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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)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024**

ANNUAL RESULTS HIGHLIGHTS OF 2024

- The Group's revenue for the year ended 31 December 2024 was approximately RMB82,517.99 million, representing an increase of approximately 39.21% as compared to the corresponding period of last year;
- The Group's profit of the year for the year ended 31 December 2024 was approximately RMB4,387.60 million, representing an increase of approximately 55.41% as compared to the corresponding period of last year;
- Profit for the year attributable to owners of the Company for the year ended 31 December 2024 amounted to approximately RMB2,898.68 million, representing an increase of approximately 27.84% as compared to the corresponding period of last year;
- Basic earnings per share of the Company for the year ended 31 December 2024 was RMB0.56, representing an increase of approximately 40.00% as compared to basic earnings per share of the Company of RMB0.40 for the corresponding period of last year;
- The Board proposed the payment of a final dividend of RMB1.48 per 10 Shares (tax inclusive) for the year ended 31 December 2024.

The Board is pleased to announce the consolidated annual results of the Group for the year ended 31 December 2024, which is an extract of the audited consolidated financial statements of the Group.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	NOTES	2024 RMB'000	2023 RMB'000
Revenue	4	82,517,994	59,275,275
Cost of sales		<u>(70,304,639)</u>	<u>(50,647,596)</u>
Gross profit		12,213,355	8,627,679
Selling expenses		(184,583)	(147,179)
General and administrative expenses		(2,938,285)	(2,614,946)
Research and development expenses		(770,411)	(487,195)
Other income		36,660	28,494
Other gains and losses, net		(892,648)	(510,713)
Finance income		190,017	145,110
Finance costs		(2,074,453)	(1,568,275)
Share of results of associates		<u>33,485</u>	<u>15,237</u>
Profit before tax		5,613,137	3,488,212
Income tax expense	6	<u>(1,225,538)</u>	<u>(664,969)</u>
Profit for the year		<u>4,387,599</u>	<u>2,823,243</u>
Profit for the year attributable to:			
Holders of equity instruments of the Company			
– Ordinary shares		2,493,846	1,803,893
– Perpetual bonds		<u>404,834</u>	<u>463,490</u>
		2,898,680	2,267,383
Non-controlling interests		<u>1,488,919</u>	<u>555,860</u>
		<u>4,387,599</u>	<u>2,823,243</u>
EARNINGS PER SHARE			
– Basic and diluted (RMB)	7	<u>0.56</u>	<u>0.40</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*For the year ended 31 December 2024*

	2024 RMB'000	2023 RMB'000
Profit for the year	4,387,599	2,823,243
Other comprehensive income (expense):		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Currency translation differences	52,271	(14,129)
Total comprehensive income for the year	4,439,870	2,809,114
Total comprehensive income for the year attributable to:		
Holders of equity instruments of the Company		
– Ordinary shares	2,533,383	1,791,442
– Perpetual bonds	404,834	463,490
	2,938,217	2,254,932
Non-controlling interests	1,501,653	554,182
	4,439,870	2,809,114

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		2024	2023
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets			
Property, plant and equipment		61,611,390	50,357,955
Investment properties		132,847	164,392
Right-of-use assets		1,544,101	1,492,974
Intangible assets		47,644,609	32,988,312
Goodwill		11,592,073	11,475,523
Investments in associates		2,526,933	2,521,951
Financial assets at fair value through other comprehensive income		28,720	28,720
Financial assets at fair value through profit or loss		4,481,601	4,829,857
Inventories		921,140	1,135,305
Deferred income tax assets		921,756	722,744
Other non-current assets		904,056	668,928
		132,309,226	106,386,661
Current assets			
Inventories		6,819,746	8,848,047
Prepayment, trade and other receivables	8	7,033,904	5,352,317
Prepaid income tax		19,032	41,983
Financial assets at fair value through profit or loss		3,751,292	4,165,391
Restricted bank deposits		1,145,644	1,871,539
Bank balances and cash		9,931,631	8,352,903
		28,701,249	28,632,180
Current liabilities			
Trade and other payables	9	27,649,844	19,976,443
Lease liabilities		69,507	47,906
Current income tax liabilities		731,327	529,476
Borrowings		32,766,154	27,932,634
Financial liabilities at fair value through profit or loss		874,566	801,362
Current portion of other non-current liabilities		331,969	205,055
		62,423,367	49,492,876
Net current liabilities		(33,722,118)	(20,860,696)
Total assets less current liabilities		98,587,108	85,525,965

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*Continued*)
As at 31 December 2024

	<i>NOTE</i>	2024 RMB'000	2023 RMB'000
Non-current liabilities			
Lease liabilities		124,369	108,361
Borrowings		26,609,694	23,211,331
Bonds payable		4,000,000	–
Deferred income tax liabilities		6,544,087	6,826,963
Deferred revenue		12,152	12,787
Provision for asset retirement obligations		1,081,558	842,789
Other non-current liabilities		1,658,451	1,226,020
		40,030,311	32,228,251
Net assets		58,556,797	53,297,714
Capital and reserves			
Share capital	<i>10</i>	4,473,430	4,473,430
Reserves		20,289,025	18,667,125
		24,762,455	23,140,555
Perpetual bonds		12,941,338	9,938,377
Non-controlling interests		20,853,004	20,218,782
Total equity		58,556,797	53,297,714

NOTES

1 GENERAL INFORMATION

Shandong Gold Mining Co., Ltd. (the “Company”) was established in the People’s Republic of China (the “PRC” or “China”) on 31 January 2000 as a joint stock company with limited liability under the Company Law of the PRC.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (“H shares”) since 28 September 2018, and the Shanghai Stock Exchange (“A shares”) since 28 August 2003.

The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) is principally engaged in (i) mining, processing and sales of gold and gold products; (ii) manufacturing and sales of building decoration materials; (iii) investments in equity funds, trading of gold bullion and provision of futures contracts trading services; and (iv) gold and non-ferrous metals trading. The address of the Company’s registered office is No. 2503 Jingshi Road, Licheng District, Jinan, Shandong Province, the PRC.

In the opinion of the directors of the Company, the immediate holding company and the ultimate controlling party of the Company are Shandong Gold Group Co., Ltd. (山東黃金集團有限公司) (“Shandong Gold Group”) and 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), respectively.

These consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company.

2 APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

(a) Amendments to IFRSs that are mandatorily effective for the current year

In current year, the Group has applied the following amendments to IFRSs issued by the IASB, which are effective for the Group’s annual period beginning on 1 January 2024:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

Except as described below, the application of the amendments to IFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impact on application of Amendments to IAS 1 – Classification of Liabilities as Current or Non-current; and Amendments to IAS 1 – Non-current Liabilities with Covenants

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current issued in 2020 clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification.

2 APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (*Continued*)

(a) Amendments to IFRSs that are mandatorily effective for the current year (*Continued*)

Amendments to IAS 1 – Non-current Liabilities with Covenants issued in 2022 further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The adoption of the amendments has no impact on the Group’s classification of liabilities as at 1 January 2023, 31 December 2023 and 31 December 2024.

(b) New and amendments to IFRSs issued but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 18	Presentation and Disclosure in Financial Statements ³
IFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to IAS 21	Lack of Exchangeability ¹
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

¹ Effective for annual periods beginning on or after 1 January 2025.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

⁴ Effective for annual periods beginning on or after a date to be determined.

Except as described below, the directors of the Company anticipate that the application of all other amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 sets out requirements on presentation and disclosures in financial statements and it will replace IAS 1 Presentation of Financial Statements. The new IFRS 18 introduces new requirements to present specified categories and defined subtotals in the consolidated statement of profit or loss and other comprehensive income; provide disclosures on management-defined performance measures in the notes to the consolidated financial statements and improve aggregation and disaggregation of information to be disclosed in the consolidated financial statements. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and the other consequential amendments to other IFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of IFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows and disclosures in the future consolidated financial statements. The Group will continue to assess the impact of IFRS 18 on the consolidated financial statements of the Group.

2 APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Continued)

(b) New and amendments to IFRSs issued but not yet effective (Continued)

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

IFRS 19 allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards. IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Company’s equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments

The amendments include requirements on classification of financial assets with environmental, social or governance (ESG) targets and similar features; settlement of financial liabilities through electronic payment systems; and disclosures regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent feature.

The amendments are effective for annual periods beginning on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for contingent features only. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

3 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with IFRSs promulgated by the International Accounting Standards Board (the “IASB”), and the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instrument, which are measured at fair value at the end of the each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

The preparation of the consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting judgements and estimates. It also requires management to exercise its judgements and estimates in the process of applying the Group’s accounting policies.

3 BASIS OF PREPARATION (Continued)

Going concern

As at 31 December 2024, the Group's recorded current liabilities exceeded its current assets by approximately RMB33,722,118,000. The directors of the Company are of the opinion that the Group will have adequate funds to finance its future financing requirements and working capital based on the following considerations:

- (a) The Group is expected to be profitable and hence continue to generate operation cash inflows from its future business operations.
- (b) The Group has maintained long business relationship with its principal bankers and the principal bankers have confirmed their willingness to provide banking facilities of not less than approximately RMB55,000,000,000 as at 31 December 2024 and available at least next twelve months from the end of the reporting period.

In view of the above, the directors of the Company are confident that there will be sufficient financial resources available to the Group to enable it to meet its liabilities as and when they fall due and to continue to operate for at least the next twelve months from the date of these consolidated financial statements. Accordingly, the directors of the Company have prepared the consolidated financial statements on a going concern basis. The consolidated financial statements do not include any adjustments relating to the carrying amounts and reclassification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

4 REVENUE

- (a) Revenue represents revenue arising on sale of goods, leasing of properties and provision of services for the year. An analysis of the Group's revenue is as follows:

	2024 RMB'000	2023 RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Sales of gold bullion, gold related products and others	82,445,948	59,185,816
Brokerage and other fees earned from trading of futures contracts	61,781	76,380
	<u>82,507,729</u>	<u>59,262,196</u>
Revenue from other sources		
Rental income from investment properties	10,265	13,079
	<u>82,517,994</u>	<u>59,275,275</u>

- (b) Disaggregation of revenue from contracts with customers by timing of recognition:

	2024 RMB'000	2023 RMB'000
Timing of revenue recognition		
At a point in time and total revenue from contracts with customers	<u>82,507,729</u>	<u>59,262,196</u>

5 SEGMENT INFORMATION

The President Office (總裁辦公會) of the Company is the Group's chief operating decision-maker ("CODM"). Management has determined the operating segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance. The CODM has chosen to organise the Group around differences in products and services.

Financial information of the following reportable segments has been separately presented as discrete segment information for the CODM's review:

- Gold and Non-ferrous Metals Mining – mining and sales of gold ore and others;
- Gold and Non-ferrous Metals Refining – production and sales of gold and others;
- Investment Management – investments in equity funds and provision of futures contracts trading services; and
- Trading – trading of gold bullion and non-ferrous metals.

Segment revenue and results

For the year ended 31 December 2024

	Gold and Non-ferrous Metals Mining RMB'000	Gold and Non-ferrous Metals Refining RMB'000	Investment Management RMB'000	Trading RMB'000	Inter-segment elimination RMB'000	Total RMB'000
Revenue	20,626,630	48,116,817	15,306,670	13,585,441	(15,117,564)	82,517,994
Less: Inter-segment revenue	(14,692,610)	(289,300)	(135,654)	–	15,117,564	–
Revenue from external customers	<u>5,934,020</u>	<u>47,827,517</u>	<u>15,171,016</u>	<u>13,585,441</u>	<u>–</u>	<u>82,517,994</u>
Operating profit	5,840,301	55,882	153,623	1,953,983	(539,701)	7,464,088
Finance income	167,458	5,101	55,729	36,112	(74,383)	190,017
Finance costs	(1,881,287)	(8,241)	(208,571)	(50,737)	74,383	(2,074,453)
Share of results of associates	33,626	–	(141)	–	–	33,485
Profit before tax	4,160,098	52,742	640	1,939,358	(539,701)	5,613,137
Income tax (expense) credit	(838,573)	(5,427)	51,558	(433,096)	–	(1,225,538)
Profit (loss) for the year	<u>3,321,525</u>	<u>47,315</u>	<u>52,198</u>	<u>1,506,262</u>	<u>(539,701)</u>	<u>4,387,599</u>

5 SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

For the year ended 31 December 2023

	Gold and Non-ferrous Metals Mining RMB'000	Gold and Non-ferrous Metals Refining RMB'000	Investment Management RMB'000	Trading RMB'000	Inter- segment elimination RMB'000	Total RMB'000
Revenue	17,214,709	37,297,493	15,045,530	3,435,564	(13,718,021)	59,275,275
Less: Inter-segment revenue	(13,535,387)	(153,514)	(29,120)	–	13,718,021	–
Revenue from external customers	3,679,322	37,143,979	15,016,410	3,435,564	–	59,275,275
Operating profit	4,532,844	10,200	54,114	418,883	(119,901)	4,896,140
Finance income	141,988	6,744	44,021	24,819	(72,462)	145,110
Finance costs	(1,411,548)	(5,909)	(205,186)	(18,094)	72,462	(1,568,275)
Share of results of associates	15,221	–	16	–	–	15,237
Profit (loss) before tax	3,278,505	11,035	(107,035)	425,608	(119,901)	3,488,212
Income tax (expenses) credit	(687,512)	(916)	107,939	(84,480)	–	(664,969)
Profit (loss) for the year	2,590,993	10,119	904	341,128	(119,901)	2,823,243

Segment assets and liabilities

As at 31 December 2024

	Gold and Non-ferrous Metals Mining RMB'000	Gold and Non-ferrous Metals Refining RMB'000	Investment Management RMB'000	Trading RMB'000	Inter- segment elimination RMB'000	Total RMB'000
Total assets	120,496,438	4,064,777	22,287,640	24,288,016	(10,126,396)	161,010,475
<i>Including:</i>						
Investments in associates	2,522,965	–	3,968	–	–	2,526,933
Total liabilities	90,191,197	3,253,699	13,489,015	5,646,163	(10,126,396)	102,453,678

As at 31 December 2023

	Gold and Non-ferrous Metals Mining RMB'000	Gold and Non-ferrous Metals Refining RMB'000	Investment Management RMB'000	Trading RMB'000	Inter- segment elimination RMB'000	Total RMB'000
Total assets	92,947,582	4,180,546	21,442,584	23,626,482	(7,178,353)	135,018,841
<i>Including:</i>						
Investments in associates	2,517,843	–	4,108	–	–	2,521,951
Total liabilities	67,629,366	3,356,336	12,409,797	5,503,981	(7,178,353)	81,721,127

6 INCOME TAX EXPENSE

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current income tax:		
– PRC enterprise income tax	1,579,172	1,023,074
– Overseas taxation	270,930	62,142
	<u>1,850,102</u>	<u>1,085,216</u>
Deferred income tax	(624,564)	(420,247)
	<u>1,225,538</u>	<u>664,969</u>

7 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of the Company's outstanding ordinary shares during the year:

	2024	2023
Profit attributable to owners of the Company (<i>RMB'000</i>)	2,493,846	1,803,893
Weighted average number of shares in issues (<i>thousands of shares</i>)	4,473,430	4,473,430
Basic earnings per share (<i>RMB per share</i>)	<u>0.56</u>	<u>0.40</u>

As the Company did not have any dilutive instruments during the years ended 31 December 2024 and 2023, the Group's diluted earnings per share was the same as its basic earnings per share.

