterprise in accordance with the Public Notice on Filing the Fifth Batch of High-Tech Enterprises Certified by Inner Mongolia Autonomous Region's Certification Authority in 2025 issued by the National Leading Group Office for the Administration of the Recognition of High-Tech Enterprises. As the review process has not yet been completed and the high-tech enterprise certificate has not yet been issued, the Company calculated and paid the enterprise income tax at a rate of 15% for 2025.

SDG Heavy Industry Co., Ltd. has been recognized as a high-tech enterprise in accordance with the Public Announcement on Filing the First Batch of High-Tech Enterprises Certified by Shandong Province's Certification Authority in 2025 issued by the National Leading Group Office for the Administration of the Recognition of High-Tech Enterprises, enjoying a certificate with the certificate number of GR202537000528 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2025.

Shandong Gold Mining (Xinhui) Co., Ltd. passed the re-examination for high-tech enterprise certification on 19 December 2025, obtained the High-Tech Enterprise Approval Certificate issued by the Qingdao Municipal Bureau of Science and Technology, the Qingdao Municipal Bureau of Finance, and the Qingdao Tax Service of the State Taxation Administration, with the certificate number of GR202537100288 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2025.

Shandong Gold Guilaizhuang Mining Co., Ltd. has been recognized as a high-tech enterprise in accordance with the Public Announcement Regarding Filing the First Batch of High-Tech Enterprises Certified by Shandong Province's Certification Authority in 2025 issued by the National Leading Group Office for the Administration of the Recognition of High-Tech Enterprises, enjoying a certificate with the certificate number of GR202537002305 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2025.

Shandong Gold Mining Technology Co., Ltd. has been recognized as a high-tech enterprise in accordance with the Public Announcement on Filing the Third Batch of High-Tech Enterprises Certified by Shandong Province's Certification Authority in 2023 issued by the National Leading Group Office for the Administration of the Recognition of High-Tech Enterprises, enjoying a certificate with the certificate number of GR202337009161 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2025.

Shandong Gold Mining (Laixi) Co., Ltd. has been recognized as a high-tech enterprise in accordance with the Public Announcement on Filing the First Batch of High-Tech Enterprises Certified by Qingdao Municipal Certification Authority in 2024 issued by the National Leading Group Office for the Administration of the Recognition of High-Tech Enterprises, enjoying a certificate with the certificate number of GR202437101234 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VI. TAXATION (Continued)

2. Tax incentives (Continued)

(2) Enterprise income tax (Continued)

Xinjiang Jinchuan Mining Co., Ltd. has been recognized as a high-tech enterprise in accordance with the Public Announcement on Filing the Third Batch of High-Tech Enterprises Certified by Xinjiang Uygur Autonomous Region's Certification Authority in 2024 issued by the National Leading Group Office for the Administration of the Recognition of High-Tech Enterprises, enjoying a certificate with the certificate number of GR202465000949 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2025.

According to the provisions of the Notice on Tax Policy Issues Concerning the Deep Implementation of the Western Development Strategy (《關於深入實施西部大開發戰略有關稅收政策問題的通知》) (Cai Shui [2011] No. 58) jointly issued by the Ministry of Finance, the State Taxation Administration and the General Administration of Customs and the Announcement of the State Taxation Administration on Enterprise Income Tax Issues Concerning the Deep Implementation of the Western Development Strategy (《國家稅務總局關於深入實施西部大開發戰略有關企業所得稅問題的公告》) (Announcement No. 12 in 2012 from the State Taxation Administration) issued by the State Taxation Administration on 6 April 2012, Inner Mongolia Yulong Mining Co., Ltd. was subject to the enterprise income tax at a reduced rate of 15% during the Reporting Period.

Jilin Banmiaozi Mining Co., Ltd. was recognized as a high-tech enterprise in accordance with the High-Tech Enterprise Certificate (《高新技術企業證書》) jointly issued by the Jilin Provincial Department of Science and Technology, the Jilin Province Department of Finance and the Jilin Provincial Tax Service of the State Taxation Administration, with the certificate number of GR202322001167 and a validity certification period of three years, and calculated and paid the enterprise income tax at a rate of 15% for 2025.

According to the Circular on Preferential Enterprise Income Tax Policies for Hainan Free Trade Port (《關於海南自由貿易港企業所得稅優惠政策的通知》) (Cai Shui [2020] No. 31) jointly issued by the Ministry of Finance and the State Taxation Administration, Hainan Shengwei Trading Co., Ltd. which belongs to encouraged industrial enterprises registered in Hainan Free Trade Port with substantive operation will be subject to enterprise income tax at a reduced rate of 15%. In accordance with the Notice on Extending the Implementation of Preferential Enterprise Income Tax Policies in Hainan Free Trade Port (《關於延續實施海南自由貿易港企業所得稅優惠政策的通知》) (Cai Shui [2025] No. 3), the implementation period of the preferential tax policies has been extended to 31 December 2027.

According to the provisions of the Announcement of the Ministry of Finance and the State Taxation Administration on the Tax Policies for Further Supporting the Development of Small and Low-profit Enterprises and Individual Industrial and Commercial Households (《財政部稅務總局關於進一步支持小微企業和個體工商戶發展有關稅費政策的公告》) (Announcement No. 12 in 2023 from the Ministry of Finance and the State Taxation Administration), the policy for small and low-profit enterprises which calculate the taxable income at a reduced rate of 25% and subject to the enterprise income tax at the rate of 20% will continue to be implemented until 31 December 2027. Shenzhen SD Gold Mining Precious Metal Co., Ltd., Tianshan Goldfield (Xinjiang) Investment Advisory Limited, SDG International Capital Management Co., Ltd. and Shandong Shanjin Materials Co., Ltd., subsidiaries of the Company, meet the criteria for small and low-profit enterprises and shall calculate and pay the enterprise income tax at a rate of 20% for 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VI. TAXATION (Continued)

2. Tax incentives (Continued)

(3) Resource tax

According to the Notice on Clarifying the Applicable Rates of Resource Tax in Our Province and Other Related Matters (《關於明確資源稅我省適用稅率等有關事項的通知》) (Min Cai Shui [2020] No. 14) jointly issued by the Fujian Provincial Department of Finance and the Fujian Provincial Tax Service of the State Taxation Administration, for the extraction of associated minerals, when the sales of associated minerals and the main mineral products are accounted for separately, a 30% reduction in the payable resource tax for associated minerals is applied. Fujian Zhenghe County Yuanxin Mining Co., Ltd., a subsidiary of the Company, enjoys the aforementioned preferential policy.

In accordance with the provisions of Item (2) in Article 7 of the Resource Tax Law of the People's Republic of China (《中華人民共和國資源稅法》), which stipulates a reduced resource tax for the extraction of tailings, Shandong Gold Mining (Xinhui) Co., Ltd., a subsidiary of the Company, enjoys the aforementioned preferential policy.

According to the Specific Measures for Reduction and Exemption of Resource Tax in Jilin Province under Specific Circumstances (《吉林省資源稅特定情形減免具體辦法》) jointly issued by the Jilin Province Department of Finance, the Jilin Provincial Tax Service of the State Taxation Administration and the Jilin Provincial Department of Natural Resources, where an enterprise mines co-associated ore and the sales of co-associated ore and main mineral products are accounted for separately, the resource tax shall be reduced by 50% of the tax payable on the silver of co-associated ore. Jilin Banmiaozi Mining Co., Ltd., a subsidiary of the Company, enjoys the aforementioned preferential policy.

According to the Decision of the Standing Committee of the People's Congress of Heilongjiang Province on the Implementation of Authorized Matters of the Resource Tax Law (《黑龍江省人民代表大會常務委員會關於實施資源稅法授權事項的決定》) issued by the Standing Committee of the People's Congress of Heilongjiang Province, the resource tax shall be levied by taxpayers on the exploitation of co-associated ore and low-grade ore at a reduced rate of 50%, and the resource tax shall be exempted from the exploitation of tailings. Heihe Luoke Mining Development Co., Ltd., a subsidiary of the Company, enjoys the aforementioned preferential policy.

According to the Implementation Plan of Resource Tax Item Tax Rate and Preferential Policy of Qinghai Province (《青海省資源稅稅目稅率及優惠政策實施方案》) jointly issued by the Department of Finance of Qinghai Province and the Qinghai Provincial Tax Service of the State Taxation Administration, where taxpayers mine and sell associated mineral products, the sales of associated mineral products and main mineral products are accounted for separately, and the sales of associated mineral products account for less than 20% (excluding) of the total sales of taxable mineral products in the current period, the resource tax shall be reduced by 50%. Qinghai Dachaidan Mining Co., Ltd., a subsidiary of the Company, enjoys the aforementioned preferential policy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VI. TAXATION (Continued)

2. Tax incentives (Continued)

(4) Other taxes

According to the Announcement on Tax and Fee Policies to Further Support the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households (《關於進一步支持小微企業和個體工商戶發展有關稅費政策的公告》) issued by the State Taxation Administration, from 1 January 2023 to 31 December 2027, the small-scale value-added tax taxpayers, small and low-profit enterprises, and individual industrial and commercial households shall be entitled to a 50% reduction in resources tax (excluding water resources tax), urban maintenance and construction tax, property tax, urban land use tax, stamp duty (excluding stamp duty on securities transactions), arable land occupation tax and education surcharge and local education surcharge. Shenzhen SD Gold Mining Precious Metal Co., Ltd., Tianshan Goldfield (Xinjiang) Investment Advisory Limited, SDG International Capital Management Co., Ltd. and Shandong Shanjin Materials Co., Ltd., subsidiaries of the Company, enjoy such preferential tax policy.

3. Others

☐ Applicable ☒ N/A

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Monetary funds

☒ Applicable ☐ N/A

Unit: RMB		
Item	Closing balance	Opening balance
Cash on hand	603,602.18	519,395.98
Bank deposits	8,317,497,021.58	2,957,174,388.04
Other monetary funds	5,582,136,847.91	4,845,782,979.06
Deposits with finance companies	3,590,830,768.47	3,273,798,143.27
Total	17,491,068,240.14	11,077,274,906.35
Including: Total amount deposited overseas	2,326,516,305.33	811,046,996.35

Other explanations:

The Company had no funds deposited overseas with restrictions on repatriation of funds.

For details of the restrictions on the Company's monetary funds, please refer to VII. 31. Assets with Restricted Ownership or Right of Use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Held-for-trading financial assets

√Applicable □N/A

Unit: RMB

Item	Closing balance	Opening balance	Rationale and basis for designation
Financial assets at fair value through profit or loss	2,593,509,746.86	3,749,373,193.21	/
Including:			
Investments in debt instruments	772,176,094.38	769,858,312.35	/
Investments in equity instruments	1,821,333,652.48	1,692,562,718.50	/
Wealth management products in banks		1,286,952,162.36	/
Financial assets designated as at fair value through profit or loss			
Total	2,593,509,746.86	3,749,373,193.21	/

Other explanations:

□Applicable √N/A

3. Derivative financial assets

√Applicable □N/A

Unit: RMB

Item	Closing balance	Opening balance
Derivative financial assets with no designated hedging relationship	5,475,856.65	1,919,103.18
Commodity options	438,500.00	
Total	5,914,356.65	1,919,103.18

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Notes receivable

(1). Presentation of notes receivable by classification

√Applicable □N/A

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance	5,400,697.56	22,456,871.67
Trade acceptance	127,096,252.73	101,429,713.43
Total	132,496,950.29	123,886,585.10

(2). Notes receivable pledged by the Company at the end of the period

□Applicable √N/A

(3). Notes receivable endorsed or discounted by the Company at the end of the period and not yet due on the balance sheet date

√Applicable □N/A

Unit: RMB

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance		5,489,521.95
Trade acceptance		101,317,391.84
Total		106,806,913.79

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Notes receivable (Continued)

(4). Disclosure by bad-debt provision method

√Applicable □N/A

Unit: RMB

Type	Closing balance				
	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Provision proportion (%)	
Provision for bad debts made on an individual basis					
Including:					
Provision for bad debts made on a collective basis	139,186,226.75	100.00	6,689,276.46	4.81	132,496,950.29
Including:					
Bank acceptance	5,400,697.56	3.88			5,400,697.56
Trade acceptance	133,785,529.19	96.12	6,689,276.46	5.00	127,096,252.73
Total	139,186,226.75	100.00	6,689,276.46	4.81	132,496,950.29

Type	Opening balance				
	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Provision proportion (%)	
Provision for bad debts made on an individual basis					
Including:					
Provision for bad debts made on a collective basis	129,224,991.08	100.00	5,338,405.98	4.13	123,886,585.10
Including:					
Bank acceptance	22,456,871.67	17.38			22,456,871.67
Trade acceptance	106,768,119.41	82.62	5,338,405.98	5.00	101,429,713.43
Total	129,224,991.08	100.00	5,338,405.98	4.13	123,886,585.10

Provision for bad debts made on an individual basis:
□Applicable √N/A

Provision for bad debts made on a collective basis:
√Applicable □N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Notes receivable (Continued)

(4). Disclosure by bad-debt provision method (Continued)

Item made on a collective basis: Trade acceptance

Unit: RMB

Name	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Trade acceptance	133,785,529.19	6,689,276.46	5.00
Total	133,785,529.19	6,689,276.46	5.00

Description of provision for bad debts made on a collective basis

☐Applicable ☒N/A

Provision for bad debts made under general model of expected credit losses

☐Applicable ☒N/A

Description of significant changes in the book balance of notes receivable for which loss provision changed in the current period:

☐Applicable ☒N/A

(5). Status of provision for bad debts

☐Applicable ☒N/A

Of which, significant amounts of provision for bad debts recovered or reversed in the current period:

☐Applicable ☒N/A

(6). Notes receivable actually written off in the current period

☐Applicable ☒N/A

Of which, significant notes receivable written off:

☐Applicable ☒N/A

Description of the written-off of notes receivable:

☐Applicable ☒N/A

Other explanations:

☒Applicable ☐N/A

The aging of notes receivable as at the end of the year was within 180 days.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable

(1). Disclosure by aging

√Applicable □N/A

An aging analysis of accounts receivable (including accounts receivables due from connected parties) based on transaction dates is as follows:

Unit: RMB

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	354,324,842.80	486,877,590.39
Total amount within 1 year	354,324,842.80	486,877,590.39
1 to 2 years	69,681,567.00	23,097,344.40
2 to 3 years	2,263,452.00	1,044,140.39
Over 3 years		
3 to 4 years	387,842.22	400,000.00
4 to 5 years	400,000.00	17,725.00
Over 5 years	6,678,116.82	6,792,882.15
Total	433,735,820.84	518,229,682.33

(2). Disclosure by bad-debt provision method

√Applicable □N/A

Unit: RMB

Type	Closing balance				
	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Provision proportion (%)	
Provision for bad debts made on an individual basis	56,732,116.06	13.08	37,962,879.26	66.92	18,769,236.80
Including:					
Provision for bad debts made on a collective basis	377,003,704.78	/	18,994,201.67	/	358,009,503.11
Including:					
The aging portfolio	228,520,794.66	52.69	18,994,201.67	8.31	209,526,592.99
Other portfolios	148,482,910.12	34.23			148,482,910.12
Total	433,735,820.84	/	56,957,080.93	/	376,778,739.91

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable (Continued)

(2). Disclosure by bad-debt provision method (Continued)

Type	Opening balance				
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Provision proportion (%)	Book value
Provision for bad debts made on an individual basis					
Including:					
Provision for bad debts made on a collective basis	518,229,682.33	/	25,180,676.72	/	493,049,005.61
Including:					
The aging portfolio	362,500,828.07	69.95	25,180,676.72	6.95	337,320,151.35
Other portfolios	155,728,854.26	30.05			155,728,854.26
Total	518,229,682.33	/	25,180,676.72	/	493,049,005.61

Provision for bad debts made on an individual basis:

☒Applicable ☐N/A

Unit: RMB

Name	Closing balance			
	Book balance	Provision for bad debts	Provision proportion (%)	Reason for provision
Unit 1	56,732,116.06	37,962,879.26	66.92	A portion is expected to be unrecoverable
Total	56,732,116.06	37,962,879.26	66.92	/

Description of provision for bad debts made on an individual basis:

☐Applicable ☒N/A

Provision for bad debts made on a collective basis:

☒Applicable ☐N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable (Continued)

(2). Disclosure by bad-debt provision method (Continued)

Item made on a collective basis: The aging portfolio

Unit: RMB

Name	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Within 1 year	205,841,932.68	10,292,096.68	5.00
1 to 2 years	12,949,450.94	1,294,945.10	10.00
2 to 3 years	2,263,452.00	452,690.40	20.00
3 to 4 years	387,842.22	116,352.67	30.00
4 to 5 years	400,000.00	160,000.00	40.00
Over 5 years	6,678,116.82	6,678,116.82	100.00
Total	228,520,794.66	18,994,201.67	

Description of provision for bad debts made on a collective basis:

☒Applicable ☐N/A

For accounts receivable classified into portfolios, the Group determines the proportion of provision for bad debts made based on the actual loss rate of accounts receivable portfolios with similar credit risk characteristics grouped by aging periods, with reference to historical credit loss experience, and in combination with the current situation and forecasts of future economic conditions.

Provision for bad debts made under general model of expected credit losses

☐Applicable ☒N/A

Description of significant changes in the book balance of accounts receivable for which loss provision changed in the current period:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable (Continued)

(3). Status of provision for bad debts

☒Applicable ☐N/A

Unit: RMB

Type	Opening balance	Amount of change in the current period				Closing balance
		Provision	Recovery or reversal	Carryforward or write-off	Other changes	
Provision for bad debts made on an individual basis		37,962,879.26				37,962,879.26
Provision for bad debts made on a collective basis	25,180,676.72	-6,186,475.05				18,994,201.67
Total	25,180,676.72	31,776,404.21				56,957,080.93

Of which, significant amounts of provision for bad debts recovered or reversed in the current period:

☐Applicable ☒N/A

(4). Accounts receivable actually written off in the current period

☐Applicable ☒N/A

Of which, significant accounts receivable written off

☐Applicable ☒N/A

Description of the written-off of accounts receivable:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable (Continued)

(5). Top five accounts receivable and contract assets according to the closing balance collected by the debtor

√Applicable □N/A

Unit: RMB

Name of the entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion to total closing balance of accounts receivable and contract assets (%)	Closing balance of provision for bad debts
Unit 2	148,426,407.47		148,426,407.47	34.22	
Unit 3	116,251,275.36		116,251,275.36	26.80	5,812,563.77
Unit 1	56,732,116.06		56,732,116.06	13.08	37,962,879.26
Unit 4	13,127,013.25		13,127,013.25	3.03	1,160,856.63
Unit 5	8,945,002.41		8,945,002.41	2.06	447,250.12
Total	343,481,814.55		343,481,814.55	79.19	45,383,549.78

Other explanations:

□Applicable √N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Contract assets

(1). Contract assets

☐Applicable ☒N/A

(2). Amount of and reason for significant change in book value during the Reporting Period

☐Applicable ☒N/A

(3). Disclosure by bad-debt provision method

☐Applicable ☒N/A

Provision for bad debts made on an individual basis:

☐Applicable ☒N/A

Description of provision for bad debts made on an individual basis:

☐Applicable ☒N/A

Provision for bad debts made on a collective basis:

☐Applicable ☒N/A

Provision for bad debts made under general model of expected credit losses

☐Applicable ☒N/A

Description of significant changes in the book balance of contract assets for which loss provision changed in the current period:

☐Applicable ☒N/A

(4). Provision for bad debts made for contract assets in the current period

☐Applicable ☒N/A

Of which, significant amounts of provision for bad debts recovered or reversed in the current period:

☐Applicable ☒N/A

(5). Contract assets actually written off in the current period

☐Applicable ☒N/A

Of which, significant contract assets written off

☐Applicable ☒N/A

Description of the written-off of contract assets:

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Receivables financing

(1). Presentation of receivables financing by classification

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance	5,341,418.51	80,034.15
Total	5,341,418.51	80,034.15

(2). Receivables financing pledged by the Company at the end of the period

☐Applicable ☒N/A

(3). Receivables financing endorsed or discounted by the Company at the end of the period and not yet due on the balance sheet date

☒Applicable ☐N/A

Unit: RMB

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance	60,147,536.26	
Total	60,147,536.26	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Receivables financing (Continued)

(4). Disclosure by bad-debt provision method

☐Applicable ☒N/A

Provision for bad debts made on an individual basis:

☐Applicable ☒N/A

Description of provision for bad debts made on an individual basis:

☐Applicable ☒N/A

Provision for bad debts made on a collective basis:

☐Applicable ☒N/A

Provision for bad debts made under general model of expected credit losses

☐Applicable ☒N/A

Description of significant changes in the book balance of receivables financing for which loss provision changed in the current period:

☐Applicable ☒N/A

(5). Status of provision for bad debts

☐Applicable ☒N/A

Of which, significant amounts of provision for bad debts recovered or reversed in the current period:

☐Applicable ☒N/A

(6). Receivables financing actually written off in the current period

☐Applicable ☒N/A

Of which, significant receivables financing written off

☐Applicable ☒N/A

Description of the written-off:

☐Applicable ☒N/A

(7). Increase/decrease in receivables financing and their changes in fair value in the current period:

☐Applicable ☒N/A

(8). Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Prepayments

(1). Presentation of prepayments by age

√Applicable □N/A

Unit: RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	402,065,626.25	97.55	461,407,081.27	97.64
1 to 2 years	6,290,446.62	1.53	6,416,025.05	1.36
2 to 3 years	1,352,309.71	0.33	1,022,253.52	0.22
Over 3 years	2,447,105.25	0.59	3,729,639.81	0.78
Total	412,155,487.83	100.00	472,574,999.65	100.00

Description of the reasons for the non-timely settlement of prepayments aged over 1 year and in significant amount:

The Company had no prepayments of significant amounts and with aging of over 1 year.

(2). Top five prepayments according to the closing balance collected by the debtor

√Applicable □N/A

Unit: RMB

Name of the entity	Closing balance	Proportion to the total closing balance of prepayments (%)
Industrial and Commercial Bank of China Limited Precious Metals Business Department (中國工商銀行股份有限公司貴金屬業務部)	110,936,169.58	26.92
Chifeng Shanjin Gold Silver Lead Co., Ltd. (赤峰山金銀鉛有限公司)	31,000,000.00	7.52
China Merchants Bank Co., Ltd. Business Department (招商銀行股份有限公司營業部)	26,981,294.47	6.55
Shandong Yantai Petroleum Branch of Sinopec Marketing Co., Ltd. (中國石化銷售股份有限公司山東煙台石油分公司)	19,458,586.54	4.72
Yantai Gold Smelting Co., Ltd. (煙台市黃金冶煉有限責任公司)	19,079,754.75	4.63
Total	207,455,805.34	50.34

Other explanations:

□Applicable √N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Other receivables

Presentation by item

☒ Applicable ☐ N/A

Unit: RMB

Item	Closing balance	Opening balance
Interests receivable		
Dividends receivable		
Other receivables	5,073,224,619.02	4,940,701,333.75
Total	5,073,224,619.02	4,940,701,333.75

Other explanations:

☐ Applicable ☒ N/A

Interests receivable

(1). *Classification of interests receivable*

☐ Applicable ☒ N/A

(2). *Significant overdue interest*

☐ Applicable ☒ N/A

(3). *Disclosure by bad-debt provision method*

☐ Applicable ☒ N/A

Provision for bad debts made on an individual basis:

☐ Applicable ☒ N/A

Description of provision for bad debts made on an individual basis:

☐ Applicable ☒ N/A

Provision for bad debts made on a collective basis:

☐ Applicable ☒ N/A

(4). *Provision for bad debts made under general model of expected credit losses*

☐ Applicable ☒ N/A

Description of significant changes in the book balance of interests receivable for which loss provision changed in the current period:

☐ Applicable ☒ N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Other receivables (Continued)

Interests receivable (Continued)

(5). Status of provision for bad debts

☐Applicable ☒N/A

Of which, significant amounts of provision for bad debts recovered or reversed in the current period:

☐Applicable ☒N/A

(6). Interests receivable actually written off in the current period

☐Applicable ☒N/A

Of which, significant interests receivable written off

☐Applicable ☒N/A

Description of the written-off:

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

Dividends receivable

(7). Dividends receivable

☐Applicable ☒N/A

(8). Significant dividends receivable aged over 1 year

☐Applicable ☒N/A

(9). Disclosure by bad-debt provision method

☐Applicable ☒N/A

Provision for bad debts made on an individual basis:

☐Applicable ☒N/A

Description of provision for bad debts made on an individual basis:

☐Applicable ☒N/A

Provision for bad debts made on a collective basis:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Other receivables (Continued)

Dividends receivable (Continued)

(10). Provision for bad debts made under general model of expected credit losses

☐Applicable ☒N/A

Description of significant changes in the book balance of dividends receivable for which loss provision changed in the current period:

☐Applicable ☒N/A

(11). Status of provision for bad debts

☐Applicable ☒N/A

Of which, significant amounts of provision for bad debts recovered or reversed in the current period:

☐Applicable ☒N/A

(12). Dividends receivable actually written off in the current period

☐Applicable ☒N/A

Of which, significant dividends receivable written off

☐Applicable ☒N/A

Description of the written-off:

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Other receivables (Continued)

Other receivables

(13). Disclosure by aging

☒ Applicable ☐ N/A

Unit: RMB

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	4,867,157,055.75	4,658,778,993.55
Total amount within 1 year	4,867,157,055.75	4,658,778,993.55
1 to 2 years	45,910,810.88	138,120,565.76
2 to 3 years	67,246,967.60	417,134,687.40
Over 3 years		
3 to 4 years	423,583,555.40	9,721,330.28
4 to 5 years	6,750,854.30	32,720,211.09
Over 5 years	257,804,231.63	99,287,962.41
Total	5,668,453,475.56	5,355,763,750.49

(14). Classification by the nature of payment

☒ Applicable ☐ N/A

Unit: RMB

Nature of payment	Closing book balance	Opening book balance
Security deposit	4,164,892,647.42	4,087,785,866.23
Utility bill	54,502,949.78	64,617,587.51
Borrowings and current accounts	447,519,045.97	545,534,677.29
Tax refunds	747,699,871.74	554,412,863.82
Deposit	17,808,211.25	15,889,264.50
Reserve fund	10,852,338.93	8,422,663.41
Payment for land	184,834,960.39	
Others	40,343,450.08	79,100,827.73
Total	5,668,453,475.56	5,355,763,750.49

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Other receivables (Continued)

Other receivables (Continued)

(15). Provision for bad debts made

☒ Applicable ☐ N/A

Unit: RMB

Book balance	Stage I ECL over the next 12 months	Stage II Lifetime ECL (non-credit impaired)	Stage III Lifetime ECL (credit impaired)	Total
Balance on 1 January 2025	9,635,706.24		405,426,710.50	415,062,416.74
Balance on 1 January 2025 in the current period	9,635,706.24		405,426,710.50	415,062,416.74
– Transfer to stage II				
– Transfer to stage III				
– Reversed from stage II				
– Reversed from stage I				
Provision made for the current period	36,213,576.71		143,952,863.09	180,166,439.80
Reversed in the current period				
Carried forward in the current period				
Written off in the current period				
Other changes				
Balance on 31 December 2025	45,849,282.95		549,379,573.59	595,228,856.54

Description of significant changes in the book balance of other receivables for which loss provision changed in the current period:

☐ Applicable ☒ N/A

Amount of provision for bad debts made in the current period and basis adopted for evaluating whether credit risk of financial instruments increased significantly:

☐ Applicable ☒ N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Other receivables (Continued)

Other receivables (Continued)

(16). Status of provision for bad debts

☒ Applicable ☐ N/A

Unit: RMB

Type	Opening balance	Provision	Amount of change in the current period		Other changes	Closing balance
			Recovery or reversal	Carryforward or write-off		
Provision for bad debts made on an individual basis	405,426,710.50	143,952,863.09				549,379,573.59
Provision for bad debts made on a collective basis	9,635,706.24	36,213,576.71				45,849,282.95
Total	415,062,416.74	180,166,439.80				595,228,856.54

Of which, significant amounts of provision for bad debts reversed or recovered in the current period:

☐ Applicable ☒ N/A

(17). Other receivables actually written off in the current period

☐ Applicable ☒ N/A

Of which, other significant receivables written off:

☐ Applicable ☒ N/A

Description of the written-off of other receivables:

☐ Applicable ☒ N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Other receivables (Continued)

Other receivables (Continued)

(18). Top five other receivables according to the closing balance collected by the debtor

☒ Applicable ☐ N/A

Unit: RMB

Name of the entity	Closing balance	Percentage of the total balance of other receivables at the end of the period (%)	Nature of payment	Aging	Closing balance of provision for bad debts
Shanghai Gold Exchange	1,585,944,589.47	27.98	Security deposit	Within 1 year	
China Financial Futures Exchange Co., Ltd. (中國金融期貨交易所股份有限公司)	883,298,149.56	15.58	Security deposit	Within 1 year	
Shanghai Futures Exchange	691,224,221.93	12.19	Security deposit	Within 1 year	
Ghana Revenue Authority	575,044,485.19	10.14	Tax refunds	Within 1 year	
Shanghai Orient Futures Co., Ltd. (上海東證期貨有限公司)	340,682,691.15	6.01	Security deposit	Within 1 year	
Total	4,076,194,137.30	71.90	/	/	

(19). Presented in other receivables due to centralized management of funds

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. Inventory

(1). Classification of inventory

√Applicable □N/A

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for inventory decline/ impairment provision for contract performance cost	Book value	Book balance	Provision for inventory decline/ impairment provision for contract performance cost	Book value
Raw materials	464,783,750.29	201,470.01	464,582,280.28	630,714,128.68	201,470.01	630,512,658.67
Work in process	2,988,464,491.90		2,988,464,491.90	2,868,797,174.95		2,868,797,174.95
Inventory goods	2,985,050,936.63		2,985,050,936.63	2,593,998,197.05	5,431,596.92	2,588,566,600.13
Turnover materials	394,247,909.78	5,614,154.47	388,633,755.31	475,756,890.43		475,756,890.43
Consumable biological assets	24,258,987.36	3,702,830.45	20,556,156.91	26,933,342.04	3,702,830.45	23,230,511.59
Contract performance cost	1,324,317.79		1,324,317.79	2,488,927.98		2,488,927.98
Commissioned processing materials	39,201,112.06		39,201,112.06	227,212,986.18		227,212,986.18
Delivered goods	16,543,032.74		16,543,032.74	3,179,866.28		3,179,866.28
Total	6,913,874,538.55	9,518,454.93	6,904,356,083.62	6,829,081,513.59	9,335,897.38	6,819,745,616.21

(2). Data resources recognized as inventory

□Applicable √N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. Inventory (Continued)

(3). Provision for inventory decline and impairment provision for contract performance cost

☒Applicable ☐N/A

Unit: RMB

Item	Opening balance	Increased amount in the current period		Decreased amount in the current period		Closing balance
		Provision	Others	Reversal or carryforward	Others	
Raw materials	201,470.01					201,470.01
Work in process						
Inventory goods	5,431,596.92			5,431,596.92		
Turnover materials		5,614,154.47				5,614,154.47
Consumable biological assets	3,702,830.45					3,702,830.45
Contract performance cost						
Commissioned processing materials						
Delivered goods						
Total	9,335,897.38	5,614,154.47		5,431,596.92		9,518,454.93

Reasons for reversal or carryforward of provision for inventory decline in the current period

☐Applicable ☒N/A

Provision for inventory decline made on a collective basis

☐Applicable ☒N/A

Criteria for provision for inventory decline made on a collective basis

☐Applicable ☒N/A

(4). Capitalized amount of borrowing expenses included in the closing balance of inventories and the criteria and basis for their calculation

☐Applicable ☒N/A

(5). Description of the amortization amount of contract performance cost in the current period

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Assets held for sale

☐Applicable ☒N/A

12. Non-current assets due within one year

☐Applicable ☒N/A

Debt investments due within one year

☐Applicable ☒N/A

Other debt investments due within one year

☐Applicable ☒N/A

13. Other current assets

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Opening balance
Contract acquisition cost		
Cost for returned goods receivable		
Lease of gold	505,106,725.77	670,518,049.80
Input tax credit	260,238,536.53	300,385,549.18
Advanced income tax	31,319,568.83	19,031,746.26
Deferred expenses	3,118,820.53	956,642.26
Advanced other taxes and fees	1,931,443.30	10,237,348.96
Other assets from structured entities	9,715,829.58	17,696,345.68
Standard warrant	57,870,923.07	
Others	3,498,731.50	3,818,723.47
Total	872,800,579.11	1,022,644,405.61

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Debt investments

(1). Debt investments

☐Applicable ☒N/A

Changes in impairment provision for debt investments in the current period

☐Applicable ☒N/A

(2). Significant debt investments at the end of the period

☐Applicable ☒N/A

(3). Impairment provision made

☐Applicable ☒N/A

Description of significant changes in the book balance of debt investments for which loss provision changed in the current period:

☐Applicable ☒N/A

Amount of impairment provision made in the current period and basis adopted for evaluating whether credit risk of financial instruments increased significantly:

☐Applicable ☒N/A

(4). Debt investments actually written off in the current period

☐Applicable ☒N/A

Of which, significant debt investments written off

☐Applicable ☒N/A

Description of the written-off of debt investments:

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. Other debt investments

(1). Other debt investments

☐Applicable ☒N/A

Changes in impairment provision for other debt investments in the current period

☐Applicable ☒N/A

(2). Other significant debt investments at the end of the period

☐Applicable ☒N/A

(3). Impairment provision made

☐Applicable ☒N/A

Description of significant changes in the book balance of other debt investments for which loss provision changed in the current period:

☐Applicable ☒N/A

Amount of impairment provision made in the current period and basis adopted for evaluating whether credit risk of financial instruments increased significantly:

☐Applicable ☒N/A

(4). Other debt investments actually written off in the current period

☐Applicable ☒N/A

Of which, other significant debt investments written off

☐Applicable ☒N/A

Description of the written-off of other debt investments:

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Long-term receivables

(1). Long-term receivables

☐Applicable ☒N/A

(2). Disclosure by bad-debt provision method

☐Applicable ☒N/A

Provision for bad debts made on an individual basis:

☐Applicable ☒N/A

Description of provision for bad debts made on an individual basis:

☐Applicable ☒N/A

Provision for bad debts made on a collective basis:

☐Applicable ☒N/A

(3). Provision for bad debts made under general model of expected credit losses

☐Applicable ☒N/A

Description of significant changes in the book balance of long-term receivables for which loss provision changed in the current period:

☐Applicable ☒N/A

Amount of provision for bad debts made in the current period and basis adopted for evaluating whether credit risk of financial instruments increased significantly

☐Applicable ☒N/A

(4). Status of provision for bad debts

☐Applicable ☒N/A

Of which, significant amounts of provision for bad debts recovered or reversed in the current period:

☐Applicable ☒N/A

(5). Long-term receivables actually written off in the current period

☐Applicable ☒N/A

Of which, significant long-term receivables written off

☐Applicable ☒N/A

Descriptions on long-term receivables write-offs:

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Long-term equity investment

(1). Long-term equity investment

√Applicable □N/A

Unit: RMB

Investee	Opening balance (carrying amount)	Increase in investment	Decrease in investment	Changes for the current period				Declared and paid cash dividends or profits	Provisions for impairment	Others	Closing balance (carrying amount)	Closing balance of provisions for impairment
				Investment gains and losses recognized under equity method	Adjustment for other comprehensive income	Change in other equity						
I. Joint ventures												
Subtotal												
II. Associates												
Shandong Gold Group Finance Co., Ltd. (山東黃金集團財務 有限公司)	1,085,216,501.95			31,784,844.62				25,811,935.09			1,091,189,411.48	
Shanghai Lide Shanjin Asset Management Co., Ltd. (上海 利得山金資產管理有限公司)	3,967,503.88			-126,387.84							3,841,116.04	
Laizhou Huijin Mining Investment Ltd. (萊州匯金礦業投資 有限公司)	1,437,748,626.05	71,997,213.28		-482,070.03							1,509,263,769.30	
Subtotal	2,526,932,631.88	71,997,213.28		31,176,386.75				25,811,935.09			2,604,294,296.82	
Total	2,526,932,631.88	71,997,213.28		31,176,386.75				25,811,935.09			2,604,294,296.82	

(2). Impairment test of long-term equity investments

□Applicable √N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18. Other equity instrument investments

(1). Other equity instrument investment

☒ Applicable ☐ N/A

Unit: RMB

Item	Opening balance	Changes for the current period					Others	Closing balance	Dividend income recognized in the current period	Accumulated		Reason for being designated as measured at fair value through other comprehensive income
		Increase in investment	Decrease in investment	Gains included in other comprehensive income in the current period	Losses included in other comprehensive income in the current period					gains included in other comprehensive income	losses included in other comprehensive income	
Membership of the Shanghai Gold Exchange	4,900,000.00	1,100,000.00	500,000.00					5,500,000.00				
Membership of the Shanghai Futures Exchange	1,000,000.00							1,000,000.00				
Membership of the Dalian Commodity Exchange	500,000.00							500,000.00				
Membership of the Zhengzhou Commodity Exchange	400,000.00							400,000.00				
Shandong Laizhou Rural Commercial Bank Co., Ltd. (山東萊州農村商業銀行股份有限公司)	1,100,000.00							1,100,000.00				
Qinghai Kunlun Gold Co., Ltd. (青海崑崙黃金有限公司)	13,282,513.97							13,282,513.97	6,000.00			
Baishan Rongsheng Mining Development Co., Ltd. (白山市融盛礦業開發有限公司)	500,000.00							500,000.00				
Chifeng Herizeng Mining Development Co., Ltd. (赤峰市和日增礦業開發有限公司)	1,300,518.01							1,300,518.01				
Inner Mongolia Xing'an Copper and Zinc Smelting Co., Ltd. (內蒙古興安銅鋅冶煉有限公司)	5,736,790.22							5,736,790.22				
Total	28,719,822.20	1,100,000.00	500,000.00					29,319,822.20	6,000.00			/

(2). Explanation on derecognition in the current period

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

19. Other non-current financial assets

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Opening balance
Equity securities	3,280,748,618.70	4,454,180,399.78
Asset management plans		25,370,418.82
Investment fund	1,026,631.61	2,049,758.01
Total	3,281,775,250.31	4,481,600,576.61

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20. Investment properties

Measurement model for investment real estate

(1). Investment real estate measured under cost method

Unit: RMB

Item	Houses and buildings	Land use rights	Construction in progress	Total
I. Original carrying amount				
1. Opening balance	241,887,529.98			241,887,529.98
2. Increased amount in the current period				
(1) Purchase				
3. Decreased amount in the current period				
(1) Disposal				
(2) Other transfer out				
4. Closing balance	241,887,529.98			241,887,529.98
II. Accumulated depreciation and accumulated amortization				
1. Opening balance	109,040,066.97			109,040,066.97
2. Increased amount in the current period	8,773,051.27			8,773,051.27
(1) Accrual or amortization	8,773,051.27			8,773,051.27
3. Decreased amount in the current period				
(1) Disposal				
(2) Other transfer out				
4. Closing balance	117,813,118.24			117,813,118.24
III. Provision for impairment				
1. Opening balance				
2. Increased amount in the current period	2,195,672.80			2,195,672.80
(1) Accrual	2,195,672.80			2,195,672.80
3. Decreased amount in the current period				
(1) Disposal				
(2) Other transfer out				
4. Closing balance	2,195,672.80			2,195,672.80
IV. Carrying amount				
1. Closing carrying amount	121,878,738.94			121,878,738.94
2. Opening carrying amount	132,847,463.01			132,847,463.01

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20. Investment real estate (Continued)

Measurement model for investment real estate (Continued)

(2). Investment real estate without title certificates

☐ Applicable ☒ N/A

(3). Impairment test of investment real estate adopting cost measurement model

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

21. Fixed assets

Presentation of item

☒ Applicable ☐ N/A

Unit: RMB

Item	Closing balance	Opening balance
Fixed assets	59,209,876,142.28	50,792,155,870.59
Disposal of fixed assets	35,281,112.09	34,103,792.18
Total	59,245,157,254.37	50,826,259,662.77

Other explanations:

☐ Applicable ☒ N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. Fixed assets (Continued)

Fixed assets

(1). Fixed assets

√Applicable □N/A

Unit: RMB

Item	Houses and buildings	General equipment	Specialized equipment	Furniture, appliances, fittings and others	Total
I. Original carrying amount:					
1. Opening balance	68,144,520,999.16	4,364,015,743.41	10,202,296,151.36	844,079,649.98	83,554,912,543.91
2. Increased amount in the current period	10,813,128,458.60	2,164,256,741.50	1,438,135,632.02	29,383,505.20	14,444,904,337.32
(1) Purchase	651,575,395.68	93,956,122.63	144,569,569.53	9,705,666.98	899,806,754.82
(2) Transferred from construction in progress	10,135,838,022.33	2,058,661,189.17	1,280,285,758.94	19,426,651.79	13,494,211,622.23
(3) Increased from enterprise merger					-
(4) Others	25,715,040.59	11,639,429.70	13,280,303.55	251,186.43	50,885,960.27
3. Decreased amount in the current period	803,202,666.05	176,165,522.84	427,305,019.10	21,673,373.88	1,428,346,581.87
(1) Disposal or retirement	414,228,996.00	122,629,143.28	193,915,726.38	947,452.35	731,721,318.01
(2) Others	72,908,518.46	42,035,776.21	136,750,859.08	3,901,210.26	255,596,364.01
(3) Differences on translation of statements in foreign currency	316,065,151.59	11,500,603.35	96,638,433.64	16,824,711.27	441,028,899.85
4. Closing balance	78,154,446,791.71	6,352,106,962.07	11,213,126,764.28	851,789,781.30	96,571,470,299.36
II. Accumulated depreciation					
1. Opening balance	22,563,441,526.32	2,295,194,029.17	7,368,266,846.00	433,313,980.17	32,660,216,381.66
2. Increased amount in the current period	3,955,835,097.13	553,150,330.56	763,450,718.64	13,855,701.40	5,286,291,847.73
(1) Accrual	3,955,288,715.86	543,697,383.14	761,359,293.71	13,699,301.91	5,274,044,694.62
(2) Increased from enterprise merger					
(3) Others	546,381.27	9,452,947.42	2,091,424.93	156,399.49	12,247,153.11
3. Decreased amount in the current period	517,589,384.12	120,025,262.70	373,278,468.46	10,658,291.30	1,021,551,406.58
(1) Disposal or retirement	311,104,642.38	112,065,345.99	185,145,101.37	807,718.55	609,122,808.29
(2) Others	1,113,885.11	6,191,574.18	103,138,481.11	1,454,475.45	111,898,415.85
(3) Differences on translation of statements in foreign currency	205,370,856.63	1,768,342.53	84,994,885.98	8,396,097.30	300,530,182.44
4. Closing balance	26,001,687,239.33	2,728,319,097.03	7,758,439,096.18	436,511,390.27	36,924,956,822.81
III. Provision for impairment					
1. Opening balance	101,987,519.47	381,126.34	171,645.85		102,540,291.66
2. Increased amount in the current period	451,582,360.94				451,582,360.94
(1) Accrual	451,582,360.94				451,582,360.94
(2) Increased from enterprise merger					
3. Decreased amount in the current period	117,482,425.00	2,893.33			117,485,318.33
(1) Disposal or retirement	116,944,533.96	2,893.33			116,947,427.29
(2) Others					
(3) Differences on translation of statements in foreign currency	537,891.04				537,891.04
4. Closing balance	436,087,455.41	378,233.01	171,645.85		436,637,334.27
IV. Carrying amount					
1. Closing carrying amount	51,716,672,096.97	3,623,409,632.03	3,454,516,022.25	415,278,391.03	59,209,876,142.28
2. Opening carrying amount	45,479,091,953.37	2,068,440,587.90	2,833,857,659.51	410,765,669.81	50,792,155,870.59

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. Fixed assets (Continued)

Fixed assets (Continued)

(2). Temporarily idle fixed assets

☐ Applicable ☒ N/A

(3). Fixed assets leased out through operating leases

☒ Applicable ☐ N/A

Unit: RMB

Item	Closing carrying amount
Houses and buildings	2,427,728.10
General equipment	868,300.18
Specialized equipment	1,677,107.25
Total	4,973,135.53

(4). Fixed assets without title certificates

☒ Applicable ☐ N/A

Unit: RMB

Item	Carrying amount	Reasons for not completing the certificate of title
Yulong Mining houses	194,880,281.54	In processing
Jiaojia Gold Mine houses and buildings	153,509,788.04	In processing
Linglong Gold Mine houses	167,260,012.34	In processing
Jinzhou Mine house	41,937,251.42	In processing
Dachaidan properties	22,934,441.63	In processing
Chifengchai Mine new office building and apartment building	21,322,214.26	In processing
Heihe Luoke real estate	21,864,067.20	In processing
Yinan Gold Mine Jinlong mine area office building	2,724,402.24	In processing
Sanshandao New Filter Press Plant Building (三山島新壓濾廠房)	2,535,613.48	In processing
Total	628,968,072.15	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. Fixed assets (Continued)

Fixed assets (Continued)

(5). Impairment test of fixed assets

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

Disposal of fixed assets

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Opening balance
Houses and buildings	4,293,095.74	5,538,352.05
General equipment	13,046,369.10	12,023,108.32
Specialized equipment	17,899,796.77	16,443,091.04
Furniture, appliances, equipment and others	41,850.48	99,240.77
Total	35,281,112.09	34,103,792.18

22. Construction in progress

Presentation of item

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Opening balance
Construction in progress	6,472,196,151.22	10,438,347,909.12
Engineering materials	170,522,699.72	166,097,166.29
Total	6,642,718,850.94	10,604,445,075.41

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Construction in progress (Continued)

Construction in progress

(1). Construction in progress

☒ Applicable ☐ N/A

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Construction in progress	6,472,196,151.22		6,472,196,151.22	10,438,347,909.12		10,438,347,909.12
Total	6,472,196,151.22		6,472,196,151.22	10,438,347,909.12		10,438,347,909.12

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Construction in progress (Continued)

Construction in progress (Continued)

(2). Changes in important construction-in-progress projects in the current period

√Applicable □N/A

Name of project	Budget	Opening balance	Increased amount in the current period	Amount transferred to fixed assets in the current period	Other decreased amount in the current period	Closing balance	Proportion of cumulative project investment to budget (%)	Project progress	Unit: RMB		
									Accumulated amount of interest capitalized	Including: Capitalized amount of interest in the current period	Current interest capitalization rate (%) Sources of funds
Sanshandao Technical Transformation Project (三山島技術改造工程)	2,016,614,500.00	282,402,748.86	1,092,519,024.10	1,175,537,638.78		199,384,134.18	152.18	99.00			Self-owned funds
Mineral Resources Development and Utilization (Boundary and Capacity Expansion) Project of Sanshandao Gold Mine (三山島金礦礦產資源開發利用(邊界擴能)工程)	12,062,120,000.00	95,293,523.80	410,588,381.81	346,898,257.96		158,983,647.65	17.30	18.50	171,89,293.56		Self-owned funds, borrowings
Resource Integration, Development and Utilization Project for Jiaojia Gold Mining Belt (焦家金礦帶資源整合開發利用工程項目)	8,273,131,000.00	310,591,542.66	810,137,328.22	372,338,385.30		748,390,485.58	17.42	17.42	-		Self-owned funds
Dongfeng Mining Area Capacity and Boundary Expansion Project (東風礦區擴能擴界工程)	1,227,327,900.00	284,711,211.82	15,925,025.79	12,454,168.52		288,182,669.09	58.09	63.00	-		Self-owned funds
Xincheng Resource Integration and Development Project (新城資源整合開發工程)	5,634,000,000.00	859,334,730.98	367,704,644.34	711,674,924.36		515,364,450.96	45.85	66.11	6,887,559.30		Self-owned funds, borrowings
Xincheng Gold Mine Middle Section Development Project (新城金礦中段開拓工程)	3,936,336,000.00	16,391,520.76	982,987,507.45	999,379,028.21			98.53	99.51	-		Self-owned funds
Namding Project under Construction (衛珍帝尼在建項目)	4,357,152,000.00	4,019,483,648.51	286,913,611.91	4,063,328,261.12	38,044,523.05	205,024,477.25	98.84	99.00	197,887,724.51		Self-owned funds, borrowings
Total	37,496,681,400.00	5,888,208,927.39	3,966,776,123.62	7,681,610,683.25	38,044,523.05	2,115,329,864.71	/	/	221,964,577.37		/

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Construction in progress (Continued)

Construction in progress (Continued)

(3). Provision for impairment of construction in progress made in the current period

☐ Applicable ☒ N/A

(4). Impairment test of construction in progress

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

Engineering materials

(5). Engineering materials

☒ Applicable ☐ N/A

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Specialized equipment	164,133,351.43		164,133,351.43	163,281,558.02		163,281,558.02
Special materials	6,389,348.29		6,389,348.29	2,815,608.27		2,815,608.27
Total	170,522,699.72		170,522,699.72	166,097,166.29		166,097,166.29

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

23. Productive biological assets

(1). Productive biological assets measured under cost method

☐Applicable ☒N/A

(2). Impairment test of productive biological assets measured under cost method

☐Applicable ☒N/A

(3). Productive biological assets measured at fair value

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

24. Oil and gas assets

(1). Oil and gas assets

☐Applicable ☒N/A

(2). Impairment test of oil and gas assets

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

25. Right-of-use assets

(1). Right-of-use assets

√Applicable □N/A

Unit: RMB

Item	Land	Houses and buildings	Machinery and equipment	Transportation equipment	Total
I. Original carrying amount					
1. Opening balance	185,325,552.91	148,457,518.84	152,499,301.73	13,986,012.45	500,268,385.93
2. Increased amount in the current period	134,565,842.90	75,140,168.69	33,239,792.44	6,275,146.88	249,220,950.91
(1) Leased-in	134,565,842.90	75,140,168.69	33,239,792.44	6,275,146.88	249,220,950.91
(2) Increased from enterprise merger					
3. Decreased amount in the current period	14,926,410.50	12,887,511.49	4,151,583.84	3,200,788.87	35,166,294.70
(1) Disposal	14,926,410.50	12,799,680.66	794,138.34	3,200,788.87	31,721,018.37
(2) Decreased from enterprise merger					
(3) Others					
(4) Differences on translation of statements in foreign currency		87,830.83	3,357,445.50		3,445,276.33
4. Closing balance	304,964,985.31	210,710,176.04	181,587,510.33	17,060,370.46	714,323,042.14
II. Accumulated depreciation					
1. Opening balance	77,305,557.11	81,542,648.40	123,597,110.87	5,757,217.78	288,202,534.16
2. Increased amount in the current period	39,590,962.65	42,752,302.06	32,623,337.22	3,354,797.94	118,321,399.87
(1) Accrual	39,590,962.65	42,752,302.06	32,623,337.22	3,354,797.94	118,321,399.87
(2) Increased from enterprise merger					
3. Decreased amount in the current period	14,879,063.63	11,881,645.19	3,512,880.76	3,200,788.87	33,474,378.45
(1) Disposal	14,879,063.63	11,807,663.54	794,138.34	3,200,788.87	30,681,654.38
(2) Decreased from enterprise merger					
(3) Others					
(4) Differences on translation of statements in foreign currency		73,981.65	2,718,742.42		2,792,724.07
4. Closing balance	102,017,456.13	112,413,305.27	152,707,567.33	5,911,226.85	373,049,555.58
III. Provision for impairment					
1. Opening balance					
2. Increased amount in the current period					
(1) Accrual					
3. Decreased amount in the current period					
(1) Disposal					
4. Closing balance					
IV. Carrying amount					
1. Closing carrying amount	202,947,529.18	98,296,870.77	28,879,943.00	11,149,143.61	341,273,486.56
2. Opening carrying amount	108,019,995.80	66,914,870.44	28,902,190.86	8,228,794.67	212,065,851.77

(2). Impairment test of right-of-use assets

□Applicable √N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

26. Intangible assets

(1). Intangible assets

√Applicable □N/A

Item	Unit: RMB								
	Land use rights	Mining rights	Software	Non-patent technologies	Copyrights	Patent technologies	Data resources	Others	Total
I. Original carrying amount									
1. Opening balance	1,700,846,031.90	56,296,811,372.38	283,650,085.58	58,161,281.71	6,414,767.32	185,732,436.25	2,598,321.87	4,599,973.10	58,538,814,270.11
2. Increased amount in the current period	138,196,366.93	1,646,371,897.97	22,084,361.99			9,966,289.12	3,270,728.49	65,346.54	1,819,954,991.04
(1) Purchase	88,380,939.48	691,546,345.17	20,607,770.84					65,346.54	800,600,402.03
(2) Internal R&D									
(3) Increased from enterprise merger									
(4) Transfer of construction in progress	49,815,427.45	274,327,480.41	1,476,591.15			9,966,289.12	3,270,728.49		325,619,499.01
(5) Others		680,498,072.39				204,214.95			693,735,090.00
3. Decreased amount in the current period		82,323,446.94	1,998,420.23			204,214.95			84,526,082.12
(1) Disposal			1,675,361.95						1,879,576.90
(2) Others									
(3) Differences on translation of statements in foreign currency		82,323,446.94	323,058.28						82,646,505.22
4. Closing balance	1,839,042,398.83	57,860,859,823.41	303,736,027.34	58,161,281.71	6,414,767.32	195,494,510.42	5,869,050.36	4,665,319.64	60,274,243,179.03

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

26. Intangible assets (Continued)

(1). Intangible assets (Continued)

Item	Land use rights	Mining rights	Software	Non-patent technologies	Copyrights	Patent technologies	Data resources	Others	Total
II. Accumulated amortization									
1. Opening balance	360,774,018.83	10,002,691,338.89	134,625,375.24	14,295,657.62	1,261,172.79	50,284,107.43	247,490.29	2,683,072.44	10,566,862,233.53
2. Increased amount in the current period	64,022,820.73	1,735,014,975.72	23,055,166.67	5,848,749.84	640,981.67	16,636,569.74	658,915.84	176,900.45	1,846,055,080.66
(1) Accrual	64,022,820.73	1,735,014,975.72	23,055,166.67	5,848,749.84	640,981.67	16,636,569.74	658,915.84	176,900.45	1,846,055,080.66
(2) Increased from enterprise merger									
(3) Others									
3. Decreased amount in the current period			1,923,919.63			204,214.95			2,128,134.58
(1) Disposal			1,567,686.35			204,214.95			1,771,901.30
(2) Others									
(3) Differences on translation of statements in foreign currency									
4. Closing balance	424,796,839.56	11,737,706,314.61	155,756,622.28	20,144,407.46	1,902,154.46	66,716,462.22	906,406.13	2,859,972.89	12,410,789,179.61
III. Provision for impairment									
1. Opening balance	8,036,704.18	616,076,470.49							624,113,174.67
2. Increased amount in the current period									
(1) Accrual									
3. Decreased amount in the current period									
(1) Disposal									
4. Closing balance	8,036,704.18	616,076,470.49							624,113,174.67
IV. Carrying amount									
1. Closing carrying amount	1,406,208,855.09	45,507,077,038.31	147,979,405.06	38,016,874.25	4,512,612.86	128,778,048.20	4,962,644.23	1,805,346.75	47,239,340,824.75
2. Opening carrying amount	1,332,035,308.89	45,678,043,563.00	149,024,710.34	43,865,624.09	5,153,594.53	135,448,328.82	2,350,831.58	1,916,900.66	47,347,838,861.91

As at the end of the current period, the intangible assets from internal R&D of the Company accounted for 0.02% of the balance of intangible assets

The other increase in mining rights for the current period represents the land reclamation fees adjusted during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

26. Intangible assets (Continued)

(2). Data resources recognised as intangible assets

√Applicable □N/A

Unit: RMB

Item	Data resource intangible assets purchased externally	Self-developed data resource intangible assets	Data resource intangible assets obtained through other means	Total
I. Original carrying amount				
1. Opening balance		2,598,321.87		2,598,321.87
2. Increased amount in the current period		3,270,728.49		3,270,728.49
Including: Purchase				
Internal R&D		3,270,728.49		3,270,728.49
Other additions				
3. Decreased amount in the current period				
Including: Disposal				
Lapsed and derecognition				
Other decreases				
4. Closing balance		5,869,050.36		5,869,050.36
II. Accumulated amortization				
1. Opening balance		247,490.29		247,490.29
2. Increased amount in the current period		658,915.84		658,915.84
3. Decreased amount in the current period				
Including: Disposal				
Lapsed and derecognition				
Other decreases				
4. Closing balance		906,406.13		906,406.13
III. Provision for impairment				
1. Opening balance				
2. Increased amount in the current period				
3. Decreased amount in the current period				
4. Closing balance				
IV. Carrying amount				
1. Closing carrying amount		4,962,644.23		4,962,644.23
2. Opening carrying amount		2,350,831.58		2,350,831.58

Other explanations:

None

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

26. Intangible assets (Continued)

(3). Land use rights without title certificates

☒Applicable ☐N/A

Unit: RMB

Item	Carrying amount	Reasons for not completing the certificate of title
Jilin Banmiaozi tailings pond expansion project	73,413,286.00	Under application

(4). Impairment test of intangible assets

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27. Goodwill

(1). Original carrying amount of goodwill

√Applicable □N/A

Unit: RMB

Name of investee or matters for goodwill to arise	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Arising from a business combination	Changes in foreign exchange rates	Disposal	Changes in foreign exchange rates	
Chifeng Chaihulanzi Gold Mining Co., Ltd.	117,586,380.47					117,586,380.47
Xincheng Gold Mine of the Company	1,209,290,038.30					1,209,290,038.30
Xihe Zhongbao Mining Co., Ltd.	178,219,771.61					178,219,771.61
Fujian Zhenghe County Yuanxin Mining Co., Ltd.	97,966,184.04					97,966,184.04
Shandong Gold Group Penglai Mining Co., Ltd.	42,173,675.85					42,173,675.85
Shandong Gold Guilaizhuang Mining Co., Ltd.	56,770,270.14					56,770,270.14
Minera Andina Del Sol S.R.L.	1,106,697,310.40				24,571,377.60	1,082,125,932.80
Shanjin Futures Co., Ltd. (山金期貨有限公司)	53,575,963.44					53,575,963.44
Shandong Dikuang Laijin Holdings Co., Ltd.	339,427,006.95					339,427,006.95
Hengxing Gold Holding Company Limited	87,251,902.06					87,251,902.06
Shanjin International Gold Co., Ltd.	9,784,149,553.84					9,784,149,553.84
Inner Mongolia Shanjin Changtai Mining Co., Ltd.	100,277,030.71	1,447,500.00				101,724,530.71
Total	13,173,385,087.81	1,447,500.00			24,571,377.60	13,150,261,210.21

The goodwill arising from the acquisition of Minera Andina Del Sol S.R.L. by the Company's Hong Kong subsidiary in June 2017 amounted to USD153,956,000.00. During the current period, exchange rate fluctuations resulted in a decrease of RMB24,571,377.60 in the RMB equivalent value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27. Goodwill (Continued)

(2). Provision for goodwill impairment

√Applicable □N/A

Unit: RMB

Name of investee or matters for goodwill to arise	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
		Accrual	Disposal	
Fujian Zhenghe County Yuanxin Mining Co., Ltd.	97,966,184.04			97,966,184.04
Shandong Gold Group Penglai Mining Co., Ltd.	42,173,675.85			42,173,675.85
Shandong Dikuang Laijin Holdings Co., Ltd.		339,427,006.95		339,427,006.95
Total	140,139,859.89	339,427,006.95		479,566,866.84

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27. Goodwill (Continued)

(3). Information about the asset group or combination of asset groups to which the goodwill is attributable

√Applicable □N/A

Name	Constitution and basis of the asset group or combination	Operating segment and basis	Consistent with prior years or not
Chifeng Chaihulanzi Gold Mining Co., Ltd.	The self-produced gold products mined and produced by Chifeng Chaihulanzi Gold Mining Co., Ltd. have an active market and generate independent cash flows, thus its operational long-term assets can be identified as a separate asset group.	Self-produced gold segment	Yes
Xincheng Gold Mine of the Company	The self-produced gold products mined and produced by Xincheng Gold Mine of the Company have an active market and generate independent cash flows, thus the corresponding operational long-term assets of the Qujia Area Gold Mine can be identified as a separate asset group.	Self-produced gold segment	Yes
Xihe Zhongbao Mining Co., Ltd.	The self-produced gold products mined and produced by Xihe Zhongbao Mining Co., Ltd. have an active market and generate independent cash flows, thus its operational long-term assets can be identified as a separate asset group.	Self-produced gold segment	Yes
Shandong Gold Guilaizhuang Mining Co., Ltd.	The self-produced gold products mined and produced by Shandong Gold Guilaizhuang Mining Co., Ltd. have an active market and generate independent cash flows, thus its operational long-term assets can be identified as a separate asset group.	Self-produced gold segment	Yes
Minera Andina Del Sol S.R.L	The self-produced gold products mined and produced by Minera Andina Del Sol S.R.L's Veladero Gold Mine in San Juan province of Argentina have an active market and generate independent cash flows, thus its operational long-term assets can be identified as a separate asset group.	Self-produced gold segment	Yes
Shanjin Futures Co., Ltd. (山金期貨有限公司)	Shanjin Futures Co., Ltd. is primarily engaged in futures brokerage business, which can generate independent cash flows, thus its operational long-term assets can be identified as a separate asset group.	Investment Management	Yes
Shandong Dikuang Laijin Holdings Co., Ltd.	The self-produced gold products from the Jiaojia Gold Mine of Shandong Gold Mining (Laizhou) Co., Ltd. have an active market and generate independent cash flows, thus its corresponding operational long-term assets can be identified as a separate asset group.	Self-produced gold segment	No

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27. Goodwill (Continued)

(3). Information about the asset group or combination of asset groups to which the goodwill is attributable (Continued)

Name	Constitution and basis of the asset group or combination	Operating segment and basis	Consistent with prior years or not
Hengxing Gold Holding Company Limited	The core asset of Hengxing Gold Holding Company Limited is its subsidiary, Xinjiang Jinchuan Mining Co., Ltd. The self-produced gold products from it have an active market and generate independent cash flows, thus its corresponding operational long-term assets can be identified as a separate asset group.	Self-produced gold segment	Yes
Shanjin International Gold Co., Ltd.	The asset group primarily consists of five mining companies under Shanjin International, namely Yulong Mining, Heihe Luoke, Jilin Banmiaozhi, Qinghai Dachaidan and Huasheng Gold Mine, as well as one trading company, Shanghai Shenghong. The entire Shanjin International operating segment benefits from the synergies generated by the Company's acquisitions, and it is difficult to allocate these benefits to individual asset groups. Therefore, goodwill is allocated to the combination of asset groups.	For internal management purposes, the combination of asset groups belongs to the operating segment of Shanjin International	Yes
Inner Mongolia Shanjin Changtai Mining Co., Ltd.	The self-produced gold products mined and produced by Inner Mongolia Shanjin Changtai Mining Co., Ltd. have an active market and generate independent cash flows, thus its operational long-term assets can be identified as a separate asset group.	Self-produced gold segment	Yes

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27. Goodwill (Continued)

(3). Information about the asset group or combination of asset groups to which the goodwill is attributable (Continued)

Changes in asset group or combination of asset groups

☒ Applicable ☐ N/A

Name	Constitution prior to the change	Constitution after the change	Objective facts and basis leading to the change
Shandong Dikuang Laijin Holdings Co., Ltd.	The goodwill-related asset group of Shandong Dikuang Laijin Holdings Co., Ltd.	The operating long-term assets related to Jiaojia Gold Mine of Shandong Gold Mining (Laizhou) Co., Ltd. (山東黃金礦業(萊州)有限公司)	According to the mineral resources integration plan, the mining rights of Jiaojia Gold Mine of Shandong Gold Mining (Laizhou) Co., Ltd. integrate 9 original gold mining rights, all of 4 original gold exploration rights, and part of the area of 1 original gold exploration right, namely the gold mine of Qianchen-Shenyang mine area, Laizhou, Shandong Province (exploration).

Other explanations:

☐ Applicable ☒ N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27. Goodwill (Continued)

(4). The specific method used to determine the recoverable amount

The recoverable amount is determined by reference to the net fair value less cost of disposal

☒ Applicable ☐ N/A

Unit: RMB 0'000

Item	Carrying amount	Recoverable amount	Impairment amount	Determination of fair value and cost of disposal	Key parameters	Basis for determining key parameters
Shanjin International	5,953,588.14	8,821,900.00	0.00	Fair value is determined with reference to factors including stock market value, control premium, and industrial synergy premium; disposal costs are determined based on the applicable commission rate and stamp duty rate for stock transactions.	Total share capital: 2,776,722,300 shares; average share price: RMB2.9680; control premium rate: 13.90%; industrial synergy premium rate: 24.77%; commission rate: 0.2%; stamp duty rate: 0.05%.	Market value: Calculated as the average stock price over the 30 trading days prior to 31 December 2025, using data from Tonghuashun. Control premium rate: Derived from the 2025 control premium rates published by the Property Rights Exchange, Wind Information, and CVSource. Industrial synergy premium rate: The ratio of the increase in mine value attributable to synergy-driven initiatives—including mining rights integration and capacity expansion, reduction in ore processing cost per ton, and improvement in comprehensive recovery rate—to the market value.
Total	5,953,588.14	8,821,900.00	0.00	/	/	/

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27. Goodwill (Continued)

(4). The specific method used to determine the recoverable amount (Continued)

The recoverable amount is determined based on the present value of estimated future cash flows

√Applicable □N/A

Item					Projection period	Key parameters for projection period (Growth rate, profit margin, etc.)		Basis to determine the key parameters for projection period	Key parameters for steady period (Growth rate, profit margin, discount rate, etc.)		Basis to determine the key parameters for steady period
	Carrying amount	Recoverable amount	Impairment amount								
Chifeng Chaihuilanzhi Gold Mining Co., Ltd. (赤峰柴胡欄子黃金礦業有限公司)	223,002.04	258,573.46	0.00		Mine service life: 2.76 years	Revenue growth rate: -6.29% to -18.35%; EBIT margin: 28.39% to 17.34%; discount rate: 10.88%.	Revenue growth rate and EBIT margin: -				
Xin Cheng Gold Mine of the Company	1,456,991.69	2,084,140.00	0.00		Mine service life: 18 years	Revenue growth rate: -75.25% to 18.02%; EBIT margin: 30.93% to 55.82%; discount rate: 12.01%.					
Xihe Zhongbao Mining Co., Ltd.	228,168.32	228,786.98	0.00		Mine service life: 14.4/12.13 years	Revenue growth rate: -52.40% to 0.00%; EBIT margin: 22.58% to 44.55%; discount rate: 9.52%.					
Shandong Gold Guliaizhuang Mining Co., Ltd.	85,409.84	169,385.92	0.00		Mine service life: 13.30 years	Forecast period growth rate: -70.37% to 70.19%; EBIT margin: 25.10% to 57.29%; discount rate: 10.68%.					
Minera Andina Del Sol S.R.L.	787,928.48	1,247,612.00	0.00		Mine service life: 8 years	Revenue growth rate: -38.82% to 3.49%; EBIT margin: 25.10% to 75.28%; discount rate after tax: 9.50%.					

