
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Shandong Gold Mining Co., Ltd.** (山東黃金礦業股份有限公司) (the “Company”), you should at once hand this circular and the enclosed proxy form to the purchaser or transferee or to licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

- 1. 2024 WORK REPORT OF THE BOARD OF DIRECTORS**
- 2. 2024 WORK REPORT OF THE SUPERVISORY COMMITTEE**
- 3. 2024 WORK REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS**
- 4. 2024 FINAL FINANCIAL REPORT**
- 5. 2024 ANNUAL REPORT AND ITS EXTRACTS**
- 6. PROFIT DISTRIBUTION PROPOSAL FOR 2024**
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- 16. RESOLUTION ON GENERAL MANDATE TO ISSUE H SHARES**
- 17. NOTICE OF 2024 ANNUAL GENERAL MEETING**

A notice convening the annual general meeting (the “AGM”) of Shandong Gold Mining Co., Ltd. to be held at the conference room of the Company, No. 2503, Jingshi Road, Licheng District, Jinan, Shandong Province, the PRC at 9:30 a.m. on Wednesday, 11 June 2025 is set out on pages 86 to 90 of this circular.

The proxy form for use in connection with the AGM is enclosed herewith. The said proxy form is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk).

Any shareholder(s) of the Company (the “Shareholders”) entitled to attend and vote at the AGM are entitled to appoint one or more proxies to attend and vote on his/her behalf. A proxy need not be a shareholder of the Company. If you intend to appoint a proxy to attend the AGM and vote on your behalf, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return it by hand, by post or by facsimile to the Company's H share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders only) as soon as possible and in any event not later than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof (as the case may be) (i.e. before 9:30 a.m. on Tuesday, 10 June 2025). Completion and return of the proxy form will not preclude you from attending and voting at the AGM or any adjournment hereof should you so wish.

If H Shareholders intend to register for the AGM, please contact the Board office of the Company before 4:30 p.m. on Friday, 6 June 2025 (Email: hj600547@163.com; Phone: 0531-67710376).

21 May 2025

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“A Share(s)”	the domestic share(s) issued by the Company to domestic investors with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange;
“A Shareholder(s)”	holder(s) of A Share(s);
“AGM”	the annual general meeting of the Company to be held at the conference room of the Company, No. 2503, Jingshi Road, Licheng District, Jinan, Shandong Province, the PRC at 9:30 a.m. on Wednesday, 11 June 2025;
“Annual Report”	the 2024 annual report published on 24 April 2025 on the websites of the Company (www.sdhjgf.com.cn) and Hong Kong Stock Exchange (www.hkexnews.hk);
“Articles of Association”	the articles of association of the Company, as amended from time to time;
“Board” or “Board of Directors”	the board of directors of the Company;
“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 PRC 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;
“Company Law”	the Company Law of the PRC;
“CSRC”	China Securities Regulatory Commission;
“Director(s)”	the director(s) of the Company;
“General Mandate”	a general mandate to be granted to the Board for issuing H Shares representing up to the limit of 20% of the aggregate number of H Shares in issue on the date of passing the relevant resolution by the Shareholders;
“Group”	the Company and its subsidiaries;

DEFINITIONS

“H Shares”	the overseas-listed foreign invested share(s) in the Company’s share capital, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange;
“H Shareholder(s)”	holder(s) of H Shares;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong dollar”	Hong Kong dollar, the lawful currency of Hong Kong;
“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;
“Latest Practicable Date”	20 May 2024, being the latest practicable date for the purpose of ascertaining certain information contained in this circular;
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC;
“PRC” or “China”	the People’s Republic of China, but for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region and Taiwan;
“Profit Distribution”	the proposed distribution of cash dividend of RMB1.48 (tax inclusive) for every 10 Shares;
“RMB”	Renminbi, the lawful currency of the PRC;
“SDG Group”	SDG Group Co. and all of its subsidiaries;

DEFINITIONS

“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, and 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 Co., Ltd. (山東國惠投資有限公司) and Shandong Provincial Council for Social Security Fund (山東省社會保障基金理事會), respectively. Shandong Guohui Investment Holding Group Co., Ltd. is a limited liability company established outside the PRC and is held as to 100% by the State-owned Assets Supervision and Administration Commission of Shandong Provincial People’s Government;
“SDG Hong Kong”	Shandong Gold Mining (Hong Kong) Co., Limited (山東黃金礦業(香港)有限公司), incorporated in Hong Kong on 27 February 2017 with limited liability and a wholly-owned subsidiary of the Company;
“Shanghai Listing Rules”	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (上海證券交易所股票上市規則) as amended, supplemented or otherwise modified from time to time;
“Shareholder(s)”	the shareholder(s) of the Company;
“SSE” or “Shanghai Stock Exchange”	Shanghai Stock Exchange (上海證券交易所);
“Supervisor(s)”	the supervisor(s) of the Company;
“Supervisory Committee”	the supervisory committee of the Company;
“US\$”	United States dollars, the lawful currency of the United States; and
“%”	per cent.

EXPECTED TIMETABLE

The expected timetable for, inter alia, the Profit Distribution is set forth below:

With respect to the Profit Distribution:

Event	2025 (Hong Kong time)
Latest time for lodging transfer of H Shares for entitlement to attend and vote at the AGM	Thursday, 5 June (4:30 p.m.)
Closure of the register of members of the Company for determining the identity of the H Shareholders who are entitled to attend and vote at the AGM	Friday, 6 June to Wednesday, 11 June
Latest time to return proxy form for the AGM	Tuesday, 10 June (9:30 a.m.)
Date and time of the AGM	Wednesday, 11 June (9:30 a.m.)
Publication of poll results announcement of the AGM	Wednesday, 11 June
Last day of dealings in H Shares on a cum-entitlement basis relating to the Profit Distribution	Tuesday, 17 June
First day of dealings in H Shares on an ex-entitlement basis relating to the Profit Distribution	Wednesday, 18 June
Latest time for lodging transfers of H Shares for registration in order to qualify for the Profit Distribution	Thursday, 19 June (4:30 p.m.)

EXPECTED TIMETABLE

Event	2025 (Hong Kong time)
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Closure of register of members of the Company for transfer of H Shares for determining entitlement to the Profit Distribution	Friday, 20 June to Wednesday, 25 June
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Record Date to qualify H Shareholders for determination of entitlement to the Profit Distribution	Wednesday, 25 June
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Register of members for transfer of H Shares of the Company re-opens	Thursday, 26 June
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Profit Distribution payment date	Friday, 15 August ^(Note)
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Note: The dates with regard to Profit Distribution are for reference only as they are subject to approval by the Shareholders and might be adjusted by the Company. If there is any such change, the Company will make announcement to inform the Shareholders. All times and dates in this circular are Hong Kong times and dates.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Liu Qin (*Vice-chairman*)

Mr. Wang Shuhai

Mr. Tang Qi

Non-executive Directors:

Mr. Li Hang (*Chairman*)

Ms. Wang Xiaoling

Independent Non-executive Directors:

Mr. Wang Yunmin

Mr. Liew Fui Kiang

Ms. Zhao Feng

***Registered office and headquarters
in the PRC:***

No. 2503, Jingshi Road

Licheng District, Jinan

Shandong Province

The PRC

Principal place of business in Hong Kong:

Rooms 4003-06

China Resources Building

No. 26 Harbour Road

Wanchai

Hong Kong

21 May 2025

To the Shareholders

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LETTER FROM THE BOARD

INTRODUCTION

On behalf of the Board of Directors, I invite you to attend the AGM to be held at the conference room of the Company, No. 2503, Jingshi Road, Licheng District, Jinan, Shandong Province, the PRC at 9:30 a.m. on Wednesday, 11 June 2025.

The purpose of this circular is to provide you with all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the AGM as follows:

1. 2024 WORK REPORT OF THE BOARD OF DIRECTORS

An ordinary resolution will be proposed at the AGM to approve the 2024 Work Report of the Board of Directors. The full text of the Work Report of the Board of Directors is set out in **Appendix I** to this circular.

The 2024 Work Report of the Board of Directors was considered and approved by the Board on 27 March 2025 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

2. 2024 WORK REPORT OF THE SUPERVISORY COMMITTEE

An ordinary resolution will be proposed at the AGM to approve the 2024 Work Report of the Supervisory Committee. The full text of the Work Report of the Supervisory Committee is set out in the Annual Report.

The 2024 Work Report of the Supervisory Committee was considered and approved by the Supervisory Committee on 27 March 2025 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

3. 2024 WORK REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

An ordinary resolution will be proposed at the AGM to approve the 2024 Work Report of the Independent Non-executive Directors. The 2024 Work Report of the Independent Non-executive Directors report is set out in **Appendix II** to this circular.

The 2024 Work Report of the Independent Non-executive Directors was considered and approved by the Board on 27 March 2025 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

4. 2024 FINAL FINANCIAL REPORT

An ordinary resolution will be proposed at the AGM to approve the 2024 Final Financial Report. The full text of the aforesaid report is set out in **Appendix III** to this circular.

The 2024 Final Financial Report was considered and approved by the Board on 27 March 2025 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

LETTER FROM THE BOARD

5. 2024 ANNUAL REPORT AND ITS EXTRACTS

An ordinary resolution will be proposed at the AGM to approve the Annual Report and its extracts for the year ended 31 December 2024. The Annual Report was published on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.sdhjgf.com.cn>) and sent on 24 April 2025.

The Annual Report and its extracts were considered and approved by the Board on 27 March 2025 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

6. PROFIT DISTRIBUTION PROPOSAL FOR 2024

An ordinary resolution will be proposed at the AGM to approve the proposed profit distribution proposal for the year ended 31 December 2024 in accordance with the Articles of Association.

ShineWing Certified Public Accountants (Special General Partnership) (“**ShineWing (Domestic)**”), after audits, confirmed that the net profit of the parent company of the Company in 2024 calculated under the Chinese Accounting Standards for Business Enterprises was RMB1,419,135,425.16. In accordance with the requirements of the Company Law and the Articles of Association, the cumulative profit of the parent company available for distribution to the Shareholders as of 31 December 2024 was RMB6,790,268,869.21 under the Chinese Accounting Standards, which was calculated by extracting 10% of the net profit into its statutory reserve fund of RMB141,913,542.52, plus the undistributed profit of RMB6,902,035,103.18 for the beginning of the year and deducting the 2023 cash dividends of RMB626,280,133.50, the 2024 interim cash dividends of RMB357,874,362.00 and withdrawing the interest on perpetual bonds of RMB404,833,621.11 during the year. After comprehensive consideration of the Company's future business development requirements and emphasis on reasonable investment returns to investors, the Company's profit distribution proposal for 2024 is as follows:

For 2024, it is proposed for a cash dividend of RMB2.28 per 10 Shares (tax inclusive), of which, the 2024 interim profit distribution was implemented on 29 November 2024, and a cash dividend of RMB0.8 per 10 Shares (tax inclusive) was distributed, a cash dividend in the amount of RMB357,874,362.00 was distributed; the Company proposed to pay a cash dividend of RMB1.48 per 10 Shares (tax inclusive) to all Shareholders. As of 27 March 2025, the Company had a total share capital of 4,473,429,525 Shares, and the proposed payment of cash dividend in the amount of RMB662,067,569.70 (tax inclusive) is calculated on such basis. The remaining undistributed profits are carried forward for the subsequent annual distribution.

In summary, after consolidating the above estimated cash dividends and 2024 interim profit distribution implemented, the Company's total cash dividends for 2024 was RMB2.28 per 10 Shares (tax inclusive), amounted to RMB1,019,941,931.70 (tax inclusive), representing 40.05% of the net profit attributable to ordinary Shareholders of the listed company in the 2024 consolidated financial statements after deducting perpetual bonds interest. The Company proposes that if the Company's total share capital changes before the equity registration date for the implementation of the equity distribution, the total dividends shall remain unchanged, the amount of distribution per Share shall be adjusted accordingly, and any such specific adjustments will be separately announced.

LETTER FROM THE BOARD

The Company's undistributed profit of 2024 will be carried forward to the following year and will all be used in corporate operation and development. The use of undistributed profit is beneficial to implement the development strategies of the Company, and enhance the comprehensive competitiveness and sustainable profitability of the Company in the future.

The dividend will be denominated and declared in RMB, and distributed to the domestic Shareholders and investors participating in the Shanghai-Hong Kong Stock Connect Program in RMB and to the overseas Shareholders in Hong Kong dollar. The exchange rate for the dividend calculation in Hong Kong dollar is based on the middle rate as published by the PBOC on the date on which the AGM is held.

Taxation

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) and its implementation regulations (the “**EIT Law**”), the tax rate of the enterprise income tax applicable to the income of a non-resident enterprise deriving from the PRC is 10%. For this purpose, any H Shares registered under the name of non-individual enterprise, including the H Shares registered under the name of HKSCC Nominees Limited, other nominees or trustees, or other organizations or entities, shall be deemed as Shares held by non-resident enterprise shareholders (as defined under the EIT Law). The Company will distribute the dividend to those non-resident enterprise Shareholders subject to a deduction of 10% enterprise income tax withheld and paid by the Company on their behalf.

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

Pursuant to the Notice on the Issues on Levy of Individual Income Tax after the Abolishment of Guoshuifa (1993) No. 045 Document (《關於國稅發(1993) 045號文件廢止後有關個人所得稅徵管問題的通知》) (the “**Notice**”) issued by the State Administration of Taxation on 28 June 2011, the dividend to be distributed by the PRC non-foreign invested enterprise which has issued shares in Hong Kong to the overseas resident individual shareholders, is subject to the individual income tax with a tax rate of 10% in general. However, the tax rates for respective overseas resident individual shareholders may vary depending on the relevant tax agreements between the countries of their residence and Mainland China. Thus, 10% individual income tax will be withheld from the dividend payable to any individual H Shareholders whose names appear on the H Shareholders' register of the Company on the record date, unless otherwise stated in the relevant taxation regulations, tax treaties or the Notice.

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

Profit Distribution to Investors of Northbound Trading

For investors of the Hong Kong Stock Exchange (including enterprises and individuals) investing in the A Shares listed on the SSE (the “**Northbound Trading**”), their dividends will be distributed in RMB by the Company through the Shanghai Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominee holding such Shares. The Company will withhold and

LETTER FROM THE BOARD

pay income taxes at the rate of 10% on behalf of those investors and will report to the tax authorities for the withholding. For investors of Northbound Trading who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may, or may entrust a withholding agent to, apply to the competent tax authorities for the entitlement of the rate under such tax treaty. Upon approval by the tax authorities, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded.

The record date and the date of distribution of cash dividends and other arrangements for the investors of Northbound Trading will be the same as those for the A Shareholders.

Profit Distribution to Investors of Southbound Trading

For investors of the SSE and Shenzhen Stock Exchange (including enterprises and individuals) investing in the H Shares listed on the Hong Kong Stock Exchange (the “**Southbound Trading**”), the cash dividends for the investors of H Shares of Southbound Trading will be paid in RMB. The record date and the date of distribution of cash dividends and other arrangements for the investors of Southbound Trading will be the same as those for the H Shareholders. As for the relevant taxation policies, pursuant to the relevant requirements under the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Caishui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知(財稅[2014]81號)》) and the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Caishui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知(財稅[2016]127號)》), for dividends received by domestic individual investors from investing in the H Shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the Company shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in the H Shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The Company will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

Shareholders are suggested to consult their tax consultants regarding the tax impacts in China, Hong Kong and other countries (regions) for holding and selling the Shares.

The cheques for the Profit Distribution will be despatched by ordinary post to the H Shareholders who are entitled to the Profit Distribution at their own risk. In case of joint shareholding, the cheques for the Profit Distribution will be posted to the first named person on the H Shareholders’ register in respect of such joint shareholding. For the date of despatch of the cheques for the Profit Distribution, please refer to the section headed “Expected Timetable” of this circular.

Explanation of Profit Distribution

The Company will continue to attach importance to returns to investors, strictly follow the requirements of the Company Law, the Securities Law, the Guideline No. 3 for the Supervision and Administration of Listed Companies Cash Dividend for Listed Companies (《上市公司監管指引第3號—上市公司現金分紅》), the Articles of Association and other relevant laws and regulations, comprehensively consider various factors related to profit distribution, proactively implement the Company’s profit distribution system and share the fruits of its development with investors.

LETTER FROM THE BOARD

The total cumulative cash dividends of the Company for the years of 2022 to 2024 was RMB1,959,362,131.95, accounting for 110.83% of the net profit attributable to the Shareholders of the listed company after deducting the interest on perpetual bonds from the consolidated statements of the latest three financial years, which is higher than 30%. The above metrics do not trigger any circumstances that might lead to the implementation of additional risk warnings pursuant to Clause 9.8.1(8) of the Shanghai Listing Rules. The specific metrics are explained as follows:

Item	Current year	Previous year	Year before previous year
Total cash dividends (RMB)	1,019,941,931.70	626,280,133.50	313,140,066.75
Total share repurchased and cancellation (RMB)			
Total net profit attributable to owners of the parent company (RMB)	2,951,551,189.32	2,327,750,542.04	1,245,858,630.24
Interest on perpetual bonds (RMB)	404,833,621.11	463,489,690.92	353,095,755.11
Net profit attributable to the Shareholders of the listed company (RMB)	2,546,717,568.21	1,864,260,851.12	892,762,875.13
Undistributed profit at the end of the year in the parent company's statements (RMB)		6,790,268,869.21	
Cumulative cash dividends over the latest three financial years (RMB)		1,959,362,131.95	
Cumulative share repurchased and cancellation over the latest three financial years (RMB)		0.00	
Average net profit over the latest three financial years (RMB)		1,767,913,764.82	
Cumulative cash dividends and share repurchased and cancellation over the latest three financial years (RMB)		1,959,362,131.95	
Whether cumulative cash dividends and share repurchased and cancellation over the latest three financial years are below RMB50 million		No	
Cash dividend payout ratio (%)		110.83	
Whether cash dividend payout ratio is below 30%		No	
Whether it triggers any circumstances that might lead to the implementation of additional risk warnings pursuant to Clause 9.8.1(8) of the Shanghai Listing Rules		No	

The resolution regarding the 2024 Profit Distribution was considered and approved by the Board on 27 March 2025 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

LETTER FROM THE BOARD

7. RESOLUTION REGARDING PROPOSING TO THE GENERAL MEETING TO AUTHORIZE THE BOARD OF DIRECTORS TO FORMULATE AND IMPLEMENT THE 2025 INTERIM DIVIDEND DISTRIBUTION PLAN

An ordinary resolution will be proposed at the AGM to authorize the Board of Directors to formulate and implement the 2025 interim dividend distribution plan.