8 PREPAYMENT, TRADE AND OTHER RECEIVABLES

Ageing analysis of trade receivables at the end of each reporting period based on invoice dates which approximated the respective revenue recognition dates were as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 1 year	486,878	523,858
1–2 years	23,097	6,937
2–3 years	1,044	572
Over 3 years	7,211	8,886
	<u>518,230</u>	<u>540,253</u>
Less: Allowance for impairment losses	(25,181)	(20,288)
	<u>493,049</u>	<u>519,965</u>

9 TRADE AND OTHER PAYABLES

Ageing analysis of trade payables at the end of each reporting period based on invoice dates were as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Less than 1 year	3,803,054	2,602,006
1–2 years	15,213	11,092
2–3 years	9,364	5,417
Over 3 years	7,567	8,233
	<u>3,835,198</u>	<u>2,626,748</u>

10 SHARE CAPITAL

Shares, issued and fully paid:

	2024		2023	
	Number of shares (thousands)	Share capital <i>RMB'000</i>	Number of shares (thousands)	Share capital <i>RMB'000</i>
Domestic shares (“A shares”) of RMB1.00 each				
– Held by Shandong Gold Group	2,026,607	2,026,607	2,039,142	2,039,142
– Held by other shareholders	1,587,837	1,587,837	1,575,302	1,575,302
	<u>3,614,444</u>	<u>3,614,444</u>	<u>3,614,444</u>	<u>3,614,444</u>
H Shares of RMB1.00 each	858,986	858,986	858,986	858,986
	<u>4,473,430</u>	<u>4,473,430</u>	<u>4,473,430</u>	<u>4,473,430</u>

11 DIVIDENDS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Final dividend paid in respect of the year ended 31 December 2022 of RMB0.07 per share	–	313,140
Final dividend paid in respect of the year ended 31 December 2023 of RMB0.14 per share (<i>Note a</i>)	626,280	–
Interim dividend paid in respect of the six months ended 30 June 2024 of RMB0.08 per share (<i>Note b</i>)	357,874	–
	984,154	313,140

Notes:

- (a) On 28 March 2024, the board of directors of the Company proposed the payment of a final dividend for the year ended 31 December 2023 of RMB0.14 per share to the shareholders of the Company in an aggregate amount of approximately RMB626,280,000. The payment of final dividend has been resolved by the ordinary resolution in the annual general meeting of the Company on 6 June 2024, and the aforesaid final dividend payment was fully settled in 2024.
- (b) On 28 August 2024, the board of directors of the Company proposed the payment of an interim dividend for the six months ended 30 June 2024 of RMB0.08 per share to the shareholders of the Company in an aggregate amount of approximately RMB357,874,000. The payment of interim dividend has been resolved by the ordinary resolution in the extraordinary general meeting of the Company on 18 October 2024, and the aforesaid interim dividend payment was fully settled in 2024.

Dividends proposed after the end of the reporting period and not being recognised are as below:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Proposed final dividend after the date of the reporting period: RMB0.148 (tax inclusive) (2023: RMB0.14) per share	662,068	626,280

On 27 March 2025, the board of directors of the Company proposed the payment of a final dividend for the year ended 31 December 2024 of RMB0.148 per share (tax inclusive) to the shareholders of the Company. The payment of dividend will be proposed at the forthcoming annual general meeting of the Company.

I. DISCUSSION AND ANALYSIS ON OPERATING PERFORMANCE

2024 is the first year to fully implement the spirit of the Third Plenary Session of the 20th Central Committee of the CPC, and is also a key year for the Company to deepen the execution of its “14th Five-Year” Plan. The Company has thoroughly studied and implemented the spirit of the Third Plenary Session of the 20th Central Committee of the CPC and the important speech made by the General Secretary Xi Jinping during his inspection of Shandong. Focusing on its primary mission of high-quality development, the Company has set the annual goal of “digital intelligence empowerment, simultaneous improvement of quality and efficiency”. With a pragmatic and responsible approach, the Company has overcome challenges and achieved breakthroughs, successfully completing all annual targets and tasks. This has continuously consolidated its upward, positive, and superior development trajectory.

During the Reporting Period, the Company’s production and operational overview is as follows:

(I) Strengthening production and operations, sustaining positive development momentum.

Focusing on reinforcing foundations, enhancing quality and efficiency, optimizing systems, and ensuring stable growth, the Company has scientifically planned its production organization. By tailoring specific strategies for each enterprise and breaking down task targets accordingly, the Company has further refined its performance evaluation system and strengthened control over production and operations. Efforts to optimize the production system have been carried out, fully unleashing growth potential and enhancing economic performance. In 2024, the Company had the gold mine production volume of 46.17 tonnes, representing a year-on-year increase of 4.39 tonnes or 10.51%. The Company’s total assets reached RMB161,010.47 million, representing an increase of RMB25,991.63 million or 19.25% over the beginning of the period; the Company’s total liabilities were RMB102,453.68 million, representing an increase of RMB20,732.55 million or 25.37% over the beginning of the period; total equities amounted to RMB58,556.80 million, representing an increase of RMB5,259.09 million or 9.87% over the beginning of the period. The debt-to-asset ratio was 63.63%, representing an increase of 5.12% over the beginning of the period. In 2024, the Company achieved revenue of RMB82,517.99 million, representing a year-on-year increase of RMB23,242.71 million or 39.21%; profit before tax was RMB5,613.14 million, representing a year-on-year increase of RMB2,124.93 million or 60.92%. Profit for the year amounted to RMB4,387.60 million, representing a year-on-year increase of RMB1,564.36 million or 55.41%; basic earnings per Share was RMB0.56, representing an increase of RMB0.16 over RMB0.40 for the corresponding period of prior year. The gold production of six mines, including Sanshandao Gold Mine, Veladero Gold Mine, and Jinzhou Company, increased by more than 10% year-on-year. Baotou Changtai Mining achieved the milestones of completing the acquisition, resuming production, and turning a profit within the same year.

(II) Strengthening resource reserves, solidifying the foundation for development.

Throughout the year, the Company invested a total of RMB590 million in exploration, completing 570,000 meters of exploration projects, and increasing 58.8 tonnes of gold metal in exploration. Among these, Cardina in Ghana, Jiaojia Gold Mine, Sanshandao Gold Mine, and Jinzhou Company achieved an increase of 11.2 tonnes, 7.75 tonnes, 7.7 tonnes, and 7.47 tonnes of gold metal, respectively. The Company successfully acquired

the exploration rights for the peripheral areas of Daqiao Gold Mine and completed the acquisition of 70% of the equity interests of Baotou Changtai Mining. The exploration rights for the Xiling Gold Mine were successfully injected into the Company and integrated with the mining rights of Sanshandao Gold Mine, obtaining an integration mining license of 4,950,000 tonnes per year. Shanjin International completed the acquisition of 100% equity interests in Osino Resources Corp. (“Osino”), securing the Twin Hills gold project in Namibia. Through the aforesaid acquisitions, the Company added a total of 765 tonnes of gold resources. As of the end of 2024, the Company’s retained resource reserves amounted to 2,058.46 tonnes of gold metal (calculated based on the proportion of interest held by the Company).

(III) Advancing project construction, continuously strengthening growth momentum.

The Company accelerated the advancement of key construction projects, including the resource integration and development projects at Xincheng Gold Mine and Jiaojia Gold Mine. Sanshandao Gold Mine obtained a post-integration mining license of 4,950,000 tonnes per year and is currently undergoing procedures for project approval and safety review. The auxiliary shaft excavation at Sanshandao Gold Mine, which has already received approval for construction, has surpassed -1,750 meters, setting a new record for the deepest vertical shaft in Asia and accumulating valuable experience for deep shaft construction under complex mining conditions. The construction of the Cardinal Namdini Gold Mine project is progressing as planned. The trial run with ore feed for the processing plant was successfully initiated in early November 2024 and the project is currently in the trial production phase. In 2024, the Company invested a total of RMB3,917 million in image-related expenses and construction volumes of 931,900 cubic meters, while securing 84 various permits and relevant approvals, providing a solid foundation for stable and increased production.

(IV) Driving reform and innovation, continuously unleashing development momentum.

The Company vigorously advanced technological innovation, investing a total of RMB0.863 billion in research and development of scientific and technology in 2024, representing a year-on-year increase of 8.42%. During the year, the Company applied for 76 invention patents, obtained 3 provincial-level titles for science and technology enterprises, and secured 1 national-level scientific research project and 1 provincial-level scientific research project. As a primary contributor, the Company participated in the application for the “Key Technologies and Equipment for Intelligent Mining of Underground Metal Mines”, which was awarded the second prize of the National Science and Technology Progress Award, making it the only project in the gold mining industry to receive this honor in this year. The Company steadily promoted the intelligent construction of mines, deeply transforming and upgrading production, management, and operations across mining enterprises. By the end of 2024, it successfully promoted 10 smart scenarios and completed the construction of 123 smart mine projects. In the 2024 industry scientific and technological achievement awards announced by the China Gold Association, the Company was honoured with 37 awards, ranking first in the industry for consecutive years. Notably, the Company secured two out of the six highly coveted Special Prizes, demonstrating Shandong Gold’s leading position in scientific and technology and comprehensive strength in the gold industry.

(V) Promoting lean management, continuously enhancing development quality. The Company has systematically implemented cost reduction and efficiency enhancement initiatives deeply across “all employees, all positions, all elements, and all processes”. It continued to carry out centralized procurement and successfully launched a supply chain management system, effectively reducing procurement costs. The establishment of Shandong Shanjin Materials Co., Ltd. laid the foundation for a unified negotiation and signing model for centralized warehousing and company-wide procurement. The Company strengthened monitoring of key indicators such as debt scale, debt repayment capability, capital turnover, and debt-to-asset ratio, while reasonably deploying financing methods to lower overall financing costs. The Company also advanced the construction of an equipment full lifecycle management system, with the second phase of the system fully launched. Through the promotion and application of the platform, equipment failure rate decreased by 17%, equipment integrity rate increased by 5%, effective utilization rate of equipment reached over 95%, and the accuracy of procurement plans increased by 20%, resulting in cost savings of approximately RMB130 million per year. Leveraging the effectiveness of audit supervision and management, the Company completed multiple audit projects throughout the year and facilitated 274 regulatory systems.

(VI) Strengthening risk prevention and control, continuously solidifying development safeguards. The Company strengthened safety production, investing RMB1,256 million in safety-specific expenses throughout the year, representing a year-on-year increase of 40.97%. It intensified the implementation of a three-year action plan aimed at addressing the root causes of safety issues, drawing lessons from past safety incidents. The Company formulated “Eight Strict Measures”, optimized the full support process for excavation and roof-to-face operations, accelerated mechanization and automation upgrades, and continuously enhanced intrinsic safety levels. In terms of ecological and environmental protection, the Company invested a total of RMB147 million in environmental protection expenses, advancing mine ecological restoration and green mine construction. The Company finalized its carbon peak action plan, accelerated the application of clean energy, upgraded outdated equipment, and energy-saving low-carbon technological upgrades, thereby advancing carbon peak initiatives in a steady and orderly manner. The Company also strengthened compliance management by establishing a comprehensive compliance management system, integrating compliance reviews into management processes, and ensuring that all critical decisions underwent thorough compliance audits.

(VII) Strengthening comprehensive strict governance of the party, continuously consolidating development synergy. The Company diligently carried out party discipline education and promoted the spirit of the Third Plenary Session of the 20th Central Committee of the CPC. The Company organized activities such as reading classes and warning education meetings at various classes, categories and levels, significantly enhancing the awareness of discipline, rule-following, and integrity among party members and cadres. The Company enriched the connotation of its party-building brand by creating 151 practical platforms for party members and conducting 121 joint party-building activities, fully demonstrating the vanguard and exemplary role of party members. It improved the “big supervision” system, consolidating a clean and upright political ecology. The Company also strengthened talent recruitment and training, advancing various personnel quality improvement programs to continuously enhance team qualities. With care and dedication, the Company provided assistance to employees in need, conducted visits and consolations, and organized employee recuperation and rest programs, further boosting the cohesion and unity of all employees.

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

Industry Development

The development of the gold industry is closely related to the complex global political and economic environment. In 2024, influenced by multiple factors such as the shift towards monetary easing by central banks of major economic system, the weakening of the US dollar credit system, and the continuous escalation of global geopolitical risks, the value of gold as a safe-haven asset and its function as a hedge against the depreciation of fiat currencies were fully highlighted. Many central banks around the world continued to increase their gold holdings, and gold investment demand remained strong, with domestic and overseas gold prices repeatedly hitting record highs.