Unit: RMB 0'000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27. Goodwill (Continued)

(4). The specific method used to determine the recoverable amount (Continued)

The recoverable amount is determined based on the present value of estimated future cash flows (Continued)

Item	Carrying amount	Recoverable amount	Impairment amount	Projection period	Key parameters for projection period (Growth rate, profit margin, etc.)	Basis to determine the key parameters for projection period	Key parameters for steady period (Growth rate, profit margin, discount rate, etc.)	Basis to determine the key parameters for steady period
Shandong Dikuang Lajin Holdings Co., Ltd.	706,437.31	672,480.00	33,942.70	Mine service life: 17.56 years	Revenue growth rate: 85.34% to 60.20%; EBIT margin: -61.36% to 39.95%; discount rate: 11.53%.	Revenue growth rate: 85.34% to 60.20%; EBIT margin: -61.36% to 39.95%; discount rate: 11.53%.	-	-
Hengxing Gold Holding Company Limited	146,766.15	175,808.31	0.00	Mine service life: 11.41 years	Revenue growth rate: 62.23% to 0.00%; EBIT margin: 3.52% to 32.36%; discount rate: 12.05%.	Revenue growth rate: 62.23% to 0.00%; EBIT margin: 3.52% to 32.36%; discount rate: 12.05%.	-	-
Inner Mongolia Sharjin Changtai Mining Co., Ltd.	100,990.44	258,562.72	0.00	Mine service life: 17.90 years	Revenue growth rate: 31.45% to 181.16%; EBIT margin: 66.18% to 71.84%; discount rate: 14.38%.	Revenue growth rate: 31.45% to 181.16%; EBIT margin: 66.18% to 71.84%; discount rate: 14.38%.	-	-
Sharjin Futures Co., Ltd.	31,112.23	31,800.00	0.00	5 years	Revenue growth rate: 2% to 12%; EBIT margin: 2.27% to 24.88%; discount rate: 15.20%.	Revenue growth rate and EBIT margin: Determined based on the company's actual operating conditions, future business plans, market demand, and other factors. Discount rate: A pre-tax interest rate that reflects the current market time value of money and the specific risks associated with the relevant asset group.	Revenue growth rate: 0%; EBIT margin: 2.27%; and discount rate during the stable period are consistent with those in the final year of the forecast period.	The revenue growth rate, EBIT margin, and discount rate during the stable period are consistent with those in the final year of the forecast period.
Total	3,766,806.50	5,127,149.39	33,942.70	/	/	/	/	/

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27. Goodwill (Continued)

(4). The specific method used to determine the recoverable amount (Continued)

The recoverable amount is determined based on the present value of estimated future cash flows (Continued)

Reasons for significant inconsistency between the aforesaid information and the information used by the previous impairment test or external information

☐Applicable ☒N/A

Reasons for significant inconsistency between the information used by the Company for previous impairment tests and the facts for the corresponding years

☐Applicable ☒N/A

(5). Performance undertaking and corresponding impairment of goodwill

Goodwill was formed when a performance undertaking existed and the reporting period or the previous period fell within the performance undertaking period

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

28. Long-term deferred expenses

☒Applicable ☐N/A

Unit: RMB

Item	Opening balance	Increased amount in the current period	Amortization amount in the current period	Other reductions	Closing balance
Environmental governance fee	14,088,508.84		9,750,277.08		4,338,231.76
Special maintenance funds	3,213,476.94	1,770,642.20	286,126.62		4,697,992.52
Costs of improvements to fixed assets	14,206,510.92	11,569,349.92	5,515,640.12		20,260,220.72
Highway outside the mining area	13,084,895.53		992,939.34		12,091,956.19
Asset maintenance expenditure	6,713,897.15	21,254,669.49	10,085,800.47		17,882,766.17
Electric facilities supporting fee	5,521,620.87		1,007,732.79		4,513,888.08
Others	15,830,837.17	14,055,350.69	11,915,946.14		17,970,241.72
Total	72,659,747.42	48,650,012.30	39,554,462.56		81,755,297.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

29. Deferred income tax assets/deferred income tax liabilities

(1). Deferred income tax assets not offset

√Applicable □N/A

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for assets impairment	969,041,003.33	236,476,411.12	418,254,600.13	101,703,399.00
Unrealized profit in intra-group transactions	3,349,031,725.63	837,257,931.41	1,494,452,327.66	373,613,081.93
Deductible losses	752,062,415.12	181,450,526.43	571,598,733.44	140,613,060.98
Changes in fair value of financial assets held for trading	922,379,787.03	229,228,090.73	30,134,957.90	6,965,952.97
Changes in fair value of other debt investments	4,000,000.00	1,000,000.00	4,000,000.00	1,000,000.00
Differences in accumulated depreciation between accounting and tax law	1,063,028,711.37	203,742,692.20	721,288,660.50	143,930,094.46
Accrued but unpaid expenses and others	2,921,880.88	679,603.45	2,647,929.60	661,742.41
Other equity instrument investments	3,506,453.61	876,613.41	3,506,453.63	876,613.40
Deferred income			1,416,918.96	354,229.74
Expensed exploration expenditures	3,953,528.29	593,029.24	3,953,528.29	593,029.24
Estimated liabilities	450,560,885.46	93,830,459.30	437,474,949.35	89,220,573.84
Lease liabilities	139,797,919.87	31,832,875.77	133,374,590.04	31,280,217.00
Long-term payables	102,846,824.15	25,711,706.04	123,775,435.86	30,943,858.96
Total	7,763,131,134.74	1,842,679,939.10	3,945,879,085.36	921,755,853.93

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

29. Deferred income tax assets/deferred income tax liabilities (Continued)

(2). Deferred income tax liabilities not offset

√Applicable □N/A

Unit: RMB

Item	Closing balance		Opening balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Appreciation arising from asset valuation in business combinations not under common control	13,768,609,588.48	2,691,115,200.52	16,160,692,681.90	3,528,711,182.81
Changes in fair value of other debt investments				
Changes in fair value of other equity instrument investments	7,019,304.19	1,181,147.02	7,019,304.19	1,181,147.02
Valuation of trading financial instruments and derivative financial instruments	186,788,700.10	46,619,431.77	695,720,971.15	173,777,469.93
Right-of-use assets	137,544,500.47	31,148,532.45	112,876,187.43	25,968,772.65
Intangible assets expenditure	243,291,375.07	50,139,617.28	279,121,854.87	57,340,519.52
Intangible assets – reclamation fees	245,638,311.36	45,668,398.62	284,700,766.31	50,658,027.89
Accumulated depreciation and tax law differences	6,767,874,399.54	2,335,952,047.89	6,800,890,837.54	2,342,703,145.03
Total	21,356,766,179.21	5,201,824,375.55	24,341,022,603.39	6,180,340,264.85

(3). Deferred tax assets or liabilities stated on a net basis after offset

□Applicable √N/A

(4). Breakdown of deferred income tax assets not recognized

√Applicable □N/A

Unit: RMB

Item	Closing balance	Opening balance
Deductible temporary differences	144,252,044.14	171,944,776.05
Deductible losses	1,988,093,770.48	2,806,554,867.01
Total	2,132,345,814.62	2,978,499,643.06

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

29. Deferred income tax assets/deferred income tax liabilities (Continued)

(5). Deductible loss for which no deferred income tax assets are recognised will become due in the following years

☒Applicable ☐N/A

Unit: RMB

Year	Closing amount	Opening amount	Remarks
2025		3,809,904.32	
2026	299,717,167.32	565,129,914.65	
2027	534,675,125.49	568,700,002.30	
2028	166,806,557.32	304,139,397.02	
2029	232,004,203.25	315,655,155.20	
2030	35,983,495.23	37,485,280.46	
2031	500,227,235.05	791,020,239.94	
2032	175,954,986.82	176,004,913.10	
2033	17,712,086.22	17,712,086.22	
2034	25,012,913.78	26,897,973.80	
2035			
Total	1,988,093,770.48	2,806,554,867.01	/

Other explanations:

☒Applicable ☐N/A

The Company (parent company) and its subsidiaries that meet the criteria for high-tech enterprise certification may carry forward tax losses for up to 10 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

30. Other non-current assets

√Applicable □N/A

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Payment for project	420,653,774.63		420,653,774.63	262,415,899.48		262,415,899.48
Payment for equipment	324,593,189.86		324,593,189.86	159,194,118.60		159,194,118.60
Advance payment for land	5,169,071.66		5,169,071.66	102,051,079.47		102,051,079.47
Input tax to be deducted	366,376,771.96		366,376,771.96	296,433,320.29		296,433,320.29
Long-term inventory	1,154,240,731.41		1,154,240,731.41	921,140,309.58		921,140,309.58
Subscription funds	88,300,000.00		88,300,000.00			
Others	8,269,519.92		8,269,519.92	11,301,949.86		11,301,949.86
Total	2,367,603,059.44		2,367,603,059.44	1,752,536,677.28		1,752,536,677.28

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31. Assets with restricted ownership or right of use

√Applicable □N/A

Unit: RMB

Item	Closing				Opening			
	Book balance	Carrying amount	Type of restriction	Restricted situation	Book balance	Carrying amount	Type of restriction	Restricted situation
Monetary funds	1,497,137,061.94	1,497,137,061.94	Others	Security deposits for land reclamation and environmental governance	1,145,644,387.53	1,145,644,387.53	Others	Security deposits for land reclamation and environmental governance
Notes receivable								
Inventories	57,870,923.07	57,870,923.07	Pledge	Trading deposit	146,898,199.82	146,898,199.82	Pledge	Trading deposit
Including: Data resources								
Fixed assets								
Intangible assets								
Including: Data resources								
Other non-current assets	1,329,800.00	1,329,800.00	Frozen	Advanced security deposit for exploration rights, the balance of which will be frozen and supervised according to a three-party supervision agreement signed by Jilin Jincheng Shengxin Mining Co., Ltd. (吉林金誠盛鑫礦業有限公司), Team 602 of Jilin Provincial Non-ferrous Metal Geological Exploration Bureau and its account bank	1,329,800.00	1,329,800.00	Frozen	Advanced security deposit for exploration rights, the balance of which will be frozen and supervised according to a three-party supervision agreement signed by Jilin Jincheng Shengxin Mining Co., Ltd. (吉林金誠盛鑫礦業有限公司), Team 602 of Jilin Provincial Non-ferrous Metal Geological Exploration Bureau and its account bank
Total	1,556,337,785.01	1,556,337,785.01	/	/	1,293,872,387.35	1,293,872,387.35	/	/

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

32. Short-term borrowing

(1). Classification of short-term borrowing

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Opening balance
Pledged borrowings and interest		391,029.04
Secured borrowings and interest		
Guaranteed borrowings and interest	4,709,256,299.72	9,998,883,912.97
Credit borrowings and interest	11,830,864,388.78	6,539,318,230.87
Gold lease and interest	12,315,010,532.28	9,730,903,584.85
Total	28,855,131,220.78	26,269,496,757.73

(2). Overdue but unpaid short-term borrowings

☐Applicable ☒N/A

Details of significant past due short-term loans are as follows:

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

33. Financial liabilities held for trading

√Applicable □N/A

Unit: RMB

Item	Opening balance	Closing balance	Designated reasons and basis
Financial liabilities held for trading			/
Including:			
Financial liabilities designated as at fair value through profit or loss	864,631,222.45	31,034,491.69	
Including:			
Payables for gold leasing business	857,445,027.48		
Interests of other holders of structured entities	7,186,194.97	31,034,491.69	
Total	864,631,222.45	31,034,491.69	/

Other explanations:

□Applicable √N/A

34. Derivative financial liabilities

√Applicable □N/A

Unit: RMB

Item	Closing balance	Opening balance
Foreign exchange forward contracts	440,840.00	
Commodity options contract	36,630,518.85	9,934,794.49
Total	37,071,358.85	9,934,794.49

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

35. Bills payable

(1). Bills payable presented

√Applicable □N/A

Unit: RMB

Type	Closing balance	Opening balance
Trade acceptance	1,209,092,165.65	945,008,128.38
Bank acceptance	2,313,769,769.47	1,406,615,395.45
Letter of credit	2,573,415,460.69	516,000,000.00
Total	6,096,277,395.81	2,867,623,523.83

At the end of the period, the total bills payable that are due but unpaid amounted to RMB0. Reason for default: None

36. Accounts payable

(1). Accounts payable presented

√Applicable □N/A

An aging analysis of accounts payable (including accounts payable due to connected parties) based on transaction dates is as follows:

Unit: RMB

Item	Closing balance	Opening balance
Within 1 year	7,914,454,571.95	13,141,597,538.94
1-2 years	3,681,990,140.61	697,887,586.54
2-3 years	94,032,580.74	189,447,759.82
Over 3 years	231,238,294.29	71,022,755.28
Total	11,921,715,587.59	14,099,955,640.58

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

36. Accounts payable (Continued)

(2). Significant accounts payable aged more than 1 year or overdue

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Reasons for non-payment or carryover
Shandong Gold Geological Mine Exploration Co., Ltd. (山東黃金地質礦產勘查有限公司)	3,421,044,245.23	Payment terms have not been met
Total	3,421,044,245.23	/

Other explanations:

☐Applicable ☒N/A

37. Advances received

(1). Advances received presented

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Opening balance
Advance rent receipts	841,504.09	656,585.26
Total	841,504.09	656,585.26

(2). Significant advance received aged more than 1 year

☐Applicable ☒N/A

(3). The amount of and reason for the significant change in the carrying amount during the Reporting Period

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

38. Contract liabilities

(1). Contract liabilities

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Opening balance
Advances received for goods sales	694,202,457.74	427,135,295.37
Total	694,202,457.74	427,135,295.37

(2). Significant contract liabilities aged more than 1 year

☐Applicable ☒N/A

(3). The amount of and reason for the significant change in the carrying amount during the Reporting Period

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

39. Employee salaries payable

(1). Employee salaries payable presented

☒Applicable ☐N/A

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Short-term remuneration	605,062,556.10	5,844,260,503.18	5,799,074,616.54	650,248,442.74
II. Post-employment benefits – defined	21,113,043.98	841,649,183.50	843,876,647.98	18,885,579.50
III. Dismissal benefits	7,655.69	1,666,534.24	1,531,780.93	142,409.00
IV. Other benefits due within one year				
Total	626,183,255.77	6,687,576,220.92	6,644,483,045.45	669,276,431.24

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

39. Employee salaries payable (Continued)

(2). Breakdown of short-term remuneration

√Applicable □N/A

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Wages, bonuses, allowances and subsidies	384,373,683.55	4,482,521,951.34	4,412,829,570.69	454,066,064.20
II. Employee benefits	298,440.00	354,306,524.09	353,875,899.48	729,064.61
III. Social insurance premiums	48,390,063.62	499,277,040.86	511,682,947.61	35,984,156.87
Of which: Medical insurance premiums	813,120.40	284,078,014.57	282,343,689.51	2,547,445.46
Work injury insurance premiums	11,807.24	46,094,986.25	46,103,282.54	3,510.95
Maternity insurance premiums				
Others	47,565,135.98	169,104,040.04	183,235,975.56	33,433,200.46
IV. Housing provident fund	3,425,271.79	358,658,087.76	358,087,613.11	3,995,746.44
V. Trade union funds and employee education funds	137,660,206.47	145,072,001.74	130,134,819.09	152,597,389.12
VI. Short-term absence with payment				
VII. Short-term profit sharing plan	956,843.70	1,917,212.53	7,526.73	2,866,529.50
VIII. Others	29,958,046.97	2,507,684.86	32,456,239.83	9,492.00
Total	605,062,556.10	5,844,260,503.18	5,799,074,616.54	650,248,442.74

(3). Breakdown of defined contribution plan

√Applicable □N/A

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
1. Basic endowment insurance	4,765,491.56	566,957,631.15	564,364,899.98	7,358,222.73
2. Unemployment insurance premium	71,572.50	21,489,337.97	21,502,818.11	58,092.36
3. Enterprise annuity payment	11,681,551.71	253,164,214.38	253,376,501.68	11,469,264.41
4. Others	4,594,428.21	38,000.00	4,632,428.21	
Total	21,113,043.98	841,649,183.50	843,876,647.98	18,885,579.50

Other explanations:

□Applicable √N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

40. Taxes payable

√Applicable □N/A

Unit: RMB

Item	Closing balance	Opening balance
VAT	38,174,623.94	28,118,195.55
Resource tax	268,075,731.44	114,295,619.38
Corporate income tax	2,004,637,987.15	731,326,839.70
Urban maintenance and construction tax	2,088,386.78	1,535,466.77
Education surcharge	985,086.26	793,510.12
Local education surcharges	656,725.80	529,006.73
Property tax	6,461,890.51	6,045,439.63
Land use tax	4,343,893.97	4,276,617.05
Stamp duty	11,535,436.61	15,309,635.94
Personal income tax	70,986,683.94	47,698,558.55
Taxes withheld and remitted	36,651,282.54	3,714,241.06
Vehicle and vessel use tax	815,832.89	1,107,167.58
Local water conservancy construction fund	10,160.21	205,104.37
Water resource tax	7,215,886.31	3,925,838.90
Environmental protection tax	279,580.10	242,335.98
Soil and water conservation fee	5,909,081.86	2,017,076.34
Others	6,415,737.06	958,479.16
Total	2,465,244,007.37	962,099,132.81

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

41. Other payables

(1). Presentation of item

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Opening balance
Interests payable		
Dividends payable	75,246,381.57	128,982,745.71
Other payables	10,004,438,758.12	9,015,448,715.12
Total	10,079,685,139.69	9,144,431,460.83

Other explanations:

☐Applicable ☒N/A

(2). Interests payable

Presented by classification

☐Applicable ☒N/A

Overdue significant interest payable:

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

41. Other payables (Continued)

(3). Dividends payable

Presentation by classification

√Applicable □N/A

Unit: RMB

Item	Closing balance	Opening balance
Jinan Yuquan Development Centre (濟南玉泉發展中心)	168,300.00	168,300.00
Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)	450,111.46	450,111.46
SDG Group Laizhou Mining Co., Ltd. (山東黃金集團萊州礦業有限公司)	22,055,461.40	22,055,461.40
Chifeng Chaihulanzi Gold Mining Co., Ltd. (individual shareholder)	23,299,848.00	21,181,680.00
Tianshui Mineral Exploration Institute of Gansu Provincial Non-ferrous Metal Geological Exploration Bureau (甘肅省有色金屬地質勘察局天水礦產勘查院)	5,854,532.14	5,854,532.14
Gansu Xihe Zhongbao Mining Co., Ltd. (individual shareholder)	23,418,128.57	29,272,660.71
Dachaidan Administrative Committee State-owned Assets Investment Operation Co., Ltd. (大柴旦行政委員會國有資產投資運營有限公司)		25,000,000.00
The First Geological Survey Institute of Qinghai Province (青海省第一地質勘查院)		25,000,000.00
Total	75,246,381.57	128,982,745.71

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

41. Other payables (Continued)

(4). Other payables

Breakdown of other payables by the nature of payment

√Applicable □N/A

Unit: RMB

Item	Closing balance	Opening balance
Currency deposits payable	4,424,642,899.73	4,339,318,281.25
Security deposit	1,651,786,551.40	1,618,705,789.40
Loans and current accounts	2,372,094,513.89	1,583,967,661.87
Quality guarantee deposits	857,377,363.88	714,294,520.68
Mining rights payment	243,029,375.16	218,819,859.80
Temporary receipts payable	70,144,535.06	36,524,887.51
Land lease payables	69,003,077.00	43,589,049.00
Futures risk reserve	53,441,213.07	51,017,443.01
Payment for engineering equipment	52,197,252.59	165,802,963.34
Working funds for Party building	48,172,113.56	45,852,079.94
Others	162,549,862.78	197,556,179.32
Total	10,004,438,758.12	9,015,448,715.12

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

41. Other payables (Continued)

(4). Other payables (Continued)

Significant other payables aged more than 1 year or overdue

☒ Applicable ☐ N/A

Unit: RMB

Item	Closing balance	Reasons for non-payment or carryover
Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)	626,362,188.81	Payment terms have not been met
Total	626,362,188.81	/

Other explanations:

☒ Applicable ☐ N/A

Other payables presented by aging

Item	Closing balance	Opening balance
Within 1 year	8,713,642,093.75	7,261,212,156.67
1-2 years	320,664,333.94	1,288,648,355.77
2-3 years	694,311,177.63	141,817,482.66
Over 3 years	275,821,152.80	323,770,720.02
Total	10,004,438,758.12	9,015,448,715.12

42. Liabilities held for sale

☐ Applicable ☒ N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

43. Non-current liabilities due within one year

√Applicable □N/A

Unit: RMB

Item	Closing balance	Opening balance
Long-term borrowings due within one year	10,664,535,626.00	6,409,700,000.00
Bonds payable due within one year		
Long-term payables due within one year	207,546,957.78	331,969,793.70
Lease liabilities due within one year	79,689,056.53	69,506,525.77
Interest on long-term borrowings due within one year	25,343,664.52	29,948,010.90
Interest on bonds payable due within one year	57,008,767.12	57,008,767.12
Total	11,034,124,071.95	6,898,133,097.49

44. Other current liabilities

Details of other current liabilities

√Applicable □N/A

Unit: RMB

Item	Closing balance	Opening balance
Short-term bonds payable		
Returns payable		
Output VAT pending transfer	71,605,580.52	46,020,062.09
Sale of repurchase financial assets	95,951,559.92	103,397,309.30
Reclassification of notes	25,112,263.53	66,121,496.70
Others	1,645,754.16	
Total	194,315,158.13	215,538,868.09

Changes in short-term bonds payable:

□Applicable √N/A

Other explanations:

□Applicable √N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

45. Long-term borrowing

(1). Classification of long-term borrowings

√Applicable □N/A

Unit: RMB

Item	Closing balance	Opening balance
Pledged borrowings and interest		363,840.16
Secured borrowings and interest		
Guaranteed borrowings and interest	3,369,533,561.84	2,736,850,000.00
Credit borrowings and interest	17,222,400,694.00	23,872,480,426.00
Gold lease and interest	963,639,678.16	
Total	21,555,573,934.00	26,609,694,266.16

Other explanations:

√Applicable □N/A

The annual interest rates on the Group's credit borrowings as at year-end ranged from 1.8% to 2.99%; the annual interest rates on guaranteed borrowings ranged from 2.35% to 4.47%; and the annual interest rates on gold leases ranged from 1.85% to 2.4%.

The Group did not have any long-term borrowings in default during the current period.

The maturity analysis of long-term borrowings is as follows:

Unit: RMB

Item	Closing balance	Opening balance
Within one year	10,689,879,290.52	6,409,700,000.00
Over one year but not over two years after the balance sheet date	10,053,268,391.09	11,173,584,266.16
Over two years but not over five years after the balance sheet date	10,037,405,542.91	12,333,210,000.00
Over five years after the balance sheet date	1,464,900,000.00	3,102,900,000.00
Less: Amounts due within one year shown under current liabilities	10,689,879,290.52	6,409,700,000.00
Total	21,555,573,934.00	26,609,694,266.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

46. Bonds payable

(1). Bonds payable

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Opening balance
Bonds payable	4,057,008,767.12	4,057,008,767.12
Less: Bonds payable due within one year	57,008,767.12	57,008,767.12
Total	4,000,000,000.00	4,000,000,000.00

(2). Specific circumstances of bonds payable: (excluding other financial instruments such as preferred shares and perpetual bonds classified as financial liabilities)

☒Applicable ☐N/A

Unit: RMB

Name of Bonds	Par Value (RMB)	Coupon Rates (%)	Issue Date	Bond Term	Issue Amount	Opening Balance	Issue in the Current Period	Interest at Par Value	Amortization of Premium/Discount	Repayment in the Current Period	Closing Balance	Default or Not
Lujin K1	100	2.80	2024-3-27	5 years	2,000,000,000.00	2,000,000,000.00		56,000,000.00			2,000,000,000.00	No
Lujin K3	100	2.12	2024-9-12	3 years	1,000,000,000.00	1,000,000,000.00		21,200,000.00			1,000,000,000.00	No
Lujin K4	100	2.50	2024-9-12	10 years	1,000,000,000.00	1,000,000,000.00		25,000,000.00			1,000,000,000.00	No
Total	/	/	/	/	4,000,000,000.00	4,000,000,000.00		102,200,000.00			4,000,000,000.00	/

(3). Explanation on convertible corporate bonds

☐Applicable ☒N/A

Accounting for conversion rights and basis of judgment

☐Applicable ☒N/A

(4). Explanation on the other financial instrument classified as financial liabilities

Basic information of other financial instruments such as preferred shares and perpetual bonds outstanding as at the end of the period

☐Applicable ☒N/A

Table of changes in financial instruments such as preferred shares and perpetual bonds outstanding as at the end of the period

☐Applicable ☒N/A

Description on basis of dividing other financial instruments into financial liabilities

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

46. Bonds payable (Continued)

(4). Explanation on the other financial instrument classified as financial liabilities (Continued)

Other explanations:

☒ Applicable ☐ N/A

Item	Closing balance	Opening balance
Within one year	57,008,767.12	57,008,767.12
Over one year but not over two years after the balance sheet date	1,000,000,000.00	
Over two years but not over five years after the balance sheet date	2,000,000,000.00	3,000,000,000.00
Over five years after the balance sheet date	1,000,000,000.00	1,000,000,000.00
Less: Bond amounts due within one year shown under current liabilities	57,008,767.12	57,008,767.12
Bond amounts shown under non-current liabilities	4,000,000,000.00	4,000,000,000.00

47. Lease liabilities

☒ Applicable ☐ N/A

Unit: RMB

Item	Closing balance	Opening balance
Lease liabilities	197,832,572.08	193,875,809.20
Less: Lease liabilities due within one year	79,689,056.53	69,506,525.77
Total	118,143,515.55	124,369,283.43

Other explanations:

Unit: RMB

Item	Closing balance	Opening balance
Within one year	79,689,056.53	69,506,525.77
Over one year but not over two years after the balance sheet date	52,124,045.01	49,706,752.14
Over two years but not over five years after the balance sheet date	53,986,874.24	56,611,247.70
Over five years after the balance sheet date	12,032,596.30	18,051,283.59
Less: Lease liabilities due within one year shown under current liabilities	79,689,056.53	69,506,525.77
Total	118,143,515.55	124,369,283.43

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

48. Long-term payables

Presentation of item

√Applicable □N/A

Unit: RMB

Item	Closing balance	Opening balance
Long-term payables	1,435,397,950.22	1,634,646,763.69
Special payables	3,455,500.00	3,455,500.00
Total	1,438,853,450.22	1,638,102,263.69

Other explanations:

□Applicable √N/A

Long-term payables

(1). List of long-term payables according to nature of funds

√Applicable □N/A

Unit: RMB

Item	Closing balance	Opening balance
Royalties on mining rights	1,431,582,693.30	1,627,178,352.92
Merger and acquisition funds	3,815,256.92	7,468,410.77
Total	1,435,397,950.22	1,634,646,763.69

Other explanations:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

48. Long-term payables (Continued)

Long-term payables (Continued)

(1). List of long-term payables according to nature of funds (Continued)

The maturity analysis of long-term payables is as follows:

Unit: RMB		
Item	Closing balance	Opening balance
Within one year	207,546,957.78	331,969,793.70
Over one year but not over two years after the balance sheet date	241,817,890.85	207,075,923.64
Over two years but not over five years after the balance sheet date	526,841,893.69	624,525,819.23
Over five years after the balance sheet date	666,738,165.68	803,045,020.82
Less: Amounts due within one year shown under current liabilities	207,546,957.78	331,969,793.70
Total	1,435,397,950.22	1,634,646,763.69

Special payables

(2). Special payables categorized by nature of payment

☒ Applicable ☐ N/A

Unit: RMB					
Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Causes
Power supply separation for Water/Electricity/Gas Supply and Property Management in Jiaojia	1,821,600.00			1,821,600.00	Fiscal subsidy funds for Water/Electricity/Gas Supply and Property Management
Fiscal subsidy funds for the separation and handover of "Water/Electricity/Gas Supply and Property Management" in Sanshandao	1,633,900.00			1,633,900.00	Fiscal subsidy funds for Water/Electricity/Gas Supply and Property Management
Total	3,455,500.00			3,455,500.00	/

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

49. Long-term employee salaries payables

☐Applicable ☒N/A

50. Accrued liabilities

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Opening balance	Causes
Provision for environmental rehabilitation and restoration of mines, etc.	1,586,038,453.58	1,119,105,218.62	
Total	1,586,038,453.58	1,119,105,218.62	/

Other explanations, including important assumptions and estimation explanations related to significant estimated liabilities:

The Group accrues land reclamation and environmental governance fees based on the area of damaged land, estimated reclamation unit price, and reclaimed expenses; MAS, joint operating enterprise of the Group accrues the provision for environmental rehabilitation and restoration of mines based on environmental restoration costs expected to be incurred after mine closure.

51. Deferred income

Deferred income

☒Applicable ☐N/A

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Causes
Related to income	2,138,910.15	9,190,649.85	4,504,293.99	6,825,266.01	Government grants
Related to assets	10,013,281.10	400,000.00	2,066,083.99	8,347,197.11	Government grants
Total	12,152,191.25	9,590,649.85	6,570,377.98	15,172,463.12	/

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

51. Deferred income (Continued)

Deferred income (Continued)

Other explanations:

☒ Applicable ☐ N/A

Unit: RMB

Government subsidies item	Opening balance	Amount of new subsidy in the current year	Amount included in non-operating income in the current year	Amount included in other income in the current year	Amount of offsetting costs and expenses in the current year	Other changes	Closing balance	Related to assets/related to income
Subsidies for winter clean heating facility renovation	2,303,823.13			81,549.48			2,222,273.65	Related to assets
Houchuanba Si'ergou Mine safety and green information project (後川壩四兒溝礦山安全綠色信息化工程)	4,331,998.37			50,000.00			4,281,998.37	Related to assets
Construction of Intellectual Property Operation and Service System	1,371,951.20			1,371,951.20				Related to assets
Subsidy funds for work safety prevention and emergency rescue capacity building in 2025 from the Xihe County Emergency Management Bureau	1,000,000.00	400,000.00		282,521.63			1,117,478.37	Related to assets
Special funds for the second batch of projects under the 2025 Shandong Provincial Key R&D Plan (Major Scientific and Technological Innovation Projects) and the "Deep-Sea Mining" Technology Demonstration Project		4,920,000.00		930,000.00			3,990,000.00	Related to income
Others (related to assets)	1,005,508.40			280,061.68			725,446.72	Related to assets
Others (related to income)	2,138,910.15	4,270,649.85		3,574,293.99			2,835,266.01	Related to income
Total	12,152,191.25	9,590,649.85		6,570,377.98			15,172,463.12	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

52. Other non-current liabilities

√Applicable ☐N/A

Unit: RMB

Item	Closing balance	Opening balance
Provisions for litigation and other matters		20,348,804.07
Total		20,348,804.07

53. Share capital

√Applicable ☐N/A

Unit: RMB

	Increase or decrease (+, -)					Closing balance
	Opening balance	Issuance of new shares	Bonus issue	Conversion from reserve	Other	
Total number of shares	4,473,429,525.00	136,500,000.00			136,500,000.00	4,609,929,525.00

Other explanations:

On 9 September 2025, the Company published the Announcement of Shandong Gold Mining Co., Ltd. on Completion of Placing of New H Shares under General Mandate and Change in Share Capital, announcing that, pursuant to the terms and conditions of the placing agreement, the placing agent has successfully placed an aggregate of 136,500,000 placing shares at the placing price of HK\$28.58 per placing share to no fewer than six placees, resulting in a corresponding increase in share capital of RMB136,500,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

54. Other equity instruments

(1). Basic information about outstanding preference shares, perpetual bonds and other financial instruments at the end of the period

√Applicable □N/A

Unit: RMB

Item	Number	Principal Face Value	Interest rate	Commencement date	Term	Interest Payment Method
Ping An - Shandong Gold Infrastructure Debt Investment Plan - the First Tranche (平安-山東黃金基礎設施債權 投資計劃-第一期)		2,250,000,000.00	4.75%	2021-12-23	5+N	On a quarterly basis
Ping An - Shandong Gold Infrastructure Debt Investment Plan - the Second Tranche (平安-山東黃金基礎設施債權 投資計劃-第二期)		670,000,000.00	4.35%	2022-11-08	5+N	On a quarterly basis
Lu Jin KY01 (魯金KY01)	20,000,000.00	2,000,000,000.00	3.19%	2023-11-17	3+N	On an annual basis
Lu Jin KY02 (魯金KY02)	20,000,000.00	2,000,000,000.00	3.22%	2023-11-27	3+N	On an annual basis
CITIC Trust- Guofeng No. 88 Perpetual Investment Collective Fund Trust Plan (中 信信託-國豐88號永續投資集合 資金信託計劃)		3,000,000,000.00	3.23%	2024-12-12	3+N	On a quarterly basis
Chongqing Trust - Shandong Gold Perpetual Collective Fund Trust Plan (重慶信託-山 東黃金永續集合資金信託計劃)		2,500,000,000.00	3.28%	2025-06-25	7+N	On a quarterly basis
Chongqing Trust - Shandong Gold Perpetual Collective Fund Trust Plan (重慶信託-山 東黃金永續集合資金信託計劃)		1,500,000,000.00	3.28%	2025-08-08	7+N	On a quarterly basis
Total	40,000,000.00	13,920,000,000.00	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

54. Other equity instruments (Continued)

(2). Statement of changes in outstanding preference shares, perpetual bonds and other financial instruments at the end of the period

√Applicable □N/A

Unit: RMB

Outstanding financial instruments	At the beginning of the period		Increase in the current period		Decrease in the current period		At the end of the period	
	Number	Book value	Number	Book value	Number	Book value	Number	Book value
Ping An – Shandong Gold Infrastructure Debt Investment Plan (平安-山東黃金基礎設施債權投資計劃)		2,924,156,166.67		137,909,166.64		137,909,166.67		2,924,156,166.64
China Credit Trust – Shandong Gold Perpetual Collective Fund Trust Plan (中誠信託-山東黃金股份永續集合資金信託計劃)		3,002,179,726.03		79,923,287.67		3,082,103,013.70		
Lu Jin KY01 (魯金KY01)	20,000,000.00	2,006,865,753.42		63,800,000.04		63,800,000.00	20,000,000.00	2,006,865,753.46
Lu Jin KY02 (魯金KY02)	20,000,000.00	2,005,175,342.47		64,399,999.97		64,400,000.00	20,000,000.00	2,005,175,342.44
CITIC Trust • Guofeng No. 88 Perpetual Investment Collective Fund Trust Plan (中信信託 • 國豐88號永續投資集合資金信託計劃)		3,002,960,833.33		98,245,833.33		98,245,833.33		3,002,960,833.33
Chongqing Trust • Shandong Gold Perpetual Collective Fund Trust Plan (重慶信託 • 山東黃金永續集合資金信託計劃)				2,555,486,666.68		52,981,111.12		2,502,505,555.56
Chongqing Trust • Shandong Gold Perpetual Collective Fund Trust Plan (重慶信託 • 山東黃金永續集合資金信託計劃)				1,507,516,666.66		6,013,333.33		1,501,503,333.33
Total	40,000,000.00	12,941,337,821.92		4,507,281,620.99		3,505,452,458.15	40,000,000.00	13,943,166,984.76

Change in other financial instruments during the period, reasons for change and relevant accounting basis:

□Applicable √N/A

Other explanations:

□Applicable √N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

55. Capital reserve

☒Applicable ☐N/A

Unit: RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Capital premium (share capital premium)	3,071,051,346.39	3,411,171,885.51		6,482,223,231.90
Other capital reserves	1,181,763.44		9,850,831.24	-8,669,067.80
Total	3,072,233,109.83	3,411,171,885.51	9,850,831.24	6,473,554,164.10

Other description, including the description of changes in the current period and change reasons:

During the current year, the net proceeds from the completion of the placing of new H shares under the general mandate (after deducting the commission and other related costs and expenses of the placing) increased the capital reserve by RMB3,411,171,885.51.