In accordance with the Company Law, the Securities Law of the People's Republic of China (《中華人民共和國證券法》), the Guideline No. 3 for the Supervision and Administration of Listed Companies Cash Dividend for Listed Companies, the Shanghai Listing Rules, and other relevant laws and regulations, normative documents, as well as the Articles of Association, and the Company Market Value Management System (Trial) (《公司市值管理制度(試行)》), the Company proposes to increase the frequency of dividend distributions and enhance investor returns. Based on the Company's actual situation, the Board of Directors proposes to the general meeting to authorize the Board of Directors to formulate and implement the 2025 interim dividend distribution plan within the authorized scope. The specific arrangements are as follows:

I. Prerequisites for Interim Dividend Distribution

- (1) The Company is profitable in the current period and the cumulative undistributed profit of the parent company is positive;
- (2) The Company's cash flow can meet the needs of normal operation and sustainable development.

II. Upper Limit of Interim Dividend Distribution Amount

Subject to the above prerequisites for interim dividend distribution, the Board of Directors proposes to the general meeting to authorize the Board of Directors to formulate and implement the 2025 interim dividend distribution plan within the authorized scope. The amount of the 2025 interim dividend shall not exceed 40% of the net profit attributable to the listed company's shareholders in the current period.

III. Term of authorization

The term of authorization is from the date of consideration and approval by the AGM until the date of the 2025 annual general meeting of the Company.

The resolution regarding proposing to the general meeting to authorize the Board of Directors to formulate and implement the 2025 interim dividend distribution plan was considered and approved by the Board on 27 March 2025 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

LETTER FROM THE BOARD

8. INVESTMENT PLAN FOR 2025 OF THE COMPANY

An ordinary resolution will be proposed at the AGM to approve the investment plan for 2025 of the Company.

In order to further consolidate and enhance the Company's core competitiveness and achieve healthy, sustainable and high-quality development, the proposed investment plan for 2025 of the Company in accordance with the Company's strategic plan and annual objectives, and the specific content is as follows:

I. Scale and Structure of Annual Investment Plan

The total planned investment for 2025 amounts to RMB6.334 billion, among which, the investment in construction projects is RMB4.201 billion; the investment in intangible assets is RMB1.765 billion; the long-term equity investment is RMB0.368 billion.

II. Key Investment Arrangements

1. **Investments focused on the main responsibilities and businesses.** The Company will increase investment in key projects at mining operation. The Company will also advance capacity expansion projects at existing mining areas and investment in comprehensive resource utilization projects to support long-term growth.
2. **Investment in resource acquisition.** The Company will coordinate the domestic and foreign resource layout, increase investment to enhance the acquisition of resources around the important metallogenic zones and the Company's existing mining areas, and expand the scale of resource reserves.
3. **Investment in the optimization and upgrading of management and control.** The Company will accelerate the implementation of key tasks such as the optimization of the management and control of the centralized procurement supply chain, promote the smart mine construction, expand intelligent application scenarios, and improve the Company's management and control level.

III. Investment Plan Entities

The implementation entities of this investment plan shall be the Company and its subsidiaries within the consolidated statements scope. Each subsidiary shall be responsible for the execution and management of specific projects according to their respective project assignments and business characteristics.

IV. Funding Sources for Investment Plan

The Company's investment funds come from its own capital (including accrued depreciation, maintenance and overhaul provisions, retained earnings and proceeds), bank loans and other financing methods.

This investment plan is the budget arrangement for the Company's investment in 2025, and the implementation of specific projects is related to the Company's operational environment, development strategy and other factors, and the Company will make appropriate adjustments according to the progress of the projects and other circumstances in the specific implementation.

LETTER FROM THE BOARD

The Company's investment plan for 2025 was considered and approved by the Board on 27 March 2025 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

9. RESOLUTION REGARDING THE RE-APPOINTMENT OF AUDITOR FOR 2025

In accordance with relevant provisions of the standards on governance of listed companies of the PRC, the Fundamental Norms on Enterprise Internal Control issued by five departments including the Ministry of Finance and the Guidelines on Internal Control Auditing for Enterprises, the Company proposed to re-appoint ShineWing (Domestic) as its auditor and internal control auditor for 2025 A Shares' financial report for a term of one year. According to the requirements of the Hong Kong Stock Exchange, the Company proposed to re-appoint SHINEWING (HK) CPA Limited as its auditor for 2025 H Shares' financial statements to conduct relevant audit service work for financial report under the International Accounting Standards for a term of one year.

The audit services fees for 2024 of the Company amounted to RMB4.8 million, including A-share financial report audit fee, H-share financial report audit fee and internal and the specialised audit fee for internal control. For 2025, the audit fee will be dynamically adjusted according to the changes in the scope of the audit and audit work load. It is intended that all fees, including all the fees incurred by the staff sent by the firm to carry out the audit work in relation to the annual report of the Company, will be no higher than the audit services fees for 2024.

The aforesaid resolution was considered and approved by the Board on 27 March 2025 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

10. RESOLUTION REGARDING THE 2024 APPRAISAL REPORT ON INTERNAL CONTROL

An ordinary resolution will be proposed at the AGM to approve the 2024 Appraisal Report on Internal Control. The full text of the aforesaid report is set out in **Appendix IV** to this circular.

The 2024 Appraisal Report on Internal Control was considered and approved by the Board on 27 March 2025 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

11. RESOLUTION REGARDING THE 2024 SUSTAINABILITY REPORT

An ordinary resolution will be proposed at the AGM to approve the 2024 Sustainability Report. The aforesaid report was published on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.sdhjgf.com.cn>) on 24 April 2025.

The 2024 Sustainability Report was considered and approved by the Board on 27 March 2025 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

12. RESOLUTION REGARDING THE SPECIAL REPORT ON THE DEPOSIT AND ACTUAL USE OF PROCEEDS IN 2024

An ordinary resolution will be proposed at the AGM to approve the Special Report on the Deposit and Actual Use of Proceeds in 2024. The full text of the aforesaid report is set out in **Appendix V** to this circular.

LETTER FROM THE BOARD

The Special Report on the Deposit and Actual Use of Proceeds in 2024 was considered and approved by the Board on 27 March 2025 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

13. RESOLUTION REGARDING THE COMPANY'S GUARANTEE FACILITY FOR THE HONG KONG SUBSIDIARY FOR 2025

In order to meet the Company's overseas wholly-owned subsidiary SDG Hong Kong's production and operation, project construction, overseas mergers and acquisitions and stock financing maturity replacement and other capital needs, effectively use the overseas capital market for financing, the Company plans to provide SDG Hong Kong with guarantee for the year 2025 with a total amount not exceeding US\$1.8 billion (including the guarantee amount in existence as of 27 March 2025) (the "Guarantee") to improve the efficiency of decision-making.

For details of the Guarantee, please refer to **Appendix VI** to this circular.

Implication under the Hong Kong Listing Rules

The Guarantee is not subject to reporting, announcement and independent Shareholders' approval requirements under the Hong Kong Listing Rules. According to the Shanghai Listing Rules and the Articles of Association, the Guarantee has to be submitted to the general meeting for consideration and approval. As the Guarantee to be provided by the Company is subject to Shareholders' approval under the Shanghai Listing Rules, the information regarding the Guarantee contained in this circular is not prepared in accordance with Chapter 14 or Chapter 14A of the Hong Kong Listing Rules but only prepared to provide information for the Shareholders. An ordinary resolution will be proposed at the AGM to seek for approval of the provision of Guarantee by the Company for SDG Hong Kong.

14. RESOLUTION REGARDING THE CONDUCTING OF FUTURES AND DERIVATIVES TRANSACTIONS IN 2025

An ordinary resolution will be proposed at the AGM to approve the resolution regarding the Company conducting futures and derivatives transactions in 2025. The full text of the above resolution is set out in **Appendix VII** to this circular.

The resolution regarding the Company conducting futures and derivatives transactions in 2025 was considered and approved by the Board on 27 March 2025 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

15. RESOLUTION REGARDING THE CONDUCTING OF GOLD LEASING AND HEDGING PORTFOLIO BUSINESS IN 2025

An ordinary resolution will be proposed at the AGM to approve the resolution regarding the Company conducting gold leasing and hedging portfolio business in 2025. The full text of the above resolution is set out in **Appendix VIII** to this circular.

The resolution regarding the Company conducting gold leasing and gold hedging portfolio business in 2025 was considered and approved by the Board on 27 March 2025 and will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the AGM.

LETTER FROM THE BOARD

16. RESOLUTION ON GENERAL MANDATE TO ISSUE H SHARES

To ensure flexibility and discretion to the Board to issue new Shares when it becomes desirable, the Company proposes to grant the General Mandate to the Board to allot, issue and otherwise deal with additional H Shares up to the limit of 20% of the total number of the H Shares in issue on the date of passing such resolution.

As at the Latest Practicable Date, the issued share capital of the Company comprised 3,614,443,347 A Shares and 858,986,178 H Shares. Subject to the approval of the grant of the General Mandate and on the basis that no further Shares are issued before the AGM, the Board will have the power to issue up to 171,797,235 H Shares.

The General Mandate shall be effective until the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of a period of 12 months following the passing of such resolution; or (iii) the revocation or variation of the authority given under this resolution by passing of a special resolution of the Company in a general meeting.

Any exercise of the power by the Board under the General Mandate shall comply with the relevant requirements of the Hong Kong Listing Rules, the Articles of Association and the applicable laws and regulations of the PRC.

The resolution was considered and approved by the Board on 27 March 2025 and will be submitted, by way of special resolution, for the Shareholders' consideration and approval at the AGM.

17. THE AGM

The AGM is to be held at the conference room of the Company, No. 2503, Jingshi Road, Licheng District, Jinan, Shandong Province, the PRC at 9:30 a.m. on Wednesday, 11 June 2025. The notice of the AGM is set out on pages 86 to 90 of this circular.

Any Shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote on his/her behalf. A proxy need not be a Shareholder. If you intend to appoint a proxy to attend the AGM and vote on your behalf, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return it, by hand, by post or by facsimile, to the Company's H share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders only) as soon as possible and in any event not later than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof (as the case may be) (i.e. before 9:30 a.m. on Tuesday, 10 June 2025). Completion and return of the proxy form will not preclude you from attending and voting at the AGM or any adjournment thereof should you so wish.

Closure of Register of Members

For determining the entitlement to attend and vote at the AGM to be held on Wednesday, 11 June 2025, the register of members of the Company will be closed from Friday, 6 June 2025 to Wednesday, 11 June 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify as members entitled to attend and vote at the AGM, investors should lodge all share transfer documents accompanied by the relevant share certificates with the Company's H share registrar, Tricor

LETTER FROM THE BOARD

Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. (Hong Kong time) on Thursday, 5 June 2025.

For determining the entitlement to the proposed Profit Distribution, the register of members of the Company will be closed from Friday, 20 June 2025 to Wednesday, 25 June 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the entitlement to the proposed Profit Distribution, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. (Hong Kong time) on Thursday, 19 June 2025.

18. GENERAL

The English translation of the appendices to this circular are for Shareholders' reference only. In case there is any inconsistency between the English and Chinese versions, the Chinese version shall prevail.

19. VOTING BY POLL

Pursuant to the Hong Kong Listing Rules, each of the resolutions set out in the notice of AGM will be voted on by poll. Results of the poll voting will be published on the Company's website at <http://www.sdhjgf.com.cn> and the website of the Hong Kong Stock Exchange at www.hkexnews.hk after the AGM.

20. RECOMMENDATIONS

The Board considers that the proposed resolutions set out in the notice of AGM are in the interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the proposed resolutions.

21. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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

Shandong Gold Mining Co., Ltd.

2024 WORK REPORT OF THE BOARD OF DIRECTORS

Dear Shareholders and Shareholders' representatives,

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.

I hereby present the work report of the Board of Directors for 2024 as follows:

I. OVERVIEW OF THE COMPANY'S PRODUCTION AND OPERATION IN 2024

- (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 achieved revenue of RMB82,518.00 million, representing a year-on-year increase of RMB23,243 million or 39.21%; total profit of RMB5,682 million, representing a year-on-year increase of RMB2,119 million or 59.47%. Net profit attributable to shareholders of the listed company was RMB2,952 million, representing a year-on-year increase of RMB624 million or 26.80%; weighted average return on net assets was 10.85%, representing a year-on-year increase of 3.01 percentage points; basic earnings per Share was RMB0.57, representing an increase of RMB0.15 over RMB0.42 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., 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 honored 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. CORPORATE GOVERNANCE IN 2024

(I) Improving governance system and mechanism to ensure the compliant and efficient operation of the Board

In 2024, the Board of the Company earnestly performed the functions and obligations granted under the Company Law and the Articles of Association, highlighted the role of the Board in improving governance, strategic guidance, decision-making, risk prevention, incentives and constraints, and deepened the reform and innovation of the Company to constantly enhance its core competitiveness. In 2024, the Company held 1 annual general meeting, 6 extraordinary general meetings, 4 A Shares class meetings and 4 H Shares class meetings, and all proposals submitted to the general meetings were approved. The Company held 16 meetings of the Board, 2 meetings of the Strategy Committee, 7 meetings of the Audit Committee, 2 meetings of the Nomination Committee, and 2 meetings of the Remuneration and Appraisal Committee. All specialized committees fully performed their duties and played an important role in ensuring scientific decision-making of the Board.

The Board paid active attention to the production, operation and daily management of the Company, ensured in-depth investigation and research before the meeting, careful discussion and consideration during the meeting, and timely follow-up and performance evaluation after the meeting, and promoted the effective implementation of the resolutions of the Board and the decisions of the management authorized by the Board. According to regulatory requirements, the Company revised some provisions of the Working Rules for Independent Non-executive Directors of the Company and formulated the new Rules of Procedure for Specialized Meetings of Independent Directors, which fully ensure Independent Directors deeply participate in decision-making and management practices, perform their duties according to regulations, and give full play to their roles.

(II) Improving “risk prevention” system to continuously enhance risk management capabilities

The Board prioritizes compliance and risk control, continuously strengthens compliance and risk control capabilities, follows the closed-loop risk management model with “risk assessment, risk control, and supervision and improvement” as the core, and has established and improved a reasonable risk assessment system to strengthen the breadth and depth of risk management. In 2024, the Company established the Compliance Management Committee, which is responsible for supervising and promoting the construction of its overall compliance system, controlling the overall status of its compliance management, and providing references for the decision-making of the Board and management.

The Board further strengthened the construction of internal control system, carried out audit supervision on a regular basis, and continuously improved the quality and efficiency of internal audit supervision based on the problems and risks identified. The Audit Committee and the Board considered and approved the Internal Control Appraisal Report and the Internal Control Audit Report of the Company for 2023 respectively, and adjusted risk prevention and control measures in a timely manner, significantly improving the risk prevention and control capabilities and levels of the Company. During the Reporting Period, the Company effectively managed and controlled major risks.

(III) Continuously improving the quality of information disclosure to lay a solid foundation for high-quality development

The Board has always regarded information disclosure as a link for the listed company to convey information to investors and the public, and continuously improves the information disclosure system. In order to enhance transparency, guided by securities regulation and investor demand, the Company has constructed a disclosure system that integrates mandatory and voluntary disclosures, and adheres to high quality and high standards in conveying the Company's value. In 2024, the Company completed the preparation and disclosure of 190 A Shares compliance documents including regular reports, temporary announcements and other disclosure documents, and completed the disclosure of 197 various types of H Shares documents.

The Company continues to improve the internal major information reporting system and information disclosure responsibility system of linkages between the upper and lower levels and comprehensive coverage. The Company strictly complies with the Registration System for Persons with Inside Information, and properly protects the confidentiality of inside information to ensure that all Shareholders have equal access to information. The Company was evaluated and awarded grade A for its information disclosure work on the Shanghai Stock Exchange for the year 2023-2024 for seven consecutive years.

(IV) Actively exploring diversified channels to strengthen communication with investors

The Board continues to refine its investor relations management system and earnestly safeguard the legitimate rights and interests of all Shareholders. After the disclosure of regular reports, the Company responded to the needs of the capital market as soon as possible, and promptly interpreted the regular reports and answered questions through annual, semi-annual and quarterly performance briefing sessions. In an effort to maintain daily investor relations, the Company maintained a high-frequency, in-depth, and multi-dimensional two-way capital market communication, and conducted nearly 100 investor exchange activities in 2024. The Company engaged in deep dialogues on core issues such as strategic planning, operational updates, financial indicators, and ESG construction, reaching over 1,100 market participants including domestic and foreign institutional investors and securities analysts. Simultaneously, the Company strengthened the construction of diversified communication channels. It replied to over 300 inquiries from small and medium investors throughout the year relying on a matrix of investor relations platforms including the Shanghai Stock Exchange Roadshow Center, E-interaction platform, dedicated email, and IR hotline.

The Board pays full attention to investor returns. In 2023, the Company paid the cash dividend of RMB1.40 per 10 Shares to all Shareholders, with the cash dividend of RMB626 million, accounting for 33.59% of the net profit attributable to ordinary shareholders of the listed company in the then period. In 2024, the Company actively responded to the Shanghai Stock Exchange's initiative on the "Enhancing Quality, Increasing Efficiency and Emphasizing Returns" campaign among Shanghai-listed companies, and implemented semi-annual dividends. In the first half, the Company paid the cash dividend of RMB0.8 per 10 Shares to all Shareholders, with the cash dividend of approximately RMB358 million, accounting for 30.23% of the net profit attributable to ordinary shareholders of the listed company in the then period.

III. MAIN OBJECTIVES AND KEY ARRANGEMENTS FOR 2025

In 2025, the Company will adhere to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly study and implement the spirit of the 20th National Congress of the Communist Party of China, as well as the Second and Third Plenary Sessions of the 20th Central Committee. In line with the mission of "taking the lead and shouldering greater responsibility", the Company will adhere to the general tone of seeking progress while maintaining stability, implement the new development concept in a full, accurate and comprehensive manner and solidly promote high-quality development. Based on the annual goal of "cultivating excellence and strengths for leapfrog development", the Company will take pragmatic, steady and down-to-earth steps to push all production and operation work to a new level and successfully complete all annual goals and tasks, thus achieving a successful conclusion of the "14th Five-Year Plan".

- (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 accelerate the construction progress 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 Cardinal Namdini Gold Mine project, 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 continue 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 a 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.

This report is hereby given.