During the Reporting Period, the global political and economic situation was complex and ever-changing. On one hand, the European and US central banks initiated interest rate cuts despite high inflation risks, significantly increasing investors' concerns about future inflation resurgence. On the other hand, the US fiscal deficit and debt scales continued to rise, significantly increasing the fiscal burden and further weakening the US dollar's credit. Additionally, the ongoing turmoil in the Middle East and the escalating Russia-Ukraine conflict also significantly increased global geopolitical uncertainty.

During the Reporting Period, gold prices overall showed a significant upward trend. The international spot gold price in 2024 ranged from the highest of US\$2,790/ounce to the lowest of US\$1,984/ounce, with a maximum volatility of US\$806/ounce; closed at US\$2,624/ounce at the end of the year, up by approximately 27% as compared to the closing price of US\$2,062/ounce at the end of last year. The contract price of Shanghai Gold Exchange Au (T+D) in China reached the highest of RMB637.3/g and the lowest of RMB476.03/g, and closed at RMB614.82/g at the end of the year, representing an increase of approximately 28% over the closing price of RMB479.91/g at the end of last year.

During the Reporting Period, total global gold demand hit record highs but domestic gold demand fell. According to statistics of the World Gold Council, total global gold demand (including OTC transactions) in 2024 reached a record high of 4,974 tonnes. Global central banks continued to purchase approximately 1,045 tonnes of gold, with gold purchases exceeding 1,000 tonnes for three consecutive years. According to the statistics of the China Gold Association, China's gold consumption in 2024 was 985.31 tonnes, representing a year-on-year decrease of 9.58%. They included gold jewelry of 532.02 tonnes, representing a year-on-year decrease of 24.69%; gold bars and gold coins of 373.13 tonnes, representing a year-on-year increase of 24.54%; and industrial and other gold products of 80.16 tonnes, representing a year-on-year decrease of 4.12%. The People's Bank of China increased its gold holdings by 44.17 tonnes during the year. As of the end of 2024, China's gold reserves reached 2,279.57 tonnes, setting a new historical record.

During the Reporting Period, the total amount of gold traded on the domestic gold exchanges recorded a significant year-on-year increase. According to the statistics of the China Gold Association, the accumulated bilateral trading volume of all gold products on the Shanghai Gold Exchange in 2024 was 62,300 tonnes (unilateral: 31,100 tonnes), representing a year-on-year increase of 49.90%, with a bilateral turnover of RMB34.65 trillion (unilateral: RMB17.33 trillion), representing a year-on-year increase of 86.65%. The accumulated bilateral trading volume of all gold products on the Shanghai Futures Exchange was 182,200 tonnes (unilateral trading volume: 91,100 tonnes), representing a year-on-year increase of 46.71%, with a bilateral turnover of RMB83.96 trillion (unilateral: RMB41.98 trillion), representing a year-on-year increase of 75.81%.

Analysis on Domestic Production Capacity 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 377.242 tonnes in 2024, an increase of 2.087 tonnes as compared to 2023, representing a year-on-year increase of 0.56%. Among them, the gold mine-produced gold was 298.408 tonnes, and the non-ferrous by-products was 78.834 tonnes. In addition, the gold produced from imported raw materials was 156.864 tonnes in 2024, representing a year-on-year increase of 8.83%. When including gold produced from imported raw materials, a total of 534.106 tonnes of gold were produced nationwide, representing a year-on-year increase of 2.85%. In 2024, large scale gold groups in China achieved a gold production of 71.94 tonnes from overseas mines, representing a year-on-year increase of 19.14%.

Industry Position of Shandong Gold

The Company is one of the leading gold producers in China, with abundant reserves of gold resources. Through optimization of production organization, intensification of resource exploration and active merger and acquisition integration, the Company comprehensively enhanced the level of scientific and technological innovation, and continuously increased its gold resources and production. In 2024, the Company closely followed the annual goal of “digital intelligence empowerment, simultaneous improvement of quality and efficiency”, focusing on strengthening foundation, improving quality and efficiency, optimizing system, and stabilizing development. The Company scientifically planned production organization, continuously optimized production layout, and facilitated the enterprises to dig deeper into the internal potential, stabilize and increase production. The Company had the gold mine production volume of 46.17 tonnes, representing 15.47% of the total gold production volume of mining enterprises in the PRC.

Shandong Gold had 12 mines with an annual production of more than 1 tonne of gold in 2024, with 6 mines achieving a production increase of over 10%, of which the domestic mines produced a total of 38.32 tonnes of gold, representing a year-on-year increase of 8.43% and was the listed company with the highest gold production of domestic mines in the PRC, and overseas mines produced a total of 7.85 tonnes of gold, representing a year-on-year increase of 21.89%, accounting for 10.91% of the total overseas gold production of large scale gold groups.

III. ANALYSIS ON THE CORE COMPETITIVENESS DURING THE REPORTING PERIOD

Strategic Advantage

The Company firmly grasped the theme of high-quality development, strengthened the role of strategic leadership, adhered to the drive of reform and innovation, and concentrated on the development of the main business. Focusing on the development concept of “Safe Shandong Gold, Ecological Shandong Gold, Vibrant Shandong Gold and Humanistic Shandong Gold”, and adhering to the philosophy that “technology is the primary productive force and innovation is the first driving force”, the Company continued to increase investment in research and development, continuously focused on the cutting-edge technologies of the mining industry, increased its investment in scientific and technological research and development, actively undertaken provincial and ministerial-level key research and development projects, strengthened the construction of its own innovation platform, and adhered to the path of independent innovation, with its mining and beneficiation technologies at the leading level in the industry. The Company, following the idea of “internal growth and external expansion to optimize and increase resources”, is strengthening exploration and reserve expansion internally while relying on the resource integration in important metallogenic zones to externally acquire quality resources in an active manner, so as to continuously consolidate our leading position. Meanwhile, the Company promoted the construction of infrastructure mines, stabilized the output of in-production mines, and enhanced the operational capability of production mines, striving to create a model for high-quality development of mining operations. Acting deeply on the concept of “lucid waters and lush mountains are invaluable assets”, the Company continuously improved the safety and environmental protection management system, and continuously upgraded the standards of green mine construction in terms of mining environment, green development, comprehensive resource utilization, energy saving and emission reduction, enterprise management and community harmony, accelerating the formation of a new mode of mining development in line with the requirements of ecological civilization construction, and achieving a significant enhancement in ecological and environmental protection level. The Company always placed safety production in the position of “more important than everything else, prior to everything else, higher than everything else, and overriding everything else”, promoted comprehensive upgrading of mining enterprises in terms of management reform, technological innovation and process optimization to build up safety production defenses and consolidate the foundation of intrinsic safety, steadily promoting the level of health, sustainable and high-quality development.

Advantage in Resource

Shandong Province has the largest gold reserves in China, with Jiaodong region being the world’s third-largest gold enrichment area. The Company’s major mines are located in the Jiaodong region, which is uniquely endowed with resource advantages. Upholding the concept of “resource first, efficiency focused, innovation centered” in an unswerving manner, the Company internally increased exploration investment and efforts in and around in-production mines to extend the service life of existing mines, and the Company externally engaged in mergers and acquisitions in an active manner to acquire high-quality mineral resources in important domestic and overseas mining regions. In 2023, the Company acquired a total of 28.89% of the shares of Shanjin International, further enhancing the Company’s resource reserves through the strong alliance with Shanjin International. In 2024, the Company successfully won the bid for the exploration

right of the peripheral rim of Daqiao Gold Mine, acquired 70% of the equity interests of Baotou Changtai Mining, and completed the acquisition of the exploration right of Xiling Gold Mine. Shanjin International merged 100% of the shares of Osino, the aforesaid acquisition significantly increasing the Company's resource reserves. As of the end of 2024, the Company retained resource reserves of 2,058.46 tonnes of gold metal (calculated based on the proportion of interest held by the Company).

Advantage in the Company's Scale

Relying on its abundant gold resources, the Company has scientifically organized its production and operations. It owns a total of 12 mines with an annual production of more than 1 tonne of gold and four mines among six gold mining company with the cumulative gold production exceeding 100 tonnes in the country, and Jiaojia Gold Mine, Sanshandao Gold Mine and Xincheng Gold Mine have been on the list of China Top Ten Mines in Gold Production 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, enjoying a leading position among the national top ten smelting and refining enterprises for many years. According to the statistics of the China Gold Association, Shanjin International's mine-produced gold in 2023 ranked sixth among listed gold companies in the country. Shanjin International was also a mining company with higher gross profit margins among gold mines. Its total profit and net profit in 2023 ranked fourth among listed gold mining companies in the country. In recent years, the Company has accelerated the construction progress of key projects, promoted the construction of intelligent mining areas in major mines, and further enhanced the equipment level and degree of mechanization, automation and intelligence of mines, ensuring increased production and efficiency in mines.

Advantage in Scientific and Technological Innovation

The Company continued to adhere to problem orientation for its scientific and technological innovation work, and set up key topics around six directions: deep geological exploration, deep shaft construction, tailings reduction and resource utilization, refractory smelting technology research, paste filling demonstration and intelligent support systems, tackling the topics through the concentration of scientific research efforts. Among them, the mineral processing and smelting laboratory conducted experimental research such as AI (Artificial Intelligence) sorting, X-ray sorting, color sorter sorting, and microwave heating sorting in terms of "pre-enrichment, sorting and waste disposal before ore selection", aiming to achieve pre-enrichment, sorting and waste disposal of crushed ore, thereby realizing tailings reduction and resource utilization from the source. Sanshandao Gold Mine took the lead in a deep shaft construction project jointly tackled by five scientific research units and successfully dug to -1,750 meters, setting a record for the deepest shaft in Asia. In 2024, the Company was honored with 41 awards at the provincial and ministerial levels or above, and made a huge breakthrough in the award of scientific and technological achievements. The "Key Technologies and Equipment for Intelligent Mining of Underground Metal Mines" won the second prize of the National Science and Technology Progress Award. The "Research and Demonstration Project on Key Technologies and Equipment for Intelligent, Safe and Efficient Mining of Deep Earth Resources" was successfully selected into the "Top Ten Scientific and Technological Achievements" of Shandong provincial enterprises.

Talent Advantage

Shandong Gold gathers talents from all over the world with an open and inclusive attitude. It has firmly established the candidate selection and appointment direction of “morality first, equal stress on integrity and ability, emphasis on actual performance and public recognition”, and built three talent teams in “management, technology and skill” to create a talent platform, stress on talent cultivation, deepen the talent development mechanism, and optimize the talent development ecology. Shandong Gold continuously improves the selection and appointment mechanism, and promotes the construction of young cadres; continuously improves the professional and technical position and rank system and smooths the career development channels for professional and technical personnel; and actively innovates to establish a self-assessment system for professional workers with specialized skills in gold mining industry. Shandong Gold flexibly introduced five leading talents closely related to the main business of gold to exert their effectiveness of leadership. Relying on enterprise production practices and scientific research projects, it jointly cultivates postgraduate students with Northeastern University every year, building a solid technical force. With the support of human resources platforms such as academicians workstations and postdoctoral workstations, Shandong Gold has hired well-known academicians, experts and scholars at home and abroad, and on-site postdoctoral fellows to concentrate our efforts on overcoming “stuck neck” technical problems. Shandong Gold continuously made substantial breakthroughs in geological prospecting, deep resource exploration and mining, green mines, intelligent mining and promoted the transformation of industrial value.

Brand Advantage

Based in China, Shandong Gold optimized and expanded its principal gold business with an international vision. 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 2024, the Company was honored with the Special Contribution to Corporate Governance Award (公司治理特別貢獻) by Boardroom Magazine (董事會雜誌) and selected as the Best Practices in the Board of Directors of Listed Companies, Best Practices in Investor Relations Management, Best Practices in Sustainable Development and other outstanding cases by the China Association for Public Companies. The Company comprehensively implemented Xi Jinping’s idea of ecological civilization, firmly established and practiced the concept that “lucid waters and lush mountains are invaluable assets”, and collaborated in promoting carbon reduction, pollution reduction, green expansion and growth. The Company deeply promoted prevention and control of environmental pollution, accelerated the progress of the “Three-Simultaneous” in environmental protection and the construction of key environmental protection facilities, and strengthened special inspections and supervision of environmental protection in key areas, effectively enhancing the Company’s capability to prevent environmental risks. The Company continued to consolidate and elevate the construction of green mines, completed the formulation of the carbon peak action plan, steadily advanced the “dual carbon”, and further improved the brand image of “Ecological Shandong Gold”.

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

Business Scope

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.

Operating Model

Large-scale production and operation

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 countries such as Argentina, South America, Ghana, Africa and Namibia. By adopting the gold production model of scattered mining and beneficiation and centralized smelting, the Company's mines have utilized the mechanized and large-scale mining equipment, the automated transportation and lifting system, and the advanced and intelligent beneficiation technology to realize the large-scale, intensive and mechanized mining of gold resources. The mechanization rate of mining operations in major mines reached over 65%, the mechanization rate of shoveling and transportation reached 100%, and the automation rate of major fixed facilities reached over 95%. In 2024, the Company accelerated the increase of reserves by exploration and project construction, actively promoting the construction of world-class gold production bases in the Jiaodong Peninsula, including Jiaojia Gold Mine, Xincheng Gold Mine and Sanshandao Gold Mine.

Lean operation and control

The Company has established a lean management philosophy that emphasizes full participation, collaborative efficiency, and continuous improvement, effectively enhancing fine management capabilities, strengthening cost control, and enhancing operational efficiency. The Company has comprehensively enhanced the lean management level of the entire industry chain, including procurement, production, management, and supply chain, building a tightly integrated and smoothly operating business model. By adopting a systematic control model covering exploration, surveying, mining, processing and smelting, the Company promotes the deep integration of technology and production, achieving dual improvements in efficiency and profitability. In 2024, the Company optimized the production systems of mining enterprises, with a cumulative investment of RMB1.373 billion, completing 712,600 cubic meters of excavation, and increasing mining capacity by an average of 4.3%. Through the optimization of mineral processing systems, processes, and beneficiation and smelting, the processing recovery rate increased by 0.44 percentage point year-on-year in 2024.