The Company's subsidiary, Shanjin International, held the 12th meeting of the Ninth Session of the Board of Directors on 29 April 2025, and the 2nd Extraordinary General Meeting of 2025 on 15 May 2025, respectively, at which the proposal on the repurchase of part of the Company's shares was considered and approved. It was proposed to repurchase the Company's issued Renminbi ordinary shares (A shares) through centralized bidding transactions using its own funds and special loans for share repurchase. As at 31 December 2025, the Company had repurchased an aggregate of 1,834,929 shares through a stock repurchase special securities account via centralized bidding transactions, with a total transaction amount of RMB34,092,534.43 and transaction costs of RMB5,185.34, resulting in an aggregate amount of RMB34,097,719.77 recognized in treasury shares. Based on the Company's shareholding percentage, the capital reserve was reduced by RMB9,850,831.24.

56. Treasury shares

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

57. Other comprehensive income

√Applicable □N/A

Unit: RMB

Items	Opening balance	Amount for the current period					Amount attributable to the minority shareholders after tax	Closing balance
		Amount before income tax for the current period	Less: Amount transferred to profit or loss from other comprehensive income	Less: Amount transferred to retained profits from the comprehensive income	Less: Income tax expense	Amount attributable to the parent after tax		
I. Other comprehensive income that cannot be reclassified into profit or loss	-375,000.00							-375,000.00
Including: Changes of the re-measurement of defined benefit plans								
Other comprehensive income that cannot be transferred to profit or loss under the equity method								
Change in fair value arising from investments in other equity instruments	-375,000.00							-375,000.00
Change in fair value arising from the enterprise's own Credit risk								
II. Other comprehensive income that will be reclassified into profit or loss	118,055,305.51	-200,043,452.27			-200,354,050.20	310,597.93		-82,298,744.69
Including: Other comprehensive income that can be transferred to profit or loss under the equity method								
Change in fair value of other debt investments								
Financial assets reclassified into other comprehensive income								
Credit impairment provision for other debt investments								
Hedging reserves from cash flows								
Differences on translation of foreign currency financial statements	118,055,305.51	-200,043,452.27			-200,354,050.20	310,597.93		-82,298,744.69
Total other comprehensive income	117,680,305.51	-200,043,452.27			-200,354,050.20	310,597.93		-82,673,744.69

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

58. Special reserve

☒Applicable ☐N/A

Unit: RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Production safety expenses	99,191,476.90	462,781,567.23	465,140,615.71	96,832,428.42
Total	99,191,476.90	462,781,567.23	465,140,615.71	96,832,428.42

59. Surplus reserve

☒Applicable ☐N/A

Unit: RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Statutory surplus reserve	1,495,482,054.17	71,868,468.46		1,567,350,522.63
Discretionary surplus reserve				
Reserve funds				
Enterprise development fund				
Others				
Total	1,495,482,054.17	71,868,468.46		1,567,350,522.63

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

60. Undistributed profit

√Applicable □N/A

Unit: RMB		
Items	Current period	Last year
Undistributed profit at the end of the last period before adjustment	15,572,448,966.97	14,369,371,415.15
Total adjusted undistributed profit at the beginning of the period (add+, less-)		
Adjusted undistributed profit at the beginning of the period	15,572,448,966.97	14,369,371,415.15
Add: Net profit attributable to owners of the parent company in the current period	4,739,393,120.72	2,951,551,189.32
Less: Appropriation of statutory surplus reserve	71,868,468.46	357,001,724.35
Appropriation of discretionary surplus reserve		
Appropriation of general risk reserve	986,096.17	2,483,796.54
Dividends payable on ordinary shares	1,467,283,959.83	984,154,495.50
Ordinary share dividends transferred to share capital		
Others	507,281,620.99	404,833,621.11
Undistributed profit at the end of the period	18,264,421,942.24	15,572,448,966.97

The breakdown of adjustment for undistributed profits at the beginning of the period:

1. The effect of the retrospective adjustments arising from Accounting Standards for Business Enterprises and their new related requirements on undistributed profits at the beginning of the period amounted to RMB0.
2. The effect of changes in accounting policies on undistributed profits at the beginning of the period amounted to RMB0.
3. The effect of corrections of significant accounting errors on undistributed profits at the beginning of the period amounted to RMB0.
4. The effect of the change of the scope of consolidation under common control on undistributed profits at the beginning of the period amounted to RMB0.
5. The combined effect of other adjustments on undistributed profits at the beginning of the period amounted to RMB0.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

61. Operating revenue and operating costs

(1). Details of operating revenue and operating costs

√Applicable □N/A

Unit: RMB

Items	Amount for the current period		Amount for the last period	
	Revenue	Cost	Revenue	Cost
Principal operating activities	104,124,319,881.18	82,840,186,599.33	82,243,059,294.69	68,709,459,810.04
Other operating activities	163,071,701.94	109,464,766.84	274,934,243.61	192,565,922.99
Total	104,287,391,583.12	82,949,651,366.17	82,517,993,538.30	68,902,025,733.03

(2). The disaggregated information of operating revenue and operating costs

√Applicable □N/A

Unit: RMB

Contract classification	Product-segment		Total	
	Operating revenue	Operating costs	Operating revenue	Operating costs
Type of goods				
Self-produced gold				
revenue	38,395,834,507.41	18,978,317,766.15	38,395,834,507.41	18,978,317,766.15
Purchased gold revenue	43,193,097,874.88	42,846,200,728.25	43,193,097,874.88	42,846,200,728.25
Small gold bar revenue	10,376,179,655.23	10,139,685,996.35	10,376,179,655.23	10,139,685,996.35
Trade revenue	9,978,561,359.83	9,840,622,138.40	9,978,561,359.83	9,840,622,138.40
Other revenue	2,343,718,185.77	1,144,824,737.02	2,343,718,185.77	1,144,824,737.02
By region of operation				
Domestic	89,354,098,948.47	74,190,456,480.00	89,354,098,948.47	74,190,456,480.00
Overseas	14,933,292,634.65	8,759,194,886.17	14,933,292,634.65	8,759,194,886.17
Type of market or customer				
Type of contracts				
By time of transfer of goods				
Transfer at a point in time	104,276,423,875.61	82,935,793,586.02	104,276,423,875.61	82,935,793,586.02
Transfer within a certain				
period of time	10,967,707.51	13,857,780.15	10,967,707.51	13,857,780.15
By contract term				
By sales channel				
Total	104,287,391,583.12	82,949,651,366.17	104,287,391,583.12	82,949,651,366.17

Other explanations:

□Applicable √N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

61. Operating revenue and operating costs (Continued)

(3). Explanation on performance obligations

☐ Applicable ☒ N/A

(4). Explanation on allocation to the remaining performance obligations

☐ Applicable ☒ N/A

(5). Change in significant contracts or price adjustment of significant transactions

☐ Applicable ☒ N/A

62. Taxes and surcharges

☒ Applicable ☐ N/A

Unit: RMB

Item	Amount for the current period	Amount for the last period
Resource tax	2,022,007,193.91	1,040,056,489.97
Water resource tax	52,801,905.78	130,946,572.09
Stamp duty	48,593,247.11	48,347,589.19
Property tax	35,091,760.58	31,913,553.56
Land use tax	26,205,054.33	23,656,355.40
Urban maintenance and construction tax	11,895,859.36	8,814,401.55
Education surcharges	6,615,673.65	4,876,314.16
Local education surcharges	4,410,449.05	3,250,876.14
Environmental protection tax	3,497,541.92	835,021.82
Vehicle and vessel use tax	1,843,420.79	1,758,854.99
Others	7,043,197.76	1,676,980.32
Total	2,220,005,304.24	1,296,133,009.19

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

63. Selling expenses

√Applicable □N/A

Unit: RMB

Item	Amount for the current period	Amount for the last period
Employee remuneration	53,059,909.73	56,300,601.12
Sales commission	38,286,982.43	48,175,740.54
Gold trading expenses	30,634,192.39	24,502,567.75
Transportation expenses	13,965,612.65	7,371,969.65
Service expenses	6,046,531.81	19,767,982.37
Storage fees	3,810,544.58	1,009,488.65
Travel expenses	2,266,944.51	3,414,475.13
Testing fee	2,199,429.34	924,626.78
Packaging expenses	1,031,593.16	633,284.17
Insurance fees	16,591.11	4,838,439.02
Others	15,884,086.82	17,644,192.17
Total	167,202,418.53	184,583,367.35

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

64. Administrative expenses

√Applicable □N/A

Unit: RMB

Items	Amount for the current period	Amount for the last period
Employee remuneration	2,032,922,808.51	1,759,464,633.62
Depreciation expenses	356,717,121.11	279,223,402.76
Agency and consulting fees	189,770,048.56	36,703,272.13
Amortization expense	129,576,558.87	83,154,905.32
Promotion expenses	57,269,519.64	58,809,139.03
Lease expenses	75,084,107.28	53,601,011.08
Insurance fees	28,798,089.91	34,215,352.95
Water and electricity charges	50,099,607.50	49,618,223.38
Environmental governance fee	53,254,691.76	48,688,350.06
Maintenance fees	67,199,180.11	41,261,376.12
Office expenses	42,526,552.05	13,518,519.19
Business hospitality	36,768,477.13	26,019,060.28
Travel expenses	35,428,076.63	21,943,492.76
Disabled persons employment security funds	21,952,531.52	15,216,840.39
Labor protection expenses	11,076,238.14	10,887,749.50
Security and firefighting expenses	33,994,593.28	17,248,206.86
Others	391,675,938.13	305,494,954.92
Total	3,614,114,140.13	2,855,068,490.35

Other explanations:

The amount of auditor's remuneration for the current year was RMB4,528,301.89, compared to RMB4,613,207.55 for the prior year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

65. R&D expenses

√Applicable □N/A

Unit: RMB

Items	Amount for the current period	Amount for the last period
Direct inputs	649,181,547.94	430,330,909.20
Wages and salaries	255,529,485.77	228,268,435.87
Outsourced R&D	46,056,197.77	41,048,208.18
Amortization and depreciation	16,821,270.17	21,925,159.51
Others	25,302,764.61	48,838,367.57
Total	992,891,266.26	770,411,080.33

66. Financial Expenses

√Applicable □N/A

Unit: RMB

Items	Amount for the current period	Amount for the last period
Interest expenses	1,930,825,091.04	2,074,452,630.94
Less: Interest income	153,275,094.45	190,016,962.76
Handling fees	31,721,802.70	32,374,989.50
Add: Exchange losses	100,447,234.15	371,369,567.89
Total	1,909,719,033.44	2,288,180,225.57

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

67. Other gains

√Applicable □N/A

Unit: RMB

Classification by nature	Amount for the current period	Amount for the last period
Employment stabilization subsidy	11,253,247.32	10,876,781.03
Subsidies for work safety prevention and emergency rescue capacity building projects	4,237,748.66	1,848,000.00
Enterprise doubling program incentive	3,750,000.00	1,250,000.00
Individual income tax refund	2,664,182.41	2,897,090.50
Subsidy for the development of commercial enterprises received by CMB Haishu from Jiangbei Commerce Bureau	2,116,700.00	
Special funds for the technology demonstration projects	1,680,000.00	
Jiaojia work safety special funds	1,371,951.20	1,097,560.98
Subsidy funds from the central government for work safety prevention and emergency rescue capacity building	1,302,000.00	1,333,600.00
Project grant from Rushan City Emergency Management Bureau	1,266,800.00	
Subsidy for equipment investment in enterprise technological transformation	1,090,000.00	
Others	13,093,003.60	17,357,037.76
Total	43,825,633.19	36,660,070.27

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

68. Investment income

☒Applicable ☐N/A

Unit: RMB

Items	Amount for the current period	Amount for the last period
Income from long-term equity investment under equity method	31,176,386.75	33,485,045.98
Investment income from disposal of long-term equity investments		
Investment income from holding financial assets held for trading	116,717,311.57	107,819,704.20
Dividend income from holding investments in other equity instruments		
Interest income from holding debt investments		
Interest income from holding other debt investments		
Investment income from disposal of financial assets held for trading	49,733,943.23	-27,400,964.17
Investment income from disposal of investments in other equity instruments		
Investment income from disposal of debt investments		
Investment income from disposal of other debt investments		
Gain on debt restructuring		
Investment income from disposal of financial liabilities held for trading		-1,574,050.00
Investment income from gold futures and T+D trading	-881,709,710.65	-233,660,615.99
Investment income from disposal of derivative financial instruments	111,311,222.70	-53,729,604.48
Others	3,054,352.34	73,074.35
Total	-569,716,494.06	-174,987,410.11

69. Gains from net exposure to hedging

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

70. Gain on Changes in Fair Value

√Applicable □N/A

Unit: RMB

sources of gains on changes in fair value	Amount for the current period	Amount for the last period
Financial assets held for trading	-1,496,140,744.54	-254,349,387.40
Including: Gains from change in fair value of derivative financial instruments	-271,662,686.21	-42,668,493.21
Financial liabilities held for trading		1,457,040.00
Investment real estate measured at fair value		
Total	-1,496,140,744.54	-252,892,347.40

Other explanations:

The Company's subsidiary, SDG Capital Management Co., Ltd. (山金金控資本管理有限公司), recognized a fair value loss of RMB1,173,431,781.08 arising from its investment in Donghai Securities Co., Ltd. (東海證券股份有限公司) during the current year.

71. Credit impairment losses

√Applicable □N/A

Unit: RMB

Items	Amount for the current period	Amount for the last period
Bad debt losses of receivable bills	-1,350,870.48	-5,338,405.98
Bad debt losses of accounts receivable	-31,776,587.58	-4,893,012.99
Bad debt losses of other receivables	-180,072,747.12	-25,187,504.84
Impairment losses of debt investments		
Impairment losses of other debt investments		
Bad debt losses of long-term receivables		
Impairment losses related to financial guarantees		
Impairment losses on other current assets	-8,673,408.75	-503,685.88
Total	-221,873,613.93	-35,922,609.69

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

72. Asset impairment losses

√Applicable □N/A

Unit: RMB

Items	Amount for the current period	Amount for the last period
I. Impairment losses on contract assets		
II. Inventories depreciation loss and impairment loss on contract performance costs	-5,706,168.84	-5,432,060.10
III. Impairment losses on long-term equity investments		
IV. Impairment losses of investment properties	-2,195,672.80	
V. Impairment losses of fixed assets	-451,582,360.94	-2,665,173.85
VI. Impairment losses of construction materials		
VII. Impairment losses of constructions in progress		
VIII. Impairment losses of productive biological assets		
IX. Impairment losses of oil and gas assets		
X. Impairment losses of intangible assets		
XI. Impairment losses of goodwill	-339,427,006.95	-42,173,675.85
XII. Others		
Total	-798,911,209.53	-50,270,909.80

73. Gains from disposal of assets

√Applicable □N/A

Unit: RMB

Items	Amount for the current period	Amount for the last period
Gains on disposal of non-current assets	-2,309,165.46	160,373.31
Including: Gains on disposal of fixed assets	-2,243,256.53	337,259.00
Disposal of right-of-use assets	-65,908.93	-176,885.69
Total	-2,309,165.46	160,373.31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

74. Non-operating income

Details of non-operating income

√Applicable □N/A

Unit: RMB

Items	Amount for the current period	Amount for the last period	Amount included in the current non-recurring gain or loss
Total gains on disposal of non-current assets	793,737.47	570,506.14	793,737.47
Including: Gains on disposal of fixed assets	793,737.47	570,506.14	793,737.47
Gains on disposal of intangible assets			
Gains on exchange of non-monetary assets			
Donations received	185,204.65	1,838,597.14	185,204.65
Government subsidies			
Forfeited income	29,141,338.32	12,488,447.50	29,141,338.32
Income from liquidated damages and compensation	24,136,064.28	687,492.84	24,136,064.28
Payables that will not need to be paid	13,705,139.25	16,859,017.30	13,705,139.25
Others	6,420,083.23	3,506,204.41	6,420,083.23
Total	74,381,567.20	35,950,265.33	74,381,567.20

Other explanations:

□Applicable √N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

75. Non-operating expenses

√Applicable □N/A

Unit: RMB

Items	Amount for the current period	Amount for the last period	Amount included in the current non-recurring gain or loss
Total losses on disposal of non-current assets	56,464,076.14	17,058,581.20	56,464,076.14
Including: Losses on disposal of fixed assets	56,464,076.14	16,637,278.31	56,464,076.14
Losses on disposal of intangible assets		421,302.89	
Losses on exchange of non-monetary assets			
External donation	10,795,038.25	6,247,253.68	10,795,038.25
Tax late fees	277,989,556.61	36,823,151.62	277,989,556.61
Fines	4,674,189.00	16,253,522.17	4,674,189.00
Compensation	22,077,613.87	18,255,449.10	22,077,613.87
Others	2,355,582.88	3,455,326.89	2,355,582.88
Total	374,356,056.75	98,093,284.66	374,356,056.75

76. Income tax expenses

(1). Table of income tax expenses

√Applicable □N/A

Unit: RMB

Items	Amount for the current period	Amount for the last period
Current income tax expenses	4,337,154,802.27	1,867,625,762.44
Deferred income tax expenses	-1,875,340,484.88	-624,564,064.99
Total	2,461,814,317.39	1,243,061,697.45

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

76. Income tax expenses (Continued)

(2). Adjustment process of accounting profit and income tax expense

√Applicable □N/A

Unit: RMB

Items	Amount for the current period
Total profit	9,088,707,970.47
Income tax expense calculated at statutory/applicable tax rate	1,362,920,054.77
Effect of different tax rates applicable to subsidiaries	905,851,642.51
Effect of adjusting income taxes for the prior period	38,989,187.21
Impact on non-taxable income	-57,516,259.47
Effect of non-deductible costs, expenses and losses	246,656,160.53
Effect of using deductible losses of deferred income tax assets not recognized in the prior period	-138,321,961.90
Effect of deductible temporary differences or deductible losses of deferred income tax assets not recognized in the current period	326,760,121.70
Changes in opening deferred tax asset/liability balances arising from tax rate adjustments	-301,229,242.11
Additional deduction of research and development expenses	-83,828,696.12
Additional deduction of wages for disabled employees	-2,269,420.07
Profit or loss attributable to joint ventures and associates	-7,575,426.38
Interest tax	29,326,024.91
MAS distribution tax	116,894,431.19
Investment tax credit for specialized equipment used in safety, energy conservation and emission reduction	-4,474,799.40
Others	29,632,500.02
Income tax expenses	2,461,814,317.39

Other explanations:

√Applicable □N/A

The interest tax relates to the interest income derived by Shandong Gold Mining (Hong Kong) Co., Limited from loans provided to MAS, and is subject to interest withholding income tax at a rate of 35% in accordance with the provisions of Argentine tax law.

77. Other comprehensive income

√Applicable □N/A

See Note VII.57 for details

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

78. Items on statements of cash flow

(1). Cash relating to operating activities

Other cash received relating to operating activities

√Applicable □N/A

Unit: RMB

Items	Amount for the current period	Amount for the last period
Interest income	152,427,483.51	154,066,536.88
Fiscal appropriation	38,892,531.49	33,802,212.18
Current accounts	793,479,213.25	971,684,874.64
Redemption and income of financial products	3,548,043,553.63	4,846,929,355.86
Exchange deposit and withdrawal	65,739,187,260.75	46,425,431,372.69
Non-operating income	35,488,965.53	14,552,717.92
Recovery of prepayments for goods and taxes from procurement agency business	4,685,935,311.10	6,700,977,874.32
Others	178,339,334.68	123,372,743.04
Total	75,171,793,653.94	59,270,817,687.53

Other cash paid relating to operating activities

√Applicable □N/A

Unit: RMB

Items	Amount for the current period	Amount for the last period
Administrative expenses	429,510,110.70	417,708,579.80
Financial expenses	29,070,823.17	9,515,968.04
Non-operating expenses	331,251,778.21	51,957,772.35
Selling expenses	72,816,879.17	110,245,821.91
Current accounts	1,124,799,872.18	2,000,938,497.04
Exchange deposit and withdrawal	65,326,350,843.36	46,357,388,366.51
Subscription and losses of financial products	3,579,837,256.65	4,232,872,330.46
Recovery of prepayments for goods and taxes from procurement agency business	4,685,314,889.63	6,700,977,874.32
Others	639,519,136.43	166,168,393.07
Total	76,218,471,589.50	60,047,773,603.50

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

78. Items on statements of cash flow (Continued)

(2). Cash related to investment activities

Cash received relating to significant investment activities

☐ Applicable ☒ N/A

Cash paid relating to significant investment activities

☐ Applicable ☒ N/A

Other cash received relating to investment activities

☒ Applicable ☐ N/A

Unit: RMB

Items	Amount for the current period	Amount for the last period
Futures investment and gold leasing	283,657,183.25	592,471,794.63
Mine environmental rehabilitation deposit and interest	315,005.71	4,595,845.62
Time deposits	4,953,745,315.74	954,676,216.32
Security deposits for notes	255,865,915.41	489,442,860.08
Total	5,493,583,420.11	2,041,186,716.65

Other cash paid relating to investment activities

☒ Applicable ☐ N/A

Unit: RMB

Items	Amount for the current period	Amount for the last period
Futures investment and gold leasing	1,364,948,671.74	765,871,419.33
Mine environmental rehabilitation deposit and interest	10,417,840.97	68,930,485.79
Time deposits	4,953,745,315.74	954,120,200.00
Security deposits for notes	263,174,290.38	367,074,100.49
Total	6,592,286,118.83	2,155,996,205.61

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

78. Items on statements of cash flow (Continued)

(3). Cash related to financing activities

Other cash received relating to financing activities

√Applicable ☐ N/A

Unit: RMB

Items	Amount for the current period	Amount for the last period
Futures investment and gold leasing	10,141,319,000.00	23,248,632,799.65
Interest income from the special account for raised funds	355,689.98	666,606.32
Refund of deposit for warehouse receipt pledge	467,516,416.00	326,981,835.20
Others	7,615,446.49	21,171,900.00
Total	10,616,806,552.47	23,597,453,141.17

Other cash paid relating to financing activities

√Applicable ☐ N/A

Unit: RMB

Items	Amount for the current period	Amount for the last period
Futures investment and gold leasing	11,785,008,623.50	19,277,561,632.90
Rental fees	105,781,787.99	71,153,139.05
Mineral geological environment protection and restoration fee		7,654,430.63
Offset of deposit against warehouse receipt pledge	544,247,717.30	550,488,597.13
Repayment of borrowings	285,000,000.00	820,274,844.15
Mining rights transfer fee	124,310,673.50	
Return of registered capital	2,000,287,722.70	
Others	89,966,907.03	87,467,337.33
Total	14,934,603,432.02	20,814,599,981.19

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

78. Items on statements of cash flow (Continued)

(3). Cash related to financing activities (Continued)

Changes in various liabilities arising from financing activities

☒ Applicable ☐ N/A

Unit: RMB

Items	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Changes in cash	Changes in non-cash	Changes in cash	Changes in non-cash	
Short-term borrowings	26,269,496,757.73	36,222,350,411.47	3,599,104,328.38	34,872,218,296.80	2,363,601,980.00	28,855,131,220.78
Long-term borrowings	33,049,342,277.06	9,751,694,274.79	946,602,883.73	11,289,138,404.06	213,047,807.00	32,245,453,224.52
Bonds payable	4,057,008,767.12		102,200,000.00	102,200,000.00		4,057,008,767.12
Lease liabilities	193,875,809.20	115,384.62	148,105,144.66	89,124,847.13	55,138,919.27	197,832,572.08
Total	63,569,723,611.11	45,974,160,070.88	4,796,012,356.77	46,352,681,547.99	2,631,788,706.27	65,355,425,784.50

(4). Explanation of cash flows presented on a net basis

☐ Applicable ☒ N/A

(5). Significant activities and financial effects that do not involve cash receipts and payments for the current period but may affect the Company's financial position or future cash flows

☐ Applicable ☒ N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

79. Supplementary information on the statement of cash flows

(1). Supplementary information on the statement of cash flows

√Applicable □N/A

Unit:RMB

Supplementary information	Amount for the current period	Amount for the last period
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	6,626,893,653.08	4,439,134,082.28
Add: Asset impairment provision	798,911,209.53	50,270,909.80
Credit impairment loss	221,873,613.93	35,922,609.69
Depreciation of fixed assets, depreciation of oil and gas assets and depreciation of productive biological assets	5,282,817,745.89	3,617,830,237.49
Amortization of right-of-use assets	118,321,399.87	106,878,505.78
Amortization of intangible assets	1,846,055,080.66	1,253,347,702.10
Amortization of long-term deferred expenses	39,554,462.56	17,114,572.78
Losses on disposal of fixed assets, intangible assets and other long-term assets (gain represented by “-”)	2,309,165.46	-160,373.31
Losses from retirement of fixed assets (gain represented by “-”)	55,670,338.67	16,488,075.06
Losses from changes in fair value (gain represented by “-”)	1,496,140,744.54	252,892,347.40
Financial expenses (gain represented by “-”)	1,923,253,950.91	2,038,610,855.96
Investment loss (gain represented by “-”)	363,916,280.75	-35,028,541.81
Decrease in deferred income tax assets (increase represented by “-”)	-921,029,622.41	-198,754,623.40
Increase in deferred income tax liabilities (decrease represented by “-”)	-1,006,398,032.16	-425,455,467.48
Decrease in inventory (increase represented by “-”)	-85,173,547.00	2,194,340,126.74
Decrease in operating receivable items (increase represented by “-”)	-181,648,101.31	-848,347,739.49
Increase in operating payable items (decrease represented by “-”)	4,911,286,500.59	824,714,249.47
Others		
Net cash flows from operating activities	21,492,754,843.56	13,339,797,529.06

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

79. Supplementary information on the statement of cash flows (Continued)

(1). Supplementary information on the statement of cash flows (Continued)

Supplementary information	Amount for the current period	Amount for the last period
2. Significant investment and financing activities that do not involve cash receipts and payments:		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Finance leasing of fixed assets		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	15,993,931,178.20	9,931,630,518.82
Less: Opening balance of cash	9,931,630,518.82	8,352,903,315.36
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	6,062,300,659.38	1,578,727,203.46

(2). Net cash paid for acquisition of subsidiaries in the current period

√Applicable □N/A

	Unit: RMB
	Amount
Cash or cash equivalents paid in the current period for business combination occurred in the current period	48,634,300.00
Including: Yunnan Western Mining Co., Ltd. (雲南西部礦業有限公司)	48,634,300.00
Less: Cash and cash equivalents held by subsidiaries on the date of purchase	17,237.49
Including: Yunnan Western Mining Co., Ltd. (雲南西部礦業有限公司)	17,237.49
Add: cash or cash equivalents paid in the current period for business combinations that occurred in previous periods	107,110,000.00
Including: Inner Mongolia Shanjin Changtai Mining Co., Ltd. (內蒙古山金昶泰礦業有限責任公司)	107,110,000.00
Net cash paid for acquisition of subsidiaries	155,727,062.51

(3). Net cash received from disposal of subsidiaries in the current period

□Applicable √N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

79. Supplementary information on the statement of cash flows (Continued)

(4). Composition of cash and cash equivalents

☒Applicable ☐N/A

Unit: RMB

Items	Closing balance	Opening balance
I. Cash	15,993,931,178.20	9,931,630,518.82
Including: Cash on hand	603,602.18	519,395.98
Bank deposits readily available for payment	11,908,316,690.05	6,228,072,926.55
Other monetary funds readily available for payment	4,085,010,885.97	3,703,038,196.29
Deposits with central bank available for payment		
Deposits with other banks		
Loans from other banks		
II. Cash equivalents		
Including: Bond investments that mature within three months		
III. Closing balance of cash and cash equivalents	15,993,931,178.20	9,931,630,518.82
Including: Restricted cash and cash equivalents used by the parent company or subsidiaries within the Group		

(5). Items with restricted use but still presented as cash and cash equivalent

☐Applicable ☒N/A

(6). Monetary funds not classified as cash and cash equivalents

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

80. Notes to the statement of changes in equity

Explanation for matters such as the item name of "Others" and amount adjustment for adjusting the balance at the end of the last year:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

81. Monetary items in foreign currency

(1). Monetary items in foreign currency

√Applicable □N/A

Unit: RMB

Items	Closing foreign currency balance	Translation rate	Closing RMB balance after translation
Monetary funds	—	—	
Of which: US dollar	318,624,905.78	7.0288	2,239,550,737.74
Australian dollar	128,524.16	4.6892	602,675.49
Hong Kong dollar	53,776,258.49	0.9032	48,570,716.67
Argentine peso	177,513,849.01	0.0048	852,066.48
Canadian dollar	1,286,565.82	5.1142	6,579,754.92
Ghanaian cedi	36,291.67	0.6509	23,622.25
Euro	11.92	8.2355	98.17
Singapore dollar	1,642,306.13	5.4586	8,964,692.24
Namibian dollar	239,021,360.46	0.4207	100,556,286.35
Accounts receivable	—	—	
Of which: US dollar	21,116,891.57	7.0288	148,426,407.47
Namibian dollar	53,607.63	0.4207	22,552.73
Other receivables			
Of which: US dollar	2,551,415.26	7.0288	17,933,387.58
Hong Kong dollar	35,747,667.23	0.9032	32,287,293.04
Argentine peso	35,797,693,844.55	0.0048	171,828,930.45
Canadian dollar	7,837,037.70	5.1142	40,080,178.21
Ghanaian cedi	883,576,206.47	0.6509	575,119,752.79
Namibian dollar	1,551,693.69	0.4207	652,797.54
Short-term borrowings			
Of which: US dollar	714,957,435.57	7.0288	5,025,292,823.13
Hong Kong dollar	250,332,534.69	0.9032	226,100,345.33
Accounts payable	—	—	
Of which: US dollar	127,202,676.35	7.0288	894,082,171.53
Australian dollar	55,429.97	4.6892	259,922.22
Hong Kong dollar	14,910,777.12	0.9032	13,467,413.89
Canadian dollar	461,800.56	5.1142	2,361,740.42
Ghanaian cedi	121,513,307.76	0.6509	79,093,012.02
Namibian dollar	315,772,531.61	0.4207	132,845,504.05
Other payables			
Of which: US dollar	22,827,307.65	7.0288	160,448,580.01
Hong Kong Dollar	22,037,711.64	0.9032	19,904,461.15
Long-term borrowings			
Of which: US dollar	396,000,000.00	7.0288	2,783,404,800.00
Non-current liabilities due within one year			
Of which: US dollar	4,803,063.70	7.0288	33,759,774.13
Namibian dollar	4,981,332.63	0.4207	2,095,646.64

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

81. Monetary items in foreign currency (Continued)

- (2). Explanation of overseas operating entities, including for important overseas operating entities, the principal place of business overseas, recording currency and basis of choice, and if the recording currency changes, the reasons shall also be disclosed

☒ Applicable ☐ N/A

Shandong Gold Mining (Hong Kong) Co., Limited (山東黃金礦業(香港)有限公司), a subsidiary of the Company, has its principal place of business in Hong Kong. The functional currency in its main economic environment is the US dollar, and thus it uses the US dollar as its recording currency.