Shandong Gold Mining Co., Ltd.
2024 WORK REPORT OF THE
INDEPENDENT NON-EXECUTIVE DIRECTORS
(Independent Director: Wang Yunmin)

As the Independent Directors of Shandong Gold Mining Co., Ltd. (the “**Company**” or “**Shandong Gold**”), in strict compliance with the laws and regulations such as the Company Law, the Securities Law, the Management Measures for Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》), the Guidelines No. 1 on Self-Regulatory and Supervision for Listed Companies on the Shanghai Stock Exchange – Standardized Operation (《上海證券交易所上市公司自律監管指引第1號—規範運作》) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and the requirements of the Articles of Association and the Working Rules for Independent Non-executive Directors of the Company, I have deeply participated in the governance of the Company in line with the principles of integrity and diligence, and effectively safeguarded the overall interests of the Company and the legitimate rights and interests of minority shareholders in 2024. I hereby present my work report for 2024 as follows:

I. BASIC INFORMATION OF THE INDEPENDENT DIRECTOR

I am mainly engaged in mining-related work and have accumulated rich experience in the mining field. My work history, professional background and employment details are summarized as follows:

Wang Yunmin (王運敏), male, Han nationality, born in October 1955. He is a holder of a bachelor’s degree in mining engineering, an academican of the Chinese Academy of Engineering and a professorate senior engineer. He once served as a scientific researcher of the open pit mining research office (露天採礦研究室) of Maanshan General Institute of Mining Research Co., Ltd. under the Ministry of Metallurgical Industry (冶金工業部馬鞍山礦山研究院), a deputy project leader of the open pit mining research office (露天採礦研究室) of Maanshan General Institute of Mining Research Co., Ltd. under the Ministry of Metallurgical Industry (冶金工業部馬鞍山礦山研究院), an assistant to the director of the Research and Technology Administration Office (科研管理處) of Maanshan General Institute of Mining Research Co., Ltd. under the Ministry of Metallurgical Industry (冶金工業部馬鞍山礦山研究院), an assistant to the dean and director of the Research and Technology Administration Office (科研管理處) of Maanshan General Institute of Mining Research Co., Ltd. under the Ministry of Metallurgical Industry (冶金工業部馬鞍山礦山研究院), an associate dean of Maanshan General Institute of Mining Research Co., Ltd. under the Ministry of Metallurgical Industry (冶金工業部馬鞍山礦山研究院), the dean and the secretary to CPC Committee of Sinosteel Maanshan Institute of Mining Research Co., Ltd. (中國中鋼集團馬鞍山礦山研究院有限公司). He currently serves as the director and chief scientist of the Science and Technology Innovation Committee of the Sinosteel Group Corporation Limited (中國中鋼集團有限公司), the director of the State Key Laboratory of Metal Mine Safety and Health (金屬礦山安全與健康國家重點實驗室) and an Independent Director of Shandong Gold (listed as A+H shares). He has successively won a series of awards such as the research on steep slope mining technology in large open-pit mines, the research on steep slope railway transportation system of large deep concave open-pit mines issued by the State Council, the key technology of smooth transition from open pit to underground mining and open pit geotechnical engineering control technology for disaster issued by Anhui Provincial People’s Government. He also published four academic monographs and edited two professional manuals.

In accordance with the relevant regulations on part-time work management of academicians of the Chinese Academy of Engineering, I tendered to the Board of Directors my resignations as an Independent Director and relevant positions of specialized committees on 31 December 2024. Given that my resignations will result in the number of Independent Directors of the Company falling below one-third of the members of the Board of Directors, I will continue to perform relevant duties in accordance with the requirements of relevant laws and regulations and the Articles of Association until the election of a new Independent Director at the Shareholders' general meeting.

I meet the requirements of relevant laws and regulations regarding the independence of Independent Directors, with no circumstances present that could affect such independence.

II. OVERVIEW OF THE PERFORMANCE OF DUTIES BY THE INDEPENDENT DIRECTORS FOR THE YEAR

(1) Attendance at Board meetings and general meetings

During the Reporting Period, the Company held a total of 16 Board meetings, all of which I attended in person, and the attendance rate and the voting rate of the resolutions were both 100%. The Company held 11 general meetings, of which I attended 8 meetings. As an Independent Director, I carefully reviewed the meeting materials provided by the Company, actively participated in the discussion of various resolutions, put forward reasonable opinions and suggestions, and exercised my voting rights independently and objectively. During the Reporting Period, the convening and holding of the Board and the general meeting of the Company were in compliance with the legal procedures. I voted in favor of all the resolutions of the Board, did not vote against or abstain from voting, and did not raise any objection to the resolutions of the general meetings.

(2) Attendance at specialized committee meetings of the Board

In 2024, I serve as the chairman of the Nomination Committee of the sixth session of the Board of the Company and a member of the Strategy Committee, the Audit Committee and the Remuneration and Appraisal Committee of the Company. In 2024, I attended 2 meetings of the Strategy Committee, 7 meetings of the Audit Committee, 2 meetings of the Nomination Committee, 2 meetings of the Remuneration and Appraisal Committee of the Board and 3 specialized meetings of Independent Directors. I was able to actively organize the meetings of the Nomination Committee of the Board and participate in the work of the specialized committee in accordance with the Rules of Procedure for Meetings of the Board of Directors and the terms of reference of each specialized committee. In 2024, I was not absent from the relevant meetings and did not raise objections or abstain from voting on various issues of the specialized committee. The Independent Directors and each specialized committee played an effective role in corporate governance and major decision-making, providing professional advice and consultation for the scientific decision-making of the Board of Directors, safeguarding the overall interests of the Company and all Shareholders.

(3) Communication with internal audit institutions and auditors

During the Reporting Period, I engaged in multiple communications with the Company's audit and legal department, finance department and the auditor responsible for auditing the annual report. These interactions allowed me to timely understand the Company's financial status, the development of its various operations, and risk prevention measures. I engaged in the effective discussions and communications on key audit matters, audit points and other related issues, and promptly offered constructive feedback and suggestions, facilitating more accurate and efficient audit work.

(4) Communication with minority shareholders

During the Reporting Period, I, from the perspective of an Independent Director, addressed the concerns of minority investors by participating in general meetings and online performance briefing sessions and other ways. I listened to their opinions and suggestions regarding the Company's management and operations and relayed this feedback to the Company, thereby genuinely safeguarding the legal rights and interests of all Shareholders, especially minority Shareholders.

(5) On-site inspection and the Company's cooperation in the work

I am committed to fulfilling my responsibilities as an Independent Director diligently, maintaining long-term and effective communication with the Company's Directors, Supervisors, senior management and relevant personnel, and staying informed about the Company's daily production, operations, and management, the implementation of resolutions of the Board of Directors and the general meeting, as well as the progress of various major matters. With my extensive practical experience in the mining industry, I am able to fully leverage my professional knowledge and work experience to actively participate in the deliberation of the Company's major projects, offering specialized advice on the initiation, review, and construction phases of significant projects. In 2024, I was involved in the review of the feasibility report for some mergers and acquisitions of the Company, kept abreast of the construction progress of the Company's key projects, and conducted several in-depth discussions with the Company on the development of cutting-edge technologies in the mining field, where I provided rational suggestions from a mining professional perspective.

During the Reporting Period, the Company maintained close working contact with me by normalizing communication channels, and kept me informed of phased operational dynamics and the implementation of key tasks on a regular basis. The Company organized special reports and in-depth discussions on my concerns of core issues, fully absorbed professional suggestions and promoted the implementation of relevant measures, which laid a good foundation and all-round support for efficiently performing my duties.

III. KEY CONCERNS IN THEIR PERFORMANCE OF DUTIES BY INDEPENDENT DIRECTORS IN THE YEAR**(1) Related party transactions that should be disclosed**

In strict accordance with the relevant provisions of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Guidelines of the Shanghai Stock Exchange for Self-regulation of Listed Companies No.5 – Transactions and Related Party Transactions (《上海證券交易所上市公司自律監管指引第5號—交易與關聯交易》), the Articles of Association and the Management System for Related Party Transactions, I conducted prior review and expressed independent opinions on the necessity, fairness of pricing, compliance of approval procedures and other aspects of related party transactions during the Reporting Period.

During the Reporting Period, the Board of the Company considered and approved resolutions on related party transactions, including the Resolution on the Acquisition of the Xiling Gold Mine Exploration Right by the Company and the Connected Transaction, the Resolution Regarding the Adjustment of the Caps for Normal Connected Transactions by the Company in 2024, and the Resolution Regarding the Entering into of Financial Services Framework Agreement with Shandong Gold Group Finance Co., Ltd. All interested Directors had abstained from voting, and all matters within the authority scope of the general meeting had been considered and approved by the general meeting. During the Reporting Period, the transactions between the Company and its related parties were in line with the needs of the Company's business development and were within the scope of normal business transactions. The price of transactions is determined with reference to market prices. The pricing is fair and reasonable, and its decision-making authority and procedures comply with laws and regulations. The transactions do not harm the interests of the Company and its shareholders, especially minority shareholders, and will not cause any negative impact on the Company's current and future financial conditions and operating results nor the independence of the Company. I agree to all related party transactions considered by the Company in 2024.

(2) Disclosure of financial information and internal control evaluation reports in financial and accounting reports and periodic reports

I actively communicated with the external accountants engaged by the Company on the audit arrangement plan and key concerns of the Company, carefully understood the financial accounting work of the Company, and reviewed the annual report for 2023, the first quarter report, the semi-annual report and the third quarter report for 2024 prepared by the Company. The regular reports disclosed by the Company objectively and fairly reflected the operation of the Company. During the Reporting Period, the Company disclosed the announcement on estimated increase in annual results for the year 2023, the announcement on estimated increase in the results for the first quarter of 2024, the announcement on estimated increase in the results for the first three quarters. Upon verification, there is no significant difference between the above results forecast issued by the Company and the results disclosed in the regular report. The financial information in the financial accounting reports and regular reports reflects the financial position and operating results

of the Company in a true, accurate, complete, timely manner, does not contain any false representations, misleading statements or material omissions, and complies with the relevant rules on information disclosure.

During the Reporting Period, the Company continued to improve its internal control system in strict accordance with regulatory requirements, which provided assurance for the lawfulness and compliance of its operation and management, assets security, truthfulness and completeness of financial reports and related information, improved operation efficiency and performance and facilitated the fulfillment of its development strategies. In this regard, ShineWing Certified Public Accountants (Special General Partnership) issued the Internal Control Audit Report to the Company. I am of the view that the Internal Control Audit Report truly and objectively reflects the actual situation of the construction and operation of the Company's internal control system. The Company has established and effectively implemented an internal control system that can effectively cover all its financial and operational management activities, ensuring the normal operation of business activities and effective control of operational risks as well as the safety and integrity of its assets.

(3) Appointment and dismissal of auditors engaged in auditing of listed companies

On 28 March 2024 and 6 June 2024, the Company held successively the 58th meeting of the sixth session of the Board and the 2023 annual general meeting, at which the Resolution Regarding the Re-Appointment of Auditor for 2024 of the Company was considered and approved to re-appoint ShineWing Certified Public Accountants (Special General Partnership) and SHINEWING (HK) CPA Limited as the Company's 2024 A-share and H-share financial audit institutions respectively.

I am of the view that ShineWing Certified Public Accountants (Special General Partnership) and SHINEWING (HK) CPA Limited have relevant qualifications, can meet the Company's domestic and international financial audit and internal control audit work requirements, and can adhere to the principles of independence, objectivity and fairness, abide by the auditing standards of certified public accountants, and perform audit duties diligently and conscientiously. The review procedures performed by the Board are in compliance with the relevant laws and regulations and the Articles of Association. The financial audit fees determined are fair and reasonable, with no harm to the interests of the Company and its minority shareholders.

(4) Remuneration of Directors and senior management

The allowance for Independent Directors of the sixth session of the Board of the Company is RMB300,000 per year (before tax). Except for Independent Directors, other Directors and Supervisors receive remuneration according to their management positions in the controlling shareholder Shandong Gold Group Co., Ltd. or the Company, and no additional remuneration is paid to them by the Company. The Company held a Board meeting on 28 March 2024, at which the Resolution on the Company's 2023 Senior Management Remuneration Payment and the Resolution on the Company's 2024 Senior Management Remuneration Plan were considered and approved. I am of the view that the Company's 2023 senior management remuneration payment is determined in accordance with the Company's current remuneration system, the performance of the senior management, the Company's actual operating performance, and target performance appraisal. The remuneration payment procedure complies with relevant laws and regulations and the Company's

Articles of Association, rules and regulations, etc. The Company's senior management's 2024 remuneration plan is scientific and reasonable and in line with the needs of the Company's long-term development. The review procedures are in compliance with the relevant provisions of the Articles of Association and the Terms of Reference of the Remuneration and Appraisal Committee of the Board, with no harm to the interests of the Company and its shareholders.

(5) External guarantee and funds appropriation

In accordance with the Guidelines for the Supervision and Administration of Listed Companies No.8 – Supervision Requirements for Capital Transactions and External Guarantees of Listed Companies, as well as the relevant provisions of the Articles of Association and the Decision-making System for External Guarantees of the Company, I have verified the external guarantees and capital occupation of the Company. During the Reporting Period, the Board of the Company considered and approved resolutions regarding guarantees, including the Resolution on Estimated Guarantee Facility Provided by Yintai Gold (a Controlled Subsidiary of the Company) to its Subsidiaries, the Resolution regarding the Company's Guarantee Facility for the Hong Kong Subsidiary for 2024, the Resolution on Providing Guarantees for Hong Kong Wholly-owned Subsidiary's Financing, the Resolution on Providing Guarantees for Cardinal Namdini Mining Limited's Financing and the Resolution on Estimated Guarantee Facility Provided by Shanjin International (a Controlled Subsidiary of the Company) to its Subsidiaries. As of 31 December 2024, the contract guarantees provided by the Company to Shandong Gold Mining (Hong Kong) Co., Limited, a wholly-owned subsidiary, for its foreign facilities amounted to USD1,709 million, and the balance of guarantees was USD1,374 million (equivalent to RMB9,876.87 million). The guarantee balance provided by the Company for the loans for the acquisition of its wholly-owned subsidiary, Shandong Gold Mining (Laizhou) Co., Ltd. amounted to RMB2,594.75 million. The above guarantees are all guarantees provided by the Company to its wholly-owned subsidiaries, with no guarantees provided to the controlling shareholder, actual controller and their affiliates.

The Company is able to strictly comply with the Articles of Association and relevant laws and regulations. The guarantees provided by the Company are within the limit approved at the general meeting, which is conducive to satisfying the working capital requirements of Shandong Gold and its subsidiaries, and is in the interests of the Company as a whole, and will not damage the interests of the Company and Shareholders. In 2024, the Company did not have any illegal guarantee or misappropriation of non-operating funds by controlling shareholders.

(6) Use of proceeds

The Resolution of the Company on Using Idle Proceeds to Temporarily Supplement Working Capital was considered and approved at the 69th meeting of the sixth session of the Board held on 19 December 2024. It was agreed that the Company could use no more than RMB550 million of the proceeds to temporarily supplement working capital, which is only used for production and operation related to the main business, with a usage period not exceeding 12 months. I am of the view that the use of RMB550 million of idle proceeds for a period not exceeding 12 months will help improve the efficiency of the use of proceeds, reduce the Company's financial expenses, and is beneficial to maximizing the interests of the Company's shareholders. The use of idle proceeds to temporarily replenish working capital does not conflict with the investment projects for which the funds were raised, and does not affect the normal progression of the Company's funded investment projects. The Company's proceeds are planned to

be used for its main business, with no instances of disguised change in the direction of proceeds and damage to the interests of Shareholders.

I am of the view that the Company used the idle proceeds to temporarily supplement working capital and promised the use period and return on time. All the matters involving the deposit and use of proceeds have performed necessary decision-making procedures and fulfilled the obligation of information disclosure in a timely manner. There are no circumstances that would change or result in a disguised change in the proposed use of proceeds and prejudice the interests of Shareholders, and there is no non-compliance in the deposit or use of proceeds.

(7) Cash dividend and other returns to investors

The Company will continue to attach importance to returns to investors, strictly follow the requirements of the Company Law, the Securities Law, the Guidelines for the Supervision and Administration of Listed Companies No.3 – Cash Dividends of Listed Companies, the Articles of Association and other relevant laws and regulations, comprehensively consider various factors related to profit distribution, proactively implement the Company's profit distribution system and share the fruits of its development with investors.

On 28 March 2024 and 6 June 2024, the 58th meeting of the sixth session of the Board and the 2023 annual general meeting were held successively, at which the Profit Distribution Proposal for 2023 of the Company was considered and approved. In 2023, the Company paid the cash dividend of RMB1.40 per 10 Shares (tax inclusive) to all Shareholders, with the total cash dividend of RMB626 million, accounting for 33.59% of the net profit attributable to ordinary shareholders of the listed company in the then period. On 28 August 2024 and 18 October 2024, the 65th meeting of the sixth session of the Board and the 2024 fifth extraordinary general meeting were held successively, at which the Resolution on Half-year Profit Distribution Plan for 2024 and Carrying Out the Action of Improving Quality, Increasing Efficiency and Enhancing Returns of the Company was considered and approved. In the first half of 2024, the Company paid the cash dividend of RMB0.8 per 10 Shares (tax inclusive) to all Shareholders, with the total cash dividend of approximately RMB358 million, accounting for 30.23% of the net profit attributable to ordinary shareholders of the listed company in the then period. I have expressed my agreement with the profit distribution proposal above and was of the view that the Company has comprehensively considered factors such as industry characteristics, development stage and profitability level, and the profit distribution is in line with the cash dividends policy formulated by the Company. It fully embodies the principle of reasonable return to Shareholders and is conducive to the healthy, stable and sustainable development of the Company, without prejudice to the interests of the Company and Shareholders as a whole. It complied with the Company Law and other laws, regulations and regulatory documents.

The Company completed the 2023 profit distribution in July 2024 and the profit distribution for the first half of 2024 in November 2024.

(8) Performance of undertakings of the Company and its Shareholders

The Company discloses the performance of undertakings by Shandong Gold Group Co., Ltd., the controlling Shareholder, and related parties in its annual report and interim report each year. We are not aware of any violation of the undertakings by the controlling Shareholder and related parties during the Reporting Period.

(9) Execution of information disclosures

During the Reporting Period, the Company faithfully fulfilled the obligation of information disclosure in strict accordance with the requirements of laws and regulations such as the Company Law, the Securities Law, the Administrative Measures for Information Disclosure of Listed Companies (《上市公司信息披露管理办法》), the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as well as the Articles of Association. The Company fulfilled its information disclosure obligations in a true, accurate, complete, timely and fair manner, and protected the rights of Shareholders, creditors and other stakeholders to obtain information of the Company fairly. The Company has been rated Grade A by the Shanghai Stock Exchange for information disclosure for seven consecutive years.

(10) Operation of the Board and its specialized committees

The Board functioned in an orderly manner in strict accordance with the relevant laws and regulations and requirements of regulatory authorities, and all aspects of the Board meetings including the convening, consideration and voting of resolutions, meeting minutes and approval of resolutions were conducted in an orderly manner in compliance with relevant laws and regulations.

The Board has established the Strategy Committee, the Nomination Committee, the Audit Committee and the Remuneration and Appraisal Committee. During the Reporting Period, each specialized committee and specialized meeting of Independent Directors have considered matters in their respective scopes and functioned in a standardized manner.

IV. OVERALL EVALUATION AND RECOMMENDATIONS

In 2024, I strictly abided by the code of duties as an Independent Director and performed my supervisory functions with professionalism and prudence. Through systematic consideration review of proposals from the Board, each specialized committees and specialized meetings of Independent Directors, I fully participated in the demonstration of the Company's strategic projects, and dynamically tracked core issues such as production and operation, resource acquisition and major project construction. Leveraging my strengths in the industry and experience, I put forward constructive and professional opinions at key decision-making stages, effectively ensuring the compliance of corporate governance and the balance of Shareholders' interests. In the process of performing my duties, I adhere to the principle of prioritizing both supervisory checks and balances and value creation, and promote the sound operation of the Company and maximize Shareholder interests.