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. In 2024, investment in research and development increased by 8.42% year-on-year. Two enterprises have been newly awarded provincial-level scientific and technological enterprise titles such as “specialized and new” small and medium-sized enterprises and small and medium-sized high-tech company. The project of “Key Technologies and Equipment for Intelligent Mining of Underground Metal Mines” won the second prize of the National Science and Technology Progress Award. The Company has successfully won two provincial-level science and technology progress awards and 38 association awards. During the year, we applied for 265 patents and obtained 176 authorized patents; we took the lead or participated in the formulation of six standards. The Company has been approved for one national science and technology project and one provincial and ministerial-level project, marking a new journey in national-level and provincial-level and ministerial-level major science and technology projects.

Safe and green development

The Company has deeply carried out the three-year action to tackle the root causes of safety production, accelerating the transformation of mechanization and automation to continuously enhance the level of intrinsic safety. The Company thoroughly implemented the concept of green development, actively carried out the “carbon peaking and carbon neutral” work. The Company accelerated the reforming and upgrading of pollution prevention facilities for “three wastes” and the restoration and management of mine ecological environments. The Company has revised green mine construction standards and systems in line with the latest national standards, establishing a long-term management mechanism. Relying on the Company’s green mines, SDG Group was awarded the title of “Prize for Outstanding Contribution to Green Mines in 2024” issued by the Zhongguancun Green Industry Alliance (中關村綠色產業聯盟), further enhancing the green development of “Ecological Shandong Gold”.

V. MAJOR OPERATIONS DURING THE REPORTING PERIOD

In 2024, the Company produced 46.17 tonnes of mine-produced gold, representing a year-on-year increase of 4.39 tonnes or 10.51%. The main reasons are the breakthroughs in production continuity projects at Sanshandao Gold Mine and Jinzhou Company, which enhanced their production capabilities; improved the grade of raw ore at Xihe Zhongbao and Xincheng Gold Mine, resulting in an increase in gold production; the resumption on work and production of the Linglong mining area in Linglong Gold Mine, which increased ore processing volumes and selected grades, further unlocking production potential; the increase on the total amount of mining and stripping at the Veladero Gold Mine, with feed-in grades increasing by 27.71%, achieving a significant increase in gold production; and the full-year consolidation of Shanjin International into the Company's financial statements, which contributed to the overall increase in gold production.

In January 2024, the Yantai City Work Safety Headquarters Office approved the resumption of infrastructure construction and production at the Linglong mining area. In October 2024, the mining area had obtained its work safety permit, and in November, it had obtained the blasting operation unit license, marking the full resumption of operations at Linglong Gold Mine.

As the core mining area of the Company's Laizhou gold production base, Jiaojia Gold Mine obtained a post-integration mining license of 6,600,000 tonnes per year. To accelerate the construction of a world-class gold production base, Jiaojia Gold Mine initiated the expansion of its reproduction projects and the construction of safety facilities since 2024. During this period, the production capability will be appropriately adjusted, resulting in a decrease in output in 2024 as compared to previous years.

Annual Production Data and Analysis

The following table sets forth the gold production volume of our mines for the year ended 31 December 2024:

Name of organization	Interest held	Mine-produced gold (kg)	Mine-produced gold on equity basis ^{note 1} (kg)
Sanshandao Gold Mine	100.00%	6,917	6,917
Jiaojia Gold Mine	100.00%	6,001	6,001
Linglong Gold Mine	100.00%	2,071	2,071
Xincheng Gold Mine	100.00%	5,651	5,651
Penglai Mining	100.00%	346	346
Yinan Gold Mine	100.00%	410	410
Xinhui Company	100.00%	917	917
Laixi Company	100.00%	420	420
Jinzhou Company	100.00%	1,400	1,400
Guilaizhuang Mining	70.65%	645	456
Chai Mine Company	73.52%	1,545	1,136
Fujian Yuanxin	90.31%	224	202
Xihe Zhongbao	70.00%	1,211	848
Jinchuan Mining	100.00%	2,304	2,304
Baotou Changtai Mining	70.00%	219	153
Veladero Gold Mine ^{note 2}	50.00%	7,853	7,853
Qinghai Dachaidan	26.00%	3,505	911
Jilin Banmiaozi	27.45%	2,324	637
Heihe Luoke	28.89%	2,209	638
Total		46,172	39,271

Notes:

1. The mine-produced gold on equity basis is calculated by multiplying the proportion of its interests held in the relevant organization to the mine-produced gold of that organization by the Company.
2. As of the end of the Reporting Period, the Company held 50% equity interest in the Veladero Gold Mine. The mine-produced gold of the Veladero Gold Mine refers to 50% of the mine-produced gold of the Veladero Gold Mine.

Analysis of changes of related items in consolidated statement of profit or loss

Unit: RMB'000

Item	Amount of the Reporting Period	Amount of corresponding period in prior year	Percentage of changes (%)
Revenue	82,517,994	59,275,275	39.21
Cost of sales	(70,304,639)	(50,647,596)	38.81
Selling expenses	(184,583)	(147,179)	25.41
General and administrative expenses	(2,938,285)	(2,614,946)	12.37
Research and development expenses	(770,411)	(487,195)	58.13
Finance costs	(2,074,453)	(1,568,275)	32.28

Financial Review

For the year ended 31 December 2024, the Group's:

- **revenue** increased by approximately 39.21% to approximately RMB82,517.99 million from approximately RMB59,275.28 million for the same period in 2023, which was mainly due to the increase in sales volume and sales price of self-produced gold, externally purchased gold during the Reporting Period.
- **cost of sales** increased by approximately 38.81% to approximately RMB70,304.64 million from approximately RMB50,647.60 million for the same period in 2023, which was mainly due to the increase in the cost of self-produced gold and externally purchased gold during the Reporting Period.
- **gross profit** increased by approximately 41.56% to approximately RMB12,213.36 million from approximately RMB8,627.68 million for the same period in 2023, which was mainly due to the increase in gross profit from self-produced gold sales during the Reporting Period.
- **selling expenses** increased by approximately 25.41% to approximately RMB184.58 million from approximately RMB147.18 million for the same period in 2023, which was mainly due to the increase in sales commissions at subsidiaries during the Reporting Period.
- **other gains and losses, net** increased by approximately 74.79% to a loss of approximately RMB892.65 million from a loss of approximately RMB510.71 million for the same period in 2023, which was mainly due to the increase in losses on exchange currency during the Reporting Period.
- **finance costs** increased by approximately 32.28% to approximately RMB2,074.45 million from approximately RMB1,568.28 million for the same period in 2023, which was mainly due to the increase in interest expenses as a result of the increase in financing amount during the Reporting Period.

Operations of respective region during the Reporting Period

Unit: RMB'000

	Revenue amount		% to total revenue	
	2024	2023	2024	2023
Revenue from contracts with customers within the scope of IFRS 15				
China, excluding Hong Kong Special Administrative Region (“HKSAR”)	73,342,212	56,585,687	88.88%	95.46%
HKSAR and other overseas countries	9,165,517	2,676,509	11.11%	4.52%
	82,507,729	59,262,196		
Revenue from other sources				
China, excluding HKSAR	10,265	13,079	0.01%	0.02%
	82,517,994	59,275,275		

Liquidity and Capital Resources

The Group operates in a capital-intensive industry. The Group requires liquidity for expansion of its mining and processing businesses, exploration activities and acquisition of exploration and mining permits. Major sources of capital of the Group are, including but not limited to, cash generated from operating activities, bank financing, bonds issued or to be issued, and private placement of share capital. The liquidity of the Group depends, to a large extent, on the cash generated from its operating activities, its ability to repay debts as and when the debts fall due, and its requirements for future operating and capital expenditure.

As at 31 December 2024, the Group’s reserves amounted to approximately RMB20,289.03 million and short-term borrowings amounted to approximately RMB32,766.15 million. The bank balances and cash of the Group as at 31 December 2024 were approximately RMB9,931.63 million. Based on the following factors for consideration, the Directors were of the opinions that the Group will be able to have sufficient working capital to provide capital sources for future needs of financing and working capital: (a) the Group is expected to be profitable continually, and thus will continue to generate operating cash flows from future business operations; and (b) the Group has been maintaining long-term business relationships with its principal bankers.

In the opinions of the Directors, the Company has sufficient cash flows for the operation of the Group for the next 12 months, including its planned capital expenditure and current debt repayment. The borrowings of the Group include amounts due to related parties loans in an aggregate amount of approximately RMB2,938.70 million from SDG Finance at an interest rate ranging from 2.2% to 4% per annum. The Company has issued corporate bonds.

At the same time, the Group has arranged bank loans of approximately RMB59,375.848 million through several banks in China, with annual interest rates ranging from 1.60% to 13.25% (including gold leasing of RMB9,730.9 million).

Cash Flows

The Group's bank balances and cash have increased from approximately RMB8,352.90 million as at 31 December 2023 to approximately RMB9,931.63 million as at 31 December 2024.

Assets and Liabilities

As at 31 December 2024, the Group's:

- **prepayment, trade and other receivables** increased by approximately 31.42% to approximately RMB7,033.9 million from approximately RMB5,352.32 million as at 31 December 2023, which was mainly due to the decrease in prepayment made by subsidiaries for purchase of gold and the increase in the subsidiaries' receivables from gold sales during the Reporting Period.
- **property, plant and equipment** increased by approximately 22.34% to approximately RMB61,611.39 million from approximately RMB50,357.96 million as at 31 December 2023, mainly due to the increase in investment in fixed assets during the Reporting Period.
- **intangible assets** increased by approximately 44.43% to approximately RMB47,644.61 million from approximately RMB32,988.31 million as at 31 December 2023, mainly due to the increase in the acquisition of Xiling mineral rights.
- **inventories** decreased by approximately 22.46% to approximately RMB7,740.89 million from approximately RMB9,983.35 million as at 31 December 2023, mainly due to the increase in inventory sales during the Reporting Period.
- **trade and other payables** increased by approximately 38.41% to approximately RMB27,649.84 million from approximately RMB19,976.44 million as at 31 December 2023, mainly due to the increase in the amounts payable for mining rights and engineering equipment by the Company and its subsidiaries during the Reporting Period.
- **current income tax liabilities** increased by approximately 38.12% to approximately RMB731.33 million from approximately RMB529.48 million as at 31 December 2023, mainly due to the increase in profits and income tax expenses during the Reporting Period.
- **borrowings (including current and non-current liabilities)** increased by approximately 16.09% to approximately RMB59,375.85 million from approximately RMB51,143.97 million as at 31 December 2023, mainly due to the increase in investment and financing scale during the Reporting Period.

Capital Expenditure

The capital expenditure of the Group mainly relates to the acquisition of mining and exploration permits, property, plant and equipment, land use right and intangible assets, and investment properties. For the year ended 31 December 2024, in the contracted but not incurred capital expenditure of the Group, the total amount for the acquisition of mining and exploration permits, property, plant and equipment was RMB133.76 million.

Major Investment, Major Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

Save as disclosed in this announcement, during the Reporting Period, the Group had no major investments, nor major acquisitions or disposals of subsidiaries, associates and joint ventures.

The Group will make every endeavor to keep abreast of the changing market conditions, proactively identify investment opportunities and expand its mineral resources in order to broaden the revenue base of the Group, enhance its future financial performance and profitability. We are confident in the future and committed to bolstering the continuous growth of the Group.

Pledge of Assets

As of 31 December 2024, the Group did not have any other material pledge of assets, save as the pledges disclosed in this announcement.

Information on major suppliers and customers

For the year ended 31 December 2024, the Group's sales to the top five customers amounted to RMB62,654,987,000, representing 75.93% of the total sales for the year. Additionally, the Group's sales to the single largest customer, Shanghai Gold Exchange, accounted for 65.56% of the total sales for the year.

For the year ended 31 December 2024, the Group's procurement from its top five suppliers amounted to RMB35,607,657,700, representing for 45.36% of the total procurement for the year. Additionally, the Group's procurement from the single largest supplier accounted for 15.76% of the total procurement for the year.

For the year ended 31 December 2024, 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 interests in the Company's top five suppliers or customers.

Gearing ratio

Gearing ratio is defined as the ratio of consolidated total debt to consolidated total equity. As at 31 December 2024, the Group's consolidated total debt (including lease liabilities, borrowings and financial liabilities at fair value through profit or loss) was approximately RMB64,444.29 million (31 December 2023: RMB52,101.59 million), and the Group's consolidated total equity was approximately RMB58,556.8 million (31 December 2023: RMB53,297.71 million). As at 31 December 2024, the Group's gearing ratio was 110.05% (31 December 2023: 97.76%).

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

Unit: RMB

Item	Carrying amount at the end of the year	Reasons for restrictions
Monetary funds	392,568,575.63	Security deposits for land reclamation and environmental governance
Monetary funds	730,771,905.10	Security deposits for notes
Monetary funds	4,810,500.00	Performance deposits
Monetary funds	10,782,600.00	Security deposits for futures
Monetary funds	6,710,806.80	Others
Inventory	146,898,199.82	Pledge for financing
Other non-current assets	1,329,800.00	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	<u>1,293,872,387.35</u>	

Analysis on business operating information of the industry

1. Major industry policy changes during the Reporting Period

- (1) In order to deeply and thoroughly implement the spirit of the General Secretary Xi Jinping's important instructions on work safety and resolutely curb the frequent occurrence of major and catastrophic production safety accidents in the mining sector, the State Council Work Safety Commission issued a notice on the Hard Measures on the Prevention and Elimination of Major and Serious Production Safety Accidents in the Mining Sector (An Wei [2024] No. 1) (《關於防範遏制礦山領域重特大生產安全事故的硬措施》) on 16 January 2024.
- (2) In order to scientifically guide various development, conservation, and construction activities, promote high-quality development, build a modernization where humans and nature coexist in harmony, and strengthen ecological and environmental zoning controls, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council jointly issued the Guidelines on Strengthening Ecological and Environmental Zoning Controls (《關於加強生態環境分區管控的意見》) on 6 March 2024.
- (3) In order to accelerate the green and low-carbon transformation of the mining industry and comprehensively advance the construction of green mines, the Ministry of Natural Resources, the Ministry of Ecology and Environment, the Ministry of Finance, the State Administration for Market Regulation, the National Financial Regulatory Administration, the China Securities Regulatory Commission, and the National Forestry and Grassland Administration jointly issued the Notice on Further Strengthening the Construction of Green Mines (Zi Ran Zi Gui [2024] No. 1) (《關於進一步加強綠色礦山建設的通知》) on 15 April 2024.
- (4) On 24 April 2024, the National Mine Safety Administration and six other departments jointly issued a notice on the Guiding Opinions on Further Promoting Intelligent Mine Construction to Enhance Mine Safety Development (Kuang An [2024] No. 42) (《關於深入推進礦山智能化建設促進礦山安全發展的指導意見》). The notice aims to deeply advance the intelligent construction of mines and promote the safe development of the mining industry.
- (5) In order to regulate the oversight of exploration and mining activities by mining rights holders during and after operations, promote integrity and self-discipline among mining rights holders, and foster a fair competitive market environment, the Ministry of Natural Resources issued the Measures for the Management of Exploration and Mining Information of Mining Rights Holders (Ministry of Natural Resources Order No. 13) (《礦業權人勘查開採信息管理辦法》) in accordance with laws and regulations such as the Mineral Resources Law of the People's Republic of China and the Business Environment Optimisation Ordinance, which came into effect on 1 July 2024.