Cardinal Resources Limited and Cardinal Resources Australia Limited, subsidiaries of the Company, have their principal places of business in Australia. The functional currency in their main economic environment is Australian dollar, and thus they use Australian dollar as their recording currency. Cardinal Resources Ghana Limited and Cardinal Namdini Mining Limited, subsidiaries of the Company, have their principal places of business in Ghana. The functional currency in their main economic environment is Cedi, and thus they use Cedi as their recording currency.

Yintai Shenghong Singapore Co., Ltd. (銀泰盛鴻新加坡有限公司), a subsidiary of Shanjin International, has its principal place of business in Singapore. The functional currency in its main economic environment is the US dollar, and thus it uses the US dollar as its recording currency. Osino Holdings Corp, Osino Mining Investments Ltd. and The Twin Hill Trust, subsidiaries of Shanjin International, have their principal places of business in in Canada, Mauritius and Namibia, respectively. The functional currency in their main economic environments are Canadian dollar, Mauritian rupee and Namibian dollar, and thus they use Canadian dollar, Mauritian rupee and Namibian dollar as their recording currencies.

82. Leases

- (1). As a lessee

☒ Applicable ☐ N/A

Items	Unit: RMB	
	Amount for the current period	Amount for the last period
Interest expense on lease liabilities	12,736,515.54	12,395,955.65
Short-term lease expense through current profit or loss using simplified approach	79,130,992.86	18,555,155.86
Total cash outflows related to leases	168,255,839.99	89,708,294.91

Variable lease payment not included in lease liabilities measurement

☐ Applicable ☒ N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

82. Leases (Continued)

(1). As a lessee (Continued)

Simplified treatment of lease expenses for short-term leases or low-value assets

☐ Applicable ☒ N/A

Leaseback transactions and basis of judgment

☐ Applicable ☒ N/A

(2). As a lessor

Operating lease as a lessor

☒ Applicable ☐ N/A

Unit: RMB

Items	Lease income	Including: Income related to variable lease payments not included in lease receivables
Leasing of houses and buildings	10,142,271.97	
Leasing of equipment and others	825,435.54	
Total	10,967,707.51	

Finance lease – as a lessor

☐ Applicable ☒ N/A

Reconciliation of undiscounted lease receivable and net investment in leases

☐ Applicable ☒ N/A

Undiscounted lease receivable for the next five years

☐ Applicable ☒ N/A

(3). Recognition of gain or loss on sale of finance lease as a producer or distributor

☐ Applicable ☒ N/A

83. Data resources

☒ Applicable ☐ N/A

See Note VII.26 for details.

84. Others

☐ Applicable ☒ N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VIII. R&D EXPENDITURE

1. By nature of expenditure

√Applicable □N/A

Unit: RMB

Items	Amount for the current period	Amount for the last period
Wages and salaries	272,940,865.94	228,268,435.87
Direct inputs	653,897,177.34	513,828,736.39
Amortization and depreciation	18,856,576.79	22,080,998.55
Outsourced R&D expenditure	47,891,974.39	49,200,184.14
Others	30,958,367.93	49,862,105.00
Total	1,024,544,962.39	863,240,459.95
Including: R&D Expenditure as expense	992,891,266.26	770,411,080.33
R&D Expenditure as capital	31,653,696.13	92,829,379.62

2. R&D expenditure eligible for capitalization

√Applicable □N/A

Unit: RMB

Items	Opening balance	Increase in the current period		Decrease in the current period			Others	Closing balance
		Internal development expenditure	Outsourced R&D expenditure	Others	Recognized as intangible assets	Transfer to current profit or loss		
Development of a 10-ton trackless fuel transport vehicle	1,183,322.58	1,511,320.53						2,694,643.11
Research and application of energy-efficient and environmentally friendly 3.5m³ underground LHD	2,094,436.65	110,613.30						2,205,049.95
Research and application of energy-efficient and environmentally friendly 4m³ underground LHD	1,572,667.82	1,046,811.88						2,619,479.70
Development of a series of coarse particle flotation machines	1,870,828.87	363,319.86						2,234,148.73
Research and application of energy-efficient and environmentally friendly 12-16 ton underground mining truck (12T)		2,469,311.09	496,150.87					2,965,461.96
Research on intelligent sorting of run-of-mine ore and low-grade waste rock at Changtai Mining		77,314.03		4,935,618.80				5,012,932.83
Research on mining technology within the F20 fracture zone		4,544,590.96						4,544,590.96
Others	11,076,297.51	14,039,034.54	1,339,625.75	719,984.52	10,147,120.29		1,283,185.84	15,744,636.19
Total	17,797,553.43	24,162,316.19	1,835,776.62	5,655,603.32	10,147,120.29		1,283,185.84	38,020,943.43

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VIII. R&D EXPENDITURE *(Continued)*

2. R&D expenditure eligible for capitalization *(Continued)*

Significant capitalised R&D expenditure

☐Applicable ☒N/A

Provision for impairment on R&D expenditure

☐Applicable ☒N/A

3. Significant outsourced projects under research

☐Applicable ☒N/A

IX. CHANGES IN SCOPE OF CONSOLIDATION

1. Business combination not under common control

☐Applicable ☒N/A

2. Business consolidation under common control

☐Applicable ☒N/A

3. Reverse acquisition

☐Applicable ☒N/A

4. Disposal of subsidiaries

Whether there is a transaction or event that results in the loss of control over subsidiaries during the current period

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

Whether there is a step-by-step disposal of investment in a subsidiary through multiple transactions that results in the loss of control during the current period

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

IX. CHANGES IN SCOPE OF CONSOLIDATION (Continued)

5. Changes in the scope of consolidation for other reasons

Explain the changes in the scope of consolidation caused by other reasons (such as the establishment of new subsidiaries, liquidation of subsidiaries, etc.) and related circumstances:

☒Applicable ☐N/A

(1) Newly established subsidiary

Shandong Shanjin Materials Co., Ltd. (山東山金物資有限公司) is a wholly-owned subsidiary established by the Company, with a registered capital of RMB100.00 million and a registered address at Room 203, Main Building, No. 2503 Jingshi Road, Ganggou Subdistrict, Licheng District, Jinan City, Shandong Province. Its main business is wholesale of other machinery equipment and electronic products.

(2) Golden Planet Investments and Streamers Gold Mining Corporation Limited (極光黃金礦業有限公司), subsidiaries of the Company, were deregistered.

(3) Changes in consolidation scope due to other reasons

In January 2025, Shanjin International, a subsidiary of the Company, completed the acquisition of a 100% equity interest in DC Farming (Pty) Ltd. Meanwhile, Fairview Minerals Exploration (Pty) Ltd. and Vavali Mining Exploration (Pty) Ltd. were deregistered. In May 2025, Osino Otavi Holdings (Pty) Ltd. was deregistered. On 27 May 2025, the Company acquired 52.0709% of equity in Yunnan Western Mining Co., Ltd. (雲南西部礦業有限公司) by cash, and in December 2025, purchased the remaining equity interest, resulting in a 100.00% shareholding, and incorporated Yunnan Western Mining Co., Ltd. (雲南西部礦業有限公司) into the scope of consolidation during the current period; in November 2025, the subsidiary Shengda Mining was liquidated and ceased to be consolidated. In December 2025, Pamwe Minerals Exploration (Pty) Ltd. was established and included in the Company's consolidation scope.

In the consolidated financial statements of the Company, 76 companies were included, including Shandong Gold Mining (Laizhou) Co., Ltd. (山東黃金礦業(萊州)有限公司), Shandong Jinzhou Mine Group Co., Ltd. (山東金洲礦業集團有限公司), and Shanjin International. For details, see this Note "X. Interests in Other Entities".

6. Others

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

X. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1). Constitution of enterprise group

√Applicable □N/A

Unit: RMB0'000

Name of subsidiaries	Principal place of business	Registered capital	Place of registration	Nature of business	Shareholding(%)		Acquisition method
					Direct	Indirect	
Shandong Gold Mining (Laizhou) Co., Ltd. (山東黃金礦業(萊州)有限公司)	Laizhou	43,017.64	Laizhou	Gold mining and processing	100.00		Business combination under common control
Shandong Gold Group Penglai Mining Co., Ltd. (山東黃金集團蓬萊礦業有限公司)	Penglai	5,000.00	Penglai	Gold mining and processing	100.00		Business combination under common control
Shandong Gold Guilaizhuang Mining Co., Ltd. (山東黃金歸來莊礦業有限公司)	Pingyi	62,167.00	Pingyi	Gold mining and processing	70.65		Business combination under common control
Shandong Gold Smelting Co., Ltd. (山東黃金冶煉有限公司)	Laizhou	35,000.00	Laizhou	Gold and silver smelting	100.00		Established through division
Shandong Jinzhou Mine Group Co., Ltd. (山東金洲礦業集團有限公司)	Rushan	7,668.98	Rushan	Gold mining and processing	100.00		Business combination not under common control
Shandong Jinzhou Group Qianling Mining Ltd. (山東金洲集團千嶺礦業有限公司)	Rushan	1,000.00	Rushan	Gold mining and processing		100.00	Business combination not under common control
Chifeng Chaihulanzi Gold Mining Co., Ltd. (赤峰柴胡欄子黃金礦業有限公司)	Chifeng	1,001.77	Chifeng	Gold mining and processing	73.52		Business combination not under common control
Shandong Jinshi Mining Co., Ltd. (山東金石礦業有限公司)	Laizhou	2,680.00	Laizhou	Investment in the mining industry	100.00		Business combination not under common control
Xihe Zhongbao Mining Co., Ltd. (西和縣中寶礦業有限公司)	Xihe	20,000.00	Xihe	Gold mining and processing	70.00		Business combination not under common control
Fujian Zhenghe County Yuanxin Mining Co., Ltd. (福建省政和縣源鑫礦業有限公司)	Zhenghe	5,400.00	Zhenghe	Gold mining and processing	90.31		Business combination not under common control
Shandong Gold Mining Industry (Xinhui) Co., Ltd. (山東黃金礦業(鑫匯)有限公司)	Qingdao	38,473.59	Qingdao	Gold mining and processing	100.00		Establishment
Shandong Gold Mining (Linglong) Co., Ltd. (山東黃金礦業(玲龍)有限公司)	Zhaoyuan	40,230.66	Zhaoyuan	Gold mining and processing	100.00		Establishment
Shandong Gold Mining (Yinan) Co., Ltd. (山東黃金礦業(沂南)有限公司)	Yinan	17,100.00	Yinan	Gold, copper and iron ore mining and processing	100.00		Establishment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

X. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(1). Constitution of enterprise group (Continued)

Name of subsidiaries	Principal place of business	Registered capital	Place of registration	Nature of business	Shareholding(%)		Acquisition method
					Direct	Indirect	
Shandong Gold Mining (Laixi) Co., Ltd. (山東黃金礦業(萊西)有限公司)	Laixi	21,400.00	Laixi	Gold mining and processing	100.00		Establishment
Shandong Gold Mining Technology Co., Ltd. (山東黃金礦業科技(萊西)有限公司)	Laizhou	20,000.00	Jinan	Mining technology research and development	100.00		Establishment
Shanjin Heavy Industry Co., Ltd. (山金重工有限公司)	Laizhou	30,000.00	Laizhou	Equipment manufacturing	100.00		Establishment
SDG Capital Management Co., Ltd. (山金金控資本管理有限公司)	Shanghai	150,000.00	Shanghai	Investment and asset management	100.00		Business combination under common control
Shanjin Jinkong (Shanghai) Precious Metals Investment Co., Ltd. (山金金控(上海)貴金屬投資有限公司)	Shanghai	34,654.64	Shanghai	Investment in precious metals		100.00	Business combination under common control
Shanjin Futures Co., Ltd. (山金期貨有限公司)	Tianjin	65,137.49	Tianjin	Futures brokerage		100.00	Business combination under common control
Shanjin Jinkong (Shenzhen) Gold Investment Development Co., Ltd. (山金金控(深圳)黃金投資發展有限公司)	Shenzhen	6,535.35	Shenzhen	Investment in gold industry		100.00	Business combination under common control
SDG International Capital Management Co., Ltd. (山金國際資產管理有限公司)	Shanghai	1,050.00	Shanghai	Investment Management		100.00	Business combination under common control
Shanjin Jinquan (Shanghai) Private Equity Fund Management Co., Ltd. (山金金泉(上海)私募基金管理有限公司)	Shanghai	10,000.00	Shanghai	Asset management		100.00	Business combination under common control
Shanjin Jinquan (Shanghai) Capital Management Co., Ltd. (山金金泉(上海)投資管理有限公司)	Shanghai	3,000.00	Shanghai	Investment management		100.00	Business combination under common control
Shanghai Shanjin Industrial Development Co., Ltd. (上海山金實業發展有限公司)	Shanghai	10,000.00	Shanghai	Consultation and investigation		100.00	Establishment
Shenzhen SD Gold Mining Precious Metal Co., Ltd. (深圳市山金礦業貴金屬有限公司)	Longgang	1,000.00	Longgang	Gold processing		75.00	Establishment
Laizhou Gold Coast Ecology Co., Ltd. (萊州金岸生態有限公司)	Laizhou	1,000.00	Laizhou	Ecological protection		80.00	Business combination not under common control
Shandong Dikuang Laijin Holdings Co., Ltd. (山東地礦來金控股(萊州)有限公司)	Laizhou	30,000.00	Laizhou	Investment holding		100.00	Business combination under common control

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

X. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(1). Constitution of enterprise group (Continued)

Name of subsidiaries	Principal place of business	Registered capital	Place of registration	Nature of business	Shareholding(%)		Acquisition method
					Direct	Indirect	
Laizhou Hongsheng Mining Investment Co., Ltd. (萊州鴻昇礦業投資有限公司)	Laizhou	1,000.00	Laizhou	Gold mining and processing		100.00	Business combination under common control
Laizhou Jinsheng Mining Investment Co., Ltd. (萊州金盛礦業投資有限公司)	Laizhou	39,000.00	Laizhou	Gold mining and processing		100.00	Business combination under common control
Shandong Tiancheng Mining Co., Ltd. (山東天承礦業有限公司)	Laizhou	1,618.00	Laizhou	Gold mining and processing		100.00	Business combination under common control
Shandong Gold Mining (Hong Kong) Co., Limited (山東黃金礦業(香港)有限公司)	Hong Kong	453,114.56	Hong Kong	Investment in the mining industry	100.00		Establishment
Cardinal Resources Limited	Australia	61,099.14	Australia	Investment holding		100.00	Business combination not under common control
Cardinal Resources Ghana Limited	Ghana	3.08	Ghana	Gold mining and processing		85.00	Business combination not under common control
Cardinal Resources Subranum Limited	Ghana	5.54	Ghana	Mining services		85.00	Business combination not under common control
Cardinal Mining Services Limited	Ghana	5.54	Ghana	Mining services		85.00	Business combination not under common control
Cardinal Namdini Mining Limited	Ghana	375.00	Ghana	Gold mining and processing		85.00	Business combination not under common control
Hengxing Gold Holding Company Limited	Cayman	736.21	Cayman	Investment holding	100.00		Business combination not under common control
Tianshan Gold Securities (Hong Kong) Limited	Hong Kong	9,266.85	Hong Kong	Investment holding		100.00	Business combination not under common control
Tianshan Goldfield (Xinjiang) Investment Advisory Limited (新疆天山金田投資諮詢有限公司)	Yining	40.79	Yining	Management and consultation		100.00	Business combination not under common control
Xinjiang Jinchuan Mining Co., Ltd. (新疆金川礦業有限公司)	Yining	35,434.15	Yining	Gold and silver mining, extraction and smelting		100.00	Business combination not under common control
Shanjin Mine Project (Shandong) Co., Ltd. (山金礦山工程(山東)有限公司)	Laizhou	4,000.00	Laizhou	Construction work	80.00		Establishment
Shandong Gold Xihe Mining Co., Ltd. (山東黃金西和礦業有限公司)	Xihe	45,000.00	Xihe	—	60.00		Establishment
Inner Mongolia Shanjin Changtai Mining Co., Ltd. (內蒙古山金泰礦業有限責任公司)	Inner Mongolia	10,500.00	Inner Mongolia	Gold mining and processing	70.00		Business combination not under common control

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

X. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(1). Constitution of enterprise group (Continued)

Name of subsidiaries	Principal place of business	Registered capital	Place of registration	Nature of business	Shareholding(%)		Acquisition method
					Direct	Indirect	
Shandong Gold Occupational Disease Prevention and Control Hospital (山東黃金職業病防治院)	Zhaoyuan	10,000.00	Zhaoyuan	Public institutions	100.00		Establishment
Shandong Shanjin Materials Co., Ltd. (山東山金物資有限公司)	Jinan	10,000.00	Jinan	Wholesale of other machinery and electronic products	100.00		Establishment
Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司)	Beijing	277,672.23	Inner Mongolia	Non-ferrous metal mining and selection	28.89		Business combination not under common control

Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司) is a listed company on the Shenzhen Stock Exchange with the stock code: 000975.SZ.

Except for Shanjin International Gold Co., Ltd., (山金國際黃金股份有限公司) which is a joint stock company incorporated under the laws of the PRC, all other legal entities established in the PRC are limited liability companies.

Explanation regarding the difference between the proportion of the shareholding and the percentage of voting rights in subsidiaries:

Shanjin Mine Project (Shandong) Ltd. (山金礦山工程(山東)有限公司) was established on 8 December 2022, with a registered capital of RMB40.00 million, and is held by our Company as to 80.00%. Its external investment is shown in the table below:

Name of company	Registered capital (RMB0,000)	Place of registration	Shareholding	Subscribed capital (RMB0,000)
Shandong Panjiu Mining Co., Ltd. (山東磐久礦業有限公司)	4,000.00	Weihai	51.00%	2,040.00
Shandong Xingming Mining Co., Ltd. (山東鑫明礦業有限公司)	4,000.00	Yantai	51.00%	2,040.00
Shandong Changtai Mining Co., Ltd. (山東昌泰礦業有限公司)	4,000.00	Yantai	51.00%	2,040.00
Shandong Xiuyuan Mining Co., Ltd. (山東秀原礦業有限公司)	4,000.00	Yantai	51.00%	2,040.00
Shandong Zhongda Mining Co., Ltd. (山東中大礦業有限公司)	4,000.00	Yantai	51.00%	2,040.00
Shandong Xugong Mining Co., Ltd. (山東旭工礦業有限公司)	4,000.00	Yantai	51.00%	2,040.00

The Company holds more than 50.00% of equity in the above-mentioned 6 companies, but it does not have actual control over them.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

X. INTERESTS IN OTHER ENTITIES *(Continued)*

1. Interests in subsidiaries *(Continued)*

(1). Constitution of enterprise group *(Continued)*

Basis of controlling significant structured entities in the scope of consolidation:

The Group has 28 structured entities included in the scope of consolidation. According to Accounting Standard for Business Enterprises No. 33 – Consolidated Financial Statements, the Group includes structured entities participating with the Group's own funds that meet the definition of "control" set out in the standards in its consolidated financial statements.

As of 31 December 2025, the Group had the following major consolidated structured entities:

Name	Shareholding	Paid-in capital (RMB)	Acquisition method
Shanjin Jinshi No. 1 Private Securities Investment Fund (山金金石1號私募證券投資基金)	100.00%	440,961,463.69	Establishment
Jinyuan No. 1 Private Securities Investment Fund of Jinquan Shanjin (金泉山金金源一號私募證券投資基金)	100.00%	386,699,023.98	Establishment
Zhuchi Quantitative Stable Investment Master Fund No. 1 Phase I (珠池量化穩健投資母基金1號1期)	100.00%	239,231,284.34	Investment
Jinyuan No. 2 Private Securities Investment Fund of Jinquan Shanjin (金泉山金金源二號私募證券投資基金)	100.00%	93,480,886.25	Establishment
Yanfu Neutral No. 13 Private Securities Investment Fund (衍複中性十三號私募證券投資基金)	96.84%	91,525,248.74	Investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

X. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(2). Significant non-wholly-owned subsidiaries

☒ Applicable ☐ N/A

Unit: RMB

Name of subsidiary	Minority shareholders' shareholding Percentage (%)	Profits and loss attributable to the minority shareholders in the current period	Dividends declared to distribute to the minority shareholders in the current period	Closing book value of minority interests
Chifeng Chaihulanzi Gold Mining Co., Ltd. (赤峰柴胡欄子黃金礦業有限公司)	26.48%	31,512,319.23	23,299,848.00	344,930,558.44
Xihe Zhongbao Mining Co., Ltd. (西和縣中寶礦業有限公司)	30.00%	80,957,773.17		456,635,464.67
Fujian Zhenghe County Yuanxin Mining Co., Ltd. (福建省政和縣源鑫礦業有限公司)	9.69%	-61,600.06		43,313,582.69
Shandong Gold Guilaizhuang Mining Co., Ltd. (山東黃金歸來莊礦業有限公司)	29.35%	17,658,246.62	10,037,280.00	248,308,706.18
Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司)	71.11%	1,384,249,372.38	987,738,633.35	14,230,697,412.54
Inner Mongolia Shanjin Changtai Mining Co., Ltd. (內蒙古山金昶泰礦業有限責任公司)	30.00%	-329,369.24		186,255,759.25

Explanation regarding the difference between the proportion of minority shareholders' shareholding and the percentage of their voting rights in subsidiaries:

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

1. Interests in subsidiaries (Continued)

(3). Main financial information for significant non-wholly-owned subsidiaries

☒ Applicable ☐ N/A

Name of subsidiary	Closing balance				Opening balance				Unit: RMB			
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets				
Chifeng Chahuanzi Gold Mining Co., Ltd. (赤峰紫土灣子黃金礦業有限公司)	252,348,088.21	2,126,474,112.97	2,378,822,201.18	877,574,689.92	198,497,009.32	1,076,071,679.24	180,236,153.25	2,027,194,672.23	2,207,430,825.48	718,688,161.98	223,477,314.96	942,145,476.94
Xihe Zhongbao Mining Co., Ltd. (西河鄉中寶礦業有限公司)	336,759,212.07	2,052,080,249.94	2,388,839,462.01	603,624,755.60	263,096,490.83	866,721,246.43	261,230,259.18	1,958,902,536.54	2,220,192,765.72	749,414,309.32	225,357,603.29	973,771,911.61
Fujian Zhenghe County Yuanxin Mining Co., Ltd. (福建省政和縣源鑫礦業有限公司)	79,713,650.48	567,097,419.85	646,811,070.33	198,612,345.09	1,206,127.72	199,818,472.81	78,245,823.44	569,510,932.13	647,756,775.57	198,931,973.89	1,196,496.83	200,128,470.52
Shandong Gold Gulizhuang Mining Co., Ltd. (山東黃金膠萊莊礦業有限公司)	376,879,177.96	844,706,897.39	1,221,586,075.35	331,716,253.91	43,836,846.32	375,553,100.23	274,966,784.65	922,380,351.54	1,197,367,136.19	339,017,650.13	41,195,823.59	379,213,473.72
Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司)	7,070,753,103.59	17,797,660,287.01	24,868,419,390.60	2,229,830,681.52	3,429,952,740.34	5,659,783,421.86	6,169,841,809.39	18,118,174,122.03	24,288,015,931.42	1,853,852,043.60	3,792,310,878.60	5,646,162,922.20
Inner Mongolia Sharjin Changtai Mining Co., Ltd. (內蒙古山金銀泰礦業有限公司)	26,229,639.28	911,379,429.22	937,608,068.50	134,045,863.02	182,709,674.60	316,755,537.62	51,770,494.78	671,013,716.47	722,784,211.25	23,977,282.58	157,802,383.84	181,779,666.42

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

X. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(4). Significant restrictions for using the enterprise group's assets and settling the enterprise group's liabilities:

☐Applicable ☒N/A

(5). Financial support or other support provided to structured entities in the consolidated financial statements:

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

2. Transaction changing shareholding in but not causing to loss of control over subsidiaries

☐Applicable ☒N/A

3. Interests in joint ventures or associates

☒Applicable ☐N/A

(1). Significant joint ventures or associates

☒Applicable ☐N/A

Name of joint venture or associate	Principal place of business	Place of registration	Nature of business	Shareholding(%)		Accounting method for investment in joint ventures or associates
				Direct	Indirect	
Shandong Gold Group Finance Co., Ltd. (山東黃金集團財務有限公司)	Jinan	Jinan	Non-bank financial institutions	30.00		Equity method
Laizhou Huijin Mining Investment Ltd. (萊州匯金礦業投資有限公司)	Laizhou	Laizhou	Mining industry		39.00	Equity method

(2). Main financial information for significant joint ventures

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

X. INTERESTS IN OTHER ENTITIES (Continued)

3. Interests in joint ventures or associates (Continued)

(3). Key financial information of major associates

√Applicable □N/A

Unit: RMB

	Closing balance/amount for the current period		Opening balance/amount for the last period	
	Shandong Gold Group Finance Co., Ltd.	Laizhou Huijin Mining Investment Ltd.	Shandong Gold Group Finance Co., Ltd.	Laizhou Huijin Mining Investment Ltd.
Current assets	14,037,424,019.39	564,860,793.46	11,837,801,992.09	518,929,468.17
Non-current assets	3,599,429,126.24	4,473,460,600.11	2,505,604,748.26	3,372,361,931.09
Total assets	17,636,853,145.63	5,038,321,393.57	14,343,406,740.35	3,891,291,399.26
Current liabilities	13,977,664,425.76	1,192,655,203.27	10,699,150,555.05	1,900,891,944.61
Non-current liabilities	21,890,681.66	2,411,759,430.27	26,867,845.51	696,253,830.90
Total liabilities	13,999,555,107.42	3,604,414,633.54	10,726,018,400.56	2,597,145,775.51
Non-controlling interests				
Equity attributable to shareholders of the parent company	3,637,298,038.21	1,433,906,760.03	3,617,388,339.79	1,294,145,623.75
Share of net assets based on shareholding	1,091,189,411.48	559,223,636.41	1,085,216,501.95	504,716,793.26
Adjustments				
– Goodwill				
– Unrealised profit for internal transaction				
– Others		950,040,132.89		933,031,832.79
Carrying amount of equity investment in associates	1,091,189,411.48	1,509,263,769.30	1,085,216,501.95	1,437,748,626.05
Fair value of equity investment in associates with a quoted price in the open market				
Operating revenue	279,545,745.57	5,781,597.53	347,128,386.63	120,753.23
Net profit	105,949,482.05	-3,066,668.91	118,585,594.76	-5,000,000.00
Net profit from discontinued operations				
Other comprehensive income				
Total comprehensive income	105,949,482.05	-3,066,668.91	118,585,594.76	-5,000,000.00
Dividends received from associates during the year	25,811,935.09		28,503,586.66	

Other explanations:

The 2025 financial data of Laizhou Huijin Mining Investment Ltd. is unaudited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

X. INTERESTS IN OTHER ENTITIES (Continued)

3. Interests in joint ventures or associates (Continued)

(4). Summary financial information of non-major joint ventures and associates

☒Applicable ☐N/A

Unit: RMB

	Closing balance/ amount for the current period	Opening balance/ amount for the last period
Joint ventures:		
Total carrying amount of investment		
Total amount of the following items based on shareholding		
– Net profit		
– Other comprehensive income		
– Total comprehensive income		
Associates:		
Total carrying amount of investment	3,841,116.04	3,967,503.88
Total amount of the following items based on shareholding		
– Net profit	-126,387.84	-140.632.45
– Other comprehensive income		
– Total comprehensive income	-126,387.84	-140.632.45

(5). Explanation for the significant restrictions on the ability of joint ventures or associates to transfer funds to the Company

☐Applicable ☒N/A

(6). Excessive loss incurred by joint ventures or associates

☐Applicable ☒N/A

(7). Unrecognised commitments related to investments in joint ventures

☐Applicable ☒N/A

(8). Contingent liabilities related to investments in joint ventures or associates

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

X. INTERESTS IN OTHER ENTITIES (Continued)

4. Major joint operations

☒Applicable ☐N/A

Name of joint operation	Principal place of operation	Place of registration	Business nature	Shareholding percentage/entitlement (%)	
				Direct	Indirect
MAS	San Juan, Argentina	Buenos Aires, Argentina	Gold mining, processing and smelting		50.00

Basis for classification as a joint operation where the joint operation is a separate entity:

On 30 June 2017, pursuant to a share purchase agreement dated 6 April 2017, Shandong Gold Mining (Hong Kong) Co., Limited ("SDG Hong Kong"), established in Hong Kong, as the acquiring entity, acquired a 50% equity interest in Argentina Gold (Bermuda) II Ltd. ("AGB II") and subscribed for a 2.1547% newly issued equity interest in Minera Andina Del Sol S.R.L. ("MAS"), a non-wholly owned subsidiary of AGB II, and purchased a 50% shareholder's loan in MAS held by Barrick Gold Corporation ("Barrick"). The acquisition price was USD960 million (adjusted to USD990 million in November 2017 based on several financial indicators under the share purchase agreement, equivalent to approximately RMB6,705 million). Of this amount, USD141 million (equivalent to approximately RMB935 million) was used to purchase the 50% shareholder's loan in MAS.

Through the above transactions, SDG Hong Kong directly and indirectly holds a 50% equity interest in MAS. The Company and Barrick will jointly operate the Veladero Gold Mine in Argentina owned by MAS, with each party consolidating 50% of its results. The Company has accounted for its investment in the AGB II Group as a joint operation since 30 June 2017, consolidating its assets, liabilities, and profit or loss.

5. Interests in structured entities not included in the scope of consolidated financial statements

Explanation of structured entities not included in the scope of consolidated financial statements:

☒Applicable ☐N/A

As of 31 December 2025, the net assets of structured entities managed by the Company and in which the Company held interests that were not included in the consolidated financial statements amounted to RMB124,586,562.60. The Company's interests in the above structured entities that were not included in the consolidated financial statements were classified as financial assets held for trading and other non-current financial assets. The book value and maximum exposure were RMB7,223,776.67, of which the financial assets held for trading were RMB6,197,508.67 and the other non-current financial assets were RMB1,026,268.00.

In 2025, the income obtained by the Company from such structured entities, including management fees and performance-based remuneration, totaled RMB819,124.91.

6. Others

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XI. GOVERNMENT GRANTS

1. Government grants recognised at the end of the reporting period at the amount receivable

☒Applicable ☐N/A

Closing balance of receivables 0.00 (Unit: RMB)

Reasons for not receiving the estimated amount of government grants at the estimated time

☐Applicable ☒N/A

2. Debt items involving government grants

☒Applicable ☐N/A

Unit: RMB

Items in financial statements	Opening balance	New grants during the period	Include in non-operating income for the period	Include in other income for the period	Other changes for the period	Closing balance	Asset-related/ income-related
Deferred income	2,138,910.15	9,190,649.85		4,504,293.99		6,825,266.01	Income-related
Deferred income	10,013,281.10	400,000.00		2,066,083.99		8,347,197.11	Asset-related
Total	12,152,191.25	9,590,649.85		6,570,377.98		15,172,463.12	/

3. Government grants included in profit or loss for the period

☒Applicable ☐N/A

Unit: RMB

Type	Amount for the current period	Amount for the last period
Asset-related	2,066,083.99	
Income-related	41,759,549.20	36,660,070.27
Total	43,825,633.19	36,660,070.27

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

1. Risk associated with financial instruments

√Applicable ☐N/A

The Company is faced with various financial instrument risks in its daily activities, mainly including market risks (such as exchange rate risk, interest rate risk and commodity price risk), credit risk and liquidity risk. The risks associated with these financial instruments and the risk management policies adopted by the Company to mitigate these risks are described below. The management of the Company manages and monitors these risk exposures to ensure that the aforementioned risks are kept within an acceptable range.

1. Objectives and policies of various risk management

The objective of the Group's risk management is to obtain an appropriate balance between risk and return, minimise negative impact of risk on the Group's operating results and maximise benefits of shareholders and other equity investors. Based on this objective of risk management, the basic risk management strategy of the Group is to identify and analyse various risks faced by the Group, establish an appropriate risk tolerance bottom line and conduct risk management, and supervise various risks in a timely and reliable manner to control risks within a limited scope.

(1) Market risk

1) Exchange rate risk

The Group is exposed to exchange rate risk primarily related to the US dollar, Singapore dollar, Canadian dollar, Hong Kong dollar, and Ghanaian Cedi. Except for several subsidiaries that conduct purchases and sales in US dollars, the Group's other major business activities are denominated and settled in Renminbi. As at 31 December 2025, except for the balances of assets and liabilities in US dollars, Euros, Hong Kong dollars, Canadian dollars, Ghanaian cedis, Argentine pesos, Singapore dollars, and Namibian dollars as set forth in the table below, all the balances of assets and liabilities of the Group were denominated in Renminbi. The exchange rate risk arising from the balances of such US dollar-denominated assets and liabilities may have an impact on the Group's operating results.