As the year 2025 marks the sprint stage of the Company's "14th Five-Year Plan", I will enhance the effectiveness of performing my duties in the following three aspects. Firstly, I will deepen the supervision of corporate governance, and enhance the protection of the rights and interests of minority shareholders by improving the proposal pre-examination mechanism and increasing the frequency of on-site investigations. Secondly, I will promote the quality and effectiveness of strategic implementation, and participate in the demonstration and major investment risk assessment of emerging industry layout, thus facilitating the achievement of high-quality planning goals. Thirdly, I will continue to improve the performance system, optimize decision-making consulting capabilities by participating in professional training and studying benchmark cases, and provide the Board with more forward-looking strategic advice to help the Company achieve sustainable development value in its transformation and upgrading.

Shandong Gold Mining Co., Ltd.
Independent Director: Wang Yunmin

27 March 2025

Shandong Gold Mining Co., Ltd.
2024 WORK REPORT OF THE INDEPENDENT NON-EXECUTIVE
DIRECTORS
(Independent Director: Liew Fui Kiang)

As the Independent Directors of Shandong Gold Mining Co., Ltd. (the “**Company**” or “**Shandong Gold**”), in strict compliance with the laws and regulations such as the Company Law, the Securities Law, the Management Measures for Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》), the Guidelines No. 1 on Self-Regulatory and Supervision for Listed Companies on the Shanghai Stock Exchange – Standardized Operation (《上海證券交易所上市公司自律監管指引第1號—規範運作》) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and the relevant provisions and requirements of internal systems including the Articles of Association and the Working Rules for Independent Non-executive Directors of the Company, I have deeply participated in the governance of the Company in line with the ethical norms of abiding by laws and regulations, maintaining independence, objectivity and truth-seeking, strict self-discipline, loyalty and integrity, due diligence and responsibility, effective supervision and professional improvement, and effectively safeguarded the overall interests of the Company and the legitimate rights and interests of minority shareholders in 2024. I hereby present my work report for 2024 as follows:

I. BASIC INFORMATION OF THE INDEPENDENT DIRECTOR

I am mainly engaged in business management and legal related work and have accumulated rich experience in the field of corporate governance. My work history, professional background and employment details are summarized as follows:

Liew Fui Kiang (劉懷鏡), male, Han nationality, born in August 1966. He is a holder of a master’s degree in Business Administration and a bachelor’s degree in Laws. He has extensive experience as a director of listed companies as well as legal expertise and work experience. He is a solicitor in Hong Kong, China as well as England and Wales, and a fellow of the Hong Kong Institute of Directors. He served as the Chairman of PacRay International Holdings Limited, an independent director of Baoshan Iron & Steel Company Limited, and an independent non-executive director of China Apex Group Limited. He currently serves as an Independent Director of Shandong Gold Mining Co., Ltd. (A+H shares listed in Shanghai and Hong Kong), an external supervisor of China Ping An Insurance Group Co., Ltd (A+H shares listed in Shanghai and Hong Kong), and an independent non-executive director of Zhongchang International Holdings Group Limited (listed in Hong Kong), Zhengye International Holdings Company Limited (listed in Hong Kong) and Zhaoke Ophthalmology Limited (listed in Hong Kong).

I meet the requirements of relevant laws and regulations regarding the independence of Independent Directors, with no circumstances present that could affect such independence.

II. OVERVIEW OF THE PERFORMANCE OF DUTIES BY THE INDEPENDENT DIRECTORS FOR THE YEAR**(1) Attendance at Board meetings and general meetings**

During the Reporting Period, the Company held a total of 16 Board meetings, all of which I attended in person, and the attendance rate and the voting rate of the resolutions were both 100%. The Company held 11 general meetings, of which I attended 1 meeting. As an Independent Director, I carefully reviewed the meeting materials provided by the Company, actively participated in the discussion of various resolutions, and put forward constructive opinions and suggestions. During the Reporting Period, the convening and holding of the Board and the general meeting of the Company were in compliance with the legal procedures. I exercised my voting rights independently and voted in favor of all the resolutions of the Board, did not vote against or abstain from voting, and did not raise any objection to the resolutions of the general meetings.

(2) Attendance at specialized committee meetings of the Board

I serve as the chairman of the Remuneration and Appraisal Committee of the sixth session of the Board of the Company and a member of the Strategy Committee, the Nomination Committee and the Audit Committee of the Company. In 2024, I attended 2 meetings of the Strategy Committee, 7 meetings of the Audit Committee, 2 meetings of the Nomination Committee, 2 meetings of the Remuneration and Appraisal Committee of the Board and 3 specialized meetings of Independent Directors. I conscientiously performed my duties and actively organized and participated in the work of the specialized committee in accordance with the Rules of Procedure for Meetings of the Board of Directors and the terms of reference of each specialized committee. I did not raise objections or abstain from voting on various issues of the specialized committee. I endeavored to promote corporate governance and major decision-making processes, ensured the effective protection of the overall interests of the Company and the legitimate rights and interests of all Shareholders, and provided support for the scientific and reasonable decision-making of the Board.

(3) Communication with internal audit institutions and auditors

During the Reporting Period, I maintained contact with the Company's audit and legal department, finance department and the auditor responsible for auditing the external annual report, and paid close attention to the development of the Company's various operations, and risk prevention measures. During the annual report audit period, I participated in relevant meetings on financial audit and engaged in thorough exchange with the auditors on key audit matters, audit points and other issues. Meantime, I kept abreast of and provided the Company with the latest legal and regulatory developments in Hong Kong to ensure that all its operations comply with the rules of the Hong Kong Stock Exchange.

(4) Communication with minority shareholders

During the Reporting Period, I listened to the opinions and suggestions of minority shareholders on the Company's operation and management by actively attending the general meetings of the Company. In the course of daily work, I pay attention to the relevant media reports and investors' concerns about the Company's operation and convey relevant information to the Company in a timely manner, so as to effectively safeguard the interests of all Shareholders, especially minority shareholders.

(5) On-site inspection and the Company's cooperation in the work

During the Reporting Period, I am committed to fulfilling my responsibilities as an Independent Director diligently, maintaining effective communication with the Company's senior management and other Directors, Supervisors and management, and supervising the decision-making of the Board and the implementation of the resolutions of the general meetings. Based on my own experience in corporate governance and compliance, I have an in-depth understanding of the relevant regulations of the Hong Kong Stock Exchange and provide professional suggestions to the Company on matters involving H shares. I conducted on-site inspections of the Company's subsidiaries in Hong Kong from time to time, communicated with the management on the operations of overseas assets, and put forward targeted opinions and suggestions. Meantime, according to relevant laws and regulations and the work mechanism of Independent Directors, the Company informed me of major business progress, listened carefully to and studied and implemented my professional opinions, and provided full supporting conditions and information guarantees to ensure Independent Directors can fully perform their functions.

III. KEY CONCERNS IN THEIR PERFORMANCE OF DUTIES BY INDEPENDENT DIRECTORS IN THE YEAR

(1) Related party transactions that should be disclosed

In strict accordance with the relevant provisions of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Guidelines of the Shanghai Stock Exchange for Self-regulation of Listed Companies No.5 – Transactions and Related Party Transactions (《上海證券交易所上市公司自律監管指引第5號—交易與關聯交易》), the Articles of Association and the Management System for Related Party Transactions, I conducted prior review and expressed independent opinions on the necessity, fairness, legality, impact or risks and other aspects of related party transactions during the Reporting Period.

During the Reporting Period, the Board of the Company considered and approved resolutions on related party transactions, including the Resolution on the Acquisition of the Xiling Gold Mine Exploration Right by the Company and the Connected Transaction, the Resolution Regarding the Adjustment of the Caps for Normal Connected Transactions by the Company for 2024, and the Resolution Regarding the Entering into of Financial Services Framework Agreement with Shandong Gold Group Finance Co., Ltd. All interested Directors had abstained from voting according to the regulations, and all matters within the authority scope of the general meeting had been considered and approved by the general meeting. During the Reporting Period, the

transaction activities between the Company and its related parties were in line with the actual needs of the Company's business development and were within the scope of normal business transactions. The pricing of related party transactions is determined with reference to market prices. The pricing is fair and reasonable, and its decision-making authority and procedures comply with laws and regulations. The transactions do not harm the interests of the Company and will not cause any negative impact on the Company's current and future financial conditions and operating results, thereby ensuring the independence of the Company and the rights and interests of minority shareholders. Based on the foregoing, I agree to all related party transactions considered by the Company in 2024.

(2) Disclosure of financial information and internal control evaluation reports in financial and accounting reports and periodic reports

I actively communicated with the external accountants engaged by the Company on the audit arrangement plan and key concerns of the Company, carefully understood the financial accounting work of the Company, and reviewed the annual report for 2023, the first quarter report, the semi-annual report and the third quarter report for 2024 prepared by the Company. The regular reports disclosed by the Company objectively and fairly reflected the operation of the Company. During the Reporting Period, the Company disclosed the announcement on estimated increase in annual results for the year 2023, the announcement on estimated increase in the results for the first quarter of 2024, the announcement on estimated increase in the results for the first half of 2024 and the announcement on estimated increase in the results for the first three quarters. Upon verification, there is no significant difference between the above results forecast issued by the Company and the results disclosed in the regular report. The financial information in the financial accounting reports and regular reports reflects the financial position and operating results of the Company in a true, accurate, complete, timely and fair manner, does not contain any false representations, misleading statements or material omissions, and complies with the relevant rules on information disclosure.

During the Reporting Period, the Company continued to strengthen and improve its internal control system in strict accordance with regulatory requirements, which provided assurance for the lawfulness and compliance of its operation and management activities, assets security, truthfulness and completeness of financial reports and related information, and were disclosed in a compliant manner. Meantime, ShineWing Certified Public Accountants (Special General Partnership) audited the internal control system of the Company, and issued the Internal Control Audit Report which truly and objectively reflects the actual situation of the construction and operation of the Company's internal control system. I am of the view that the Company has established and effectively implemented a set of internal control systems that can fully cover all its financial and operational management activities, thereby effectively controlling corporate risks and providing strong support for the Company to achieve its development strategy.

(3) Appointment and dismissal of auditors engaged in auditing of listed companies

On 28 March 2024 and 6 June 2024, the Company held successively the 58th meeting of the sixth session of the Board and the 2023 annual general meeting, at which the Resolution Regarding the Re-Appointment of Auditor for 2024 of the Company was considered and approved to re-appoint ShineWing Certified Public Accountants (Special General Partnership) and SHINEWING (HK) CPA Limited as the Company's 2024 A-share and H-share financial audit institutions respectively.

I am of the view that ShineWing Certified Public Accountants (Special General Partnership) and SHINEWING (HK) CPA Limited have sufficient qualifications and capabilities to meet the Company's domestic and international financial audit and internal control audit requirements, and can adhere to the principles of independence, objectivity and fairness, perform audit work in strict accordance with the relevant standards of certified public accountants, and perform duties diligently and conscientiously. The review procedures performed by the Board are in full compliance with the relevant laws and regulations and the Articles of Association. The financial audit fees determined are fair and reasonable, with no harm to the interests of the Company and its minority shareholders.

(4) Remuneration of Directors and senior management

The allowance for Independent Directors of the sixth session of the Board of the Company is RMB300,000 per year (before tax). Except for Independent Directors, other Directors and Supervisors receive remuneration according to their management positions in the controlling shareholder Shandong Gold Group Co., Ltd. or the Company, and no additional remuneration is paid to them by the Company. The Company held a Board meeting on 28 March 2024, at which the Resolution on the Company's 2023 Senior Management Remuneration Payment and the Resolution on the Company's 2024 Senior Management Remuneration Plan were considered and approved. I am of the view that the Company's 2023 senior management remuneration payment is determined in accordance with the Company's current remuneration system, the performance of the senior management, the Company's actual operating performance, and target performance appraisal. The remuneration payment procedure complies with relevant laws and regulations and Articles of Association, rules and regulations, etc. The Company's senior management's 2024 remuneration plan is scientific and reasonable and in line with the needs of the Company's long-term development. The review procedures are in compliance with the relevant provisions of the Articles of Association and the Terms of Reference of the Remuneration and Appraisal Committee of the Board, with no harm to the interests of the Company and its shareholders.

(5) External guarantee and funds appropriation

In accordance with the Guidelines for the Supervision and Administration of Listed Companies No.8 – Supervision Requirements for Capital Transactions and External Guarantees of Listed Companies, as well as the relevant provisions of the Articles of Association and the Decision-making System for External Guarantees of the Company, I have verified the external guarantees and capital occupation of the Company. During the Reporting Period, the Board of the Company considered and approved resolutions regarding guarantees, including the Resolution on Estimated Guarantee Facility Provided by Yintai Gold (a Controlled Subsidiary of the Company) to its Subsidiaries, the Resolution regarding the Company's Guarantee Facility for the Hong Kong Subsidiary for 2024, the Resolution on Providing Guarantees for Hong Kong Wholly-owned Subsidiary's Financing, the Resolution on Providing Guarantees for Cardinal Namdini Mining Limited's Financing and the Resolution on Estimated Guarantee Facility Provided by Shanjin International (a Controlled Subsidiary of the Company) to its Subsidiaries. As of 31 December 2024, the contract guarantees provided by the Company to Shandong Gold Mining (Hong Kong) Co., Limited, a wholly-owned subsidiary, for its foreign facilities amounted to USD1,709 million, and the balance of guarantees was USD1,374 million (equivalent to RMB9,876.87 million). The guarantee balance provided by the Company for the loans for the acquisition of its wholly-owned subsidiary, Shandong Gold Mining (Laizhou) Co., Ltd. amounted to RMB2,594.75 million. The

above guarantees are all guarantees provided by the Company to its wholly-owned subsidiaries, with no guarantees provided to the controlling shareholder, de facto controller and their affiliates.

I am of the view that the Company is able to strictly comply with the Articles of Association and relevant laws and regulations. The guarantees provided by the Company are within the limit approved at the general meeting, which is conducive to satisfying the working capital requirements of Shandong Gold and its subsidiaries, and is in the interests of the Company as a whole, and will not damage the interests of the Company and Shareholders. In 2024, the Company did not have any illegal guarantee or misappropriation of non-operating funds by controlling shareholders.

(6) Use of proceeds

The Resolution of the Company on Using Idle Proceeds to Temporarily Supplement Working Capital was considered and approved at the 69th meeting of the sixth session of the Board held on 19 December 2024. It was agreed that the Company could use no more than RMB550 million of the proceeds to temporarily supplement working capital, which is only used for production and operation related to the main business, with a usage period not exceeding 12 months. I am of the view that the use of RMB550 million of idle proceeds for a period not exceeding 12 months will help improve the efficiency of the use of proceeds, reduce the Company's financial expenses, and is beneficial to maximizing the interests of the Company's Shareholders. The use of idle proceeds to temporarily replenish working capital does not conflict with the investment projects for which the funds were raised, and does not affect the normal progression of the Company's funded investment projects. The Company's proceeds are planned to be used for its main business, with no instances of disguised change in the direction of proceeds and damage to the interests of Shareholders.

I am of the view that the Company used the idle proceeds to temporarily supplement working capital and clearly defined the use period and the obligation to return on time. All the matters involving the deposit and use of proceeds have complied with relevant laws and regulations, and the Company performed necessary decision-making procedures and fulfilled the obligation of information disclosure in a timely manner. In addition, there are no circumstances that would change or result in a disguised change in the proposed use of proceeds, and there is no non-compliance in the deposit or use of proceeds. These measures fully reflect the Company's respect for the rights and interests of Shareholders, as well as the transparency and compliance of its fund management, thereby ensuring the legality and rationality of fund use, with no harm to the interests of the minority shareholders.

(7) Cash dividends and other returns to investors

The Company will continue to attach importance to returns to investors, strictly follow the requirements of the Company Law, the Securities Law, the Guidelines for the Supervision and Administration of Listed Companies No.3 – Cash Dividends of Listed Companies, the Articles of Association and other relevant laws and regulations, comprehensively consider various factors related to profit distribution, proactively implement the Company's profit distribution system and share the fruits of its development with investors.

On 28 March 2024 and 6 June 2024, the 58th meeting of the sixth session of Board and the 2023 annual general meeting were held successively, at which the Profit Distribution Proposal for 2023 of the Company was considered and approved. In 2023, the Company paid the cash dividend of RMB1.40 per 10 Shares (tax inclusive) to all Shareholders, with the total cash dividend of RMB626 million, accounting for 33.59% of the net profit attributable to ordinary shareholders of the listed company in the then period. On 28 August 2024 and 18 October 2024, the 65th meeting of the sixth session of the Board and the 2024 fifth extraordinary general meeting were held successively, at which the Resolution on Half-year Profit Distribution Plan for 2024 and Carrying Out the Action of Improving Quality, Increasing Efficiency and Enhancing Returns of the Company was considered and approved. In the first half of 2024, the Company paid the cash dividend of RMB0.8 per 10 Shares (tax inclusive) to all Shareholders, with the total cash dividend of approximately RMB358 million, accounting for 30.23% of the net profit attributable to ordinary shareholders of the listed company in the then period. I have expressed my agreement with the profit distribution proposal and was of the view that the Company has comprehensively considered factors such as industry characteristics, development stage and profitability level, and the profit distribution is in line with the cash dividends policy formulated by the Company. It fully embodies the principle of reasonable return to Shareholders and is conducive to the healthy, stable and sustainable development of the Company, without prejudice to the interests of the Company and Shareholders as a whole. It complied with the Company Law and other laws, regulations and regulatory documents.

The Company completed the 2023 profit distribution in July 2024 and the profit distribution for the first half of 2024 in November 2024.

(8) Performance of undertakings of the Company and its Shareholders

The Company discloses the performance of undertakings by Shandong Gold Group Co., Ltd., the controlling Shareholder and de facto controller, and related parties in its annual report and interim report each year. We are not aware of any violation of the undertakings by the controlling Shareholder and related parties during the Reporting Period.

(9) Execution of information disclosures

During the Reporting Period, the Company faithfully fulfilled the obligation of information disclosure in strict accordance with the requirements of laws and regulations such as the Company Law, the Securities Law, the Administrative Measures for Information Disclosure of Listed Companies (《上市公司信息披露管理办法》), the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as well as the Articles of Association. The Company fulfilled its information disclosure obligations in a true, accurate, complete, timely and fair manner, and protected the rights of Shareholders, creditors and other stakeholders to obtain information of the Company fairly. The Company has been rated Grade A by the Shanghai Stock Exchange for information disclosure for seven consecutive years.

(10) Operation of the Board and its specialized committees

The Board functioned in an orderly manner in strict accordance with the relevant laws and regulations and requirements of regulatory authorities, and all aspects of the Board meetings including the convening, consideration and voting of resolutions, meeting minutes and approval of resolutions were conducted in an orderly manner in compliance with relevant laws and regulations.