- (6) On 3 July 2024, in order to implement the decisions and arrangements of the Party Central Committee and the State Council, correctly balance the relationship between ecological civilization construction and national energy and resource security, and deepen the implementation of the new round of the mineral exploration breakthrough strategy, the Ministry of Natural Resources and the National Forestry and Grassland Administration jointly issued the Notice on Fully Implementing Green Exploration in the New Round of the Mineral Exploration Breakthrough Strategy (Zi Ran Zi Fa [2024] No. 122) (《關於在新一輪找礦突破戰略行動中全面實施綠色勘查的通知》). The notice aims to promote high-level ecological environmental protection and high-quality development in the mining sector through the comprehensive implementation of green exploration practices.
- (7) On 3 September 2024, the Ministry of Natural Resources, the Ministry of Finance, and the State Administration of Taxation, in accordance with the relevant provisions of the Measures for the Collection of Mining Rights Transfer Revenue (Cai Zong [2023] No. 10) (《礦業權出讓收益徵收辦法》), issued the Notice on Issues Related to the Calculation of Mineral Product Sales Revenue in the Collection of Mining Rights Transfer Revenue (Zi Ran Zi Fa [2024] No. 173) (《關於礦業權出讓收益徵收中礦產品銷售收入計算有關問題的通知》). The notice addresses the calculation of mineral product sales revenue when collecting mining rights transfer revenue based on the mining rights transfer yield rate.
- (8) On 8 November 2024, the Mineral Resources Law of the People's Republic of China (Revised Draft) (《中華人民共和國礦產資源法(修訂草案)》) (hereinafter referred to as the “**New Mineral Resources Law**”) was considered and passed at the 12th session of the Standing Committee of the 14th National People's Congress, and will come into effect from 1 July 2025. As for safeguarding national mineral resource security, mineral resources are the sustenance and lifeblood of industry and the important material foundation for socio-economic development. The New Mineral Resources Law prioritizes the safeguarding of national mineral resource security, establishing a comprehensive and systematic security system for mineral resource security in accordance with laws. This revision holds significant importances for safeguarding national mineral resource security and promoting high-quality development in the mining industry.

2. Changes in significant tax policy during the Reporting Period

There are no major changes in tax policy in 2024.

3. Resource tax and environmental protection tax

In 2024, the resource tax payable of domestic subsidiaries of the Company was RMB1,040.1391 million, with RMB1,014.6656 million actually paid. The environmental protection tax payable was RMB0.8387 million, with RMB0.8264 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 Locke 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.

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.

VI. ANALYSIS ON BUSINESS OPERATING INFORMATION OF NON-FERROUS METAL INDUSTRY

Reserves and Resources of Self-owned Mines

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.

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 2024 are summarized as follows:

Table of Gold Resource Reserve

Name of mine	Major type	Resources					Reserves					Remaining resources mining year Validity period of permits/mining rights (year)	
		Measured	Indicated	Measured and Indicated (Mt)	Inferred	Total	Grade (g/t)	Gold content (100% basis) (t)	Gold content (equity basis) (t)	Gold content (equity basis)			
											Proven		Probable (Mt)
Sanshandao Gold Mine	Gold	-	97.69	97.69	83.82	181.51	3.81	692.17	692.17	343.42	343.42	6.19	Mining right (2039.05.27) Mining right (2027.8.3)
Jiaojia Gold Mine	Gold	-	44.61	44.61	50.27	94.87	3.34	317.10	317.10	73.01	73.01	4.00	Mining right (2032.4.21) Exploration right (2025.6.30)
Xincheng Gold Mine	Gold	-	18.05	18.05	40.39	58.44	3.37	197.14	197.14	56.47	56.47	18.61	Mining right (2032.4.21)
Linglong Gold Mine	Gold	-	6.99	6.99	47.77	54.77	2.86	156.60	156.60	14.32	14.32	6.35	Mining right (2028.6.30) Mining right (2030.1.20) Mining right (2034.9.30)
Guilaizhuang Gold Mine	Gold	-	0.61	0.61	1.74	2.35	3.46	8.12	5.74	1.34	0.95	1.69	Exploration right (2018.5.6) in the process of renewal Mining right (2026.11.20)
	Gold	-	1.90	1.90	2.50	4.40	3.84	16.91	16.91	5.36	5.36	21.62	Exploration right (2027.3.31) Mining right (2033.3.16) Mining right (2026.1.12) Mining right (2031.8.3)
	Gold	-	5.93	5.93	3.49	9.42	3.63	34.18	34.18	20.27	20.27	17.90	Exploration right (2028.6.25) Exploration right (2028.6.25) Mining right (2034.9.30)
Laxi Company	Gold	-	1.22	1.22	1.51	2.72	1.98	5.40	5.40	2.09	2.09	3.71	Mining right (2031.11.29)
Penglai Gold Mine	Gold	-	1.04	1.04	0.85	1.89	7.34	13.91	13.91	5.69	5.69	5.93	Mining right (2029.07.09)
Yinan Gold Mine	Gold	-	1.80	1.80	4.09	5.89	1.54	9.09	9.09	2.31	2.31	8.76	Mining right (2031.07.15) Mining right (2034.7.09)
Chifengchai Mine	Gold	-	1.26	1.26	0.75	2.01	3.00	6.03	4.43	3.67	2.70	4.04	Mining right (2025.12.8) Exploration right (2026.2.14) Exploration right (2027.12.9)
													Exploration right (2028.2.14)
													Exploration right (2028.2.14)
													Exploration right (2028.9.14)
													Exploration right (2029.4.2)

Name of mine	Major type	Resources					Reserves					Remaining resources mining year (year)				
		Measured	Indicated	Measured and Indicated (Mt)	Inferred	Total	Grade (g/t)	Gold content (100% basis) (t)	Gold content (equity basis)	Proven	Probable (Mt)		Total	Grade (g/t)	Gold content (100% basis) (t)	Gold content (equity basis)
Fujian Yuanxin Gold Mine	Gold	-	0.24	0.24	0.19	0.43	5.79	2.48	2.24	-	0.20	0.20	4.34	0.88	0.79	0.78 Mining right (2029.6.21) Exploration right (2026.4.16)
Xihe Zhongbao Gold Mine	Gold	-	6.13	6.13	7.14	13.27	2.26	30.01	21.01	-	5.36	5.36	2.23	11.96	8.37	29.38 Mining right (2034.4.28) Mining right (2039.8.30)
Xinjiang Jinchuan	Gold	5.64	27.70	27.70	4.87	32.57	1.08	35.25	35.25	2.15	15.74	17.89	0.84	15.08	15.08	3.58 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	5.64	5.64	1.82	10.29	6.17	- Mining right (2027.1.12) Exploration right (2025.9.3)
Baotou Changtai Mining	Gold	-	2.47	2.47	2.53	5.00	4.46	22.31	15.62	-	1.12	1.12	3.30	3.68	2.58	18.61 Mining right (2031.12.21) Exploration right (2027.1.27)
Veladero Gold Mine	Gold	51.20	169.40	220.60	32.50	253.10	0.64	161.70	80.85	48.2	98.60	146.80	0.68	99.53	49.77	- 8 mining rights are leased until 2028, and self-owned 5 mining rights are indefinite
Cardinal	Gold	6.20	195.90	202.10	14.20	216.30	1.03	223.30	189.81	8.24	149.75	157.99	1.06	166.71	141.71	- Mining right (2035.2.11) Exploration right (2026.2.5) Exploration right (2026.2.5) Exploration right (2026.2.5) Exploration right (2026.2.5) Exploration right (2026.2.5) Exploration right (2026.2.5) Exploration right (2027.1.3) Mining right (2035.11.16)
Laizhou Huijin Shaling Gold Mine	Gold	-	-	-	-	-	2.77	372.06	145.10	-	-	-	-	-	-	-
Sub-total		63.04	591.40	648.80	307.48	956.28	2.47	2,358.60	1,984.59	58.59	423.44	482.04	1.73	836.07	751.04	-

Name of mine	Major type	Resources					Reserves					Gold content (100% basis) (t)	Gold content (equity basis) (t)	Remaining resources mining year (year)
		Measured	Indicated	Measured and Indicated (Mt)	Inferred	Total	Grade (g/t)	Gold content (100% basis) (t)	Gold content (equity basis) (t)	Proven	Probable (Mt)	Total	Grade (g/t)	Validity period of permits/mining rights
Jilin Banmiaozui	Gold	3.57	1.20	4.77	2.74	7.51	3.26	24.48	6.72	2.86	0.26	3.12	3.93	– Mining right (2025.12.13) Exploration right (2026.4.26)
Huasheng Gold Mine	Gold	2.93	7.40	10.33	7.37	17.71	1.65	29.23	5.07	2.62	6.28	8.90	2.18	Exploration right (2025.7.24) Exploration right (2029.11.17)
Heihe Luoke	Gold	0.92	0.87	1.80	0.88	2.68	4.60	12.34	3.56	0.55	0.31	0.85	5.56	– Mining right (2025.5.18) Exploration right (2025.8.2)
Qinghai Dachaidan	Gold	0.90	8.20	9.10	8.47	17.58	4.68	82.24	21.38	0.90	6.60	7.50	4.50	– Mining right (2026.1.18) Mining right (2028.9.5)
Yulong Mining	Gold	–	–	–	1.81	1.81	0.97	1.75	0.39	–	–	–	–	Exploration right (2025.10.15) Exploration right (2025.8.2)
														– 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	0.70	83.60	84.30	33.00	117.30	1.08	127.20	36.75	0.90	63.60	64.50	1.04	– Mining right (2042.11.2)
Sub-total		9.03	101.27	110.31	54.27	164.58	1.68	277.23	73.87	7.83	77.05	84.88	1.61	–
Total		72.08	692.67	759.10	361.76	1,120.86	2.35	2,635.84	2,058.46	66.43	500.50	566.92	1.72	–

Table of Resource and Reserve of Non-ferrous Metals

Name of mine	Resources				Reserves									
	Measured (Mt)	Indicated (Mt)	Inferred (Mt)	Total (Mt)	Lead content (100% basis)	Zinc content (100% basis)	Silver content (100% basis)	Copper content (100% basis)	Proven (Mt)	Probable (Mt)	Total (Mt)	Lead content (100% basis)	Zinc content (100% basis)	Silver content (100% basis)
Heihe Luoke	0.92	0.87	1.80	2.68	-	-	146.21	-	0.55	0.31	0.85	-	-	67.09
Yulong Mining	8.42	27.55	35.97	69.19	607,656.55	1,271,315.76	7,787.52	127,593.40	0.63	4.20	4.84	72,226.65	128,501.12	707.15
Total	9.35	28.42	37.77	71.87	607,656.55	1,271,315.76	7,933.72	127,593.40	1.18	4.51	5.69	72,226.65	128,501.12	774.24
Total attributable metals of Shandong Gold	-	-	-	-	134,595.70	281,595.97	1,765.06	28,261.89	-	-	-	15,998.18	28,462.95	175.05

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 2024, 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, Baotou Changtai Mining, Gansu Jinshun, Veladero Gold Mine; 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 Banmiaozhi, Huasheng Gold Mine, Heihe Luoke, Qinghai Dachaidan, Yulong Mining and Namibia Osino; the Company owned 100% equity interests of other mines.
5. Due to the temporary lack of data for the mining rights and exploration rights of Daqiao Gold Mine fully supporting for the estimation of international standard resource reserves, the data listed in the above table was announced data in the judicial auction of mineral rights.
6. The data set out for the mining rights and exploration rights of Baotou Changtai Gold Mine were disclosed by the Company during the 2024 acquisition period and have been verified based on the 2024 production and exploration. The Company plans to complete the estimation of resources and reserves in compliance with international standards by 2025.
7. The resources data of Laizhou Huijin Shaling Gold Mine is sourced from the 2023 annual report of Zhongjin Gold Corp., Ltd.