As at 31 December 2025 and 31 December 2024, the amounts of the Group's foreign currency financial assets and foreign currency financial liabilities translated into Renminbi are set forth as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XII.RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (Continued)

1. Risk associated with financial instruments (Continued)

1. Objectives and policies of various risk management (Continued)

(1) Market risk (Continued)

1) Exchange rate risk (Continued)

Items	31 December 2025	31 December 2024
Monetary funds-US dollar	2,239,550,737.74	516,620,598.99
Monetary funds-Hong Kong dollar	48,570,716.67	49,395,889.77
Monetary funds-Ghanaian cedi	23,622.25	820,728.31
Monetary funds-Canadian dollar	6,579,754.92	59,169,835.45
Monetary funds-Australian dollar	602,675.49	54,816.84
Monetary funds-Argentine peso	852,066.48	1,052,385.06
Monetary funds-Euro	98.17	89.71
Monetary funds-Singapore dollar	8,964,692.24	11,499,546.62
Monetary funds-Namibian dollar	100,556,286.35	11,416,493.30
Accounts receivable-US dollar	148,426,407.47	155,335,872.68
Accounts receivable-Namibian dollar	22,552.73	
Other receivables-US dollar	17,933,387.58	8,971,179.92
Other receivables-Hong Kong dollar	32,287,293.04	2,432,456.68
Other receivables-Argentine peso	171,828,930.45	
Other receivables-Canadian dollar	40,080,178.21	2,518,780.60
Other receivables-Ghanaian cedi	575,119,752.79	24,984,119.91
Other receivables-Namibian dollar	652,797.54	737,087.90
Short-term borrowings-US dollar	5,025,292,823.13	9,723,179,877.43
Short-term borrowings-Hong Kong dollar	226,100,345.33	
Short-term borrowings-Namibian dollar		391,059.17
Accounts payable-US dollar	894,082,171.53	865,858,042.91
Accounts payable-Ghanaian cedi	79,093,012.02	9,088,552.70
Accounts payable-Australian dollar	259,922.22	36,543,035.97
Accounts payable-Hong Kong dollar	13,467,413.89	
Accounts payable-Canadian dollar	2,361,740.42	
Accounts payable-Namibian dollar	132,845,504.05	5,861,808.50
Other payables-US dollar	160,448,580.01	153,040,763.56
Other payables-Namibian dollar		61,984.63
Other payables-Hong Kong dollar	19,904,461.15	
Long-term borrowings-US dollar	2,783,404,800.00	
Long-term borrowings-Namibian dollar		363,868.19
Non-current liabilities due within one year-		
Namibian dollar	2,095,646.64	9,545,092.94
Non-current liabilities due within one year-		
US dollar	33,759,774.13	

The Group closely monitors the impact of exchange rate fluctuations on its operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS *(Continued)*

1. Risk associated with financial instruments *(Continued)*

1. Objectives and policies of various risk management *(Continued)*

(1) Market risk (Continued)

2) Interest rate risk

Interest rate risk refers to the risk of fluctuations in the fair value of financial instruments or future cash flows due to changes in market interest rates. The Company's interest rate risk mainly arises from bank borrowings. The Company maintains good relationships with banks, rationally designs credit lines, credit products, and credit terms to ensure sufficient bank credit facilities to meet its various short-term financing needs. Furthermore, by shortening the term of individual borrowings and specifically including early repayment clauses, the Company reasonably mitigates interest rate fluctuation risk.

3) Price risks

(1) Commodity price risk

The Company's price risks mainly come from bulk metal trading prices. In order to stabilize the risk of price fluctuations, when conducting metal trading, the Company generally purchases similar futures products in the futures market to avoid the risk of price fluctuations or hedges corresponding forward bulk metal purchase contracts. Since the financial derivatives market itself has certain systemic risks, it is necessary to make reasonable and effective predictions on price trends when conducting hedging operations. Once the price forecast deviates, it may affect the effect of hedging business.

(2) Credit risk

The Group manages credit risk on a portfolio basis. Credit risk primarily arises from monetary funds, notes receivable, accounts receivable, receivables financing other receivables, contract assets, long-term receivables, etc.

To mitigate credit risk, the Group establishes a special department to determine a credit line and conduct credit approvals, and makes other monitoring procedures to assure that necessary measures are taken to recover overdue receivables. In addition, the Group checks the recovery of each individual receivable on each balance sheet date, so as to ensure that adequate provisions are made for irrecoverable amounts. As a result, the Group's management deems that the Group's credit risk exposure has been substantially reduced.

The Group's monetary funds are mainly deposited with banks with high credit ratings; accordingly, the related credit risk is low.

The Group had taken necessary measures to make sure all customers have a good credit record. Other than the five largest amounts of accounts receivable and contract assets, the Group does not have other significant credit risk concentrations. The aggregate of the five largest amounts of accounts receivable and contract assets of the Group amounted to RMB386,037,708.02, accounting for 74.48% of the Company's total accounts receivable and contract assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS *(Continued)*

1. Risk associated with financial instruments *(Continued)*

1. Objectives and policies of various risk management *(Continued)*

(2) Credit risk (Continued)

1) Standards to judge whether credit risk significantly increases

On each balance sheet date, the Group determines whether the credit risk of financial instruments has increased significantly after initial recognition, by comparing the probability of default during the estimated existing period of financial instruments as determined at the initial recognition, with the probability of default during the estimated existing period of such instruments as determined at the balance sheet date. However, if the Group believes that a financial instrument has only a low credit risk on the balance sheet date, it can be assumed that the credit risk of the financial instrument has not increased significantly since the initial recognition.

The Group's main criteria for determining a significant increase in credit risk are as follows: more than 30 days overdue, or significant changes in one or more of the following indicators: serious adverse changes in the debtor's operating environment, internal and external credit ratings, actual or expected operating revenue, etc. (Usually, if a financial instrument has been overdue for more than 30 days, then this indicates that the credit risk of this financial instrument has increased significantly. If it is judged that the credit risk has not increased significantly (applicable to financial assets using the general model of expected credit losses), the basis for determining that credit risk has not increased significantly since initial recognition despite overdue for more than 30 days must be disclosed.)

2) Definition of assets that have suffered credit impairment

If one or more events that adversely affect the expected future cash flows of a financial asset happen, then the financial asset will become a financial asset that has suffered a credit impairment. The Group's primary standard for determining that a credit impairment has happened is the number of overdue days exceeding 90 days, but in some cases the Group also regards credit impairment as having occurred if internal or external information demonstrates that the contract amount may not be recovered in full before considering any credit enhancement. The credit impairment of financial assets may be engendered by the combination of multiple events, not necessarily by individual identifiable events.

Evidence that a credit impairment of a financial asset has happened incorporates the following observable information: the issuer or the debtor undergoes serious financial difficulties; breach of contracts by the debtor, such as default or delay in payment of interest or principal; the Group gives concessions to the debtor that it would not have made in any other circumstances for economic or contractual reasons relating to the debtor's financial difficulties; the debtor is likely to become insolvent or undergo other financial restructuring; the issuer or the debtor's financial difficulties will make an active market for the financial asset disappear.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (Continued)

1. Risk associated with financial instruments (Continued)

1. Objectives and policies of various risk management (Continued)

(3) Liquidity risk

Liquidity risk means the Company will not be able to perform its financial obligations on the maturity date. The Company's method to managing liquidity risk is to assure that there is sufficient liquidity to fulfill obligations as they mature, without incurring unacceptable losses or causing damage to the Company's reputation. The Company regularly analyses the structure and maturity of its liabilities to ensure adequate funding. The Company's management supervise the use of bank borrowings and ensures compliance with the borrowing agreements. Meanwhile, the Company shall conduct financing consultations with financial institutions to maintain a certain credit line and reduce liquidity risks.

As of 31 December, 2025, the maturity analysis of the financial assets (carrying amount, undeducted impairment and allowance for bad debts) and financial liabilities held by the Company is as follows:

Items	Within 1 year	1 year to 2 years	2 years to 5 years	Over 5 years	Total
Financial assets					
Monetary funds	17,491,068,240.14				17,491,068,240.14
Held-for-trading financial assets	2,593,509,746.86				2,593,509,746.86
Derivative financial assets	5,914,356.65				5,914,356.65
Notes receivable	132,496,950.29				132,496,950.29
Accounts receivable	376,778,739.91				376,778,739.91
Receivables financing	5,341,418.51				5,341,418.51
Other receivables	5,073,224,619.02				5,073,224,619.02
Financial liabilities					
Short-term borrowings	28,855,131,220.78				28,855,131,220.78
Held-for-trading financial liabilities	31,034,491.69				31,034,491.69
Derivative financial liabilities	37,071,358.85				37,071,358.85
Notes payable	6,096,277,395.81				6,096,277,395.81
Accounts payable	11,921,715,587.59				11,921,715,587.59
Other payables	10,079,685,139.69				10,079,685,139.69
Among which: Dividends payable	75,246,381.57				75,246,381.57
Non-current liabilities due within one year	11,034,124,071.95				11,034,124,071.95
Other current liabilities	194,315,158.13				194,315,158.13
Long-term borrowings		10,053,268,391.09	10,037,405,542.91	1,464,900,000.00	21,555,573,934.00
Bonds payable		1,000,000,000.00	2,000,000,000.00	1,000,000,000.00	4,000,000,000.00
Lease liabilities		52,124,045.01	53,986,874.24	12,032,596.30	118,143,515.55
Long-term payables		241,817,890.85	526,841,893.69	670,193,665.68	1,438,853,450.22

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS *(Continued)*

2. Hedging

(1). The Company conducts hedging business for risk management

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

(2). The Company conducts eligible hedging business and applies hedge accounting

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

(3). The Company conducts hedging business for risk management and expects to achieve the risk management objectives, but does not apply hedge accounting

☒ Applicable ☐ N/A

Items	Reasons for Not Applying Hedge Accounting	Impact on Financial Statements
Foreign exchange forward contracts	The Company engages in foreign exchange derivative transactions closely related to its daily operations and strictly controls risks. Considering the short duration of such transactions and the cost-benefit of processing hedge accounting-related financial information, hedge accounting was not applied in the current period.	Foreign exchange forward contracts are accounted for and presented in accordance with Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments.
Commodity options contracts	The Company strictly conducts futures contract transactions corresponding to the dynamic quantity of spot goods and strictly controls risks. Considering the short duration of commodity futures trading and the cost-benefit of processing hedge accounting-related financial information, hedge accounting was not applied in the current period.	Futures contracts are accounted for and presented in accordance with Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, and are accounted for separately from spot transactions.

Other explanations:

☐ Applicable ☒ N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (Continued)

3. Transfer of financial assets

(1). By transfer method

☒Applicable ☐N/A

Unit: RMB

Transfer method	Nature of financial assets transferred	Amount of financial assets transferred	Confirmation of derecognition	Basis for derecognition
Endorsement/ discounting	Notes receivable	106,806,913.79	Not derecognised	Where the Company retains almost all the risks and rewards, including the risk of default associated with it
Endorsement/ discounting	Receivables financing	60,147,536.26	Derecognised	Where the Company transferred substantially all of its risks and rewards
Total	/	166,954,450.05	/	/

(2). Financial assets derecognised due to transfer

☐Applicable ☒N/A

(3). Transferred financial assets with continuing involvement

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIII. FAIR VALUE DISCLOSURE

1. Fair value of assets and liabilities measured at fair value as at the end of the period

√Applicable □N/A

Unit: RMB

Items	Fair value at the end of the period			Total
	Fair value measurements categorised into Level 1	Fair value measurements categorised into Level 2	Fair value measurements categorised into Level 3	
I. Measurement of fair value on an ongoing basis				
(I) Financial assets held for trading	789,081,315.27	4,474,462,990.00	652,316,289.26	5,915,860,594.53
1. Financial assets measured at fair value through profit or loss	789,081,315.27	1,192,687,739.69	617,655,048.55	2,599,424,103.51
(1) Investment in debt instruments	330,463,581.37	441,712,513.01		772,176,094.38
(2) Investment in equity instruments	452,703,377.25	750,975,226.68	617,655,048.55	1,821,333,652.48
(3) Derivative financial assets	5,914,356.65			5,914,356.65
2. Financial assets designated at fair value through profit or loss				
(1) Investment in debt instruments				
(2) Investment in equity instruments				
(II) Other debt investment				
(III) Investment in other equity instruments			29,319,822.20	29,319,822.20
(IV) Investment properties				
1. Leased land use rights				
2. Leased buildings				
3. land use rights held for sale after appreciation				
(V) Biological assets				
1. Consumable biological assets				
2. Productive biological assets				
(VI) Other non-current financial assets		3,281,775,250.31		3,281,775,250.31
(VII) Receivables financing			5,341,418.51	5,341,418.51
Total assets measured at fair value on an ongoing basis	789,081,315.27	4,474,462,990.00	652,316,289.26	5,915,860,594.53

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIII. FAIR VALUE DISCLOSURE (Continued)

1. Fair value of assets and liabilities measured at fair value as at the end of the period (Continued)

Items	Fair value at the end of the period			Total
	Fair value measurements categorised into Level 1	Fair value measurements categorised into Level 2	Fair value measurements categorised into Level 3	
(VIII) Financial liabilities held				
for trading	37,071,358.85	31,034,491.69	-	68,105,850.54
1. Financial liabilities measured at fair value through profit or loss	37,071,358.85	-	-	37,071,358.85
Including: Issued tradable bonds				
Derivative financial liabilities	37,071,358.85			37,071,358.85
Others				
2. Financial liabilities designated at fair value through profit or loss		31,034,491.69		31,034,491.69
Total liabilities measured at fair value on an ongoing basis	37,071,358.85	31,034,491.69	-	68,105,850.54
II. Non-continuous measurement of fair value				
(I) Assets held for trading				
Total assets measured at fair value not on an ongoing basis				
Total liabilities measured at fair value not on an ongoing basis				

2. Basis for determining the market value of continuous and non-continuous level 1 fair value measurement items

√Applicable ☐N/A

Financial assets held for trading include stocks, bonds, and equity investments, for which the quoted prices obtained from exchanges serve as the basis for determination.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIII. FAIR VALUE DISCLOSURE *(Continued)*

3. Qualitative and quantitative information on the valuation techniques used and important parameters for continuous and non-continuous level 2 fair value measurement items

☒Applicable ☐N/A

Asset management plans, trust plans, private investment funds, etc., classified as financial assets held for trading and other non-current financial assets, are valued based on the valuation of the underlying assets, using the net asset value as the valuation basis. Stocks within other non-current financial assets are determined using the comparable company method, applying a certain liquidity discount, with significant parameters being observable inputs. Financial liabilities held for trading related to gold leasing are adjusted and determined based on prices published by the Shanghai Gold Exchange. Interests in structured entities and other holdings within financial liabilities held for trading are valued based on the valuation of the underlying assets, using the net asset value as the valuation basis.

4. Qualitative and quantitative information on the valuation techniques used and important parameters for continuous and non-continuous level 3 fair value measurement items

☒Applicable ☐N/A

Funds and asset management plans classified as financial assets held for trading and other non-current financial assets are calculated based on the valuation of the underlying assets or the net asset value method. Trust plans within other non-current financial assets are determined based on the expected rate of return. Other equity instrument investments, such as Shanghai Gold Exchange membership seats and futures membership seats, lack an active market and are measured at cost.

5. Reconciliation of opening and closing book value for continuous level 3 fair value measurement items and sensitive analysis of unobservable inputs

☒Applicable ☐N/A

For continuous level 3 fair value measurements, fair value is determined using valuation techniques, such as discounted cash flow models and the comparable company method. These primarily involve private equity funds and trust plans. Trust plans are valued using discounted cash flow models. The underlying investments of private equity funds primarily consist of unlisted equity. The comparable company method is applied to select comparable companies in the same industry with similar key financial policies to the target company, calculating the PE, PB, and PS of these comparable companies. A liquidity discount is considered, the expected exit date of the equity is estimated, the volatility of the comparable companies is calculated, and an option model is used to compute the liquidity discount for the comparable companies. The classification within Level 3 fair value measurement is generally determined based on the significance of unobservable inputs to the entire fair value measurement.

6. Reason for conversion for transfer between levels during the current period for continuous fair value measurement items, and policies for determination of time point of the conversion

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIII. FAIR VALUE DISCLOSURE (Continued)

7. Changes in valuation techniques during the current period and reason for such change

☐Applicable ☒N/A

8. Fair value of financial assets and financial liabilities not measured at fair value

☐Applicable ☒N/A

9. Others

☐Applicable ☒N/A

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. The Parent Company of the Company

☒Applicable ☐N/A

Unit: RMB0'000

Name of the parent company	Place of registration	Business nature	Registered capital	Shareholding ratio of the parent company in the Company (%)	Proportion of voting rights of the parent company in the Company (%)
Shandong Gold Group Co., Ltd.	Jinan	Gold geological exploration	366,000.00	43.9808	43.9808

Explanation of the parent company of the Company

The principal business of the parent includes: gold geological exploration and mining; power supply for gold mines; purification, processing, production, and sales of gold jewelry; gold beneficiation and smelting and technical services; purification, processing, production, and sales of precious metal and non-ferrous metal products; production and sales of specialized equipment and supplies for gold mines, and building materials; property management.

The ultimate controlling party of the Company is the State-owned Assets Supervision and Administration Commission of Shandong Provincial People's Government.

2. Subsidiaries of the company

For the details of subsidiaries of the Company, please refer to the note

☒Applicable ☐N/A

For details of subsidiaries, please refer to the section "X.1. (1) Constitution of the Group" in this note.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

3. Joint ventures and associates of the company

For details of major joint ventures and associates of the Company, please refer to the note

√Applicable ☐N/A

For details of major joint ventures and associates of the Company, please refer to Note “X. 3. (1) Major joint ventures and associates”.

Balance of related party transaction between the Company and its joint ventures or associates during the period or prior periods are as follows

☐Applicable √N/A

Other explanations:

☐Applicable √N/A

4. Other related parties

√Applicable ☐N/A

Name of other related parties	Relationship between other related parties and the Company
SDG Electricity Co., Ltd. (山東黃金電力有限公司)	Same parent company
SDG Design and Consultancy Co., Ltd. (山金設計諮詢有限公司)	Same parent company
Shandong Gold Jinchuang Group Co., Ltd. (山東黃金金創集團有限公司)	Same parent company
Shandong Gold Senior Technical School (山東黃金高級技工學校)	Same parent company
SDG (Beijing) Industry Investment Co., Ltd. (山東黃金(北京)產業投資有限公司)	Same parent company
Shandong Geological Mining Engineering Group Co., Ltd. (山東省地礦工程集團有限公司)	Same parent company
Shandong Gold Group Construction Engineering Co., Ltd. (山東黃金集團建設工程有限公司)	Same parent company
SDG Enterprise Management (Shandong) Co., Ltd. (山金企業管理(山東)有限公司)	Same parent company
Shandong Gold Group (Shanghai) International Trade Co., Ltd. (山東黃金集團(上海)國際貿易有限公司)	Same parent company
Shandong Gold Group Qingdao Gold Co., Ltd. (山東黃金集團青島黃金有限公司)	Same parent company
SDG Automobile Services Co., Ltd. (山東黃金汽車服務有限責任公司)	Same parent company
Shanjin Ruipeng (Tianjin) Trading Co., Ltd. (山金瑞鵬(天津)貿易有限公司)	Same controller
Hainan Shanjin Mining Co., Ltd. (海南山金礦業有限公司)	Same controller
Qingdao Jinxing Mining Co., Ltd. (青島金星礦業股份有限公司)	Same controller
Qinghai Kunlun Gold Co., Ltd. (青海崑崙黃金有限公司)	Same controller

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

4. Other related parties (Continued)

Name of other related parties	Relationship between other related parties and the Company
Shandong Gold Geological Mine Exploration Co., Ltd. (山東黃金地質礦產勘查有限公司)	Same controller
Shandong Jinchuang Gold and Silver Smelting Co., Ltd. (山東金創金銀冶煉有限公司)	Same controller
Shandong Jinchuang Co., Ltd. (山東金創股份有限公司)	Same controller
Chifeng Shanjin Gold Silver Lead Co., Ltd. (赤峰山金銀鉛有限公司)	Same controller
SDG Engineering Construction Supervision Co., Ltd. (山東省黃金工程建設監理有限公司)	Same controller
Inner Mongolia Shanjin Geological Mine Exploration Co., Ltd. (內蒙古山金地質礦產勘查有限公司)	Same controller
SDG Property Management Co., Ltd. (山東黃金物業管理有限公司)	Same controller
Penglai Jinchuang Precision Casting Co., Ltd. (蓬萊金創精密鑄造有限公司)	Same controller
Penglai Jinfu Stainless Steel Products Co., Ltd. (蓬萊金福不鏽鋼製品有限公司)	Same controller
Penglai Jinxin Cooper Industry Co., Ltd. (蓬萊金馨銅業有限公司)	Same controller
Shandong Decoration Group Co., Ltd. (山東省裝飾集團有限公司)	Same controller
Songxian Shanjin Mining Co., Ltd. (嵩縣山金礦業有限公司)	Same controller
Chifeng Shanjin Hongling Non-ferrous Mining Co., Ltd. (赤峰山金紅嶺有色礦業有限責任公司)	Same controller
Chifeng Shanjin Ruipeng Trading Co., Ltd. (赤峰山金瑞鵬貿易有限公司)	Same controller
Laizhou Ludi Mining Investment and Development Co., Ltd. (萊州魯地礦業投資開發有限公司)	Same controller
Qingdao Gold Lead and Zinc Development Co., Ltd. (青島黃金鉛鋅開發有限公司)	Same controller
Shandong Gold Financial Holdings Group (HongKong) Co., Limited (山東黃金金融控股集團(香港)有限公司)	Same controller
XilinGol League Shanjin Baiyin Hubu Mining Co., Ltd. (錫林郭勒盟山金白音呼布礦業有限公司)	Same controller
XilinGol League Shanjin Aershada Mining Co., Ltd. (錫林郭勒盟山金阿爾哈達礦業有限公司)	Same controller
Qinghai Shanjin Mining Co., Ltd. (青海山金礦業有限公司)	Same controller
Fujian Province Zhenghe Hongkun Mining Co., Ltd. (福建省政和縣宏坤礦業有限公司)	Same controller
Fujian Zhenghe Xiangluping Mining Co., Ltd. (福建省政和縣香爐坪礦業有限公司)	Same controller
Hulunbuir Shanjin Mining Co., Ltd. (呼倫貝爾山金礦業有限公司)	Same controller
Shandong Gold Group (Hainan) International Trade Co., Ltd. (山東黃金集團(海南)國際貿易有限公司)	Same controller
Shanjin Ruipeng (Shanghai) Trading Co., Ltd. (山金瑞鵬(上海)貿易有限公司)	Same controller

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

4. Other related parties (Continued)

Name of other related parties	Relationship between other related parties and the Company
Shandong Yiyang Health Group Laizhou Kangyang Industry Co., Ltd. (山東頤養健康集團萊州康養產業有限公司)	Same controller
Shanjin Guocheng (Qingdao) Industrial Co., Ltd. (山金國城(青島)實業有限公司)	Same controller
Zhaoyuan Jiuzhou Mining Co., Ltd. (招遠市九洲礦業有限公司)	Same parent company
SDG Group Laizhou Mining Co., Ltd. (山東黃金集團萊州礦業有限公司)	Same controller
Shandong Ruipeng (Shanghai) Trading Co., Ltd. (山東瑞鵬(上海)貿易有限公司)	Same controller
Shandong Gold Group Co., Ltd. Laizhou Xinli Branch (山東黃金集團有限公司萊州鑫利分公司)	Same controller
Shanjin Huilan (Shanghai) Business Management Co., Ltd. (山金惠嵐(上海)商業管理有限公司)	Same controller
Shandong Gold Group (Jinan) International Trade Co., Ltd. (山東黃金集團(濟南)國際貿易有限公司)	Same controller
Shanjin Wisdom (Suzhou) Supply Chain Co., Ltd. (山金智慧(蘇州)供應鏈有限公司)	Same controller
Shandong Geological Mining Engineering Group Testing Technology Co., Ltd. (山東省地礦工程集團檢測技術有限公司)	Same controller
Shanjin Western Geological and Minerals Exploration Co., Ltd. (山金西部地質礦產勘查有限公司)	Same controller
Shandong Gold Group (Shenzhen) Gold Jewelry Co., Ltd. (山東黃金集團(深圳)黃金珠寶有限公司)	Same controller
Fujian Province Zhenghe Dayuan Mining Co., Ltd. (福建省政和縣大源礦業有限公司)	Same controller
SDG Group Xinyuan Mining Co., Ltd. (山東黃金集團新源礦業有限公司)	Same controller
SDG Venture Capital Co., Ltd. (山東黃金創業投資有限公司)	Same controller
Shandong Gold Financial Holdings Group (HongKong) Co., Limited (山東黃金金控集團(香港)有限公司)	Same controller
Shandong Yiyang Health Group Industrial Holdings Co., Ltd. (山東頤養健康集團實業控股有限公司)	Same controller
Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. (山東黃金有色礦業集團有限公司)	Same controller
Jinan Oriental Equity Investment Fund Partnership (Limited Partnership) (濟南東方股權投資基金合夥企業(有限合夥))	Same controller
Yantai Jinchang Automobile Service Co., Ltd. (煙台金暢汽車服務有限責任公司)	Same controller

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions

(1). Related party transactions of purchase and sales of goods and rendering and receiving services

Table of purchase of goods/receiving of services

√Applicable □N/A

Unit: RMB0'000

Related party	Related transaction content	Amount for the current period	Approved transaction amount (if applicable)	Whether the approved transaction amount was exceeded (if applicable)	Amount for the last period
Qinghai Kunlun Gold Co., Ltd. (青海崑崙黃金有限公司)	Gold, processing fees	86,232.13			37,485.17
SDG Electricity Co., Ltd. (山東黃金電力有限公司)	Electricity fees, materials costs, etc.	70,212.03			66,827.77
Hainan Shanjin Mining Co., Ltd. (海南山金礦業有限公司)	Gold	53,040.93			41,538.80
Chifeng Shanjin Gold Silver Lead Co., Ltd. (赤峰山金銀鉛有限公司)	Gold	31,748.20			
Qingdao Jinxing Mining Co., Ltd. (青島金星礦業股份有限公司)	Gold	26,765.00			16,320.45
Shandong Gold Group Construction Engineering Co., Ltd. (山東黃金集團建設工程有限公司)	Labor fees	18,379.31			12,176.92
Shandong Provincial Geo-Mineral Engineering Co., Ltd. (山東省地礦工程集團有限公司)	Design fees, labor fees	11,581.19			10,209.17
Shanjin Enterprise Management (Shandong) Co., Ltd. (山金企業管理(山東)有限公司)	Property management fees, service fees	10,987.65			7,641.39
Shandong Gold Group Xinyuan Mining Co., Ltd. (山東黃金集團新源礦業有限公司)	Labor fees, engineering costs	10,006.40			
SDG Design and Consultancy Co., Ltd. (山金設計諮詢有限公司)	Design fees, materials costs	3,487.85			1,619.75
Shandong Gold Senior Technical School (山東黃金高級技工學校)	Training fees	3,454.88			3,006.20
Shandong Jinchuang Gold and Silver Smelting Co., Ltd. (山東金創金銀冶煉有限公司)	Processing fees, gold and silver	3,439.25			3,505.12
Inner Mongolia Shanjin Geological Mine Exploration Co., Ltd. (內蒙古山金地質礦產勘查有限公司)	Surveying fees	3,087.99			75.21
Penglai Jinxin Copper Industry Co., Ltd. (蓬萊金馨銅業有限公司)	Materials costs	2,508.81			2,371.62
Shandong Gold Geological Mine Exploration Co., Ltd. (山東黃金地質礦產勘查有限公司)	Labor fees	2,393.42			35.67
Shandong Gold Jinchuang Group Co., Ltd. (山東黃金金創集團有限公司)	Gold	1,911.80			49,454.16
SDG Engineering Construction Supervision Co., Ltd. (山東省黃金工程建設監理有限公司)	Supervision fees, consulting fees	1,075.44			1,284.99
Shandong Jinchuang Co., Ltd. (山東金創股份有限公司)	Gold	877.85			549.61
Yantai Jinchang Automobile Service Co., Ltd. (煙台金暢汽車服務有限責任公司)	Labor fees	847.20			233.82
Penglai Jinchuang Precision Casting Co., Ltd. (蓬萊金創精密鑄造有限公司)	Materials costs	837.42			1,590.63
Other related parties	Materials costs, service fees, etc.	943.43			2,479.20
Total		343,818.18			258,405.65

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(1). Related party transactions of purchase and sales of goods and rendering and receiving services (Continued)

Table on sales of goods/providing of services

√Applicable □N/A

Unit: RMB0'000

Related party	Related transaction content	Amount for the current period	Amount for the last period
Shanjin Ruipeng (Tianjin) Trading Co., Ltd. (山金瑞鵬(天津)貿易有限公司)	Gold, silver	94,970.63	37,293.72
Qinghai Kunlun Gold Co., Ltd. (青海崑崙黃金有限公司)	Gold, processing fees	25,547.43	27,832.09
Shanjin Ruipeng (Shanghai) Trading Co., Ltd. (山金瑞鵬(上海)貿易有限公司)	Gold	16,608.99	9,595.21
Chifeng Shanjin Ruipeng Trading Co., Ltd. (赤峰山金瑞鵬貿易有限公司)	Gold, zinc metal	15,581.03	40,367.89
Qingdao Gold Lead and Zinc Development Co., Ltd. (青島黃金鉛鋅開發有限公司)	Sales of lead-zinc, cyanide tailings, and froth concentrate	5,403.18	1,084.26
Shandong Jinchuang Gold and Silver Smelting Co., Ltd. (山東金創金銀冶煉有限公司)	Processing fees for gold and silver concentrates, etc.	2,879.82	4,702.49
Songxian Shanjin Mining Co., Ltd. (嵩縣山金礦業有限公司)	Technical services	2,053.02	153
Chifeng Shanjin Gold Silver Lead Co., Ltd. (赤峰山金銀鉛有限公司)	Technical services, processing fees	982.48	3,479.75
Chifeng Shanjin Hongling Non-ferrous Mining Co., Ltd. (赤峰山金紅嶺有色礦業有限責任公司)	Equipment costs, labor fees	952.94	84.34
Shandong Gold Group (Shenzhen) Gold Jewelry Co., Ltd. (山東黃金集團(深圳)黃金珠寶有限公司)	Gold, futures handling fees	44.15	32,927.43
Other related parties	Technical services, equipment costs, etc.	1,475.00	1,494.42
Total		166,498.67	159,014.60

Explanation about related party transactions of purchase and sales of goods and rendering and receiving services

□Applicable √N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(2). Related entrusted management/contracting and entrusted management/outsourcing

Statement on entrusted management/contracting by the Company:

☒ Applicable ☐ N/A

Unit: RMB0'000

Entrusting party	Entrusted party	Type of entrustment	Date of the commencement of the trusteeship	Date of the termination of the trusteeship	Basis of pricing for the trusteeship	Entrusted revenue recognised in the current period
Shandong Gold Group Co., Ltd.	Shandong Gold Mining Co., Ltd.	Equity trusteeship	2021.1.1 2022.11.10	Until the entrusted equity is transferred and the transfer is completed by the entrusting party	188.68	188.68
Shandong Gold Group Qingdao Gold Co., Ltd.	Shandong Gold Mining Co., Ltd.	Equity trusteeship	2021.1.1	Until the entrusted equity is transferred and the transfer is completed by the entrusting party	37.74	37.74
Shandong Gold Non-ferrous Metal Mine Group Co., Ltd.	Shandong Gold Mining Co., Ltd.	Equity trusteeship	2021.1.1	Until the entrusted equity is transferred and the transfer is completed by the entrusting party	132.08	132.08
Laizhou Xinyuan Mining Investment and Development Co., Ltd. (萊州鑫源礦業投資開發有限公司)	Shandong Gold Mining Co., Ltd.	Equity trusteeship	2021.1.1	Until the entrusted equity is transferred and the transfer is completed by the entrusting party	18.87	18.87

Explanation about related trusteeship/contracting

☐ Applicable ☒ N/A

Statement on management/outsourcing entrusted by the Company:

☐ Applicable ☒ N/A

Explanation about related management/contracting

☐ Applicable ☒ N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(3). Related leasing

The Company as lessor:

☒ Applicable ☐ N/A

Unit: RMB0'000

Name of lessee	Type of leased asset	Lease income recognised for the current period	Lease income recognised for the last period
SDG Group Laizhou Mining Co., Ltd. (山東黃金集團萊州礦業有限公司)	Buildings and structures, supplies		18.31
Qingdao Gold Lead and Zinc Development Co., Ltd. (青島黃金鉛鋅開發有限公司)	Equipment	2.96	2.96
Qingdao Gold Lead and Zinc Development Co., Ltd. (青島黃金鉛鋅開發有限公司)	Buildings	29.06	30.01
Qingdao Gold Lead and Zinc Development Co., Ltd. (青島黃金鉛鋅開發有限公司)	Land	33.25	41.96
Fujian Province Zhenghe Hongkun Mining Co., Ltd. (福建省政和縣宏坤礦業有限公司)	Equipment		9.26
Fujian Zhenghe Xiangluping Mining Co., Ltd. (福建省政和縣香爐坪礦業有限公司)	Equipment		1.49
Shandong Gold Senior Technical School (山東黃金高級技工學校)	Buildings		41.28
Shandong Gold Group (Shenzhen) Gold Jewelry Co., Ltd. (山東黃金集團(深圳)黃金珠寶有限公司)	Buildings		342.58
Total		65.27	487.85