The Board has established the Strategy Committee, the Nomination Committee, the Audit Committee and the Remuneration and Appraisal Committee. During the Reporting Period, each specialized committee and specialized meeting of Independent Directors have considered matters in their respective scopes and functioned in a standardized manner.

IV. OVERALL EVALUATION AND RECOMMENDATIONS

In 2024, I performed my duties conscientiously and diligently and adhered to the principles of objectivity, fairness and independence. I carefully reviewed the proposals put forward by the Board, relevant specialized committees and specialized meetings of Independent Directors, and exercised my voting rights with a prudent and responsible attitude on the basis of “independent opinions”. Meanwhile, I took the initiative to deeply understand the operating conditions and operation models of the Company, and put forward practical suggestions in terms of corporate governance construction and major business decisions, so as to provide strong support for the standardized operation of the Company and safeguard the legitimate rights and interests of all Shareholders, especially minority investors.

In 2025, I will continue to perform my duties as an Independent Director with a high sense of responsibility, give full play to my personal professional capabilities, and effectively play the important role of Independent Directors in corporate governance in strict compliance with the requirements of relevant laws and regulations and the Articles of Association. I will continue to promote the optimization and improvement of corporate governance of the Company by conducting in-depth research on its corporate governance systems and mechanisms, and make positive contributions to improving corporate governance and safeguarding the legitimate interests of all Shareholders, especially minority investors, thus helping the Company achieve high-quality development.

Shandong Gold Mining Co., Ltd.

Independent Director: Liew Fui Kiang

27 March 2025

Shandong Gold Mining Co., Ltd.
2024 WORK REPORT OF THE INDEPENDENT NON-EXECUTIVE
DIRECTORS
(Independent Director: Zhao Feng)

As the Independent Directors of Shandong Gold Mining Co., Ltd. (the “**Company**” or “**Shandong Gold**”), in strict compliance with relevant laws and regulations such as the Company Law, the Securities Law, the Management Measures for Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》), the Guidelines No. 1 on Self-Regulatory and Supervision for Listed Companies on the Shanghai Stock Exchange – Standardized Operation (《上海證券交易所上市公司自律監管指引第1號—規範運作》) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and the provisions of internal systems including the Articles of Association and the Working Rules for Independent Non-executive Directors of the Company, I have deeply participated in the governance of the Company in 2024 in line with the ethical norms of independence, objectivity and pragmatism, and effectively safeguarded the overall interests of the Company and the legitimate rights and interests of all Shareholders, especially minority investors. I hereby present my work report for 2024 as follows:

I. BASIC INFORMATION OF THE INDEPENDENT DIRECTOR

I am mainly engaged in finance-related work and have accumulated rich experience in financial management, company management and other fields. My work history, professional background and employment details are summarized as follows:

Zhao Feng (趙峰), female, Han nationality, born in February 1969. She is a holder of a bachelor’s degree in Economics, a PRC certified public accountant and a fellow of the Hong Kong Institute of Certified Public Accountants (HKICPA) and the Association of Chartered Certified Accountants (ACCA), and has extensive experience in company management and financial management. She served as an auditor of Arthur Anderson Hua Qiang Certified Public Accountants (安達信華強會計師事務所), the chief financial officer of East Asiatic Company (PRC), the chief financial officer and the general manager of Denmark Wangtai Communications Technology (PRC) (丹麥網泰通訊科技(中國)), the chief financial officer of U.S. Apple Inc. (PRC), and the chief financial officer and the general manager of Infront Sports & Media (PRC). She is currently an Independent Director of Shandong Gold (listed as A+H shares), and an independent director of China Longyuan Power Group Corporation Limited (listed as A+H shares), Xiamen International Bank Co. Ltd and the external director of China International Marine Containers (Group) Co., Ltd. (listed as A+H shares).

I meet the requirements of relevant laws and regulations regarding the independence of Independent Directors, with no circumstances present that could affect such independence.

II. OVERVIEW OF THE PERFORMANCE OF DUTIES BY THE INDEPENDENT DIRECTORS FOR THE YEAR

(1) Attendance at Board meetings and general meetings

During the Reporting Period, the Company held a total of 16 Board meetings, all of which I attended in person, and the attendance rate and the voting rate of the resolutions were both 100%. The Company held 11 general meetings, of which I attended 7 meetings. As an Independent Director, I carefully reviewed the meeting materials provided by the Company, actively participated in the discussion of various resolutions, put forward reasonable opinions and suggestions, and exercised my voting rights independently and objectively. During the Reporting Period, the convening and holding of the Board and the general meeting of the Company were in compliance with the legal procedures. I voted in favor of all the resolutions of the Board, did not vote against or abstain from voting, and did not raise any objection to the resolutions of the general meetings.

(2) Attendance at specialized committee meetings of the Board

I serve as the chairman of the Audit Committee of the sixth session of the Board of the Company and a member of the Nomination Committee, the Remuneration and Appraisal Committee of the Company. In 2024, I attended 2 meetings of the Strategy Committee, 7 meetings of the Audit Committee, 2 meetings of the Nomination Committee, 2 meetings of the Remuneration and Appraisal Committee of the Board and 3 specialized meetings of Independent Directors. As the chairman of the Audit Committee, I was able to actively organize the meetings of the Audit Committee of the Board and participate in the work of the specialized committee in accordance with the Rules of Procedure for Meetings of the Board of Directors and the terms of reference of each specialized committee. In 2024, I was not absent from the relevant meetings and did not raise objections or abstain from voting on various issues of the specialized committee. The Independent Directors and each specialized committee played an effective role in corporate governance and major decision-making, providing opinions and suggestions for the scientific decision-making and legal operation of the Board of Directors of the Company, safeguarding the overall interests of the Company and all Shareholders.

(3) Communication with internal audit institutions and auditors

During the Reporting Period, I performed my duties conscientiously and responsibly, and maintained close communication with the Company's audit and legal department, finance department and the auditor responsible for auditing the annual report. These interactions allowed me to gain an in-depth understanding of all aspects of the Company's financial status. During the annual audit period, I conducted detailed discussions with internal departments and auditors on specific matters including audit work, key audit matters, important audit procedures, main timelines, and focus areas. This ensured the quality and fairness of external audit work, and improved the transparency and compliance of audit work through effective coordination and supervision.

(4) Communication with minority shareholders

During the Reporting Period, I listened to the opinions and suggestions of minority shareholders by participating in general meetings and performance briefing sessions. In the course of daily work, I pay close attention to investors' evaluation of the Company, timely verify the concerns of minority shareholders, and earnestly safeguard the interests of all Shareholders, especially minority shareholders.

(5) On-site inspection and the Company's cooperation in the work

I can earnestly perform my duties as an independent director, maintain close communication with the Company's Directors, senior management and relevant personnel, and keep abreast of the daily production, operation and management of the Company, the progress of major issues, and the implementation of the resolutions of the Board and the general meeting. I have accumulated rich practical experience in company management and financial management. In the course of daily work, I have actively participated in the demonstration and analysis of major investment matters of the Company, and conscientiously expressed professional opinions and suggestions on investment matters from the financial point of view, giving full play to the role of guidance and supervision.

During the Reporting Period, the Company kept me well-informed about its production and operation and the progress of major events according to relevant regulations, provided special explanations on important matters that I care about, carefully listened to and studied the implementation of the professional opinions I put forward, which provided sufficient conditions and support for the performance of duties by me.

III. KEY CONCERNS IN THEIR PERFORMANCE OF DUTIES BY INDEPENDENT DIRECTORS IN THE YEAR**(1) Related party transactions that should be disclosed**

In strict accordance with the relevant provisions of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Guidelines of the Shanghai Stock Exchange for Self-regulation of Listed Companies No.5 – Transactions and Related Party Transactions (《上海證券交易所上市公司自律監管指引第5號—交易與關聯交易》), the Articles of Association and the Management System for Related Party Transactions, I conducted prior review and expressed independent opinions on the necessity, fairness, legality, impact or risks and other aspects of related party transactions during the Reporting Period.

During the Reporting Period, the Board of the Company considered and approved resolutions on related party transactions, including the Resolution on the Acquisition of the Xiling Gold Mine Exploration Right by the Company and the Connected Transaction, the Resolution Regarding the Adjustment of the Caps for Normal Connected Transactions by the Company in 2024, and the Resolution Regarding the Entering into of Financial Services Framework Agreement with Shandong Gold Group Finance Co., Ltd. All interested Directors had abstained from voting according to the regulations, and all matters within the authority scope of the general meeting had been considered and approved by the general meeting.

During the Reporting Period, the transaction activities between the Company and its related parties were in line with the actual needs of the Company's business development and were within the scope of normal business transactions. The pricing of related party transactions is determined with reference to market prices. The pricing is fair and reasonable, and its decision-making authority and procedures comply with laws and regulations. The transactions do not harm the interests of the Company and will not cause any negative impact on the Company's current and future financial conditions and operating results, thereby ensuring the independence of the Company and the rights and interests of minority shareholders. Based on the foregoing, I agree to all related party transactions considered by the Company in 2024.

(2) Disclosure of financial information and internal control evaluation reports in financial accounting reports and regular reports

I actively communicated with the external accountants engaged by the Company on the audit arrangement plan and key concerns of the Company, carefully understood the financial accounting work of the Company, and reviewed the annual report for 2023, the first quarter report, the semi-annual report and the third quarter report for 2024 prepared by the Company. The regular reports disclosed by the Company objectively and fairly reflected the operation of the Company. During the Reporting Period, the Company disclosed the announcement on estimated increase in annual results for the year 2023, the announcement on estimated increase in the results for the first quarter of 2024, the announcement on estimated increase in the results for the first half of 2024 and the announcement on estimated increase in the results for the first three quarters. Upon verification, there is no significant difference between the above results forecast issued by the Company and the results disclosed in the regular report. The financial information in the financial accounting reports and regular reports reflects the financial position and operating results of the Company in a true, accurate, complete, timely manner, does not contain any false representations, misleading statements or material omissions, and complies with the relevant rules on information disclosure.

During the Reporting Period, the Company continued to strengthen and improve its internal control system in strict accordance with relevant regulatory requirements, which provided assurance for the lawfulness and compliance of its operation and management activities, while ensuring assets security, and truthfulness and completeness of financial reports and other information. ShineWing Certified Public Accountants (Special General Partnership) audited the internal control system of the Company, and issued the Internal Control Audit Report which truly and objectively reflects the actual situation of the construction and operation of the Company's internal control system. I am of the view that the Company has established and implemented a set of sound internal control system and that the Company's internal control system conforms to the laws and regulations and the relevant provisions of the Articles of Association, adapts to the actual needs of the Company's current production and operation, and can be effectively implemented.

(3) Appointment and dismissal of auditors engaged in auditing of listed companies

On 28 March 2024 and 6 June 2024, the Company successively held the 58th meeting of the sixth session of the Board and the 2023 annual general meeting, at which the Resolution Regarding the Re-Appointment of Auditor for 2024 of the Company was considered and approved to re-appoint ShineWing Certified Public Accountants (Special General Partnership) and SHINEWING (HK) CPA Limited as the Company's 2024 A-share and H-share financial audit institutions respectively.

I am of the view that ShineWing Certified Public Accountants (Special General Partnership) and SHINEWING (HK) CPA Limited have sufficient qualifications and capabilities to meet the Company's domestic and international financial audit and internal control audit requirements, and can adhere to the principles of independence, objectivity and fairness, perform audit work in strict accordance with the relevant standards of certified public accountants, and perform duties diligently and conscientiously. The review procedures performed by the Board are in full compliance with the relevant laws and regulations and the Articles of Association. The financial audit fees determined are reasonable and fair, with no harm to the interests of the Company and its minority shareholders.

(4) Remuneration of Directors and senior management

The allowance for Independent Directors of the sixth session of the Board of the Company is RMB300,000 per year (before tax). Except for Independent Directors, other Directors and Supervisors receive remuneration according to their management positions in the controlling shareholder Shandong Gold Group Co., Ltd. or the Company, and no additional remuneration is paid to them by the Company. The Company held a Board meeting on 28 March 2024, at which the Resolution on the Company's 2023 Senior Management Remuneration Payment and the Resolution on the Company's 2024 Senior Management Remuneration Plan were considered and approved. I am of the view that the Company's 2023 senior management remuneration payment is determined in accordance with the Company's current remuneration system, the performance of the senior management, the Company's actual operating performance, and target performance appraisal. The remuneration payment procedure complies with relevant laws and regulations and the Articles of Association, rules and regulations, etc. The Company's senior management's 2024 remuneration plan is scientific and reasonable and in line with the needs of the Company's long-term development. The review procedures are in compliance with the relevant provisions of the Articles of Association and the Terms of Reference of the Remuneration and Appraisal Committee of the Board, with no harm to the interests of the Company and its shareholders.

(5) External guarantee and funds appropriation

In accordance with the Guidelines for the Supervision and Administration of Listed Companies No.8 – Supervision Requirements for Capital Transactions and External Guarantees of Listed Companies, as well as the relevant provisions of the Articles of Association and the Decision-making System for External Guarantees of the Company, I have verified the external guarantees and capital occupation of the Company. During the Reporting Period, the Board of the Company considered and approved resolutions regarding guarantees, including the Resolution on Estimated Guarantee Facility Provided by Yintai Gold (a Controlled Subsidiary of the Company) to its Subsidiaries, the Resolution regarding the Company's Guarantee Facility for the Hong Kong Subsidiary for 2024, the Resolution on Providing Guarantees for Hong Kong Wholly-owned Subsidiary's Financing, the Resolution on Providing Guarantees for Cardinal Namdini Mining Limited's Financing and the Resolution on Estimated Guarantee Facility Provided by Shanjin International (a Controlled Subsidiary of the Company) to its Subsidiaries. As of 31 December 2024, the contract guarantees provided by the Company to Shandong Gold Mining (Hong Kong) Co., Limited, a wholly-owned subsidiary, for its foreign facilities amounted to USD1,709 million, and the balance of guarantees was USD1,374 million (equivalent to RMB9,876.87 million). The guarantee balance provided by the Company for the loans for the acquisition of its wholly-owned subsidiary, Shandong Gold Mining (Laizhou) Co., Ltd. amounted to RMB2,594.75 million. The

above guarantees are all guarantees provided by the Company to its wholly-owned subsidiaries, with no guarantees provided to the controlling shareholder, actual controller and their affiliates.

I am of the view that the Company is able to strictly comply with the Articles of Association and relevant laws and regulations. The guarantees provided by the Company are within the limit approved at the general meeting, which is conducive to satisfying the working capital requirements of Shandong Gold and its subsidiaries, and is in the interests of the Company as a whole, and will not damage the interests of the Company and Shareholders. In 2024, the Company did not have any illegal guarantee or misappropriation of non-operating funds by controlling shareholders.

(6) Use of proceeds

The Resolution of the Company on Using Idle Proceeds to Temporarily Supplement Working Capital was considered and approved at the 69th meeting of the sixth session of the Board held on 19 December 2024. It was agreed that the Company could use no more than RMB550 million of the proceeds to temporarily supplement working capital, which is only used for production and operation related to the main business, with a usage period not exceeding 12 months. I am of the view that the use of RMB550 million of idle proceeds for a period not exceeding 12 months will help improve the efficiency of the use of proceeds, reduce the Company's financial expenses, and is beneficial to maximizing the interests of the Company's shareholders. The use of idle proceeds to temporarily replenish working capital does not conflict with the investment projects for which the funds were raised, and does not affect the normal progression of the Company's funded investment projects. The Company's proceeds are planned to be used for its main business, with no instances of disguised change in the direction of proceeds and damage to the interests of Shareholders.

I am of the view that the Company used the idle proceeds to temporarily supplement working capital with clearly defined use period, and returned the funds in strict accordance with relevant regulations. Meantime, the management of all matters involving the deposit and use of proceeds have complied with relevant laws and regulations, and the Company performed necessary decision-making procedures and fulfilled the obligation of information disclosure in a timely manner. In addition, there are no circumstances that would change or result in a disguised change in the proposed use of proceeds, and there is no non-compliance in the deposit or use of proceeds. These measures fully reflect the Company's respect for the rights and interests of Shareholders, as well as the transparency and compliance of its fund management, thereby ensuring the legality and rationality of fund use, with no harm to the interests of the minority Shareholders.

(7) Cash dividends and other returns to investors

The Company will continue to attach importance to returns to investors, strictly follow the requirements of the Company Law, the Securities Law, the Guidelines for the Supervision and Administration of Listed Companies No.3 – Cash Dividends of Listed Companies, the Articles of Association and other relevant laws and regulations, comprehensively consider various factors related to profit distribution, proactively implement the Company's profit distribution system and share the fruits of its development with investors.

On 28 March 2024 and 6 June 2024, the 58th meeting of the sixth session of Board and the 2023 annual general meeting were held successively, at which the Profit Distribution Proposal for 2023 of the Company was considered and approved. In 2023, the Company paid the cash dividend of RMB1.40 per 10 Shares (tax inclusive) to all Shareholders, with the total cash dividend of RMB626 million, accounting for 33.59% of the net profit attributable to ordinary shareholders of the listed company in the then period. On 28 August 2024 and 18 October 2024, the 65th meeting of the sixth session of the Board and the 2024 fifth extraordinary general meeting were held successively, at which the Resolution on Half-year Profit Distribution Plan for 2024 and Carrying Out the Action of Improving Quality, Increasing Efficiency and Enhancing Returns of the Company was considered and approved. In the first half of 2024, the Company paid the cash dividend of RMB0.8 per 10 Shares (tax inclusive) to all Shareholders, with the total cash dividend of approximately RMB358 million, accounting for 30.23% of the net profit attributable to ordinary shareholders of the listed company in the then period. I have expressed my agreement with the profit distribution proposal above and was of the view that the Company has comprehensively considered factors such as industry characteristics, development stage and profitability level, and the profit distribution is in line with the cash dividends policy formulated by the Company. It fully embodies the principle of reasonable return to Shareholders and is conducive to the healthy, stable and sustainable development of the Company, without prejudice to the interests of the Company and Shareholders as a whole. It complied with the Company Law and other laws, regulations and regulatory documents.

The Company completed the 2023 profit distribution in July 2024 and the profit distribution for the first half of 2024 in November 2024.

(8) Performance of undertakings of the Company and its Shareholders

The Company discloses the performance of undertakings by Shandong Gold Group Co., Ltd., the controlling Shareholder and actual controller, and related parties in its annual report and interim report each year. We are not aware of any violation of the undertakings by the controlling Shareholder and related parties during the Reporting Period.

(9) Execution of information disclosures

During the Reporting Period, the Company faithfully fulfilled the obligation of information disclosure in strict accordance with the requirements of laws and regulations such as the Company Law, the Securities Law, the Administrative Measures for Information Disclosure of Listed Companies (《上市公司信息披露管理办法》), the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as well as the Articles of Association. The Company fulfilled its information disclosure obligations in a true, accurate, complete, timely and fair manner, and protected the rights of Shareholders, creditors and other stakeholders to obtain information of the Company fairly. The Company has been rated Grade A by the Shanghai Stock Exchange for information disclosure for seven consecutive years.