8. The remaining resources mining year is calculated based on the reserves and production scale of each mine as of 31 December 2024. 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.
9. Cut-off grade of mineral reserves assumed:
 - 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 Yinan Gold Mine were based on a cut-off grade of 1.71 g/t.
 - Reserves in Xinhui Company were based on a cut-off grade of 1.38 g/t.
 - Reserves in Laixi Company 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: 2.99 g/t for Jinqingding mine area, Hubazhuang mine area and Songjiazhuang mine area, 1.19 g/t for Yinggezhuang mine area, Xipo mine area and Yinggezhuang exploration area, and 1.31 g/t for Sanjia mine area and Sanjia exploration area.
 - Reserves in Guilaizhuang Gold Mine were based on the cut-off grade of 2.70 g/t.
 - Reserves in Penglai Gold Mine were based on a cut-off grade of 1.33 g/t.
 - Reserves in Chifengchai Gold 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 2.15 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.
10. Mineral reserve in Veladero Gold Mine was estimated based on cut-off grade: 0.20 g/t for Type 1 ore and 0.31 g/t for Type 2 ore;
Mineral resource was estimated based on cut-off grade: 0.28 g/t for Type 1 ore and 0.41 g/t for Type 2 ore.
11. 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.
12. Cut-off grade of mines of Shanjin International assumed:
 - Resources in Jilin Banmiaozi were based on a cut-off grade of Au1.0 g/t, and reserves were based on a cut-off grade of Au2.0 g/t.
 - Resources in Huasheng Gold Mine were based on a cut-off grade of Au0.3 g/t, and reserves were based on a cut-off grade of Au0.5 g/t.
 - Resources in Heihe Luoke were based on a cut-off grade of Au1.0 g/t, and reserves were based on a cut-off grade of Au3.0 g/t.
 - Resources in Qinghai Dachaidan were based on a cut-off grade of Au1.0 g/t, and reserves were based on a cut-off grade of Au2.0 g/t.
 - Resources in Yulong Mining were based on a cut-off grade of Σ Ag40-80 g/t, and reserves were based on a cutoff grade of Σ Ag80 g/t.
 - Resources in Namibia Osino were based on a cut-off grade of Au0.3 g/t and Au0.5 g/t, and reserves were based on a cut-off grade of Au0.45 g/t.

VII. ANALYSIS ON INVESTMENT STATUS

Overall analysis on external equity investment

During the Reporting Period, the Company signed the Equity Transfer Agreement with all shareholders of Baotou Changtai Mining to acquire 70% of the equity interests of Baotou Changtai Mining. The price of this equity transfer is based on the value of 100% of the entire equity of shareholders of Baotou Changtai Mining on 30 June 2023 as the valuation benchmark date, which is RMB681,805,500. After negotiation between both parties to the transaction, the transaction price of 70% of the equity interests of Baotou Changtai Mining is RMB471,100,000.

The Company's controlling subsidiary, Shanjin International, through its wholly-owned subsidiary 1466331 B.C. LTD., established in Canada by its subordinate Hainan Shengwei Trading Co., Ltd. (海南盛蔚貿易有限公司), acquired all issued and outstanding ordinary shares and to-be-diluted shares of Osino at a price of CAD 1.90 per share in cash. The final transaction amount for this acquisition is RMB1,890.0586 million.

1. Key Equity Investments

Unit: RMB10 thousand

Invested company	Major businesses	Mainly engaged in investment business	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)	Impact on the profit and loss during the period	Whether involved in litigation	Disclosure date (if any)	Disclosure index (if any)
Baotou Changyu Mining Co., Ltd. (包头市长安矿业有限责任公司)	Mining and processing of gold and silver; mining development; processing and sales of mineral products; mining engineering construction; sales of mining machinery.	Yes	47,110	70%	Yes	Long-term equity investment	Self-financing	Natural person	Long term	Completed the merger	/	/	No	12 March 2024	"Announcement on Resolutions of the Fifty-sixth Meeting of the Sixth Session of the Board of Directors of the Company"
Osino Resources Corp.	Mining and processing of gold.	Yes	189,005.86	100%	Yes	Long-term equity investment	Self-financing	/	Long term	Completed the merger	/	/	No	26 February 2024	"Announcement on the Acquisition of Equity in Osino Resources Corp. by Its Controlling Subsidiary, Yintai Gold of Shandong Gold Mining Co., Ltd."
Shandong Gold Occupational Disease Prevention and Control Hospital (山东黄金职业病防治院)	Provision of occupational health services for workers' occupational health and prevention and treatment of occupational diseases.	Yes	5,000	100%	Yes	Long-term equity investment	Self-owned	/	Long term	RMB 100 million had been contributed by the end of 2024.	/	/	No	28 October 2023	"Announcement on Resolutions of the Forty-ninth Meeting of the Sixth Session of the Board of Directors of Shandong Gold Mining Co., Ltd."
Total	/	/	241,115.86	/	/	/	/	/	/	/	/	/	/	/	/

2. Key Non-equity Investments

Unit: RMB100 million

No.	Project name	Total project investment amount	Progress of project	Amount completed during the Reporting Period	Cumulative amount completed	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 second phase of the project is under construction.	3.1	8.6	According to the Feasibility Study Report, after the project reaches capacity, the ore production and processing capacity will be 6.6 million tonnes per year, and the average annual production of flotation gold concentrate will be 290,600 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.	2.92	6.72	According to the Feasibility Study Report, after the project is completed and reaches capacity, the 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	Namdini Gold Mine project of Cardinal	37.73	It is currently in the trial production.	22.1	41.12	According to the Feasibility Study Report, after the project reaches capacity, the annual ore processing capacity will be 9.5 million tonnes, and the average annual output of crude gold ingots containing gold will be 8,438 tonnes.
4	Expansion project of 2,000t/d of mining and beneficiation in Chifeng Chaihulanzi Gold Mining Co., Ltd.	2.78	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.	0.58	2.35	According to the Feasibility Study Report, when the mine reaches production scale, it will produce 600,000 tonnes of ore per year.

Explanation: The completed investment amount and cumulative completed investment amount in this table represent the physical progress of the project investment.

3. Financial Assets Measured at Fair Value

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	475,759.73	-30,080.59	-	-	-	-	-	445,679.14
Trust products	48,037.4	3,761.38	-	-	-	1.11	-	51,797.68
Private equity	180,913.28	-1,242.22	-	-	5,149.14	21,512.7	-	163,307.49
Futures	25,777.52	134.25	-	-	42,268.02	67,534	-453.87	191.91
Derivatives	-145.52	-4,394.49	-	-	41,898.27	43,436.63	5,084.89	-993.48
Others	172,054.33	6,386.74	-	-	1,834,818.11	1,847,274.84	-799.29	165,185.05
Receivables financing	716.75	-	-	-	-	-	-708.75	8
Total	903,113.49	-25,434.93	-	-	1,924,133.54	1,979,759.28	3,122.98	825,175.79

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

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
Stock	601899	Zijin Mining	5,000.00	Self-owned funds	33,225.63	5,513.40	-	-	31,872.46	15,749.37	6,866.57	Financial assets held for trading
Stock	600022	Shandong Iron and Steel	5,000.00	Self-owned funds	246.69	14.41	-	-	-	-	261.10	Financial assets held for trading
Funds	/	/	3,100.00	Self-owned funds	14,402.82	-1,233.74	-	4,900.00	-	113.78	18,069.09	Financial assets held for trading
Others	/	/	500.00	Self-owned funds	5,340.52	-202.67	-	-	3,000.00	-	2,137.85	Financial assets held for trading
Total	/	/	13,600.00	/	53,215.67	4,091.40	-	4,900.00	34,872.46	15,863.15	27,334.61	/

Description of securities investment

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) (“**Jinquan Private Equity Fund**”), a wholly-owned subsidiary of SDG Capital Management, is a private equity fund manager registered with the Asset Management Association of China. Shanjin Futures Co., Ltd. (山金期貨有限公司) (“**Shanjin Futures**”) is a securities and futures operating institution established with the approval of the futures regulatory authority of the State Council, an asset management plan manager registered with the China Futures Association, and has the qualification of investment consultant. Jinquan Private Equity Fund and Shanjin Futures can invest and manage assets by setting up private equity funds and asset management plans.

The securities investment projects under the fund category are 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) and 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) independently managed by Jinquan Private Equity Fund. The securities investment project in other categories is the Antai No. 5 Single Asset Management Plan of Caitong Fund (財通基金安泰5號單一資產管理計劃), which is 100% held by Jinquan Private Equity Fund, and has the right to make investment decisions and is consolidated.

Investment in private equity fund

As of the end of the Reporting Period, the balance of investment in self-managed consolidated private equity funds of which SDG Capital Management’s wholly-owned subsidiary Jinquan Private Equity Fund, Shanjin Futures and Jinquan Investment Management Company (金泉投資管理公司), acted as managers with an investment proportion exceeding 30% or non-managers with an investment proportion reaching 100%, amounted to RMB1.537 billion.

Investment in derivatives

During the Reporting Period, the Company had derivative investments for hedging purposes:

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 derivative investment business for the purpose of hedging within the limits considered by the Board and the general 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 2024 did not exceed the authorization limit of RMB0.3 billion or its equivalent value in other currencies as considered and approved, and the maximum contract value did not exceed the authorization limit of RMB2.1 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 RMB3.6 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 RMB17.42 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 2024 of Shandong Gold Mining Co., Ltd. and Announcement on Commencement of Gold Leasing and Hedging Combination Business in 2024 of Shandong Gold Mining Co., Ltd. disclosed by the Company on 29 March 2024).

During the Reporting Period, subject to the limits considered by the Board and the general meeting, Shanjin International, a holding subsidiary of the Company, carried out derivatives trading business to avoid 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 RMB7 billion or its equivalent value in other currencies as considered and approved, and the amount of trading margin used did not exceed RMB1 billion or its equivalent value in other currencies as considered and approved at any point in time (for details, please refer to the Announcement on Derivative Trading Business Conducted by a Subsidiary of Yintai Gold, a Controlling Subsidiary of Shandong Gold Mining Co., Ltd. disclosed by the Company on 23 March 2024).

An explanation on the accounting policies and specific accounting principles for the hedging business during the Reporting Period, as well as whether there have been any significant changes as compared with the previous reporting period	In accordance with the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, the Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments, the Accounting Standards for Business Enterprises No. 39 – Fair Value Measurement and other relevant regulations and guidelines issued by the Ministry of Finance, the Company has carried out corresponding accounting treatment for derivative trading business, which are reflected in the relevant items of the balance sheet and the statement of profit or loss. The Company did not meet the applicable conditions of the Accounting Standards for Business Enterprises No. 24 – Hedge Accounting, and had not applied hedge accounting for the time being. During the Reporting Period, there was no significant change in the accounting policies and specific accounting principles of hedging business as compared with the previous reporting period.
Explanation on actual profit and loss during the Reporting Period	During the Reporting Period, there was no loss after adding up the derivative contract transactions and spot value movements of the hedging business in which the Company and its subsidiaries were involved, which realized the purpose of hedging.
Description of hedging effect	In order to avoid the impact of price and exchange rate fluctuations on production and operation and ensure the continuity and stability of the operating results, the Company and its subsidiaries carried out hedging business related to the main business. The financial derivative contracts, for which the Company is engaged in hedging business, is linked to products and foreign exchange related to the Company's production and operation, which reduced the risk of price fluctuations, achieved the expected risk management objectives, and further enhanced the Company's production and operation level and risk resistance capability.
Source of funds for investment in derivatives	Self-owned funds

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.)

(I) Risk analysis: In the process of conducting futures and derivatives transactions, the Company and its subsidiaries always aim to reduce the risk of fluctuations in prices and exchange rates, and places risk control in the first place in accordance with the principles of legality, prudence, safety and effectiveness. The Company and its subsidiaries do not engage in speculative transactions under the guise of hedging; all transactions conducted are backed by physical business activities, there may still be some risks in the course of business: 1. Market risks: Due to changes of fundamentals, there may be wide fluctuations in the prices of futures and derivatives and even deviations between futures prices and spot prices. As a result, hedge may be less effective or ineffective, and the risk of losses may arise. 2. Operational risks: Hedging business takes professional skills, and the trading is complex. An incomplete internal control mechanism or mistakes may cause risks. 3. Liquidity risks: Due to insufficient market volume or lack of willing counterparties, the trading cannot be completed at the desired point in time, or even cannot be executed at all, resulting in the risk of certain losses. Futures trading operates on a margin and daily mark-to-market system. If the invested amount is excessively large, it may lead to liquidity risk. Moreover, insufficient trading margin could result in the forced liquidation of held positions, causing actual losses. 4. Technical risks: Due to software or hardware failures or other failures, the trading system may malfunction, resulting in delays, interruptions or data errors of trading instructions. Changes of trading rules that are not conducive to the Company due to force majeure may cause relevant risks. 5. Other risks: Relevant businesses may be affected by factors such as global politics, wars, the economy and changes of laws, and or incurred losses to the Company due to the failure to execute contracts caused by the counterparty defaults, etc..

(II) Risk control measures: 1. The Company strictly complies with national laws and regulations, regulatory requirements, industry standards, as well as the requirements of the Company's articles of association and relevant rules and regulations, to ensure the legality, compliance and effectiveness of its operations. 2. The Company rigorously manages authorization, and the scale, types, and duration of financial derivative transactions shall be subject to the consideration and approval of the Board of Directors and general meeting. It reasonably arranges and utilizes the approved quotas and conducts real-time monitoring and statistics. Trading beyond limits is not allowed unless it gets approval. 3. The Company strengthens the establishment of internal control system, and has formulated corresponding business management systems, which clarify the responsibilities of relevant departments, business consideration and approval procedures, operation and implementation, risk management requirements, and supervision and inspection etc.. 4. The Company strictly implements the principle of incompatibility of the front, middle and back office responsibilities and personnel, and is equipped with professional clearing risk control personnel to balance, allocate and transfer available funds in accounts in a timely manner according to the degree of risk of the accounts to prevent margin risk of the accounts; a corresponding reporting system has been established to regularly report to the Company's management. The Company has launched a transaction information management and control platform. The Company keeps on tracking the price fluctuations of financial derivatives and the status of hedging operations, timely assess the changes of the risk exposure of financial derivatives trading and conducts daily monitoring of the business. Once any abnormal situation is identified, it will be reported promptly to alert risks, and the corresponding risk early warning mechanism will be activated based on specific situations. 5. The Company trades futures and derivatives on the Shanghai Gold Exchange, the Shanghai Futures Exchange, the Chicago Mercantile Exchange and other legitimate exchanges. The counterparties who selected for over-the-counter derivatives trading are large legitimate and qualified commercial banks, investment banks and other financial institutions, avoiding credit risks related to trading.

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

The Company prudently engaged in futures and derivatives trading for hedging purposes. During the Reporting Period, the gains and losses on derivatives were determined based on the closing market price of the exchange.