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(3). Related leasing (Continued)

The Company as lessee:

√Applicable □N/A

Unit: RMB

Name of lessor	Type of leased asset	Amount for the current period				Amount for the last period				Right-of-use asset acquired
		Short-term lease and low-value asset lease expense under simplified approach (if applicable)	Variable lease payments not included in the measurement of the lease liabilities (if applicable)	Rental expenses (if applicable)	Interest expenses of lease liabilities	Short-term lease and low-value asset lease expense under simplified approach (if applicable)	Variable lease payments not included in the measurement of the lease liabilities (if applicable)	Rental expenses	Interest expenses of lease liabilities	
Shandong Gold Group Co., Ltd.	Land			12,591,577.76	3,049,687.89			7,475,690.24	1,035,537.74	45,368,436.40
Shandong Gold Group Qingdao Gold Co., Ltd. (山東黃金集團青島黃金有限公司)	Land				283,068.74					9,733,185.71
Laizhou Xinli Branch of Shandong Gold Group Co., Ltd. (山東黃金集團有限公司萊州鑫利分公司)	Buildings	860,268.00				860,268.00				
Shanjin Huilan (Shanghai) Business Management Co., Ltd. (山金惠蘭(上海)商業管理有限公司)	Buildings	457,798.38		14,584,041.04	1,370,025.95			13,925,813.03	917,600.36	
Yantai Jinchang Automobile Service Co., Ltd. (煙台金鵬汽車服務有限公司)	Transportation vehicles	13,344,166.94		1,335,100.84	103,596.49			687,822.96	121,772.32	
SDG Automobile Services Co., Ltd. (山東黃金汽車服務有限公司)	Transportation vehicles	3,966,677.97		2,371,939.84	280,675.74			1,253,384.07	96,986.18	6,049,755.51
Fujian Province Zhenghe Hongkun Mining Co., Ltd. (福建省政和縣宏坤礦業有限公司)	Equipment							1,412.39		
Total		18,628,911.29		30,882,659.48	5,087,054.81	3,951,228.38		23,344,122.69	2,171,896.60	61,151,377.62

Explanation about related leasing

□Applicable √N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(4). Related party guarantee

The Company as guarantor

☐ Applicable ☒ N/A

The Company as guaranteed party

☐ Applicable ☒ N/A

Explanation about related guarantees

☐ Applicable ☒ N/A

(5). Funding from related party

☒ Applicable ☐ N/A

Unit: RMB

Related party	Amount of borrowing/loan	Inception date	Maturity date	Note
Funds received				
Shandong Gold Group Finance Co., Ltd.	200,000,000.00	2025-1-10	2025-1-15	Corporate overdraft
Shandong Gold Group Finance Co., Ltd.	200,000,000.00	2025-1-20	2025-1-23	Corporate overdraft
Shandong Gold Group Finance Co., Ltd.	60,000,000.00	2025-1-21	2025-1-26	Corporate overdraft
Shandong Gold Group Finance Co., Ltd.	200,000,000.00	2025-2-17	2025-2-20	Corporate overdraft
Shandong Gold Group Finance Co., Ltd.	60,000,000.00	2025-2-20	2025-2-26	Corporate overdraft
Shandong Gold Group Finance Co., Ltd.	200,000,000.00	2025-2-25	2025-2-28	Corporate overdraft
Shandong Gold Group Finance Co., Ltd.	300,000,000.00	2025-3-18	2025-3-21	Corporate overdraft
Shandong Gold Group Finance Co., Ltd.	300,000,000.00	2025-3-24	2025-3-28	Corporate overdraft
Shandong Gold Group Finance Co., Ltd.	300,000,000.00	2025-3-31	2025-4-2	Corporate overdraft
Shandong Gold Group Finance Co., Ltd.	300,000,000.00	2025-4-14	2025-4-15	Corporate overdraft
Shandong Gold Group Finance Co., Ltd.	300,000,000.00	2025-4-16	2025-4-23	Corporate overdraft
Shandong Gold Group Finance Co., Ltd.	30,000,000.00	2025-4-18	2025-4-24	Corporate overdraft
Shandong Gold Group Finance Co., Ltd.	300,000,000.00	2025-4-24	2025-4-30	Corporate overdraft
Shandong Gold Group Finance Co., Ltd.	60,000,000.00	2025-9-28	2025-10-11	Corporate overdraft
Shandong Gold Group Finance Co., Ltd.	100,000,000.00	2025-9-30	2025-10-15	Corporate overdraft
Shandong Gold Group Finance Co., Ltd.	200,000,000.00	2025-10-9	2025-10-15	Corporate overdraft
Shandong Gold Group Finance Co., Ltd.	18,000,000.00	2024-12-23	2025-12-11	General loan
Shandong Gold Group Finance Co., Ltd.	39,400,000.00	2023-4-12	2026-4-11	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2023-4-12	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2023-4-12	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	24,500,000.00	2023-9-18	2026-9-17	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2023-9-18	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2023-9-18	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	15,000,000.00	2024-7-12	2025-6-30	General loan
Shandong Gold Group Finance Co., Ltd.	19,600,000.00	2025-5-19	2028-5-18	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2025-5-19	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2025-5-19	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	21,600,000.00	2025-6-10	2028-6-9	General loan

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(5). Funding from related party (Continued)

Related party	Amount of borrowing/loan	Inception date	Maturity date	Note
Shandong Gold Group Finance Co., Ltd.	200,000.00	2025-6-10	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2025-6-10	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	15,000,000.00	2025-7-14	2026-7-13	General loan
Shandong Gold Group Finance Co., Ltd.	10,000,000.00	2024-3-18	2025-3-17	General loan
Shandong Gold Group Finance Co., Ltd.	15,000,000.00	2024-3-29	2025-3-28	General loan
Shandong Gold Group Finance Co., Ltd.	20,000,000.00	2024-5-27	2025-5-26	General loan
Shandong Gold Group Finance Co., Ltd.	10,000,000.00	2024-6-24	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	30,000,000.00	2024-12-25	2025-12-24	General loan
Shandong Gold Group Finance Co., Ltd.	19,700,000.00	2024-7-4	2027-7-3	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-7-4	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-7-4	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	9,600,000.00	2023-12-26	2026-12-25	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2023-12-26	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2023-12-26	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	19,600,000.00	2024-5-27	2027-5-26	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-5-27	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-5-27	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	24,700,000.00	2024-8-7	2027-8-6	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-8-7	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-8-7	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	97,000,000.00	2024-11-13	2025-11-4	General loan
Shandong Gold Group Finance Co., Ltd.	97,000,000.00	2024-7-23	2025-7-9	General loan
Shandong Gold Group Finance Co., Ltd.	100,000,000.00	2024-9-6	2025-8-26	General loan
Shandong Gold Group Finance Co., Ltd.	100,000,000.00	2024-9-14	2025-8-26	General loan
Shandong Gold Group Finance Co., Ltd.	95,000,000.00	2025-1-15	2026-1-14	General loan
Shandong Gold Group Finance Co., Ltd.	97,000,000.00	2025-7-15	2026-7-14	General loan
Shandong Gold Group Finance Co., Ltd.	200,000,000.00	2025-9-9	2026-9-8	General loan
Shandong Gold Group Finance Co., Ltd.	97,000,000.00	2025-11-12	2026-11-11	General loan
Shandong Gold Group Finance Co., Ltd.	59,600,000.00	2024-1-22	2027-1-21	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-1-22	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-1-22	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	39,600,000.00	2024-3-5	2027-3-4	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-3-5	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-3-5	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	67,700,000.00	2024-8-21	2027-8-20	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-8-21	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-8-21	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	38,500,000.00	2024-9-9	2027-9-8	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2024-9-9	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2024-9-9	2025-12-22	General loan

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(5). Funding from related party (Continued)

Related party	Amount of borrowing/loan	Inception date	Maturity date	Note
Shandong Gold Group Finance Co., Ltd.	20,500,000.00	2024-10-11	2027-10-10	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2024-10-11	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2024-10-11	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	68,500,000.00	2024-11-7	2027-11-6	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2024-11-7	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2024-11-7	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	39,000,000.00	2025-2-24	2028-2-23	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2025-2-24	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2025-2-24	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	19,600,000.00	2025-5-26	2028-5-25	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2025-5-26	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2025-5-26	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	29,000,000.00	2025-6-6	2028-6-5	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2025-6-6	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2025-6-6	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	40,000,000.00	2024-1-12	2025-1-11	General loan
Shandong Gold Group Finance Co., Ltd.	20,000,000.00	2024-1-26	2025-1-21	General loan
Shandong Gold Group Finance Co., Ltd.	30,000,000.00	2024-3-26	2025-3-25	General loan
Shandong Gold Group Finance Co., Ltd.	39,000,000.00	2024-4-30	2025-4-29	General loan
Shandong Gold Group Finance Co., Ltd.	28,000,000.00	2024-6-4	2025-6-3	General loan
Shandong Gold Group Finance Co., Ltd.	19,000,000.00	2024-7-18	2025-7-17	General loan
Shandong Gold Group Finance Co., Ltd.	20,000,000.00	2024-7-24	2025-7-23	General loan
Shandong Gold Group Finance Co., Ltd.	30,000,000.00	2024-8-21	2025-8-20	General loan
Shandong Gold Group Finance Co., Ltd.	10,000,000.00	2024-9-25	2025-9-24	General loan
Shandong Gold Group Finance Co., Ltd.	29,700,000.00	2024-7-3	2027-7-2	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-7-3	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-7-3	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	37,700,000.00	2024-7-12	2027-7-11	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-7-12	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-7-12	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	28,500,000.00	2024-9-9	2027-9-8	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2024-9-9	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2024-9-9	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	43,500,000.00	2024-10-11	2027-10-10	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2024-10-11	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2024-10-11	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	39,000,000.00	2025-1-13	2028-1-12	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2025-1-13	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2025-1-13	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	19,400,000.00	2025-1-21	2028-1-20	General loan

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(5). Funding from related party (Continued)

Related party	Amount of borrowing/loan	Inception date	Maturity date	Note
Shandong Gold Group Finance Co., Ltd.	300,000.00	2025-1-21	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	300,000.00	2025-1-21	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	30,000,000.00	2025-3-19	2028-3-18	General loan
Shandong Gold Group Finance Co., Ltd.	29,000,000.00	2025-3-25	2028-3-24	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2025-3-25	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2025-3-25	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	38,000,000.00	2025-4-29	2028-4-28	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2025-4-29	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2025-4-29	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	27,600,000.00	2025-6-3	2028-6-2	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2025-6-3	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2025-6-3	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	18,800,000.00	2025-7-17	2028-7-16	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2025-7-17	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	19,800,000.00	2025-7-23	2028-7-22	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2025-7-23	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	29,500,000.00	2025-8-20	2028-8-19	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2025-8-20	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	9,800,000.00	2025-9-24	2028-9-23	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2025-9-24	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	19,800,000.00	2025-12-12	2028-12-11	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2025-12-12	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	17,000,000.00	2024-3-18	2025-3-17	General loan
Shandong Gold Group Finance Co., Ltd.	23,000,000.00	2024-12-20	2025-12-19	General loan
Shandong Gold Group Finance Co., Ltd.	17,000,000.00	2025-3-17	2026-3-16	General loan
Shandong Gold Group Finance Co., Ltd.	23,000,000.00	2025-12-19	2026-12-18	General loan
Shandong Gold Group Finance Co., Ltd.	570,000,000.00	2024-3-29	2025-3-28	General loan
Shandong Gold Group Finance Co., Ltd.	50,000,000.00	2024-12-3	2025-1-9	General loan
Shandong Gold Group Finance Co., Ltd.	35,000,000.00	2024-1-10	2025-1-9	General loan
Shandong Gold Group Finance Co., Ltd.	18,000,000.00	2024-5-7	2025-5-6	General loan
Shandong Gold Group Finance Co., Ltd.	30,000,000.00	2024-2-2	2025-2-1	General loan
Shandong Gold Group Finance Co., Ltd.	19,700,000.00	2024-7-24	2027-7-23	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-7-24	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-7-24	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	14,700,000.00	2024-8-16	2027-8-15	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-8-16	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-8-16	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	14,400,000.00	2024-10-17	2027-10-16	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2024-10-17	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2024-10-17	2025-12-22	General loan

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(5). Funding from related party (Continued)

Related party	Amount of borrowing/loan	Inception date	Maturity date	Note
Shandong Gold Group Finance Co., Ltd.	29,400,000.00	2024-11-11	2027-11-10	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2024-11-11	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2024-11-11	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	29,400,000.00	2024-11-27	2027-11-26	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2024-11-27	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2024-11-27	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	34,000,000.00	2025-1-9	2028-1-8	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2025-1-9	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2025-1-9	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	29,000,000.00	2025-2-5	2028-2-4	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2025-2-5	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2025-2-5	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	17,600,000.00	2025-5-6	2028-5-5	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2025-5-6	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2025-5-6	2025-12-22	General loan
Shandong Gold Group Co., Ltd.	127,000,000.00	2022-8-24	2025-7-30	General loan
Shandong Gold Group Co., Ltd.	475,000,000.00	2023-5-8	2026-3-27	General loan
Shandong Gold Group Co., Ltd.	158,000,000.00	2023-2-20	2025-8-4	General loan

The interest rate range was 2.01%-3.09%. The total interest payable for the year amounted to RMB59.9036 million, while the actual interest repaid was RMB59.6866 million.

(6). Asset transfer and debt restructuring of related parties

√Applicable □N/A

Unit: RMB0'000

Related party	Related party transaction particulars	Amount for the current period	Amount for the last period
Shandong Gold Geological Mine Exploration Co., Ltd.	Exploration permit		974,929.12

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV.RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(7). Remuneration of key management personnel

√Applicable □N/A

Unit: RMB0'000

Items	Amount for the current period	Amount for the last period
Remuneration of key management personnel	554.49	612.39

(8). Other related party transactions

√Applicable □N/A

Unit: RMB

Lessor	Type of leased asset	Lease expense recognised for the current period	Lease expense recognised for the last period
Shandong Gold Group Co., Ltd.	Trademark rights	2,295,597.48	2,547,169.81
Laizhou Ludi Mining Investment and Development Co., Ltd. (萊州魯地礦業投資開發有限公司)	Exploration permit	30,140,660.36	30,140,660.36
Total		32,436,257.84	32,687,830.17

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

6. Amounts Due from/to Related Parties and Other Outstanding Items

(1). Amounts due from related parties

√Applicable □N/A

Unit: RMB0'000

Name of item	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Qinghai Kunlun Gold Co., Ltd. (青海崑崙黃金有限公司)	11,625.12	581.26	9,733.61	487.08
Accounts receivable	Shandong Jinchuang Gold and Silver Smelting Co., Ltd. (山東金創金銀冶煉有限公司)	1,312.70	116.09	4,687.10	237.65
Accounts receivable	Chifeng Shanjin Hongling Non-ferrous Mining Co., Ltd. (赤峰山金紅嶺有色礦業有限責任公司)	894.50	44.73		
Accounts receivable	Songxian Shanjin Mining Co., Ltd. (嵩縣山金礦業有限公司)	588.93	29.45		
Accounts receivable	Hainan Shanjin Mining Co., Ltd. (海南山金礦業有限公司)	301.97	15.11	0.29	0.01
Accounts receivable	Shandong Gold Jinchuang Group Co., Ltd. (山東黃金金創集團有限公司)	282.05	14.62	438.10	32.79
Accounts receivable	Other Related Parties	233.27	31.37	2882.52	170.52
Accounts receivable	Shanjin Ruipeng (Shanghai) Trading Co., Ltd. (山金瑞鵬(上海)貿易有限公司)	211.30	10.56		
Accounts receivable	Qingdao Jinxing Mining Co., Ltd. (青島金星礦業股份有限公司)	169.18	112.47	168.38	110.85
Accounts receivable	Hulunbair Shanjin Mining Co., Ltd. (呼倫貝爾山金礦業有限公司)	164.65	32.93	214.65	21.47
Accounts receivable	Fujian Province Zhenghe Dayuan Mining Co., Ltd. (福建省政和縣大源礦業有限公司)	159.30	7.97	42.00	2.10
Accounts receivable	Qinghai Shanjin Mining Co., Ltd. (青海山金礦業有限公司)	105.50	5.28		
Other receivables	Shandong Yiyang Health Group Industrial Holdings Co., Ltd. (山東頤養健康集團實業控股有限公司)	366.97	144.20	366.97	18.35
Other receivables	Other Related Parties	285.78	28.38	149.20	12.29
Other receivables	Songxian Shanjin Mining Co., Ltd. (嵩縣山金礦業有限公司)	238.94	14.17	14.80	0.15
Other receivables	SDG Design and Consultancy Co., Ltd. (山金設計諮詢有限公司)	126.70	6.34		
Other receivables	Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)	17.08	0.85	707.08	37.79

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

6. Amounts Due from/to Related Parties and Other Outstanding Items (Continued)

(1). Amounts due from related parties (Continued)

Name of item	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Other receivables	SDG Group (Shenzhen) Gold Jewelry Co., Ltd. (山東黃金集團(深圳)黃金珠寶有限公司)			373.41	18.67
Other non-current assets	Shandong Gold Group Construction Engineering Co., Ltd. (山東黃金集團建設工程有限公司)	2,652.78		546.17	
Other non-current assets	SDG Electricity Company Limited (山東黃金電力有限公司)	249.60		116.44	
Other non-current assets	Shandong Provincial Geo-Mineral Engineering Co., Ltd. (山東省地礦工程集團有限公司)	89.99		89.99	
Other non-current assets	SDG Design and Consultancy Co., Ltd. (山金設計諮詢有限公司)	50.00		66.00	
Prepayments	Chifeng Shanjin Gold Silver Lead Co., Ltd. (赤峰山金銀鉛有限公司)	3,100.00			
Prepayments	Shandong Gold Group Construction Engineering Co., Ltd. (山東黃金集團建設工程有限公司)	162.04			
Prepayments	Other Related Parties	79.70			
Notes receivable	Qinghai Kunlun Gold Co., Ltd. (青海崑崙黃金有限公司)	11,500.00	575.00	9,530.00	476.50
Notes receivable	Shanjin Ruipeng (Tianjin) Trading Co., Ltd. (山金瑞鵬(天津)貿易有限公司)	1,000.00	50.00		
Notes receivable	Chifeng Shanjin Hongling Non-ferrous Mining Co., Ltd. (赤峰山金紅嶺有色礦業有限責任公司)			189.40	7.02
Notes receivable	Qingdao Jinxing Mining Co., Ltd. (青島金星礦業股份有限公司)			5.00	0.25
Notes receivable	Shandong Gold Jinchuang Group Co., Ltd. (山東黃金金創集團有限公司)			527.34	26.37

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

6. Amounts Due from/to Related Parties and Other Outstanding Items (Continued)

(2). Amounts due to related parties

√Applicable □N/A

Unit: RMB0'000

Name of item	Related party	Closing balance	Opening balance
Notes payable	Shandong Geological Mining Engineering Group Co., Ltd. (山東省地礦工程集團有限公司)	2,859.15	1,186.85
Notes payable	Penglai Jinxin Cooper Industry Co., Ltd. (蓬萊金馨銅業有限公司)	1,672.18	1,187.29
Notes payable	SDG Enterprise Management (Shandong) Co., Ltd. (山金企業管理(山東)有限公司)	1,538.82	1,390.94
Notes payable	Shandong Gold Group Construction Engineering Co., Ltd. (山東黃金集團建設工程有限公司)	1,100.62	1,186.77
Notes payable	Shandong Gold Senior Technical School (山東黃金高級技工學校)	730.51	746.34
Notes payable	SDG Design and Consultancy Co., Ltd. (山金設計諮詢有限公司)	473.14	630.14
Notes payable	Penglai Jinchuang Precision Casting Co., Ltd. (蓬萊金創精密鑄造有限公司)	471.96	33.22
Notes payable	Shandong Jinchuang Gold and Silver Smelting Co., Ltd. (山東金創金銀冶煉有限公司)	150.00	660.00
Notes payable	SDG Engineering Construction Supervision Co., Ltd. (山東省黃金工程建設監理有限公司)	144.90	434.21
Notes payable	SDG Electricity Company Limited (山東黃金電力有限公司)	100.77	12,722.46
Notes payable	Other Related Parties	290.43	291.37
Accounts payable	Shandong Gold Geological Mine Exploration Co., Ltd. (山東黃金地質礦產勘查有限公司)	345,741.29	343,904.10
Accounts payable	SDG Electricity Company Limited (山東黃金電力有限公司)	5,432.62	5,904.88
Accounts payable	Shandong Gold Group Construction Engineering Co., Ltd. (山東黃金集團建設工程有限公司)	5,431.91	3,268.74
Accounts payable	Shandong Geological Mining Engineering Group Co., Ltd. (山東省地礦工程集團有限公司)	2,978.85	2,045.57
Accounts payable	SDG Design and Consultancy Co., Ltd. (山金設計諮詢有限公司)	2,540.45	4,806.06
Accounts payable	Penglai Jinchuang Precision Casting Co., Ltd. (蓬萊金創精密鑄造有限公司)	2,136.55	1,042.00
Accounts payable	Inner Mongolia Shanjin Geological Mine Exploration Co., Ltd. (內蒙古山金地質礦產勘查有限公司)	1,971.58	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

6. Amounts Due from/to Related Parties and Other Outstanding Items (Continued)

(2). Amounts due to related parties (Continued)

Name of item	Related party	Closing balance	Opening balance
Accounts payable	Penglai Jinxin Cooper Industry Co., Ltd. (蓬萊金馨銅業有限公司)	1,304.43	462.04
Accounts payable	Shandong Gold Senior Technical School (山東黃金高級技工學校)	1,068.87	1,379.02
Accounts payable	Yantai Jinchang Automobile Service Co., Ltd. (煙台金暢汽車服務有限責任公司)	1,048.57	489.95
Accounts payable	Shandong Jinchuang Gold and Silver Smelting Co., Ltd. (山東金創金銀冶煉有限公司)	942.79	1,164.56
Accounts payable	Shandong Gold Jinchuang Group Co., Ltd. (山東黃金金創集團有限公司)	886.89	30,811.99
Accounts payable	Shandong Jinchuang Co., Ltd. (山東金創股份有限公司)	685.87	755.48
Accounts payable	SDG Engineering Construction Supervision Co., Ltd. (山東省黃金工程建設監理有限公司)	653.80	983.18
Accounts payable	Shanjin Enterprise Management (Shandong) Co., Ltd. (山金企業管理(山東)有限公司)	396.82	972.45
Accounts payable	Penglai Jinfu Stainless Steel Products Co., Ltd. (蓬萊金福不銹鋼製品有限公司)	322.35	353.98
Accounts payable	Shandong Gold Group Xinyuan Mining Co., Ltd. (山東黃金集團新源礦業有限公司)	216.50	4,824.18
Accounts payable	Qingdao Jinxing Mining Co., Ltd. (青島金星礦業股份有限公司)		3,576.53
Accounts payable	Shandong Decoration Group Co., Ltd. (山東省裝飾集團有限公司)		671.43
Accounts payable	Hainan Shanjin Mining Co., Ltd. (海南山金礦業有限公司)		321.90
Accounts payable	Other Related Parties	243.70	285.64
Other payables	Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)	68,549.94	92,749.30
Other payables	Laizhou Ludi Mining Investment and Development Co., Ltd. (萊州魯地礦業投資開發有限公司)	2,858.43	
Other payables	Qinghai Kunlun Gold Co., Ltd. (青海崑崙黃金有限公司)	2,600.00	
Other payables	Chifeng Shanjin Gold Silver Lead Co., Ltd. (赤峰山金銀鉛有限公司)	2,154.93	1,187.39
Other payables	Chifeng Shanjin Ruipeng Trading Co., Ltd. (赤峰山金瑞鵬貿易有限公司)	1,568.20	1,462.51
Other payables	Shandong Gold Group Construction Engineering Co., Ltd. (山東黃金集團建設工程有限公司)	877.76	798.33
Other payables	Shandong Gold Jinchuang Group Co., Ltd. (山東黃金金創集團有限公司)	850.69	850.69

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

6. Amounts Due from/to Related Parties and Other Outstanding Items (Continued)

(2). Amounts due to related parties (Continued)

Name of item	Related party	Closing balance	Opening balance
Other payables	Shandong Gold Group Qingdao Gold Co., Ltd. (山東黃金集團青島黃金有限公司)	635.58	420.99
Other payables	Shandong Provincial Geo-Mineral Engineering Co. Ltd. (山東省地礦工程集團有限公司)	602.47	143.11
Other payables	SDG Design and Consultancy Co., Ltd. (山金設計諮詢有限公司)	402.91	785.46
Other payables	Shanjin Ruipeng (Tianjin) Trading Co., Ltd. (山金瑞鵬(天津)貿易有限公司)	350.00	150.00
Other payables	Shandong Gold Senior Technical School (山東黃金高級技工學校)	297.72	234.15
Other payables	Laizhou Xinli Branch of Shandong Gold Group Co., Ltd. (山東黃金集團有限公司萊州鑫利分公司)	160.59	69.42
Other payables	SDG Engineering Construction Supervision Co., Ltd. (山東省黃金工程建設監理有限公司)	129.06	102.09
Other payables	SDG Group Laizhou Mining Co., Ltd. (山東黃金集團萊州礦業有限公司)	121.79	121.79
Other payables	SDG (Beijing) Industry Investment Co., Ltd. (山東黃金(北京)產業投資有限公司)	111.34	83.05
Other payables	Yantai Jinchang Automobile Service Co., Ltd. (煙台金暢汽車服務有限責任公司)	104.39	89.60
Other payables	Other Related Parties	114.66	411.38
Advances received	SDG (Beijing) Industry Investment Co., Ltd. (山東黃金(北京)產業投資有限公司)	1.32	
Other current liabilities	Shanjin Ruipeng (Tianjin) Trading Co., Ltd. (山金瑞鵬(天津)貿易有限公司)	670.04	
Other current liabilities	Shandong Gold Group (Shenzhen) Gold Jewelry Co., Ltd. (山東黃金集團(深圳)黃金珠寶有限公司)	639.80	
Other current liabilities	Shanjin Ruipeng (Shanghai) Trading Co., Ltd. (山金瑞鵬(上海)貿易有限公司)	150.86	
Other current liabilities	Other Related Parties	69.35	
Non-current liabilities due within one year	Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)	2,565.00	1,558.58
Non-current liabilities due within one year	Shanghai Huilan Real Estate Development Co., Ltd. (山金惠嵐(上海)商業管理有限公司)	1,397.96	94.17
Non-current liabilities due within one year	Yantai Jinchang Automobile Service Co., Ltd. (煙台金暢汽車服務有限責任公司)	234.12	55.35
Non-current liabilities due within one year	Shandong Gold Group Qingdao Gold Co., Ltd. (山東黃金集團青島黃金有限公司)	194.37	186.29
Non-current liabilities due within one year	SDG Automobile Services Co., Ltd. (山東黃金汽車服務有限責任公司)	114.70	163.69

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

6. Amounts Due from/to Related Parties and Other Outstanding Items (Continued)

(2). Amounts due to related parties (Continued)

Name of item	Related party	Closing balance	Opening balance
Dividends payable	SDG Group Laizhou Mining Co., Ltd. (山東黃金集團萊州礦業有限公司)	2,205.55	2,205.55
Dividends payable	Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)	45.01	45.01
Lease liabilities	Shanghai Huilan Real Estate Development Co., Ltd. (山金惠嵐(上海)商業管理有限公司)	1,703.93	232.23
Lease liabilities	Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)	872.04	4,621.57
Lease liabilities	Yantai Jinchang Automobile Service Co., Ltd. (煙台金暢汽車服務有限責任公司)	556.05	176.99
Lease liabilities	Shandong Gold Group Qingdao Gold Co., Ltd. (山東黃金集團青島黃金有限公司)	414.23	608.60
Lease liabilities	SDG Automobile Services Co., Ltd. (山東黃金汽車服務有限責任公司)	235.27	472.55
Contract liabilities	Shanjin Ruipeng (Tianjin) Trading Co., Ltd. (山金瑞鵬(天津)貿易有限公司)	8,764.91	6,867.54
Contract liabilities	Shandong Gold Group (Shenzhen) Gold Jewelry Co., Ltd. (山東黃金集團(深圳)黃金珠寶有限公司)	4,921.53	5,494.73
Contract liabilities	Shanjin Ruipeng (Shanghai) Trading Co., Ltd. (山金瑞鵬(上海)貿易有限公司)	1,160.48	883.42
Contract liabilities	Qingdao Gold Lead and Zinc Development Co., Ltd. (青島黃金鉛鋅開發有限公司)	281.04	51.14
Contract liabilities	Chifeng Shanjin Ruipeng Trading Co., Ltd. (赤峰山金瑞鵬貿易有限公司)	202.30	202.30
Contract liabilities	Chifeng Shanjin Gold Silver Lead Co., Ltd. (赤峰山金銀鉛有限公司)	50.09	313.56
Contract liabilities	Other Related Parties	26.75	77.64
Contract liabilities	Shandong Jinchuang Gold and Silver Smelting Co., Ltd. (山東金創金銀冶煉有限公司)		399.20

(3). Other items

☐Applicable ☒N/A

7. Related party commitments

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV.RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

8. Remuneration of Directors, Supervisors and Employees

(1) Details of the remuneration of Directors and supervisors are as follows:

Unit: RMB0'000

Name	Salaries and Allowances	Performance Bonuses	Social Security and Housing Funds	Total
Directors				
Han Yaodong	—	—		
Liu Qin	—	—		
Xiu Guolin	5.36	24.56	3.91	33.83
Xu Jianxin	5.36	24.56	3.85	33.77
Tang Qi	15.60	52.61	11.76	79.97
Liu Yanfen	5.20	14.74	3.91	23.85
Li Hang	—	—	—	—
Wang Xiaoling	—	—	—	—
Wang Shuhai	—	—	—	—
Independent Non-executive Directors				
Zhan Kai	—	—	—	—
Liew Fui Kiang	30.00	—	—	30.00
Zhao Feng	30.00	—	—	30.00
Wang Yunmin	—	—	—	—
Supervisors				
Li Xiaoping	—	—	—	—
Liu Yanfen	10.40	29.49	7.85	47.74
Luan Bo	10.00	25.90	10.96	46.86
Total	111.92	171.86	42.24	326.02

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

8. Remuneration of Directors, Supervisors and Employees (Continued)

(2) The five highest-paid individuals are as follows:

Unit: RMB0'000

Item	Current Year Amount	Prior Year Amount
Salaries and allowances	550.00	420.00
Performance bonuses	1165.64	675.09
Social security and housing funds	68.28	58.00
Total	1,783.92	1,153.09

Analysis of the five highest-paid employees of the Company during the current year:

	Current Period	Prior Period
Non-director and non-supervisor employees	5	5

Remuneration of the highest-paid non-director and non-supervisor employees within the following bands:

	Current Period	Prior Period
HK\$1,500,001 to HK\$2,000,000		1
HK\$2,500,001 to HK\$3,000,000	1	3
HK\$3,000,001 to HK\$3,500,000		1
HK\$3,500,001 to HK\$4,000,000		
HK\$4,000,001 to HK\$4,500,000	3	
HK\$4,500,001 to HK\$5,000,000	1	
Total	5	5

For the years ended 31 December 2025 and 2024, the Group did not pay any remuneration to any Director, Supervisor, chief executive officer or any of the five highest-paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office.

9. Others

☐ Applicable ☒ N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XV. SHARE-BASED PAYMENT

1. Equity instruments

(1). Breakdown

☐Applicable ☒N/A

(2). Stock options or other equity instruments issued at the end of the period

☐Applicable ☒N/A

2. Information about equity-settled share-based payment

☐Applicable ☒N/A

3. Information about cash-settled share-based payment

☐Applicable ☒N/A

4. Share-based payment expenses recognised in the current period

☐Applicable ☒N/A

5. Modification and cancellation of share-based payment

☐Applicable ☒N/A

6. Others

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XVI.COMMITMENTS AND CONTINGENCIES

1. Significant commitments

☒Applicable ☐N/A

Important external commitments, nature and amount existing on the balance sheet date

Items	Closing amount (RMB'0,000)	Opening amount (RMB'0,000)
Contracted but not recognized in the financial statements		
– Commitment to acquisition and construction of long-term assets	81,576.26	13,376.10
– Significant labor contracts	45,468.57	77,901.31
Total	127,044.83	91,277.41

2. Contingencies

(1). Significant contingencies existing as of balance sheet date

☐Applicable ☒N/A

(2). Please make a statement if the Company has no significant contingencies to disclose:

☐Applicable ☒N/A

3. Others

☐Applicable ☒N/A

XVII.EVENTS AFTER THE BALANCE SHEET DATE

1. Material non-adjusting events

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XVII. EVENTS AFTER THE BALANCE SHEET DATE (Continued)

2. Profit distribution

☒Applicable ☐N/A

Unit: RMB

Profit or dividend to be distributed 829,787,314.5

The Company held the 9th meeting of the seventh session of the Board of Directors on 26 March 2026, at which the 2025 Annual Profit Distribution Plan of the Company was considered and approved. The Company proposes to distribute a cash dividend of RMB1.80 (tax inclusive, the same below) per 10 shares to all shareholders. As of the date of convening this Board meeting, the Company's total share capital was 4,609,929,525.00 shares. Based on this, the proposed cash dividend to be distributed is RMB829,787,314.50, with the remaining undistributed profit to be carried forward to future years for distribution. The Company implemented the semi-annual profit distribution for 2025 in October 2025, distributing a cash dividend of RMB1.7467 per 10 shares to all shareholders. The Company's cash dividend for 2025 was RMB3.5467 per 10 shares, amounting to a total of RMB1,635,003,704.63, representing 38.63% of the net profit attributable to ordinary shareholders of the listed company after deducting perpetual bond interest from the consolidated financial statements for 2025.