(10) Operation of the Board and its specialized committees

The Board functioned in an orderly manner in strict accordance with the relevant laws and regulations and requirements of regulatory authorities, and all aspects of the Board meetings including the convening, consideration and voting of resolutions, meeting minutes and approval of resolutions were conducted in an orderly manner in compliance with relevant laws and regulations.

The Board has established the Strategy Committee, the Nomination Committee, the Audit Committee and the Remuneration and Appraisal Committee. During the Reporting Period, each specialized committee and specialized meeting of Independent Directors have considered matters in their respective scopes and functioned in a standardized manner.

IV. OVERALL EVALUATION AND RECOMMENDATIONS

In 2024, I performed my duties diligently and dutifully, actively participated in the general meeting, meetings of the Board and the specialized committees of the Board, and specialized meetings of Independent Directors, and carefully reviewed the relevant resolutions and expressed the consent opinions. I attached great importance to the Company's financial supervision and management, and major merger and acquisition projects, deeply understood financial and internal control status of the Company, maximized the advantages of professional knowledge and work experience, put forward reasonable opinions and suggestions, and effectively safeguarded the overall interests of the Company and the legitimate rights and interests of all Shareholders.

In 2025, I will continue to actively perform my duties as an Independent Director, give full play to my professional expertise in financial management, further strengthen the supervision and management of the Company's governance mechanism, and enhance the operational efficiency of the Audit Committee. I will ensure the quality and independence of the audit work, pay attention to the protection of the rights and interests of minority shareholders, and provide professional support for the healthy development of the Company. The year 2025 is critical for the Company to optimize its governance mechanism and enhance transparency and compliance. I will perform my duties with higher standards and mission, adhere to the rule of law, and contribute to the high-quality development of the Company.

Shandong Gold Mining Co., Ltd.

Independent Director: Zhao Feng

27 March 2025

Shandong Gold Mining Co., Ltd.

2024 FINAL FINANCIAL REPORT

Dear Shareholders and Shareholders' representatives,

The financial report of the Company for 2024 has been audited by ShineWing Certified Public Accountants (Special General Partnership) and SHINEWING (HK) CPA Limited with a standard unqualified audit report issued thereon. According to the audited data, the Company has prepared the 2024 final financial report. Details of the report are provided as follows:

I. IMPLEMENTATION OF ACCOUNTING POLICIES

1. Chinese Accounting Standards

The Company's A-share financial statements are prepared on a going-concern basis, based on actual transactions and events that have occurred and in accordance with the Accounting Standards for Business Enterprises – Basic Standards issued by the Ministry of Finance (promulgated by Ministry of Finance Order No.33 and revised by Ministry of Finance Order No.76), 42 specific accounting standards issued and revised by the Ministry of Finance on and after 15 February 2006, the Guidelines for the Application of Accounting Standards for Business Enterprises, the Interpretation of Accounting Standards for Business Enterprises and other related requirements (the “**Accounting Standards for Business Enterprises**”).

In addition, the Company also disclosed relevant financial information in accordance with the Information Disclosure and Compilation Rules for Companies Offering Securities to the Public No.15 – General Provisions for Financial Reports (2023 Revision).

Pursuant to relevant provisions of the Accounting Standards for Business Enterprises, the Company's accounting shall be prepared based on the accrual basis. Except for certain financial instruments that are measured at fair value, these financial statements adopt the historical cost method as the measurement basis. If an asset is impaired, the corresponding impairment provision shall be made in accordance with relevant requirements.

2. International Accounting Standards

The Company's H-share financial statements are prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board. In addition, the consolidated financial statements should include the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared in accordance with the conventional method of historical cost, and have been adjusted by the revaluation of financial assets and financial liabilities at fair value through profit or loss and at fair value through other comprehensive income (both stated at fair value).

II. KEY OPERATING INDICATORS AND FINANCIAL CONDITION (THE FOLLOWING FIGURES ARE EXTRACTED FROM THE CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH THE CHINESE ACCOUNTING STANDARDS)

(I) Production indicators

The annual gold production was 46.17 tons in 2024, representing a year-on-year increase of 4.39 tons or 10.51%.

(II) Operating revenue

In 2024, the Company recorded a revenue of RMB82.518 billion, representing a year-on-year increase of RMB23.243 billion or 39.21%, due to the following:

1. Due to the increase in the sales volume of gold, revenue increased by RMB3.955 billion, of which: the increase in the sales volume of self-produced gold of 5.62 tons year-on-year, resulting in an increase in our operating revenue of RMB2.533 billion; the increase in the sales volume of purchased gold of 11.68 tons year-on-year, resulting in an increase in our operating revenue of RMB5.282 billion; the decrease in the sales volume of small gold bars of 9.23 tons year-on-year, resulting in a decrease in our operating revenue of RMB3.860 billion.
2. Due to the increase in the gold price, operating revenue increased by RMB12.209 billion, of which: the increase in the sales price of self-produced gold of RMB102.28/g year-on-year, resulting in an increase in our operating revenue of RMB4.627 billion; the increase in the sales price of purchased gold of RMB92.64/g year-on-year, resulting in an increase in our operating revenue of RMB6.249 billion; the increase in the price of small gold bars of RMB61.89/g year-on-year, resulting in an increase of our operating revenue by RMB1.333 billion.

(III) Total profit

In 2024, the Company recorded a total profit of RMB5.682 billion, representing a year-on-year increase of RMB2.119 billion or 59.47%, mainly due to the following:

1. the contribution of our self-produced gold business to an increase in our profit of RMB3.037 billion. In particular, the sales price of self-produced gold increased by RMB102.28/g year-on-year, resulting in an increase in our total profit of RMB4.627 billion; the sales volume of self-produced gold increased by 5.62 tons year-on-year, resulting in an increase in our total profit of RMB1.239 billion; the unit sales cost increased by RMB62.53/g year-on-year, resulting in a decrease in our total profit of RMB2.829 billion.
2. the contribution of the smelting of our purchased gold to an increase in our profit of RMB119 million.

3. the contribution of our small gold bar business to an increase in our profit of RMB29 million.
4. profit from other businesses and other associated metals increased by RMB592 million.
5. our taxes and surcharges increased year-on-year, resulting in a decrease in our total profit of RMB160 million.
6. our selling costs increased year-on-year, resulting in a decrease in our total profit of RMB37 million.
7. administrative expenses increased year-on-year, resulting in a decrease in our total profits of RMB349 million.
8. our research and development expenses increased year-on-year, resulting in a decrease in our total profit of RMB283 million.
9. our finance costs increased year-on-year, resulting in a decrease in our total profit of RMB725 million.
10. the contribution of the changes in fair value, investment income and other income to a decrease in our profit of RMB84 million. The decrease was mainly due to the gold futures and forward losses of the subsidiary.
11. the contribution of the credit and assets impairment losses, gains on disposal of assets and net non-operating income and expenses to a decrease in our profit of RMB20 million.

(IV) Profitability

In 2024, the net profit attributable to owners of the parent company amounted to RMB2.952 billion, representing a year-on-year increase of RMB624 million or 26.80%.

In 2024, the weighted average return on net assets was 10.85%, representing a year-on-year increase of 3.01 percentage points.

In 2024, the basic earnings per share were RMB0.57 per share, representing a year-on-year increase of RMB0.15 per share.

(V) Financial condition of the Company

1. Assets

As of the end of 2024, the Company's total assets amounted to RMB160.66 billion, representing an increase of RMB26.061 billion or 19.36% compared with the beginning of the period.

2. *Liabilities*

As of the end of 2024, the Company's total liabilities amounted to RMB102.09 billion, representing an increase of RMB20.75 billion or 25.51% compared with the beginning of the period, with a gearing ratio of 63.54%, representing an increase of 3.11 percentage points compared with the beginning of the period.

3. *Owners' equity*

As of the end of 2024, the owners' equity amounted to RMB58.57 billion, representing an increase of RMB5.311 billion or 9.97% compared with the beginning of the period. In particular, the equity attributable to owners of the parent company amounted to RMB37.798 billion, representing an increase of RMB4.713 billion or 14.24% compared with the beginning of the period.

(VI) Cash flow

1. In 2024, the Company realized a net cash flow from operating activities of RMB13.34 billion, representing a year-on-year increase of RMB6.491 billion or 94.78%.
2. Net cash outflow from investment activities was RMB22.801 billion, representing a year-on-year increase of RMB2.177 billion or 10.56%.
3. Net cash inflow from financing activities was RMB11.004 billion, representing a year-on-year decrease of RMB3.434 billion or 23.78%.

III. DIFFERENCES BETWEEN FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS AND THOSE PREPARED IN ACCORDANCE WITH THE RELEVANT GENERALLY ACCEPTED ACCOUNTING STANDARDS IN CHINA

There are differences between financial statements prepared in accordance with the International Financial Reporting Standards and those prepared in accordance with the relevant generally accepted accounting standards in China, which are shown as follows:

	Net profit attributable to shareholders of the listed company		Net assets attributable to shareholders of the listed company	
	<i>Current period</i>	<i>Previous period</i>	<i>At the end of the period</i>	<i>At the beginning of the period</i>
Prepared in accordance with the Chinese Accounting Standards	2,951,551,189.32	2,327,750,542.04	37,797,504,973.11	33,084,950,645.55
Items and amounts adjusted in accordance with the International Accounting Standards: Difference in goodwill upon initial recognition	<u>-52,872,152.83</u>	<u>-60,367,315.60</u>	<u>-58,891,426.60</u>	<u>-6,019,273.77</u>
Prepared in accordance with the International Accounting Standards	<u><u>2,898,679,036.49</u></u>	<u><u>2,267,383,226.44</u></u>	<u><u>37,738,613,546.51</u></u>	<u><u>33,078,931,371.78</u></u>

The reasons for the difference are explained as follows: under the Chinese Accounting Standards, the difference between the cost of the Company's acquisition of a subsidiary and the fair value of the identifiable net assets of the acquiree obtained in the merger is treated as an asset and recognized as goodwill and is initially measured at cost and presented separately in the consolidated financial statements. Goodwill is tested for impairment at the end of each year and is measured at cost less accumulated impairment provisions.

However, when the Company prepares its financial statements for disclosure on the Hong Kong Stock Exchange in accordance with the International Financial Reporting Standards, goodwill is distributed to the value of the relevant assets in accordance with the value distribution report of the acquired assets, resulting in differences in the amounts of depreciation and amortization of the relevant assets each year, hence the difference.

It is hereby reported as above.

Shandong Gold Mining Co., Ltd.
2024 APPRAISAL REPORT ON INTERNAL CONTROL

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

According to the requirements of the Basic Rules for Internal Control of Companies (《企業內部控制基本規範》) and supporting guidance and other regulatory requirements concerning the internal control (the “Enterprise Internal Control Regulatory Systems”), and considering internal control system and evaluation methods of the Company (the “Company”) and based on day-to-day monitoring and special supervision of internal control, we assessed the effectiveness of the internal control of the Company as at 31 December 2024 (the reference date of the Internal Control Appraisal Report).

I. IMPORTANT STATEMENT

According to the requirements of Enterprise Internal Control Regulatory Systems, it is the responsibility of the Board of the Company to put in place a sound and effective internal control mechanism, assess its effectiveness and honestly disclose the Internal Control Appraisal Report. The Supervisory Committee shall oversee the establishment and implementation of the internal control mechanism by the Board. The management shall be responsible for the day-to-day operation of this mechanism. The Board, Supervisory Committee and Directors, Supervisors and the senior management of the Company hereby warrant that there are no false representations, misleading statements contained in or material omissions from this report, and severally and jointly accept full responsibility for the truthfulness, accuracy and completeness of the information herein contained.

The objectives of the internal control are to reasonably ensure that the Company’s operation and management be in compliance with laws and regulations, guarantee assets safety, ensure that the financial reporting and relevant information be true and accurate, improve efficiency and effect of operation and facilitate achievement of the development strategies. Given its intrinsic limitations, internal control can only provide reasonable assurance for the above objectives. In addition, changes in the circumstances may render the internal control inappropriate or relevant policies and procedures followed at a lower level. There are risks involved in forecasting the effectiveness of future internal control based on the results of internal control appraisal.

II. RESULTS OF INTERNAL CONTROL APPRAISAL

1. Whether there is any Material Deficiencies in the Internal Control over Financial Reporting of the Company, as at the Reference Date of the Internal Control Appraisal Report

☐ Yes ☒ No

2. Results of Internal Control Appraisal over Financial Reporting

☒ Effective ☐ Ineffective

According to the identification of material deficiencies in the internal control over financial reporting of the Company, as at the reference date of the Internal Control Appraisal Report, there were no material deficiencies in the internal control over financial reporting. The Board believes that the Company has maintained an effective internal control over financial reporting in all material aspects according to the requirements of Enterprise Internal Control Regulatory Systems and relevant requirements.

3. Whether Material Deficiencies in the Internal Control over Non-Financial Reporting had been Discovered

☐ Yes ☒ No

According to the Company's identification of material deficiencies in the internal control over non-financial reporting, as at the reference date of the Internal Control Appraisal Report, the Company discovered no material deficiencies in the internal control over non-financial reporting.

4. The Factors Affecting the Appraisal Results of the Effectiveness of Internal Control from the Reference Date to the Issuance Date of the Internal Control Appraisal Report

☐ Applicable ☒ N/A

From the reference date to the issuance date of the Internal Control Appraisal Report, there were no occurrence of such factors that may affect the appraisal results of the effectiveness of the internal control.

5. Whether the Auditing Opinions on Internal Control are Consistent with the Company's Appraisal Results of the Effectiveness of Internal Control over Financial Reporting

☒ Yes ☐ No

6. Whether the Material Deficiencies in the Internal Control over Non-financial Reporting Disclosed by the Internal Control Audit Report are Consistent with those Disclosed by the Company's Internal Control Appraisal Report

☒ Yes ☐ No

III. DETAILS OF INTERNAL CONTROL APPRAISAL

(I). Scope of Internal Control Appraisal

The Company determined the main enterprises, business and matters and high-risk fields covered in the appraisal scope based on the risk-oriented principle.

1. ***Main Enterprises Covered in the Appraisal Scope:*** Shandong Gold Mining Co., Ltd., Xincheng Gold Mine of Shandong Gold Mining Co., Ltd., Shandong Gold Mining (Laizhou) Co., Ltd., Sanshandao Gold Mine of Shandong Gold Mining (Laizhou) Co., Ltd., Jiaojia Gold Mine of Shandong Gold Mining (Laizhou) Co., Ltd., Shandong Gold Smelting Co., Ltd., Shandong Jinzhou Mining Group Co., Ltd., Shandong Gold Mining (Xinhui) Co., Ltd., Shandong Gold Mining (Linglong) Co., Ltd., Shandong Gold Mining (Yinan) Co., Ltd., Chifeng Chaihulanzhi Gold Mining Co., Ltd., Shandong Jinshi Mining Co., Ltd., Shandong Gold Mining (Laixi) Co., Ltd., Xihe Zhongbao Mining Co., Ltd., Fujian Zhenghe Yuanxin Mining Co., Ltd., Shandong Gold Guilaizhuang Mining Co., Ltd., Shandong Gold Group Penglai Mining Co., Ltd., Xinjiang Jinchuan Mining Co., Ltd., SDG Capital Management Co., Ltd., Shenzhen SD Gold Mining Precious Metal Co., Ltd., SDG Heavy Industry Co., Ltd. and Shanjin International Co., Ltd.

2. ***Percentage of the Enterprises Covered in the Appraisal Scope:***

Index	Percentage (%)
The percentage of the total assets of the enterprises covered in the appraisal scope accounting for the total assets shown in the Company's consolidated financial statements	86.89
The percentage of the total revenues of the enterprises covered in the appraisal scope accounting for the total revenues shown in the Company's consolidated financial statements	94.92

3. ***Main Business and Matters Covered in the Appraisal Scope Include:***

Organizational structure, development strategy, social responsibility, corporate culture, risk management, internal information transmission, internal supervision, human resources, working capital management, financing management, investment management, procurement business, asset management, resource management, gold trading, research and development, project management, guarantee business, financial reporting, tax administration, financial budget, contract management, general management and information systems.

4. *High-risk Fields Focused on Include but not Limited to:*

Working capital management risk, financing management risk, investment management risk, asset management risk, financial reporting risk, gold trading risk, purchasing management risk, contract management risk and information system risk.

5. *The Above Enterprises, Business, Matters and High-risk Fields Covered in the Appraisal Scope Cover the Main Aspects of the Company's Operation and Management, and Whether There are Major Omissions*

☐ Yes ☒ No

6. *Are There any Statutory Exemptions*

☐ Yes ☒ No

7. *Other Explanations*

Nil

(II). Basis of Internal Control Appraisal and the Identification Criteria for Internal Control Deficiencies

The Company organizes and carries out internal control evaluation work in accordance with the enterprise's internal control standard system and the Internal Control System, the Internal Control Manual, the Internal Control Evaluation Manual and 2024 Internal Control Evaluation Work Plan.

1. *Are there any adjustment in the specific identification criteria of deficiency in internal control as compared with those of last year*

☐ Yes ☒ No

According to the requirements of Enterprise Internal Control Regulatory Systems for the identification of material deficiencies, important deficiency and ordinary deficiency, the Company's size, industry characteristics, risk preference, risk tolerance and other factors, the Board distinguished the internal control over financial reporting and the internal control over non-financial reporting and reviewed and decided the specific identification criteria for deficiencies in the internal control applicable to the Company, which are consistent with those of the past.

2. *Identification criteria for deficiencies in the internal control over financial reporting*

Quantitative criteria for identifying deficiencies in the internal control over financial reporting:

Names of Index	Quantitative Criteria for Material Deficiencies	Quantitative Criteria for Important Deficiencies	Quantitative Criteria for Ordinary Deficiencies
Total revenue	Misstated amount ≥3% of total revenue	3% of total revenue > Misstated amount ≥1% of total revenue	Misstated amount < 1% of total revenue

Remarks: Nil

The Company's qualitative criteria for identifying deficiencies in the internal control over financial reporting:

**Magnitudes of
Deficiency**

Qualitative Criteria

Material Deficiency

The following circumstances or similar circumstances are considered as material deficiencies: 1. The control environment related to financial report is invalid; 2. Malpractices related to financial reporting by Directors, Supervisors and senior management; 3. The external audit finds that there was a material misstatement in the current financial report, and the Company fails to find the misstatement during the operation; 4. Restatement of the previously published financial report to correct major errors caused by malpractices or errors; 5. Material deficiencies found and reported to management have not been corrected within a reasonable period of time; 6. The Company's risk appraisal functions are invalid; 7. The supervision of internal control by the Company's internal control and risk management committee and the supervision and auditing office is invalid; 8. Other deficiencies that have a significant impact on the correct judgment of users of financial reports.