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

1. Landscape and Development Trend in the Industry

Competitive landscape in the industry

The current international environment becomes increasingly complex, unilateralism, protectionism and populism are on the rise, global geopolitical risks are frequent, and economic growth momentum is insufficient. Against this backdrop, gold, as an important strategic reserve that can enhance currency credibility and ensure national financial stability, has become a scarce resource sought after by all parties. Internationally, the surge in gold resource mergers and acquisitions is evident, with international peers such as Gold Fields Limited and AngloGold Ashanti (the leading global companies) intensifying their resource merger and acquisition efforts, acquiring large-scale gold mining projects to expand their gold production and further enhance their influence in the gold mining sector. Domestically, on one hand, relaxed national mining policies have provided new development opportunities for mining enterprises. The State has vigorously promoted a new round of strategic actions for mineral exploration breakthroughs, launching a large number of high-quality mining rights with mineral exploration prospects and resource potentials, supporting the development of mining enterprises and ensuring national mineral resource security. On the other hand, domestic gold mining companies have actively advanced their internationalization processes, with key gold mining companies making continuous progress in overseas mergers and acquisitions. In 2024, Shanjin International, a subsidiary of Shandong Gold, completed the acquisition of Osino, adding approximately 127.2 tonnes of gold resources for Shanjin International. Zhaojin Mining completed the acquisition of Australia's Tietto Minerals, gaining 88% equity interests of Abujar Gold Mine in Côte d'Ivoire. As the importance of mineral resources in the industrial competition among major powers continues to rise, global competition for gold resource mergers and acquisitions will become even more intense.

Currently, against the backdrop of increasingly heightened uncertainties in the global political and economic landscape, the demand for gold is expected to remain strong. Firstly, in terms of economic performance, the new U.S. administration's imposition of additional tariffs on foreign goods will trigger a new round of trade frictions, harming the global economy, while the rising U.S. debt level may undermine the credibility of United States dollars. Secondly, in terms of monetary policy, as the imposition of additional tariffs on foreign goods may impact the U.S. economy and drive inflation rebound, the Federal Reserve is expected to keep cutting interest rates, albeit at a slower pace. Lastly, in terms of geopolitical risks, the "America First" related policies that U.S. government has planned to implement will exacerbate tensions among major powers, making the global geopolitical landscape even more complex. Under the combined influence of these multifaceted factors, the value preservation and risk-averse functions of gold in global asset allocation are expected to be further enhanced, and the gold industry will face promising development opportunities.

Industry development trend

Gold mineral resources are the foundation for the development of gold industry and the basis for the survival and growth of gold enterprises. In recent years, China's gold enterprises have actively implemented the national deployment for a new round of strategic actions for mineral exploration breakthroughs, intensified their geological exploration efforts, and acquired resources globally through mergers, acquisitions, integrations and other methods, leading to the further concentration of high-quality gold resources among large gold enterprises. Meanwhile, the gold industry has continuously increased its efforts in scientific and technological innovation, particularly for large gold enterprises, which have continuously enhanced their independent innovation capabilities, promoted the transformation of scientific and technological achievements, and practiced responsible gold mining concepts, thereby driving the green, low-carbon and high-quality development of the gold industry.

2. Development Strategies of the Company

The Company's strategic vision is to become a "world-class gold mining enterprise with excellent technology and management and sustainable development". The Company will give full play to the leading role of large gold enterprises, steadfastly practice the green, innovative and lean development concepts, coordinate the domestic and international market landscape, and rely on the resource integration in important metallogenic zones to steadily advance the mergers and acquisitions of high-quality resources both domestically and internationally, so as to ensure the rapid and efficient release of overall production capacity in key areas. Meanwhile, we will accelerate the construction progress of infrastructure mine enterprises, promote the capacity stabilization and increase of in-production mine enterprises, and improve quality and efficiency by strengthening management, comprehensively enhancing operational efficiency and profitability. We are committed to establishing a comprehensive safety and environmental protection management system, actively developing and promoting new technologies, new equipment and new processes, and continuously enhancing the level of green and safe development. 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.

3. Business Plans

In 2025, the production and operation plan determined by the Company is that the gold output is no less than 50 tonnes. The plan is formulated based on the current economic situation, market conditions and the situation of production and operation of the Company. As this is a guiding indicator of the Company and subject to uncertainty, it does not constitute a commitment to achieve production, and the Company may make corresponding adjustments in due course depending on the future development of the situation.

Main measures to be taken in 2025:

(I) Focusing on capacity expansion and production increase, and strategically optimizing production management. We will develop the “15th Five-Year Plan” in a high standard, scientifically formulate annual budgets and production and operation plans, and decompose targets at all levels to ensure the fulfillment of responsibilities at each level. We will continuously optimize the production organization, production systems and processes, actively promote the construction of production and operation control systems and platforms, and vigorously promote advanced mining, beneficiation and smelting techniques and methods, accelerating the intelligent construction progress of mines, and expediting the implementation of critical production support projects. We will strive to increase mining outputs and enhance feed grades, so as to achieve quality improvement, capacity expansion, output stabilization and production increase.

(II) Focusing on empowering growth, and further enhancing scientific and technological innovation. We will increase our investment in scientific and technological research and development and our efforts in the transformation of achievements, deepen the industry-university-research integration and innovation, and make scientific researches focusing on seven major areas including intensive mining methods, intelligent large-scale paste filling, difficult beneficiation and smelting, photoelectric pre-sorting of gold ores, deep shaft construction, deep exploration of mines and intelligent support, so as to accelerate the resolution of “stuck neck” technical problems. We will promote the upgrading of scientific research platforms, and proactively participate in provincial-level and national-level key research and development projects, actively cultivating and developing new quality productive forces.

(III) Focusing on increasing resource reserves, and firmly consolidating resource guarantees. We will accelerate the informatization construction progress of geological resources, strengthen our researches on regional geological mineralization patterns, and increase our efforts in the boundary exploration, deep deposit exploration and peripheral expansion at mining areas, continuously expanding our mine exploration achievements. Meanwhile, we will continuously track and focus on merger and acquisition projects with high potentials, and enhance the acquisition of resources around the mining areas as well as in important metallogenic zones both domestically and internationally, building a resource reserve with reasonably coordinated gradients and timing sequences to continuously solidify the resource foundation.

(IV) Focusing on project construction, and steadily accelerating project progress. We will comprehensively review project construction timelines and roadmaps to promote the construction of key engineering projects in a high-quality and efficient manner, so as to achieve early completion, commissioning and achievements. As for the resource integrated project of Jiaojia Gold Mine and Xincheng Gold Mine, we will strictly adhere to schedules and plans to effectively implement critical projects, and fully guarantee the construction progress. We will increase the construction intensity of approved projects such as the Sanshandao auxiliary shaft for the Sanshandao Gold Mine, while simultaneously proceeding with the procedures for the whole expansion project of 15,000t/d of mining and beneficiation to ensure the project is ready for comprehensive construction as soon as possible. We will continue to promote the joint adjustment and commissioning as well as trial production for the production system of the Namdini Gold Mine project of Cardinal, and increase its capacity, so as to promote the project to reach its production capacity smoothly.

(V) Focusing on the enhancement of quality and efficiency, and unleashing the potential for management efficiency improvement. We will focus on key operational indicators and continuously enhance the level of lean management. We will deepen our efforts to reduce costs and increase efficiency, and systematically advance cost reduction in management, finance, policy, and centralized procurement, so as to control the cost and expenses within a reasonable range. We will strengthen the full-cycle management of projects, strictly control project timelines, investments, and quality, ensuring closed-loop supervision of investment matters before, during, and after events.

(VI) Focusing on safety and environmental protection, and laying a solid foundation for green development. We will better coordinate development and safety, with the three-year campaign for tackling the root causes of safety production as the main focus, and the prevention and resolution of major safety risks as the key initiative. We will adhere to the principles of controlling the safety according to law, and strengthening the safety control with scientific and technologies, so as to control the source and promote precise prevention of safety risks. We will prioritize the optimization of production systems, the construction of intelligent mines, the identification and management of hidden risks, and the enhancement of overall employee competence, thereby solidifying the foundation of safety production and promoting the transition of the safety governance model towards pre-event prevention, aiming to build “a safety Shandong Gold” at higher level. We will scientifically and steadily advance carbon peaking and carbon neutrality, synergistically promote carbon reduction, pollution control, green expansion, and growth, and comprehensively enhance the effectiveness of green mining construction.

(VII) Focusing on Party building, and comprehensively enhancing the level of Party building. We will explore new platforms and pathways for Party building, and actively carry out distinctive grassroots Party building brand creation activities. We will resolutely shoulder the primary responsibility of strict Party governance, continuously optimize the “big supervision” operational system, and promote the continuous optimization and improvement of the Company’s political ecosystem. We will scientifically manage talent allocation, with a particular focus on the construction of the young cadre team, continuously increase efforts to attract strategic talents, leading talents, and various high-level professionals, and diligently carry out the recruitment and training of industrial workers, comprehensively enhancing the overall quality of the Company’s talent pool.

(VIII) Focusing on corporate governance, and continuously enhancing the quality of the listed company. We will continuously improve the corporate governance system and further enhance the level of standardized operations and the quality of information disclosure. We will deepen investor relations management, maintaining multi-channel communication and positive interaction with investors. We will comprehensively implement the concept of sustainable development from multiple dimensions, improve the construction of ESG system, and fully enhance the future-oriented sustainable development capabilities of the Company. We will prioritize shareholder returns, and conduct market value management work in a compliant, scientific, and systematic manner, striving to actively reward Shareholders with the achievements of the Company’s development.

4. Possible Risks

The Company clarifies the risk management responsibilities of the Board, the management and various departments and positions by strengthening organizational leadership, and establishes a whole process and chain risk prevention and control work system and work mechanism based on the standard of “standardization and stability”, so as to firmly and vigorously prevent and resolve risks. Investors are advised that the Company has listed the main risks and will take various countermeasures, and however, the Company cannot absolutely guarantee the elimination of all adverse factors due to constraints of various factors.

(1) Safety Management Risks

As the safety demands of employees and the safety production supervision of governments at all levels continue to increase, despite significant efforts in safety management made by the Company, there are still issues in safety management, including inadequate implementation of responsibilities, incomplete identification of potential hazards, insufficient rectification of specific issues, and incomprehensive education and training due to factors such as natural conditions, personnel competency, technical capabilities and scientific and technological levels, leading to risks of production safety incidents, and restricting the achievement of the Company’s intrinsic safety goals. Any casualties and property losses will have a significant impact on the Company’s brand and social reputation.

Countermeasures: We signed safety work responsibility certificates at all levels, decomposing and implementing safety management objectives and responsibilities to specific positions and individuals; released the Opinions on Strengthening Safety Work in 2025 to guide the Company's safety work throughout the year; revised and improved various safety work management systems, solidifying the construction of safety work standardization. We strengthened prevention at source, promoted the transformation of safety hazard management from post-incident to pre-incident prevention, established a standardized safety work management system centered on the dual prevention mechanism of safety risk classification control and investigation and management of hidden dangers. We routinely implemented mining top help full support; accelerated the rectification of production systems, enhanced mine ventilation rectification, standardized the investigation and management of hidden disaster factors and established a normalized dynamic clearance mechanism for major accident hazards. We strengthened scientific and technological breakthroughs on mine safety, promoted the smart mine construction with the principles of "reducing the number of workers with mechanized, automated and intelligent equipment", for the purpose of increasing the intrinsic safety level of mines. We ensured safety investment, provided safety training, and enhanced the safety level of the working environment to improve the safety quality of safety managers and operators.

(2) *Environmental Protection Management Risks*

Currently, the requirements of ecological and environmental protection policies are becoming increasingly stringent, and environmental regulations are tightening. The mining industry is still facing a severe environmental protection situation. Although the Company's ecological and environmental protection efforts have maintained a stable state, there is still a need to further strengthen basic environmental management, ecological restoration, pollution prevention, and risk control. In the event of incidents such as environmental pollution and major violations of laws and regulations in energy conservation and environmental protection, it will have a significant impact on the Company's healthy development and corporate image.

Countermeasures: We stuck to deeply studying and implementing the ecological civilization thoughts of General Secretary Xi Jinping and the development concept of “lucid waters and lush mountains are invaluable assets”, increased publicity on ecological civilization, strengthened the ecological and environmental awareness of all employees. All employees signed ecological and environmental protection responsibility agreements, with responsibilities being firmly established at all levels, creating a collaborative effort where everyone takes joint responsibility and works together. We improved various ecological and environmental management systems, strengthened management of the “three simultaneities” of environmental protection, pollution prevention and control, cyanide residue, tailings and other links or areas. We regularly carried out investigation and treatment of potential environmental hazards, promoted the rectification and implementation of outstanding environmental problems, and reduced environmental risks. We strengthened the construction of environmental protection professional technology and management teams, enhanced education and training, and improve management levels. We increased investment in environmental protection, continuously improved pollution prevention and control level, orderly reduced pollution and carbon emissions, synergistically increased efficiency, continuously reduced pollutant emissions, and improved the ecological environment of mining areas. We intensified scientific and technological innovation, vigorously promote key technology breakthrough in “three wastes” treatment, cyanide-free gold extraction process, tailings comprehensive utilization, ecological restoration, pollution reduction and carbon emission reduction, etc.. We actively expanded the utilization ways of solid waste including tailings and waste rocks, improved the comprehensive utilization rate of solid waste including tailings and waste rocks to promote the construction of mines without tailings and waste. We strengthened the construction of environmental emergency response systems, timely prepared (revised) emergency plans for environmental emergencies, strengthened drills, prepared sufficient emergency materials, and improved the emergency prevention capabilities.

(3) *Risks of fluctuation in product prices*

The Company’s main product is gold, and fluctuations in gold prices bring significant uncertainty to the Company’s operational benefits. Against the backdrop of the severe global economic situation and increased geopolitical instability, changes in national policies (such as monetary policy, fiscal policy, industry policy, regional development policy, etc.) and fluctuations in exchange rates could have a substantial impact on product prices, thereby affecting 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 formulate diversified strategies and effectively reduced the risk of price fluctuations.

(4) *Resource Acquisition Risk*

With the intensification of global resource competition, stricter national safety and environmental policies, adjustments in industry policies and other factors, the difficulty of acquiring resources has increased.