The profit distribution plan has not yet been approved by the Company's 2025 annual general meeting.

3. Sales returns

☐Applicable ☒N/A

4. Description of other events after the balance sheet date

☐Applicable ☒N/A

XVIII. OTHER SIGNIFICANT EVENTS

1. Corrections of prior period accounting errors

Please refer to the "Explanations of the Company on the Reasons for and Effects of Changes in the Accounting Policies and Accounting Estimates of the Company or Remedies for Major Accounting Errors" under "Important Matters".

2. Significant debt restructuring

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XVIII. OTHER SIGNIFICANT EVENTS (Continued)

3. Exchange of assets

(1). Exchange of non-monetary assets

☐Applicable ☒N/A

(2). Exchange of other assets

☐Applicable ☒N/A

4. Annuity plan

☒Applicable ☐N/A

The Company's annuity contribution shall be jointly paid by the employer and employees. The funding channels for the employer's contribution shall be implemented in accordance with the relevant provisions of the state; the employees' personal contributions shall be withheld and remitted by the employer from the employees' salaries. The employer's contribution base for an employee is the employee's average monthly salary of the previous year, with a contribution ratio of 8%; the employee's personal contribution base is the employee's average monthly salary of the previous year, which is capped at three times the average social salary of the previous year, with a contribution ratio of 2%.

The Company's corporate annuity adopts the legal-person trustee management model, and the corporate annuity funds collected by the Company are managed by a trustee entrusted by the Company. The individual account consists of two sub-accounts: the employer contribution sub-account and the employee contribution sub-account, which respectively record the portion of the employer's contributions allocated to the individual employee and their investment returns, as well as the employees' personal contributions and their investment returns. The employer's contributions and their investment returns in an employee's corporate annuity individual account are attributed to the employee in accordance with certain rules. Any portion not attributed to the employee shall be recorded in the corporate account. The personal contributions and their investment returns in an employee's corporate annuity individual account shall be attributed to the employee from the very beginning.

5. Discontinued operations

☐Applicable ☒N/A

6. Segment information

(1). Basis for determining reporting segment and accounting policies

☒Applicable ☐N/A

According to the Group's internal management and reporting system, all businesses are classified into a single segment. The measurement basis of segment reporting information is consistent with accounting and measurement basis for preparation of the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XVIII. OTHER SIGNIFICANT EVENTS (Continued)

6. Segment information (Continued)

(2). Financial information of reporting segments

√Applicable □N/A

Unit: RMB

Items	Gold	Silver metal	Copper metal	Iron ore concentrates	Lead metal	Zinc metal	Purchased gold	Small gold bars	Others	Inter segment elimination	Total
Revenue for 2025	38,395,834,507.41	1,358,480,377.49	120,419,542.82	33,717,317.71	180,051,461.59	279,011,808.88	43,193,097,874.88	10,376,179,655.23	10,187,527,335.17		104,124,319,881.18
Cost for 2025	18,978,317,766.15	541,675,088.16	53,099,135.79	21,900,122.55	82,866,732.49	159,082,380.58	42,846,200,728.25	10,139,685,996.35	10,017,358,649.01		82,840,186,599.33
Revenue for 2024	25,025,859,629.66	1,223,848,041.08	121,243,354.13	29,618,148.95	167,500,979.46	290,095,133.72	36,764,876,679.69	10,341,859,199.72	8,278,188,128.28		82,243,059,294.69
Cost for 2024	13,251,305,685.41	540,289,297.16	38,576,580.82	12,937,193.26	86,076,163.11	151,992,701.22	36,381,713,723.39	10,153,732,903.59	8,092,835,562.08		68,709,459,810.04

(3). If there is no reporting segment, or if the total assets and total liabilities of each reporting segment cannot be disclosed, the reasons should be stated

□Applicable √N/A

(4). Other explanations

□Applicable √N/A

7. Other significant transactions and events that have impacts on investors' decisions

□Applicable √N/A

8. Others

□Applicable √N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

1. Accounts receivable

(1). Disclosure by aging

☒ Applicable ☐ N/A

Unit: RMB

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	4,643,794,288.24	4,215,431,324.17
Total amount within 1 year	4,643,794,288.24	4,215,431,324.17
1 to 2 years	49,285.66	22,857.09
2 to 3 years		146,389.00
Over 3 years		
3 to 4 years	146,389.00	
4 to 5 years		
Over 5 years		
Total	4,643,989,962.90	4,215,600,570.26

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

1. Accounts receivable (Continued)

(2). Disclosure by bad-debt provision method

√Applicable □N/A

Unit: RMB

Type	Closing balance				
	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Provision proportion (%)	
Provision for bad debts made on an individual basis					
Including:					
Provision for bad debts made on a collective basis	4,643,989,962.90	100.00	71,191.10	0.01	4,643,918,771.80
Including:					
The aging portfolio	642,591.29	0.01	71,191.10	11.08	571,400.19
Other portfolio	4,643,347,371.61	99.99			4,643,347,371.61
Total	4,643,989,962.90	100.00	71,191.10	/	4,643,918,771.80

Type	Opening balance				
	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Provision proportion (%)	
Provision for bad debts made on an individual basis					
Including:					
Provision for bad debts made on a collective basis	4,215,600,570.26	100.00	80,751.25	0.01	4,215,519,819.01
Including:					
The aging portfolio	1,153,000.98	0.03	80,751.25	7.00	1,072,249.73
Other portfolio	4,214,447,569.28	99.97			4,214,447,569.28
Total	4,215,600,570.26	100.00	80,751.25	/	4,215,519,819.01

Provision for bad debts made on an individual basis:

□Applicable √N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

1. Accounts receivable (Continued)

(2). Disclosure by bad-debt provision method (Continued)

Provision for bad debts made on a collective basis:

☒ Applicable ☐ N/A

Item made on a collective basis: The aging portfolio

Unit: RMB

Name	Book balance	Closing balance Provision for bad debts	Provision proportion (%)
Within 1 year	446,916.63	22,345.83	5.00
1 to 2 years	49,285.66	4,928.57	10.00
2 to 3 years			
3 to 4 years	146,389.00	43,916.70	30.00
Total	642,591.29	71,191.10	

Description of provision for bad debts made on a collective basis:

☒ Applicable ☐ N/A

For accounts receivable classified into portfolios, the Group determines the proportion of provision for bad debts based on the actual loss rates of accounts receivable portfolios with similar credit risk characteristics, grouped by aging, with reference to historical credit loss experience and in combination with the current situation and forecasts of future economic conditions.

Provisions for bad debts based on the general model of ECL

☐ Applicable ☒ N/A

Descriptions on significant movements in the book balance of accounts receivable which have seen change in loss provision for the current period:

☐ Applicable ☒ N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS *(Continued)*

1. Accounts receivable *(Continued)*

(3). Status of provision for bad debts

☒Applicable ☐N/A

Unit: RMB

Type	Opening balance	Amount of change in the current period				Closing balance
		Accrual	Recovery or reversal	Carryforward or write-off	Other change	
Provision for bad debts made on a collective basis	80,751.25	-9,560.15				71,191.10
Total	80,751.25	-9,560.15				71,191.10

Significant recoveries or reversals of provision for bad debts during the current period:

☐Applicable ☒N/A

(4). Accounts receivable that are actually written-off for the current period

☐Applicable ☒N/A

Significant accounts receivable write-offs

☐Applicable ☒N/A

Descriptions on accounts receivable write-offs:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

1. Accounts receivable (Continued)

(5). Top five accounts receivable and contract assets categorised by debtor, in terms of closing balance:

☒Applicable ☐N/A

Unit: RMB

Entity name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion to total closing balance of accounts receivable and contract assets (%)	Closing balance of provision for bad debts
Unit 6	3,421,044,245.13		3,421,044,245.13	73.66	
Unit 7	1,139,982,584.90		1,139,982,584.90	24.55	
Unit 8	81,531,355.58		81,531,355.58	1.76	
Unit 9	682,806.00		682,806.00	0.01	
Unit 10	440,215.69		440,215.69	0.01	22,010.78
Total	4,643,681,207.30		4,643,681,207.30	99.99	22,010.78

Other explanations:

☐Applicable ☒N/A

2. Other receivables

Details of items

☒Applicable ☐N/A

Unit: RMB

Items	Closing balance	Opening balance
Interest receivable		
Dividends receivable	170,818,171.99	140,781,769.99
Other receivables	30,571,430,550.26	30,294,235,802.80
Total	30,742,248,722.25	30,435,017,572.79

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS *(Continued)*

2. Other receivables *(Continued)*

Interest receivable

(1). *Classification of interest receivable*

☐Applicable ☒N/A

(2). *Significant overdue interest*

☐Applicable ☒N/A

(3). *Disclosure by bad debt accrual method*

☐Applicable ☒N/A

Provision for bad debts made on an individual basis:

☐Applicable ☒N/A

Description of provision for bad debts made on an individual basis:

☐Applicable ☒N/A

Provision for bad debts made on a collective basis:

☐Applicable ☒N/A

(4). *Provisions for bad debts based on the general model of ECL*

☐Applicable ☒N/A

Description of significant changes in the book balance of interest receivables for which loss provision changed in the current period:

☐Applicable ☒N/A

(5). *Status of provision for bad debts*

☐Applicable ☒N/A

Significant recoveries or reversals of provision for bad debts during the current period:

☐Applicable ☒N/A

(6). *Interest receivable that are actually written-off for the current period*

☐Applicable ☒N/A

Significant interest receivable write-offs

☐Applicable ☒N/A

Descriptions of write-offs:

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

2. Other receivables (Continued)

Dividends receivable

(7). Dividends receivable

☒Applicable ☐N/A

Unit: RMB

Item (or investee)	Closing balance	Opening balance
Shandong Gold Guilaizhuang Mining Co., Ltd. (山東黃金歸來莊礦業有限公司)	24,154,570.00	
Chifeng Chaihulanzhi Gold Mining Co., Ltd. (赤峰柴胡欄子黃金礦業有限公司)	64,700,152.00	58,818,320.00
Xihe Zhongbao Mining Co., Ltd. (西和縣中寶礦業有限公司)	81,963,449.99	81,963,449.99
Total	170,818,171.99	140,781,769.99

(8). Significant dividends receivable with ageing over 1 year

☐Applicable ☒N/A

(9). Disclosure by bad debt accrual method

☐Applicable ☒N/A

Provision for bad debts made on an individual basis:

☐Applicable ☒N/A

Description of provision for bad debts made on an individual basis:

☐Applicable ☒N/A

Provision for bad debts made on a collective basis:

☐Applicable ☒N/A

(10). Provisions for bad debts based on the general model of ECL

☐Applicable ☒N/A

Description of significant changes in the book balance of dividends receivables for which loss provision changed in the current period:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS *(Continued)*

2. Other receivables *(Continued)*

Dividends receivable *(Continued)*

(11). Status of provision for bad debts

☐ Applicable ☒ N/A

Significant recoveries or reversals of provision for bad debts during the current period:

☐ Applicable ☒ N/A

(12). Dividends receivable that are actually written-off for the current period

☐ Applicable ☒ N/A

Significant dividends receivable write-offs

☐ Applicable ☒ N/A

Descriptions of write-offs:

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

Other receivables

(13). Disclosure by ageing

☒ Applicable ☐ N/A

Unit: RMB

Ageing	Closing book balance	Opening book balance
Within 1 year (including 1 year)	30,480,418,366.25	21,914,515,943.11
Total amount within 1 year	30,480,418,366.25	21,914,515,943.11
1 to 2 years	32,522,861.30	6,592,549,133.12
2 to 3 years	58,496,388.17	1,650,538,907.68
Over 3 years		
3 to 4 years	21,555,304.04	137,312,914.22
4 to 5 years	3,505,801.32	1,263,850.49
Over 5 years	13,522,992.13	13,508,698.65
Total	30,610,021,713.21	30,309,689,447.27

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

2. Other receivables (Continued)

Other receivables (Continued)

(14). Classification by the nature of payment

√Applicable □N/A

Unit: RMB

Nature of payment	Closing book balance	Opening book balance
Borrowings and current accounts	30,438,712,997.60	30,147,813,781.93
Security deposit	113,807,976.15	138,807,976.15
Utility bill	47,987,331.23	12,831,285.68
Reserve fund	5,772,981.22	4,069,008.61
Deposit	63,887.40	63,887.40
Others	3,676,539.61	6,103,507.50
Total	30,610,021,713.21	30,309,689,447.27

(15). Provision for bad debts made

√Applicable □N/A

Unit: RMB

Provision for bad debts	Stage I ECL over the next 12 months	Stage II Lifetime ECL (non-credit impaired)	Stage III Lifetime ECL (credit impaired)	Total
Balance on 1 January 2025	2,931,270.94		12,522,373.53	15,453,644.47
Balance on 1 January 2025 in the current period	2,931,270.94		12,522,373.53	15,453,644.47
– Transfer to stage II				
– Transfer to stage III				
– Reversed from stage II				
– Reversed from stage I				
Provision made for the current period	23,014,148.42		123,370.06	23,137,518.48
Reversed in the current period				
Carried forward in the current period				
Written off in the current period				
Other changes				
Balance on 31 December 2025	25,945,419.36		12,645,743.59	38,591,162.95

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

2. Other receivables (Continued)

Other receivables (Continued)

(15). Provision for bad debts made (Continued)

Description of significant changes in the book balance of other receivables which loss provision changed in the current period:

☐Applicable ☒N/A

Amount of provision for bad debts made in the current period and basis adopted for evaluating whether credit risk of financial instruments increased significantly:

☐Applicable ☒N/A

(16). Status of provision for bad debts

☒Applicable ☐N/A

Unit: RMB

Type	Opening balance	Amount of change in the current period				Closing balance
		Accrual	Recovery or reversal	Carry forward or write-off	Other changes	
Provision for bad debts made on an individual basis	12,522,373.53	123,370.06				12,645,743.59
Provision for bad debts made on a collective basis	2,931,270.94	23,014,148.42				25,945,419.36
Total	15,453,644.47	23,137,518.48				38,591,162.95

Significant recoveries or reversals of provision for bad debts during the current period:

☐Applicable ☒N/A

(17). Other receivables that are actually written-off for the current period

☐Applicable ☒N/A

Significant other receivables write-offs:

☐Applicable ☒N/A

Descriptions on other receivable write-offs:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

2. Other receivables (Continued)

Other receivables (Continued)

(18). Top five other receivables and contract assets categorised by debtor, in terms of closing balance

☒Applicable ☐N/A

Unit: RMB

Name of the entity	Closing balance	Proportion to total closing balance of other receivables (%)	Nature of receivables	Ageing	Closing balance of provision for bad debts
Shandong Gold Mining (Laizhou) Co., Ltd., Sanshandao Gold Mine (山東黃金礦業(萊州)有限公司三山島金礦)	11,317,684,146.53	36.97	Borrowings and current accounts	within 1 year	
Jiaojia Gold Mine, Shandong Gold Mining (Laizhou) Co., Ltd. (山東黃金礦業(萊州)有限公司焦家金礦)	10,594,605,430.88	34.61	Borrowings and current accounts	within 1 year	
Shandong Gold Mining (Laizhou) Co., Ltd. (山東黃金礦業(萊州)有限公司)	2,460,236,950.30	8.04	Borrowings and current accounts	within 1 year	
Shandong Gold Mining (Linglong) Co., Ltd. (山東黃金礦業(玲瓏)有限公司)	2,103,487,438.06	6.87	Borrowings and current accounts	within 1 year	
Shandong Gold Group Penglai Mining Co., Ltd. (山東黃金集團蓬萊礦業有限公司)	1,341,000,000.00	4.38	Borrowings and current accounts	within 1 year	
Total	27,817,013,965.77	90.87	/	/	

(19). Presented in other receivables due to centralized management of funds

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS *(Continued)*

3. Long-term equity investments

√Applicable □N/A

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value
Investments in subsidiaries	43,726,861,128.91		43,726,861,128.91	44,076,851,128.91		44,076,851,128.91
Investments in associates and joint ventures	1,091,189,411.48		1,091,189,411.48	1,085,216,501.95		1,085,216,501.95
Total	44,818,050,540.39		44,818,050,540.39	45,162,067,630.86		45,162,067,630.86

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Long-term equity investments (Continued)

(1). Investments in subsidiaries

√Applicable □N/A

Unit: RMB

Investee	Opening balance (book value)	Opening balance of provision for bad debts	Movements during the period				Closing balance (book value)	Closing balance of provision for bad debts
			Increase in investments	Decrease in investments	Provision for bad debts	Others		
Shandong Jinzhou Mining Group Co., Ltd. (山東金洲礦業集團有限公司)	448,142,073.27						448,142,073.27	
Shandong Gold Mining (Laixi) Co., Ltd. (山東黃金礦業(萊西)有限公司)	620,039,863.01						620,039,863.01	
Shandong Gold Mining (Laizhou) Co., Ltd. (山東黃金礦業(萊州)有限公司)	1,196,236,471.52						1,196,236,471.52	
Shandong Gold Mining (Linglong) Co., Ltd. (山東黃金礦業(玲龍)有限公司)	1,300,000,000.00						1,300,000,000.00	
Jinan Jinying Investment Partnership (Limited Partnership) (濟南金盈投資合夥企業(有限合夥))	499,990,000.00			499,990,000.00				
Shandong Gold Mining (Yinan) Co., Ltd. (山東黃金礦業(沂南)有限公司)	397,223,013.70						397,223,013.70	
Shandong Gold Mining (Xinhui) Co., Ltd. (山東黃金礦業(鑫匯)有限公司)	1,597,918,904.11						1,597,918,904.11	
Chifeng Chaihulanzi Gold Mining Co., Ltd. (赤峰柴胡欄子黃金礦業有限公司)	261,741,500.00						261,741,500.00	
Shandong Jinshi Mining Co., Ltd. (山東金石礦業有限公司)	4,892,311,849.60						4,892,311,849.60	
Xihe Zhongbao Mining Co., Ltd. (西和縣中寶礦業有限公司)	856,507,000.00						856,507,000.00	
Fujian Zhenghe County Yuanxin Mining Co., Ltd. (福建省政和縣源鑫礦業有限公司)	553,200,000.00						553,200,000.00	
Shandong Gold Mining Technology Co., Ltd. (山東黃金礦業科技有限公司)	160,000,000.00		40,000,000.00				200,000,000.00	
Shandong Gold Mining (Hong Kong) Co., Limited (山東黃金礦業(香港)有限公司)	4,531,145,600.00						4,531,145,600.00	
SDG Heavy Industry Co., Ltd. (山金重工有限公司)	300,000,000.00						300,000,000.00	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Long-term equity investments (Continued)

(1). Investments in subsidiaries (Continued)

Investee	Opening balance (book value)	Opening balance of provision for bad debts	Movements during the period				Closing balance (book value)	Closing balance of provision for bad debts
			Increase in investments	Decrease in investments	Provision for bad debts	Others		
Hengxing Gold Holding Company Limited (Cayman)	2,177,638,705.18						2,177,638,705.18	
Shandong Gold Smelting Co., Ltd. (山東黃金冶煉有限公司)	350,000,000.00						350,000,000.00	
Shandong Gold Group Penglai Mining Co., Ltd. (山東黃金集團蓬萊礦業有限公司)	612,072,135.67						612,072,135.67	
Shandong Gold Guilaizhuang Mining Co., Ltd. (山東黃金歸來莊礦業有限公司)	564,942,852.93						564,942,852.93	
SDG Capital Management Co., Ltd. (山金控資本管理有限公司)	2,008,224,235.57						2,008,224,235.57	
Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司)	15,767,323,287.47						15,767,323,287.47	
Shanjin Mine Project (Shandong) Co., Ltd. (山金礦山工程(山東)有限公司)	28,000,000.00						28,000,000.00	
Shandong Gold Xihe Mining Co., Ltd. (山東黃金西和礦業有限公司)	270,000,000.00						270,000,000.00	
Shandong Gold Occupational Disease Prevention and Control Hospital (山東黃金職業病防治院)	100,000,000.00						100,000,000.00	
Jinan Jinyue Investment Partnership (Limited Partnership) (濟南金悅投資合夥企業(有限合夥))	1,285,000,000.00						1,285,000,000.00	
Shandong Dikuang Laijin Holdings Co., Ltd. (山東地礦來金控股有限公司)	2,828,093,636.88						2,828,093,636.88	
Inner Mongolia Shanjin Changtai Mining Co., Ltd. (內蒙古山金昶泰礦業有限責任公司)	471,100,000.00		60,000,000.00				531,100,000.00	
Shandong Shanjin Materials Co., Ltd. (山東山金物資有限公司)			50,000,000.00				50,000,000.00	
Total	44,076,851,128.91		150,000,000.00	499,990,000.00			43,726,861,128.91	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Long-term equity investments (Continued)

(2). Investments in associates and joint ventures

☒Applicable ☐N/A

Unit: RMB

Investee	Movements during the period									Closing balance of provision for bad debts
	Opening balance (book value)	Increase in investments	Decrease in investments	Investment income or loss recognised under equity method	Adjustment to other comprehensive income	Other equity changes	Cash dividend or profits declared	Provision for bad debts	Others	
I. Joint ventures										
Subtotal										
II. Associates										
Shandong Gold Group Finance Co., Ltd. (山東黃金集團財務有限公司)	1,085,216,501.95			31,784,844.62			25,811,935.09			1,091,189,411.48
Subtotal	1,085,216,501.95			31,784,844.62			25,811,935.09			1,091,189,411.48
Total	1,085,216,501.95			31,784,844.62			25,811,935.09			1,091,189,411.48

(3). Impairment testing of long-term equity investment

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS *(Continued)*

4. Operating revenue and operating costs

(1). Details of operating revenue and operating costs

☒Applicable ☐N/A

Unit: RMB

Items	Amount for the current period		Amount for the last period	
	Revenue	Cost	Revenue	Cost
Principal operating activities	3,330,856,612.17	1,565,353,767.16	2,864,424,121.19	1,188,054,689.40
Other activities	72,372,840.13	11,544,645.13	64,599,011.13	55,148,634.14
Total	3,403,229,452.30	1,576,898,412.29	2,929,023,132.32	1,243,203,323.54

(2). Disaggregated information of operating revenue and operating costs

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

(3). Explanation on performance obligations

☐Applicable ☒N/A

(4). Explanation on allocation to the remaining performance obligations

☐Applicable ☒N/A

(5). Change in significant contracts or price adjustment of significant transactions

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS *(Continued)*

5. Investment income

√Applicable □N/A

Unit: RMB

Items	Amount for the current period	Amount for the last period
Long-term equity investment income accounted for under the cost method	401,198,091.57	1,123,822,479.53
Long-term equity investment income accounted for under the equity method	31,784,844.62	35,575,678.43
Investment income on disposal of long-term equity investment		
Investment income of held-for-trading financial assets during the period of holding		
Dividend income from investment in other equity instruments during the period of holding		
Interest income from debt investments in the period of holding		
Interest income from other debt investments in the period of holding		
Investment income on disposal of held-for-trading financial assets		
Investment income on disposal of investment in other equity instruments		
Investment income on disposal of debt investments		
Investment income on disposal of other debt investments		
Gain on debt restructuring		
Total	432,982,936.19	1,159,398,157.96

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

6. Others

☐Applicable ☒N/A

XX. SUPPLEMENTARY INFORMATION

1. Breakdown of non-recurring profit or loss for the current period

☒Applicable ☐N/A

Unit: RMB

Item	Amount	Note
Gain or loss on disposal of non-current assets, inclusive of impairment allowance write-off	-57,979,504.13	
Government subsidies included in current profit or loss, other than on-going government subsidies which are closely related to the Company's normal operation, meet the requirements of government policies and are subject to certain limits or conditions	39,851,806.73	
Gains and losses on fair value changes arising from financial assets and financial liabilities held by non-financial entities, and gains and losses arising from the disposal of financial assets and financial liabilities, except for effective hedging transactions that are related to the Company's normal operation	-48,108,947.59	
Gain or loss on entrusted investments or asset under management	14,152,639.14	
Other non-operating income and expenses apart from the aforesaid items	-244,304,150.13	
Less: Effect of income tax	5,240,633.69	
Effect of non-controlling interests (after tax)	-48,005,707.76	
Total	-253,623,081.91	

The investment activities conducted by the Company's subsidiary, SDG Capital Management Co., Ltd. (山金金控資本管理有限公司), and its subsidiaries are directly related to its normal operation. Consequently, the Company's management has not classified gains and losses on fair value changes arising from financial assets and financial liabilities held by these subsidiaries, or gains and losses arising from the disposal of financial assets and financial liabilities, as non-recurring profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XX. SUPPLEMENTARY INFORMATION (Continued)

1. Breakdown of non-recurring profit or loss for the current period (Continued)

For the items not listed in “Explanatory Announcement No. 1 on Information Disclosure by Public Issuers – Non-recurring Profit or Loss Items” (《公開發行證券的公司信息披露解釋性公告第1號－非經常性損益》) recognised by the Company as non-recurring profit and loss items with significant amounts, as well as the non-recurring profit and loss items listed in “Explanatory Announcement No. 1 on Information Disclosure by Public Issuers – Non-recurring Profit or Loss Items” (《公開發行證券的公司信息披露解釋性公告第1號－非經常性損益》) defined by the Company as recurring profit and loss items, the reasons shall be explained.

☒Applicable ☐N/A

Unit: RMB

Items	Amount	Reason
Entrustment fee income from entrusted operations	3,773,584.90	

Other explanations:

☒Applicable ☐N/A

The Company has entered into equity trusteeship agreements with Shandong Gold Group Co., Ltd. (山東黃金集團有限公司), Shandong Gold Group Qingdao Gold Co., Ltd. (山東黃金集團青島黃金有限公司), Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. (山東黃金有色礦業集團有限公司), and Laizhou Xinyuan Mining Investment and Development Co., Ltd. (萊州鑫源礦業投資開發有限公司). Under these agreements, the annual trusteeship income is fixed, and the agreements remain in effect from the trusteeship commencement date until the completion of the equity transfer. Accordingly, the Company's management does not classify profit or loss related to these trusteeships as non-recurring profit or loss.

2. Return on net assets and earnings per share

☒Applicable ☐N/A

Profit for the reporting period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	15.59	0.94	0.94
Net profit after deduction of non- recurring profit or loss attributable to ordinary shareholders of the Company	16.52	1.00	1.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XX. SUPPLEMENTARY INFORMATION *(Continued)*

3. Differences between accounting data expressed under domestic and overseas accounting policies

☐Applicable ☒N/A

4. Others

☐Applicable ☒N/A

Chairman of the Board: Han Yaodong

Reporting date approved by the Board of Directors:
26 March 2026

Modification Information

☐Applicable ☒N/A

SECTION 9 FIVE-YEAR FINANCIAL SUMMARY

Pursuant to the approval of the Shareholders of the Company at the extraordinary general meeting of the Company held on 14 August 2025, the Company has, with effect from the 2025 half-year financial report, uniformly adopted the “Accounting Standards for Business Enterprises” issued by the Ministry of Finance of the PRC and its application guidelines, interpretations and other relevant provisions (collectively referred to as the “**PRC Accounting Standards for Business Enterprises**”) for the preparation of financial reports and the disclosure of the corresponding financial data. The following is an extract from the consolidated financial statements prepared in accordance with the PRC Accounting Standards for Business Enterprises for the financial information from 2021 to 2025:

	For the year ended 31 December				
	2025 RMB	2024 RMB	2023 RMB	2022 RMB	2021 RMB
Revenue	104,287,391,583.12	82,517,993,538.30	59,275,274,514.67	50,305,754,258.45	33,934,960,452.94
Operating cost	82,949,651,366.17	68,902,025,733.03	49,436,660,022.73	43,212,019,499.58	30,350,808,011.18
Gross profit	21,337,740,216.95	13,615,967,805.27	9,838,614,491.94	7,093,734,758.87	3,584,152,441.76
Taxes and surcharges	2,220,005,304.24	1,296,133,009.19	1,135,985,598.54	822,073,612.01	633,041,259.20
Selling expenses	167,202,418.53	184,583,367.35	147,179,423.37	176,421,416.46	361,149,150.09
Administrative expenses	3,614,114,140.13	2,855,068,490.35	2,506,202,060.11	2,315,723,952.34	2,930,085,022.27
Research and development expenses	992,891,266.26	770,411,080.33	487,195,409.01	399,566,901.77	345,605,853.41
Finance costs	1,909,719,033.44	2,288,180,225.57	1,563,524,308.63	1,047,106,124.04	710,760,613.67
Including: Interest expense	1,930,825,091.04	2,074,452,630.94	1,568,275,452.67	1,050,999,730.09	731,782,011.07
Interest income	153,275,094.45	190,016,962.76	145,110,029.16	85,146,569.22	68,001,863.00
Add: Other income	43,825,633.19	36,660,070.27	28,494,421.17	26,069,612.86	21,103,583.24
Investment income (loss represented by "-")	-569,716,494.06	-174,987,410.11	-59,764,379.69	78,211,645.26	728,321,982.82
Including: Investment income from associates and joint ventures	31,176,386.75	33,485,045.98	15,237,189.24	35,273,569.43	21,820,178.05
Gain from changes in fair value (loss represented by "-")	-1,496,140,744.54	-252,892,347.40	-276,353,898.03	-209,069,233.91	576,371,800.13
Credit impairment loss (loss represented by "-")	-221,873,613.93	-35,922,609.69	-61,513,752.46	-126,651,332.86	3,008,991.13
Asset impairment loss (loss represented by "-")	-798,911,209.53	-50,270,909.80	-8,076,412.70	-570,632.09	-5,731,537.91
Gain from disposal of assets (loss represented by "-")	-2,309,165.46	160,373.31	110,717.00	1,232,718.18	141,893,773.65
Operating profit	9,388,682,460.02	5,744,338,799.06	3,621,424,387.57	2,102,065,529.69	68,479,136.18
Add: Non-operating income	74,381,567.20	35,950,265.33	28,621,314.67	11,038,452.51	22,583,388.21
Less: Non-operating expenses	374,356,056.75	98,093,284.66	86,961,352.03	106,728,241.08	68,601,153.89
Profit/(loss) before tax	9,088,707,970.47	5,682,195,779.73	3,563,084,350.21	2,006,375,741.12	22,461,370.50
Income tax expenses	2,461,814,317.39	1,243,061,697.45	672,451,965.34	580,612,483.30	212,907,825.30
Profit/(loss) for the year	6,626,893,653.08	4,439,134,082.28	2,890,632,384.87	1,425,763,257.82	-190,446,454.80
Profit/(loss) for the year attributable to:	6,626,893,653.08	4,439,134,082.28	2,890,632,384.87	1,425,763,257.82	-195,411,381.30
– Owners of the Company	4,739,393,120.72	2,951,551,189.32	2,327,750,542.04	1,247,651,976.43	-188,722,364.41
– Non-controlling interests	1,887,500,532.36	1,487,582,892.96	562,881,842.83	178,111,281.39	-1,724,090.39
Earnings/(loss) per share	0.94	0.57	0.42	0.20	-0.09
– Basic and diluted (RMB) (Note)	0.94	0.57	0.42	0.20	-0.09

Note: During the Reporting Period, the profit for the year attributable to holders of equity instruments of the Company was approximately RMB4,739,393,120.72. For the purpose of calculating basic and diluted earnings per share, the profit for the year attributable to owners of the Company during the Reporting Period was approximately RMB4,232,111,499.73, excluding the profit attributable to perpetual bond holders of approximately RMB507,281,620.99.

SECTION 9 FIVE-YEAR FINANCIAL SUMMARY

	2025	2024	2023	2022	2021
	RMB	RMB	RMB	RMB	RMB
Assets and liabilities					
Total assets	170,374,158,329.33	160,659,954,188.36	134,599,262,003.25	90,796,878,794.14	78,307,585,715.51
Total liabilities	105,994,525,016.95	102,089,931,926.77	81,339,858,283.85	54,086,655,943.96	46,524,375,290.38
Non-controlling interests	19,480,363,680.94	20,772,517,288.48	20,174,453,073.85	3,819,967,515.10	2,563,404,678.44
Perpetual bonds	13,943,166,984.76	12,941,337,821.92	9,938,376,988.48	9,937,527,714.23	6,249,386,792.45
Total equity attributable to owners of the Company					
(Note)	30,956,102,646.68	24,856,167,151.19	23,146,573,657.07	22,952,727,620.08	22,970,418,954.24

Note: As at the end of the Reporting Period, the total equity attributable to owners of the Company (including the equity attributable to perpetual bond holders) was approximately RMB44,899,269,631.44. After deducting the equity attributable to perpetual bond holders, the total equity attributable to owners of the Company as at the end of the Reporting Period was approximately RMB30,956,102,646.68.



SD GOLD