**Magnitudes of
Deficiency**
Qualitative Criteria

Important Deficiency

The circumstances other than those meeting the criteria for material deficiency are determined as important or ordinary deficiencies depending on the degree of influence

Ordinary Deficiency

The circumstances other than those meeting the criteria for material deficiency are determined as important or ordinary deficiencies depending on the degree of influence

Remarks: Nil

3. Identification criteria for deficiencies in the internal control over non-financial reporting

The Company's quantitative criteria for identifying deficiencies in the internal control over non-financial reporting:

Names of Index	Quantitative Criteria for Material Deficiencies	Quantitative Criteria for Important Deficiencies	Quantitative Criteria for Ordinary Deficiencies
Amount criteria	Direct loss ≥ RMB10 million	RMB10 million > Direct loss ≥ RMB3 million	Direct loss < RMB3 million

Remarks: Nil

The Company's qualitative criteria for identifying deficiencies in the internal control over non-financial reporting:

**Magnitudes of
Deficiency**
Qualitative Criteria

Material Deficiency

The following circumstances or similar circumstances are considered as material deficiencies: 1. Violation of national laws, regulations or normative documents; 2. The major decision-making process is unscientific; 3. The lack of system may lead to systemic failure; 4. Material or important deficiency cannot be rectified; 5. Great damage is caused to the environment; 6. Major or serious production safety or occupational hazard accidents occur; 7. Irreparable damage is caused to the Company's reputation; 8. Other circumstances that have a significant impact on the Company.

Magnitudes of Deficiency	Qualitative Criteria
Important Deficiency	The circumstances other than those meeting the criteria for material deficiency are determined as important or ordinary deficiencies depending on the degree of influence
Ordinary Deficiency	The circumstances other than those meeting the criteria for material deficiency are determined as important or ordinary deficiencies depending on the degree of influence

Remarks: Nil

(III). Identification and Rectification of Internal Control Deficiencies

1. *Identification and rectification of deficiencies in the internal control over financial reporting*

1.1. *Material Deficiency*

Whether the Company had material deficiencies in the internal control over financial reporting during the Reporting Period

☐ Yes ☒ No

1.2. *Important Deficiency*

Whether the Company had important deficiency in the internal control over financial reporting during the Reporting Period

☐ Yes ☒ No

1.3. *Ordinary Deficiency*

The internal control process may have ordinary deficiencies in daily operation. Since the Company has established a dual supervision mechanism of self-evaluation and internal audit for the internal control, the Company shall take corrective actions for the internal control defects of financial reporting found and identified to ensure that the risks be controllable and no substantive influence on the Company's financial report.

1.4. *After the above rectification, whether the Company discovered unrectified material deficiencies in the internal control over financial reporting as at the reference date of the Internal Control Appraisal Report*

☐ Yes ☒ No

1.5. *After the above rectification, whether the Company discovered unrectified important deficiencies in the internal control over financial reporting as at the reference date of the Internal Control Appraisal Report*

☐ Yes ☒ No

2. ***Identification and rectification of deficiencies in the internal control over non-financial reporting***

2.1. *Material Deficiency*

Whether the Company discovered material deficiencies in the internal control over non-financial reporting during the Reporting Period

☐ Yes ☒ No

2.2. *Important Deficiency*

Whether the Company discovered important deficiencies in the internal control over non-financial reporting during the Reporting Period

☐ Yes ☒ No

2.3. *Ordinary Deficiency*

The internal control process may have ordinary deficiencies in daily operation. The Company has established a dual supervision mechanism of self-evaluation and internal audit for the internal control. Thus, the Company shall take corrective actions for the internal control defects of non-financial reporting found and identified to ensure that the risks be controllable and no substantive influence on the Company's financial report.

2.4. *After the above rectification, whether the Company discovered unrectified material deficiencies in the internal control over non-financial reporting as at the reference date of the Internal Control Appraisal Report*

☐ Yes ☒ No

2.5. *After the above rectification, whether the Company discovered unrectified important deficiencies in the internal control over non-financial reporting as at the reference date of the Internal Control Appraisal Report*

☐ Yes ☒ No

IV. STATEMENT ABOUT OTHER IMPORTANT MATTERS RELATING TO INTERNAL CONTROL**1. Details of the Rectification of Deficiencies in Internal Control Last Year**

☐ Applicable ☒ N/A

2. Details of the Operation of Internal Control during the Year and Improvement Direction Next Year

☒ Applicable ☐ N/A

During the Reporting Period, there were no other internal control information that was likely to have a significant impact on investors' understanding of the internal control self-evaluation report, evaluating the internal control conditions or making investment decisions. In the future, based on the current evaluation, the Company shall keep on improving the internal control system, standardizing the implementation of the internal control system, continuously adhering to a risk-oriented and problem-oriented approach, improving the internal control system, enhancing the effectiveness of internal control, and providing a strong support for the high-quality development of the Company.

3. Statement about Other Important Issues

☐ Applicable ☒ N/A

Chairman (authorized by the Board): Li Hang
Shandong Gold Mining Co., Ltd.
27 March 2025

SPECIAL REPORT ON THE DEPOSIT AND ACTUAL USE OF PROCEEDS IN 2024

Dear Shareholders and Shareholders' representatives,

Shandong Gold Mining Co., Ltd. (the “**Company**”) deposits and uses the proceeds in strict accordance with the relevant provisions including the Guidelines for the Supervision and Administration of Listed Companies No.8 – Supervision Requirements for the Management and Use of Funds Raised by Listed Companies (2022 Revision) (《上市公司監管指引第2號—上市公司募集資金管理和使用的監管要求(2022年修訂)》) and the Guidelines No. 1 on Self-Regulatory and Supervision for Listed Companies on the Shanghai Stock Exchange – Standardized Operation (《上海證券交易所上市公司自律監管指引第1號—規範運作》). As of 31 December 2024, the use of proceeds of the Company is as follows:

I. BASIC INFORMATION OF PROCEEDS**(1) Amount and receipt time of proceeds**

With the approval of the China Securities Regulatory Commission (CSRC) under Reply on Approving the Issuance of Shares by Shandong Gold Mining Co., Ltd. to Shandong Gold Group Co., Ltd. to Acquire Assets and Raise Project Supporting Funds (Zheng Jian Xu Ke [2015] No.2540), the Company, while issuing shares to acquire assets, carried out a non-public issuance of shares on a locked-price basis to the five specific investors, namely Shandong Province State-owned Assets Investment Holdings Co., Ltd. (“**Shandong State-owned Investment**”), Qianhai Kaiyuan Fund Management Company Limited (“**Qianhai Kaiyuan**”), SD Gold Capital Management Co., Ltd. (“**SDG Capital Management**”), Yantai City Jinmao Mining Co., Ltd. (“**Jinmao Mining**”) and the First Employee Shareholding Scheme of Shandong Gold, for the purpose of raising project supporting funds. On 29 September 2016, the issuance targets of the supporting funds for this transaction, Shandong State-owned Investment, Qianhai Kaiyuan, SDG Capital Management, Jinmao Mining and the First Employee Shareholding Scheme of Shandong Gold, have all paid their share subscription funds. The number of shares issued under the non-public issuance for raising the project supporting funds was 117,425,346 Shares, aiming to raise a total of RMB1,679,182,447.80. After deducting the financial advisory fee and underwriting fee of RMB36,360,000.00, we have received RMB1,642,822,447.80 in our accounts.

The above-mentioned proceeds have been deposited in four dedicated accounts, namely Jinan Hualong Road Sub-branch of China Merchants Bank Co., Ltd. (account number: 531900059310107), Shandong Branch of Bank of Communications Co., Ltd. (account number: 371618000018800017859), Jinan Minghu Branch of Agricultural Bank of China Co., Ltd. (account number: 153101040027808), and Jinan Zhenzhuquan Sub-branch of China Construction Bank Co., Ltd. (account number: 37050161680109555666). The deposit of the above-mentioned proceeds has been verified by Beijing TianYuanQuan Certified Public Accountants (Special General Partnership) (note: renamed as TianYuanQuan Certified Public Accountants (Special General Partnership) as approved in August 2019), with a capital verification report (Tian Yuan Quan Yan Zi [2016] No.000040) issued thereon.

(2) Use of proceeds in previous years

As of 31 December 2023, the Company has invested a total of RMB1,110,199,427.32 in the investment projects. On 4 December 2023, the Company returned all of the amount of RMB270,000,000.00 that had been used to replenish its working capital in 2022 to the dedicated accounts and notified the Company's sponsors and their representatives of the return of the above amount.

On 12 December 2023, the 52nd meeting of the sixth session of the Board and the 31st meeting of the sixth session of the Supervisory Committee considered and approved the Resolution of the Company on Returning Proceeds and Continuing to Use Idle Proceeds to Temporarily Replenish Working Capital. It was agreed that the Company intends to use no more than RMB550,000,000.00 of the idle proceeds to temporarily Replenish working capital for a term of no more than 12 months, provided that the construction of investment projects for which the funds were raised and the plan for the use of proceeds shall not be affected. The dedicated accounts have received deposit interest, net of banking service fees etc., of RMB47,443,622.01. As of 31 December 2023, the balance of the proceeds was RMB30,066,642.49 (excluding RMB550,000,000.00 which was temporarily used to replenish working capital as approved at the 52nd meeting of the sixth session of the Board of the Company on 12 December 2023).

(3) Amount of proceeds used during the year and balance at the end of the year

As of 31 December 2024, the Company actually used RMB1,126,243,936.76 of the proceeds for investment projects, of which RMB16,044,509.44 was invested in this year and RMB1,110,199,427.32 was invested in previous years. The net deposit interest, net of banking service fees etc. received for the year was RMB656,652.50.

As of 31 December 2024, the balance of the proceeds amounted to RMB14,678,785.55 (including accumulated interest income received net of banking service fees of RMB8,528,595.41, excluding RMB550,000,000.00 which was temporarily used to replenish working capital as approved at the 69th meeting of the sixth session of the Board of the Company on 19 December 2024).

II. MANAGEMENT OF THE PROCEEDS**(1) Management of the proceeds**

In order to regulate the management and utilization of the Company's proceeds and improve its use efficiency, in accordance with the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Securities Law of the People's Republic of China (《中華人民共和國證券法》) and other relevant laws, regulations and normative documents, as well as the provisions of the Articles of Association of Shandong Gold Mining Co., Ltd. (《山東黃金礦業股份有限公司章程》), and taking into account the actual situation of the Company, the Management System for the Proceeds of Shandong Gold Mining Co., Ltd. has been formulated.

The Company and CITIC Securities Co., Ltd. (“**CITIC Securities**”), the independent financial adviser and the lead underwriter, have separately entered into the Tripartite Supervision Agreement for the Special Deposit Account of Proceeds with Jinan Branch of China Merchants Bank Co., Ltd., Shandong Branch of Bank of Communications Co., Ltd., Jinan Zhenzhuquan Sub-Branch of China Construction Bank Co., Ltd. and Jinan Minghu Sub-branch of Agricultural Bank of China Co., Ltd. (the “**Depository Banks for Special Deposit Account of Proceeds**”). A special bank account has been opened with each of the above-mentioned banks for the exclusive deposit of the proceeds. The Tripartite Supervision Agreement specifies the rights and obligations of the parties, which do not have material differences from the sample tripartite supervision agreement of the Shanghai Stock Exchange. There is no problem in the implementation of the Tripartite Supervision Agreement by the Company.

The Company and CITIC Securities, the independent financial adviser and the lead underwriter, have entered into the Quadripartite Supervision Agreement for the Special Deposit Account of Proceeds (the “**Quadripartite Supervision Agreement**”) with Shandong Gold Mining (Linglong) Co., Ltd., Zhaoyuan Sub-branch of Hengfeng Bank and Zhaoyuan Sub-branch of China Everbright Bank. A special bank account has been opened with each of the above-mentioned banks for the exclusive deposit of the proceeds. The Quadripartite Supervision Agreement specifies the rights and obligations of the parties, which does not have material differences from the sample quadripartite supervision agreement of the Shanghai Stock Exchange. There is no problem in the implementation of the Quadripartite Supervision Agreement by the Company.

The Company and CITIC Securities, the independent financial adviser and the lead underwriter, have entered into the Quadripartite Supervision Agreement for the Special Deposit Account of Proceeds (the “**Quadripartite Supervision Agreement**”) with Sanshandao Gold Mine of Shandong Gold Mining (Laizhou) Co., Ltd. and Laizhou Sub-branch of Bank of China Limited. A special bank account has been opened with each of the above-mentioned banks for the exclusive deposit of the proceeds. The Quadripartite Supervision Agreement specifies the rights and obligations of the parties, which does not have material differences from the sample quadripartite supervision agreement of the Shanghai Stock Exchange. There is no problem in the implementation of the Quadripartite Supervision Agreement by the Company.

The Company and CITIC Securities, the independent financial adviser and the lead underwriter, have entered into the Quadripartite Supervision Agreement for the Special Deposit Account of Proceeds (the “**Quadripartite Supervision Agreement**”) with Shandong Gold Guilaizhuang Mining Co., Ltd. and Jinan Branch of Industrial Bank Co., Ltd. A special bank account has been opened with each of the above-mentioned banks for the exclusive deposit of the proceeds. The Quadripartite Supervision Agreement specifies the rights and obligations of the parties, which does not have material differences from the sample quadripartite supervision agreement of the Shanghai Stock Exchange. There is no problem in the implementation of the Quadripartite Supervision Agreement by the Company.

(2) Deposit of proceeds at the special account

1. As of 31 December 2024, the specific deposit of proceeds is set out below:

Unit: RMB

Opening bank	Bank account	Proceeds	Balance	Total
			Interest income	
Jinan Hualong Road Sub-branch of China Merchants Bank Co., Ltd.	531900059310107	–	1,314,372.28	1,314,372.28
Shandong Province Branch of Bank of Communications Co., Ltd.	371618000018800017859	–	–	–
Jinan Zhenzhuquan Sub-Branch of China Construction Bank Co., Ltd.	37050161680109555666	–	2,601,539.72	2,601,539.72
Jinan Minghu Sub-branch of Agricultural Bank of China Co., Ltd.	153101040027808	–	2,877,845.63	2,877,845.63
Laizhou Sub-branch of Bank of China Limited	241621509361	–	–	–
Zhaoyuan Sub-branch of China Everbright Bank	38120188000112367	6,150,190.14	1,697,161.79	7,847,351.93
Jinan Branch of Industrial Bank Co., Ltd.	376010100101140534	–	37,675.99	37,675.99
Total		6,150,190.14	8,528,595.41	14,678,785.55

Note: Supplementary working capital of RMB550,000,000.00 was not included in the account balance.

III. ACTUAL USE OF PROCEEDS DURING THE YEAR

Breakdown of the Use of Proceeds from Issuance of A Shares

Unit: RMB'0,000

Total proceeds	164,282.24	Total proceeds used during the year	1,604.45
Total proceeds with changes in the use	Nil	Total proceeds used cumulatively	112,624.39
Proportion of total proceeds with changes in the use	Nil		

Projects that have been changed, including partial changes (if any)	Total committed investment of proceeds	Total investment after adjustment	Committed investment amount as of the end of the period (1)	Amount invested during the year	Accumulated amount invested as of the end of the period (2)	Difference between the accumulated amount invested as of the end of the period and the committed investment amount (3)=(2)-(1)	Investment progress as at the end of the period (%) (4)=(2)/(1)	Date on which the project is ready for its intended use	Benefits realized during the year	Whether expected benefits are achieved	Whether the feasibility of the project has changed significantly
Committed investment project											
Dongfeng mining area (Dongfeng Phase II construction project)	No	114,658.38	114,658.38	1,604.45	72,478.98	-42,179.40	63.21%	-	-	No	No
Xinli exploration right (Deep mine construction project in Xinli mining area)	No	32,746.28	32,746.28	-	33,225.66	479.38	101.46%	-	-	Yes	No
Guilaizhuang Company (Deep construction project in Guilaizhuang gold mine)	No	6,911.45	6,911.45	-	6,919.75	8.30	100.12%	-	-	Yes	No
Penglai Mining (Chugezhuang and Huluxian mine construction project in Penglai gold mine)	No	9,966.13	9,966.13	-	-	-9,966.13	-	-	-	No	No
Total	-	164,282.24	164,282.24	1,604.45	112,624.39	-51,657.85	68.56%	-	-	-	-

Reasons for not meeting the planned progress (by specific investment projects)

Description of significant changes in project feasibility

Initial investment and replacement of investment projects

Temporary replenishment of working capital with idle proceeds

Cash management of idle proceeds and investment in related products

Permanent replenishment of working capital or repayment of bank loans with excess proceeds

Amount and reasons for the balance of proceeds

Other use of proceeds

N/A

No material changes in project feasibility

Nil

55,000.00

Nil

N/A

Project not completed with no funding balance

See (8) Other use of proceeds

(1) Use of Proceeds for Investment Projects (“Investment Projects”)

The Company deposits and uses the proceeds in strict accordance with the relevant provisions of the Management System for the Proceeds. As of 31 December 2024, details of the Company’s use of proceeds are set out in the aforesaid “Breakdown of the Use of Proceeds”.

(2) Initial investment and replacement of Investment Projects

The Company did not have any initial investment and replacement of Investment Projects.

(3) Temporary replenishment of working capital with idle proceeds

On 16 December 2022, the 32nd meeting of the sixth session of the Board and the 17th meeting of the sixth session of the Supervisory Committee considered and approved the Proposal of the Company on the Temporary Replenishment of Working Capital by Using Part of the Idle Proceeds. It was agreed that the Company intends to use no more than RMB270,000,000.00 of the idle proceeds to temporarily replenish working capital for a term of no more than 12 months (from the date of funds transfer from the Company’s dedicated accounts to the date of funds transfer back to the Company’s dedicated accounts), provided that the construction of investment projects for which the funds were raised and the plan for the use of proceeds shall not be affected. The Company will only use the above-mentioned funds for production and operation related to its principal business.

On 4 December 2023, the Company returned all of the amount of RMB270,000,000.00 that had been used to temporarily replenish its working capital in 2022 to the dedicated accounts and notified the Company’s sponsors and their representatives of the return of the above amount.

On 12 December 2023, the 52nd meeting of the sixth session of the Board and the 31st meeting of the sixth session of the Supervisory Committee considered and approved the Resolution of the Company on Returning Proceeds and Continuing to Use Idle Proceeds to Temporarily Supplement Working Capital. It was agreed that the Company intends to use no more than RMB550,000,000.00 of the idle proceeds to temporarily replenish working capital for a term of no more than 12 months (from the date of funds transfer from the Company’s dedicated accounts to the date of funds transfer back to the Company’s dedicated accounts), provided that the construction of investment projects for which the funds were raised and the plan for the use of proceeds shall not be affected. The Company will only use the above-mentioned funds for production and operation related to its principal business.

On 2 December 2024, the Company returned all of the amount of RMB550,000,000.00 that had been used to temporarily replenish its working capital in 2023 to the dedicated accounts and notified the Company’s sponsors and their representatives of the return of the above amount.