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 exploration process of primary mining rights and continuously achieved breakthroughs in mineral discovery. By strengthening the leading role in science and technology, we made 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.

(5) *Exchange Rate Volatility Risk*

The majority of the Group's revenues, operating costs and expenses are, and are expected to remain, denominated in RMB. However, revenue generated from our Argentine operations is denominated in USD, while the operating and capital costs of the Veladero Gold Mine are partially denominated in ARS. As the price trends for gold denominated in RMB are generally in line with international gold prices denominated in USD and the ARS has experienced significant volatility previously, the Group's revenue may be subject to substantial changes in the exchange rate of the RMB against the USD rate as well as the ARS against the USD. Therefore, the Group's consolidated financial results may be affected. The management monitors foreign exchange exposure and hedges foreign exchange risk in a timely manner as and when required.

IX. OTHERS

Final Dividend and Annual General Meeting

The payment of cash dividend of RMB1.48 per 10 Shares (tax inclusive) is proposed to all Shareholders. As at 27 March 2025, the Company has a total share capital of 4,473,429,525 Shares. Calculated based on this basis, the proposed cash dividend is approximately RMB662,067,569.70 (tax inclusive). The remaining undistributed profits are carried forward for the subsequent annual distribution. The above proposal will be put forward at the forthcoming annual general meeting of the Company for consideration and approval. In addition, a dividend of RMB0.8 per 10 Shares (tax inclusive) has been distributed in the 2024 interim, and the cumulative dividend for the whole year of 2024 is RMB2.28 per 10 Shares (tax inclusive). The specific arrangements regarding the final dividend and its distribution and the timing arrangement of the closure of register of members of H Shares will be disclosed separately in the circular for the annual general meeting. If approved at the annual general meeting, the Company shall distribute the dividend within two months after the date of the annual general meeting, i.e. on or before 15 August 2025.

Purchase, Sale or Redemption of Listed Securities of the Company

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) during the year ended 31 December 2024.

As at 31 December 2024, the Company did not hold any treasury Shares.

Material Change

Save as disclosed herein, there has been no material change in respect of the future developments in the business of the Group (including the Company's prospects for the current financial period) since the publication of the Company's 2024 interim report.

Corporate Governance

The Company, being a company listed in 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 strives to protect and enhance 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 is committed to the maintenance of good corporate governance practices, with reference to the CG Code. The Board is of the opinion that the Company had complied with all the applicable code provisions as set out in the CG Code during the year ended 31 December 2024.

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. Having made specific enquiries with all the Directors and Supervisors, each of the Directors and Supervisors has confirmed that he/she has complied with the Model Code during the Reporting Period.

Audit Committee

The audit committee currently comprises of two non-executive Directors, Mr. Li Hang and Ms. Wang Xiaoling and three independent non-executive Directors, Mr. Wang Yunmin, Mr. Liew Fui Kiang and Ms. Zhao Feng. The chairperson 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 2024 and further 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 2024, which have been agreed by the Company's auditors, are in compliance with the applicable accounting standards and relevant laws and regulations and have made sufficient disclosure.

Other Significant Events During the Reporting Period

On 26 January 2024 (after trading hours), the Company and Shandong Gold Geological Mine Exploration Co., Ltd. (山東黃金地質礦產勘查有限公司) ("**Shandong Gold Exploration**") entered into the Acquisition Agreement, pursuant to which Shandong Gold Exploration agreed to sell and the Company agreed to acquire the Xiling Gold Mine Exploration Right, at a consideration of RMB10,334,248,700. The relevant resolution was considered and approved at the 2024 second extraordinary general meeting of the Company held on 7 March 2024. For details, please refer to the Company's announcement dated 26 January 2024 and the circular dated 21 February 2024 published on the website of the Hong Kong Stock Exchange.

On 26 January 2024, in accordance with the latest provisions of the Management Measures for Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》) of the China Securities Regulatory Commission and the Hong Kong Listing Rules and based on the actual conditions of the Company, the Company made amendments to the Articles of Association and the amendments to the Articles of Association were approved by Shareholders at the 2024 second extraordinary general meeting of the Company held on 7 March 2024. For details, please refer to the Company's announcement dated 26 January 2024 and the circular dated 21 February 2024 published on the website of the Hong Kong Stock Exchange.

In the view of the fact that the issuance of A Shares to target subscribers by the Company has not yet been completed, the Company proposed to extend the validity period of the Shareholders' resolution in relation to the issuance of A Shares to target subscribers and the validity period of the authorization by the Shareholders' general meeting to the Board and its authorized persons with full discretion to deal with the relevant matters relating to the issuance of A Shares to target subscribers, in order to ensure the smooth progress of the relevant work. The Company convened the 62nd meeting of the sixth session of the Board and the 37th

meeting of the sixth session of the Supervisory Committee on 9 July 2024, which considered and approved the Resolution on the Extension of the Validity Period of the Shareholders' Resolution in relation to the Issuance of A Shares of the Company to Target Subscribers, which proposed to extend the validity period of the Shareholders' resolution in relation to the issuance of A Shares to target subscribers to 29 July 2025. The Company convened the 62nd meeting of the sixth session of the Board and the 37th meeting of the sixth session of the Supervisory Committee on 9 July 2024, which considered and approved the Resolution on the Extension of the Validity Period of the Authorization by the Shareholders' Meeting to the Board and its Authorized Persons with Full Discretion to Deal with the Relevant Matters relating to the Issuance of A Shares to Target Subscribers, which proposed to extend the validity period of the authorization by the Shareholders' meeting of the Company to the Board and its authorized persons with full discretion to handle matters related to the issuance of A Shares to target subscribers. As for the authorization, if it involves specific implementations after the approval of the issuance from the regulatory authority and the stock exchange, the validity period of the authorization shall be from the date of consideration and approval by the general meeting of the Company to the date of completion of such specific implementations, while the validity period of remaining authorization shall be extended to 29 July 2025. The relevant resolutions were considered and approved at the 2024 fourth extraordinary general meeting, the 2024 second A Shares class meeting and the 2024 second H Shares class meeting of the Company held on 29 July 2024. For details, please refer to the Company's announcement dated 29 July 2024 and the circular dated 12 July 2024 published on the website of the Hong Kong Stock Exchange.

Due to the actual amounts of the sales of products and services by the Group to SDG Group, the granting of trademark licensing and property leasing by SDG Group to the Group, and the provision of property leasing to SDG Group by the Group are expected to exceed the original forecasts, the existing annual caps for the above transactions for the financial year ended 31 December 2024, are anticipated to be insufficient. Therefore, on 28 August 2024 (after trading hours), the Board has approved the resolutions on the increase in annual caps of the sales of products and services by the Group to SDG Group, the granting of trademark licensing and property leasing by SDG Group to the Group, and the provision of property leasing by the Group to SDG Group for the financial year ended 31 December 2024, and to re-comply with the requirements of Chapter 14A of the Hong Kong Listing Rules. For details, please refer to the Company's announcement dated 28 August 2024 published on the website of the Hong Kong Stock Exchange.

Having considered that the existing 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 for facilitating the Group's operational needs of financial services. The New Financial Services Framework Agreement is valid for three years and took effect from 1 January 2025 to 31 December 2027. The relevant resolution was considered and approved at the 2024 fifth extraordinary general meeting of the Company held on 18 October 2024. For details, please refer to the Company's announcement dated 20 September 2024, and the circular dated 27 September 2024 published on the website of the Hong Kong Stock Exchange.

Significant Events After the Reporting Period

On 28 November 2024, the Company made amendments to the Rules of Procedure for the Board of Directors and the Rules of Procedure for the Supervisory Committee of the Company in accordance with the relevant provisions of laws, regulations and normative documents including the Self-regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 1 – Standardized Operation, and taking into account the actual situation of the Company. The relevant resolutions were considered and approved at the first extraordinary general meeting of 2025 of the Company held on 14 January 2025. For details, please refer to the Company’s announcement dated 14 January 2025 and the circular of the Company dated 24 December 2024 published on the website of the Hong Kong Stock Exchange.

Publication of Audited Annual Results Announcement and Annual Report

This audited annual results announcement is published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.sdhjgf.com.cn), and the 2024 annual report of the Company containing all the information required by the Hong Kong Listing Rules will be published on the above websites in due course.

DEFINITIONS

In this results announcement, unless otherwise indicated in the context, the following expressions have the meanings set out below:

“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 the Company;
“Baotou Changtai Mining”	Baotou Changtai Mining Co., Ltd.;
“Board” or “Board of Directors”	the Board of Directors of the Company;
“Cardinal”	Cardinal Resources Limited;
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules;
“Chifengchai Mine”	Chifeng Chaihulanzi Gold Mining Co., Ltd.;
“China”, “PRC” or “State”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan;

“CSRC”	China Securities Regulatory Commission;
“Director(s)”	the director(s) of the Company;
“Fujian Yuanxin”	Fujian Province Zhenghe County Yuanxin Mining Co., Ltd.;
“Group”, “the Group”, “our”, “we” or “us”	the Company and all of its subsidiaries or, where the context so requires, in respect of the period before the Company became the holding company of its existing subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be);
“Guilaizhuang”	Shandong Gold Guilaizhuang Mining Co., Ltd.;
“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 Kyangye Kaifa Ltd.;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“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;
“IFRS”	the International Financial Reporting Standards which include standards and interpretations promulgated by the International Accounting Standards Board;
“Jiaojia Gold Mine”	Jiaojia Gold Mine, Shandong Gold Mining (Laizhou) Co., Ltd.;
“Jilin Banmiaozi”	Jilin Banmiaozi Kuangye Ltd.;
“Jinchuan Mining”	Xinjiang Jinchuan Mining Co., Ltd.;
“Jinzhou Company”	Shandong Jinzhou Mine Group Co., Ltd.;
“Laixi Company”	Shandong Gold Mining (Laixi) Co., Ltd.;
“Linglong Gold Mine”	Shandong Gold Mining (Linglong) Co., Ltd.;
“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;

“Penglai Mining”	Shandong Gold Group Penglai Mining Co., Ltd.;
“PRC Company Law”	the Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time;
“Qinghai Dachaidan”	Qinghai Dachaidan Kuangye Ltd.;
“Reporting Period” or “current period”	from 1 January 2024 to 31 December 2024;
“RMB”	Renminbi, the lawful currency of China;
“Sanshandao Gold Mine”	Shandong Gold Mining (Laizhou) Co., Ltd., Sanshandao Gold Mine;
“SDG Capital Management”	SDG Capital Management Co., Ltd. (山金金控資本管理有限公司), a limited liability company incorporated in the PRC on 14 November 2012;
“SDG Group Finance” or “SDG Finance Co.”	Shandong Gold Group Finance Co., Ltd. (山東黃金集團財務有限公司), a company incorporated in the PRC with limited liability on 17 July 2013, which was held as to 30% by the Company and 70% by SDG Group Co., respectively;
“SDG Group”	SDG Group Co. and all of its subsidiaries;
“SDG Group Co.”	Shandong Gold Group Co., Ltd. (山東黃金集團有限公司), a limited liability company incorporated in the PRC on 16 July 1996, the controlling Shareholder of the Company; as of the date of this announcement, SDG Group Co. is held as to 70%, 20% and 10% by 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), Shandong Guohui Investment Holding Group Co., Ltd.* (山東國惠投資控股集團有限公司) and Shandong Caixin Asset Management Co., Ltd.* (山東省財欣資產運營有限公司), respectively. Shandong Guohui Investment Holding Group Co., Ltd. is a limited liability company established in the PRC and is held as to 100% by the State-owned Assets Supervision and Administration Commission of Shandong Provincial People’s Government;
“SFC”	the Securities and Futures Commission of Hong Kong;

“Shandong Gold” or “Company”	Shandong Gold Mining Co., Ltd. (山東黃金礦業股份有限公司), a joint stock company incorporated in the PRC under the laws of the People’s Republic of China with limited liability on 31 January 2000, the H Shares and A Shares of which are listed on the main board of the Hong Kong Stock Exchange (stock code: 1787) and the Shanghai Stock Exchange (stock code: 600547), respectively;
“Shanghai Gold Exchange”	Shanghai Gold Exchange (上海黃金交易所);
“Shanghai Stock Exchange” or “SSE”	Shanghai Stock Exchange (上海證券交易所);
“Shanjin International”	Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司) (formerly “Yintai Gold Co., Ltd. (銀泰黃金股份有限公司)”), a joint stock company established in the PRC with limited liability on 18 June 1999, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000975), and a controlling subsidiary of the Company;
“Share(s)”	share(s) in the share capital of the Company, with a nominal value of RMB1.0 each, comprising our A Share(s) and our H Share(s);
“Shareholder(s)”	holder(s) of the Share(s);
“Supervisor(s)”	the supervisor(s) of the Company;
“Supervisory Committee”	the supervisory committee of the Company;
“United States” or the “ U.S. ”	the United States of America;
“USD” or “US dollars(s)”	United States dollar, the lawful currency of the United States;
“Veladero Gold Mine”	Veladero Gold Mine, Argentina;
“Xihe Zhongbao”	Xihe Zhongbao Mining Co., Ltd.;
“Xiling Gold Mine Exploration Right”	the exploration and prospecting right of the gold mine at Xiling Village in Laizhou City, Shandong Province;
“Xincheng Gold Mine”	Xincheng Gold Mine, Shandong Gold Mining Co., Ltd.;

“Xinhui Company”

Shandong Gold Mining (Xinhui) Co., Ltd.; and

“Yinan Gold Mine”

Shandong Gold Mining (Yinan) Co., Ltd..

By order of the Board
Shandong Gold Mining Co., Ltd.
Li Hang
Chairman

Jinan, the PRC, 27 March 2025

As at the date of this announcement, the executive Directors are Mr. Liu Qin, Mr. Wang Shuhai and Mr. Tang Qi; the non-executive Directors are Mr. Li Hang and Ms. Wang Xiaoling; and the independent non-executive Directors are Mr. Wang Yunmin, Mr. Liew Fui Kiang and Ms. Zhao Feng.

* For identification purposes only