SD-GOLD

SHANDONG GOLD MINING CO., LTD.

山東黃金礦業股份有限公司

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

(Stock Code: 1787)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Set out below is the Announcement on the Application of Hedge Accounting, published by Shandong Gold Mining Co., Ltd. (the "**Company**") on the website of the Shanghai Stock Exchange at www.sse.com.cn, for information purposes only.

By order of the Board
Shandong Gold Mining Co., Ltd.
Wang Chenglong
Chairman

Jinan, the PRC, 10 July 2026

As at the date of this announcement, the executive directors are Mr. Wang Chenglong, Mr. Xu Jianxin, Mr. Xiu Guolin, Mr. Tang Qi and Ms. Liu Yanfen; and the independent non-executive directors are Mr. Zhan Kai, Mr. Liew Fui Kiang and Ms. Zhao Feng.

Stock Code: 600547 Stock Abbreviation: SD GOLD No.: Lin 2026-037

SHANDONG GOLD MINING CO., LTD.
ANNOUNCEMENT ON THE APPLICATION OF HEDGE ACCOUNTING

The board of directors of the Company and all its directors guarantee that, this announcement does not contain any false information, misleading statements or material omissions, and accept legal responsibility for the authenticity, accuracy and completeness of the contents of this announcement.

Key Highlights:

- **Principal Application of Accounting Policy:** Shandong Gold Mining Co., Ltd. (the "Company") formally applied the Accounting Standards for Business Enterprises No. 24 – Hedge Accounting (CAS 24) in accounting for the qualified self-produced gold hedging business of the Company and its subsidiaries from 1 July 2026. This application of accounting policy does not involve retrospective adjustments to financial data for the first half of 2026 and prior years.
- **Review Procedures Performed and to be Performed:** On 10 July 2026, the 14th meeting of the seventh session of the Board of Directors of the Company considered and approved the Resolution on the Application of Hedge Accounting. This resolution is not required to be submitted to the general meeting of the Company for consideration.
- **Special Risk Warning:** This application of accounting policy only adjusts the accounting treatment and does not change the rules, transaction limits or risk control framework of the hedging business, and does not have any material adverse impact on the daily production and operation of the Company.

I. OVERVIEW OF HEDGING BUSINESS

(I) Basic Information

The Company's principal business is gold mining, beneficiation and smelting (within the validity period of the relevant license) within the approved business scope, with a complete industry chain. Fluctuations in gold prices may have a significant impact on the Company's operating results. In order to hedge against price risks and stabilize operating performance, the Company and its subsidiaries conduct self-produced gold hedging business, adhering to the principle of hedging and refraining from speculative trading.

During the six months ended 30 June 2026 and prior periods, the Company did not apply the Accounting Standards for Business Enterprises No. 24 – Hedge Accounting (CAS 24). In the current year, the Company optimized its relevant processes in accordance with the stringent requirements of hedge accounting, and commenced accounting treatment and presentation in accordance with hedge accounting for eligible hedging businesses from 1 July 2026.

(II) Basis for Application of Accounting Policy

In accordance with the relevant provisions of the Accounting Standards for Business Enterprises No. 24 – Hedge Accounting (CAS 24) issued by the Ministry of Finance of the PRC, and taking into account the current business operations of the Company, the self-produced gold hedging business has met the conditions for the application of hedge accounting.

II. IMPACT OF THE APPLICATION OF HEDGE ACCOUNTING ON THE COMPANY'S OPERATIONS

(I) Principal Impact of the Application of Hedge Accounting on Accounting Treatment

1. Businesses to which fair value hedge and cash flow hedge are not applied

In accordance with the requirements of the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, gains and losses arising from the holding and closing out of derivative positions are recognized in profit or loss for the current period. Inventories and other items are recognized and measured in accordance with the requirements of the applicable accounting standards.

2. Businesses to which cash flow hedge is applied

In accordance with the requirements of the Accounting Standards for Business Enterprises No. 24 – Hedge Accounting, the sales of standard gold produced from the Company's own mines are subject to hedge accounting, and the cash flow hedge model is adopted. During the existence of a hedging relationship, the Company recognizes the portion of the cumulative gain or loss on the hedging instrument from the commencement of the hedging relationship that does not exceed the cumulative change in the present value of the expected future cash flows of the hedged item as an effective hedging portion in other comprehensive income, and recognizes the excess portion as an ineffective hedging portion in profit or loss for the current period.

(II) Impact of the Application of Hedge Accounting on the Company's Financial Reports

This adjustment was implemented from 1 July 2026, and did not retrospectively adjust the financial data for the first half of 2026 and prior years. It will only affect the presentation of financial statements for the second half of 2026 and subsequent periods: 1.The effective hedging portion will be recognized in other comprehensive income, with no material or significant changes to total assets and total net assets; 2. The ineffective hedging portion will be recognized in profit or loss for the current period, smoothing the impact of short-term fluctuations in gold prices on net profit, without changing the actual gains or losses of the business; 3. The adjustment in the presentation of accounting items will not affect the amounts of items in the cash flow statement or the actual flow of funds.

III. REVIEW PROCEDURES

The Audit Committee of the Board of Directors of the Company has considered and approved the Resolution on the Application of Hedge Accounting by a unanimous vote. The Audit Committee expressed its opinion on this matter, stating that the application of hedge accounting by the Company is in compliance with relevant regulatory requirements and does not involve retrospective adjustments to the financial data for the first half of 2026 and prior years. The financial data after the application of hedge accounting can more objectively and fairly reflect the financial position and operating results of the Company, and can provide investors with more reliable and accurate accounting information, without harming the interests of the Company and all Shareholders. Accordingly, the Audit Committee agreed to this resolution.

On 10 July 2026, the 14th meeting of the seventh session of the Board of Directors of the Company considered and approved the Resolution on the Application of Hedge Accounting by a vote of 8 in favour, 0 against and 0 abstention. This resolution is not required to be submitted to the general meeting for consideration.

This announcement is hereby made.

The Board of Directors of Shandong Gold Mining Co., Ltd.

10 July 2026