On 19 December 2024, the 69th meeting of the sixth session of the Board and the 42nd meeting of the sixth session of the Supervisory Committee considered and approved the Proposal of the Company on the Temporary Replenishment of Working Capital by Using Idle Proceeds. It was agreed that the Company intends to use no more than RMB550,000,000.00 of the idle proceeds to temporarily replenish working capital for a term of no more than 12 months (from the date of funds transfer from the Company's dedicated accounts to the date of funds transfer back to the Company's dedicated accounts), provided that the construction of investment projects for which the funds were raised and the plan for the use of proceeds shall not be affected. The Company will only use the above-mentioned funds for production and operation related to its principal business.

(4) Cash management and investment in related products with idle proceeds

There were no idle proceeds invested in products by the Company.

(5) Permanent replenishment of working capital or repayment of bank loans with excess proceeds

There was no permanent replenishment of working capital or repay bank loans with excess proceeds by the Company.

(6) Use of excess proceeds for projects under construction and new projects (including acquisition of assets)

There was no use of excess proceeds for projects under construction and new projects (including acquisition of assets) by the Company.

(7) Use of remaining proceeds

There was no use of remaining proceeds by the Company.

(8) Other use of proceeds

1. Dongfeng mining area: Affected by two gold mine safety accidents in Shandong Province in early 2021, the Dongfeng mining area of Shandong Gold Mining (Linglong) Co., Ltd. suspended production from the end of January to the end of March 2021 for safety inspections; and some areas of the Dongfeng mining area involved Shandong Province Ecological Protection Red Line Plan (2016-2020), due to the policy impact of the new round of ecological protection red line delineation in Shandong Province, the mining license in Dongfeng mining area expired on 10 November 2021, and was not renewed, resulting in the suspension of production. After the Ecological Protection Red Line Plan was approved, Dongfeng mining area obtained the extended mining license in December 2022 and resumed production in January 2023. During the above suspension period, the construction of the Dongfeng mining area project cannot be carried out, so the proceeds have not been fully used. As of 28 March 2025, production and infrastructure construction have been carried out normally within the scope of the mining rights of the Dongfeng mining area, and the part outside the scope of mining rights can only be continued after the completion of the boundary expansion of mining rights.

2. Penglai mining area: Shandong Gold Group Penglai Mining Co., Ltd.'s ("**Penglai Mining**") Qijiagou mining area mining rights, Huluxian Gold Mine Area mining rights, Qijiagou-Huluxian mining area deep and surrounding gold mine exploration mining rights involve part of the Shandong Province Ecological Protection Red Line Plan (2016-2020), due to the policy impact of the new round of ecological protection red line delineation in Shandong Province, the Chugezhuang and Huluxian Gold Mine Area's boundary and capacity expansion project failed to obtain a mining license and carry out project construction. According to the Approval of Shandong Provincial People's Government on the Mineral Resource Integration Plan of Gold Mines Across 8 Districts (Cities) in Yantai City (《山東省人民政府關於煙台8個區(市)金礦礦產資源整合方案的批覆》) (Lu Zheng Zi [2021] No.133) and the Optimised and Adjusted Mineral Resource Integration Plan of Gold Mines in Penglai District of Yantai City (《煙台市蓬萊區金礦礦產資源整合優化調整方案》) approved by the government of Penglai District, Penglai Mining's Chugezhuang and Huluxian Gold Mine Area's boundary and capacity expansion project was expanded to the "Yanshan Integrated Area Mining Area". Penglai Mining acquired two mining rights owned by Shandong Jinchuang Co., Ltd. and three mining rights owned by Shandong Gold Jinchuang Group Co., Ltd., and integrated all the existing mining rights of Penglai Mining into one mining right. The construction of the mining area project can only be carried out after obtaining a new mining license and project construction procedures. Affected by the above factors, the proceeds from the Penglai mining area have not yet been used. Penglai Mining has obtained the mining license for Yanshan Integrated Area Mining Area of Shandong Gold Group Penglai Mining Co., Ltd. in July 2024. As of 28 March 2025, it is actively applying for the verification for project construction and will start project construction as soon as possible upon the completion of such verification.

IV. CHANGE IN USE OF PROCEEDS FOR INVESTMENT PROJECTS

There was no change in use of proceeds for Investment Projects by the Company.

V. ISSUES IN THE USE AND DISCLOSURE OF PROCEEDS

The Company used the proceeds in accordance with the provisions and requirements of relevant laws, regulations and regulatory documents, and disclosed the use of proceeds in a timely, true, accurate and complete manner. There was no material case of non-compliance in relation to the use of proceeds.

**VI. CONCLUDING OPINIONS ON THE ASSURANCE REPORT ISSUED BY THE
ACCOUNTING FIRM ON THE ANNUAL DEPOSIT AND ACTUAL USE OF PROCEEDS OF
THE COMPANY**

ShineWing Certified Public Accountants (Special General Partnership) is of the view that the above Special Report on the Deposit and Actual Use of Proceeds of Shandong Gold Mining Co., Ltd. has been prepared in accordance with the relevant requirements of the Shanghai Stock Exchange, and truly reflects the actual deposit and use of the proceeds of Shandong Gold Mining Co., Ltd. in 2024 in all material respects.

**VII. CONCLUDING OPINIONS ON THE SPECIAL VERIFICATION REPORT ISSUED BY
THE SPONSOR ON THE ANNUAL DEPOSIT AND ACTUAL USE OF PROCEEDS OF THE
COMPANY**

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

RESOLUTION REGARDING THE COMPANY'S GUARANTEE FACILITY FOR THE HONG KONG SUBSIDIARY FOR 2025

Dear Shareholders and Shareholders' representatives,

To meet the funding needs of the Company's overseas subsidiary, Shandong Gold Mining (Hong Kong) Co., Ltd. (hereinafter referred to as the "**Hong Kong Company**"), for its production and operation, project construction, overseas mergers and acquisitions and replacement of existing financing notes at maturity, etc., effectively utilize the overseas capital market for financing, the Company intends to provide a guarantee totaling not more than USD1,800 million (including the outstanding guarantee amount as at 27 March 2025) to it in 2025 to improve decision-making efficiency.

The guarantee needs to be submitted to the Company's general meeting for consideration and approval. The term of validity of the guarantee arrangement is from the date of approval by the shareholders' meeting till the date of the 2025 annual general meeting to be held in 2026. After being considered and approved by the shareholders' meeting, the guarantee arrangement shall authorize the management of the Company to handle relevant guarantee matters.

I. BASIC INFORMATION OF THE GUARANTEED PARTY

Name of the guaranteed party:	Shandong Gold Mining (Hong Kong) Co., Limited
Date of establishment:	27 February 2017
Registered address:	Hong Kong, China
Registered capital (subscribed):	RMB4,531.1456 million
Business scope:	trade, investment, holding, consulting services, etc.

2. Related relationship or other business relationship with the Company: the Company holds 100% equity interest of the Hong Kong Company.

**APPENDIX VI RESOLUTION REGARDING THE COMPANY'S GUARANTEE FACILITY
FOR THE HONG KONG SUBSIDIARY FOR 2025**

3. Principal financial condition of the guaranteed party

Unit: RMB0,000

Item	31 December 2023 (audited)	31 December 2024 (audited)
Total assets	1,741,379.84	2,019,272.01
Total liabilities	1,204,221.26	1,442,646.77
Net assets	537,158.58	576,625.24
	January-December 2023 (audited)	January-December 2024 (audited)
Operating income	258,282.99	460,250.33
Net profit	-36,677.95	36,028.70
Material contingencies (security, mortgage, litigation and arbitration matters)	No	No

The Hong Kong Company is not a dishonest party.

II. MAIN CONTENTS OF THE GUARANTEE

The Company intends to provide a guarantee totaling not more than USD1,800.00 million to the Hong Kong Company in 2025 (including the guarantee amount existing as at 27 March 2025). The purpose of guarantee is to provide guarantee for the Hong Kong Company to apply for credit lines, project loans, merger and acquisition loans from financial institutions and issue letters of guarantee and letters of credit, bank acceptance bills and other external responsibilities and obligations due to business operations. The guarantee methods are the direct guarantee and the counter guarantee, and the term of validity is from the date of approval by the shareholders' meeting till the date of the next annual general meeting. After being considered and approved by the shareholders' meeting, the guarantee arrangement shall authorize the Company and the management of the Hong Kong Company to handle relevant guarantee matters.

The above-mentioned guarantee amount does not equal the actual financing amount. The actual financing amount shall be determined by the Hong Kong Company through consultation with financial institutions within the guarantee amount approved by the shareholders' meeting. The type, method, amount and term of validity of the guarantee shall be subject to the signed documents. The Company strictly examines and approves financing and strictly controls operational and guarantee risks.

III. NECESSITY AND RATIONALITY OF THE GUARANTEE

The Hong Kong Company intends to obtain loans from financial institutions for production and operation, business development, and refinancing of maturing debts. The Company will provide guarantees to the Hong Kong Company by adopting annual guarantee amount estimation method, which is favorable for improving the efficiency of the Hong Kong Company's financing, and can promote the stable and sustainable development of the Hong Kong Company, which aligns with the overall interests and development strategy of the Company.

The Hong Kong Company is a wholly-owned subsidiary of the Company, over which the Company has control. The Hong Kong Company currently operates normally with sound credit standing and has debt repayment capability. There has never been any occurrence of loan default or guarantee maturity that would require the Company to fulfill guarantee obligations. The risks associated with the Company's provision of guarantees remain within the Company's controllable range. The Company's provision of guarantees to the Hong Kong company within the aforementioned guarantee amount and term will not damage the legitimate rights and interests of the Company and minority Shareholders, and will not adversely affect the Company's normal operations and business development.

IV. NUMBER OF EXTERNAL GUARANTEES AND OVERDUE GUARANTEES

As of 27 March 2025, the total balance of guarantees provided by the Company and its subsidiaries to units outside the consolidated statements was 0, accounting for 0% of the latest audited net assets of the listed company.

The total guarantee amount provided by the Company to its wholly-owned subsidiary Hong Kong Company was USD1,800 million (equivalent to RMB12,917.34 million); The Company provided a guarantee amount of RMB2,779 million for the M&A bridge loan of its wholly-owned subsidiary, Shandong Gold Mining (Laishou) Co., Ltd. The total guarantee amount provided by the Company's subsidiary Shanjin International Gold Co., Ltd. for its wholly-owned subsidiaries was RMB4,554 million; The total amount of the above guarantees was RMB20,250.34 million, accounting for 12.60% of the total assets and 53.58% of the net assets attributable to the listed company in 2024.

The guarantee balance provided by the Company to its wholly-owned subsidiary Hong Kong Company was USD1,359 million (equivalent to RMB9,752.5917 million); The Company provided a guarantee balance of RMB2,452.15 million for the M&A bridge loan of its wholly-owned subsidiary, Shandong Gold Mining (Laishou) Co., Ltd., The guarantee balance provided by the Company's subsidiary Shanjin International Gold Co., Ltd. for its wholly-owned subsidiaries was RMB404 million; The total balance of the above guarantees was RMB12,608.7417 million, accounting for 7.85% of the total assets and 33.36% of the net assets attributable to the shareholders of the listed company in 2024.

The Company has not provided any guarantees to the controlling Shareholder, actual controller and their affiliates.

**RESOLUTION REGARDING THE CONDUCTING OF FUTURES
AND DERIVATIVES TRANSACTIONS IN 2025**

Dear Shareholders and Shareholders' representatives,

To avoid the impacts of fluctuations in prices and exchange rates on the production and operation of the Company and ensure the continuous operation and stable performance of the Company, the Company and its subsidiaries intend to carry out highly liquid futures and other derivatives transactions that are related to its main business and similar to the Company's products in qualified domestic and overseas exchanges in accordance with national policies and regulations, so as to further enhance the Company's production and operation level and anti-risk ability. The Company is applying for the following futures and derivatives transactions in 2025:

I. OVERVIEW OF BUSINESS**(1) Purpose of trading**

The Company's main business is gold exploitation. It has a complete industry chain incorporating exploration, mining, beneficiation, smelting (refining), and deep processing and sales of gold products. The Products include gold, silver, etc. Changes on product prices will bring significant uncertainty to the Company's operational efficiency. To avoid the impacts and related risks of fluctuations in prices and exchange rates on the Company's production and operation and ensure the continuous operation and stable performance, the Company and its subsidiaries intend to carry out futures and derivatives transactions based on specific business operations in accordance with national policies and regulations, so as to further enhance the Company's production and operation level and anti-risk ability.

(2) Trading amount

According to the Company's annual production and operation plan in 2025, the maximum daily contract value held on the trading days of the futures and other derivatives trading business the Company intends to engage in is estimated to be not more than RMB7.7 billion or its equivalents in other currencies, and the margin and the lines of credit from financial institutions are estimated to be not more than RMB1.1 billion or its equivalents in other currencies (the majority of which are the lines of credit from financial institutions). The above lines can be recycled. The details are as follows:

1. The maximum contract value held on the trading days of self-produced gold futures hedging activities and derivatives transactions is estimated to be not more than RMB3.5 billion or its equivalents in other currencies, and the margin and the lines of credit from financial institutions are estimated to be not more than RMB500 million or its equivalents in other currencies.
2. The maximum contract value held on other futures and derivatives trading days is estimated to be not more than RMB4.2 billion or its equivalents in other currencies,

and the margin and the lines of credit from financial institutions are estimated to be not more than RMB600 million or its equivalents in other currencies.

The transaction amount of the Company and its subsidiaries at any point during the above-mentioned authorization period (including the amount related to the re-transaction of the proceeds of the said transaction) shall not exceed the above-mentioned limit.

(3) Estimated Scope of the Trading amount

According to the Resolution Regarding the Conducting of Derivatives Trading Business by Subsidiaries of Shanjin International in 2025 considered and approved by the Company and its holding subsidiary Shanjin International Gold Co., Ltd. (“**Shanjin International**”), the derivatives trading business of subsidiaries of Shanjin International in 2025 is expected to hold a maximum contract value of not more than RMB9 billion or its equivalents in other currencies on any trading day, and the amount of trading margin utilised will not be more than RMB0.7 billion or its equivalents in other currencies at any point of time.

The maximum contract value, the margin and the lines of credit from financial institutions for futures and derivatives trading business in 2025 of the Company and its subsidiaries set out in this proposal do not include the amount of futures and derivatives trading business conducted by Shanjin International and its subsidiaries.

(4) Sources of funds

The funds used by the Company and its subsidiaries for futures and derivatives trading are equity funds and the lines of credit from commercial banks, investment banks and other financial institutions. No proceeds raised are used for futures and derivatives trading.

(5) Trading methods

1. **Exchanges for trading:** According to the actual business needs of the Company and its subsidiaries, the Company and its subsidiaries intend to trade futures and other derivatives trading business on the Shanghai Gold Exchange, the Shanghai Futures Exchange, New York Metal Exchange and other legitimate exchanges.
2. **Over-the-counter transactions:** The Company and its subsidiaries intend to engage in over-the-counter futures and other derivatives trading business through commercial banks, investment banks and other financial institutions or risk management companies (non-related party institutions) approved by regulatory authorities and qualified for derivatives trading business. Due to the high standardization of on-the-counter derivatives, over-the-counter derivatives have the advantage of higher flexibility compared to on-the-counter derivatives, which can better fit the actual situation of some businesses of the Company and reduce the occupation of derivatives transactions for the Company’s working capital.

3. **Overseas derivative trading:** The Company has self-produced gold and silver overseas. Due to price differences in domestic and overseas gold and silver markets, the relevant varieties on domestic exchanges cannot meet the needs of the Company's overseas business, in order to avoid the risks caused by the fluctuations in prices, part of the Company's futures and derivative business is planned to be done overseas.
4. **Trading varieties:** The Company mainly selects highly liquid varieties that are related to its main business such as gold, silver and others similar to the Company's products.
5. **Financial instruments:** Futures, forwards and options, etc.

(6) **Implementing entities**

According to the business, the implementing entities are the Company and its subsidiaries (excluding Shanjin International and its subsidiaries).

(7) **Term of authorization**

The term of authorization is from 1 January 2025 to 31 December 2025. It shall take effect upon approval by the shareholders' meeting.

II. RISKS ANALYSIS AND RISK CONTROL MEASURES

(1) **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, and 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 or incur losses to the Company due to the failure to execute contracts caused by the counterparty defaults, etc.

(2) **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 has formulated business management systems such as the Self-produced Gold Hedging Management Measures and the Bulk Trade Business Hedging Management Measures, which clarify business principles, organizational structure and responsibilities, business procedures, risk control, information disclosure, confidentiality and file management, and continuously strengthened its internal control management.
3. The Company strictly manages authorization, and the sizes of futures and other derivatives transactions shall be subject to the approval. Trading beyond limits is not allowed unless it gets approval. The Company implements a separation system for incompatible positions, and is equipped with professional clearing risk control positions. Leveraging a special information technology management and control platform, the Company continuously tracks changes in futures and derivatives prices and the use of trading quotas, and timely evaluates the operation of hedge business. Business personnel regularly report business conditions to the management. 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.
4. The Company trades futures and derivatives on the Shanghai Gold Exchange, the Shanghai Futures Exchange, the New York Metal Exchange and other legitimate exchanges. The counterparties selected for over-the-counter derivatives trading are large legitimate and qualified commercial banks, investment banks and other financial institutions or risk management companies, effectively avoiding credit risks related to trading.

III. ACCOUNTING POLICIES AND ACCOUNTING PRINCIPLES

The Company applies corresponding accounting treatments for business it intends to engage in in accordance with the Accounting Standards for Enterprises No.22 – Recognition and Measurement of Financial Instruments, the Accounting Standards for Enterprises No.37 – Presentation and Reporting of Financial Instruments, the Accounting Standards for Enterprises No.39 – Fair Value Measurement and other relevant regulations and guidelines of the Ministry of Finance, shows the results in the relevant items of the balance sheet and the income statement. The Accounting Standards for Enterprises No.24 – Hedge Accounting is not applicable to the Company. Therefore, the Company does not adopt hedge accounting temporarily.

IV. THE IMPACT OF TRADING ON THE COMPANY

1. The futures and derivatives trading business of the Company and its subsidiaries meets the actual needs of production and operation and is aimed at making full use of the hedging function of the financial market and improving the Company's ability to withstand the risks of market price fluctuations.
2. The futures and other derivatives of the Company and its subsidiaries are traded on open markets both at home and abroad, featuring high transparency, heavy trading, high liquidity and low credit risk. The transaction and settlement prices can fully reflect the fair values of futures and other derivatives.
3. The Company and its subsidiaries engage in hedging transactions involving futures and derivatives, with the types, scale and duration of such transactions matching the physical risk exposure. The relevant approval procedures comply with applicable national laws and regulations as well as the provisions of the Articles of Association. Meanwhile, the Company has established corresponding business management systems that specify detailed operating procedures and risk prevention measures for futures and derivatives trading by the Company and its subsidiaries. The Company has conducted risk assessments of potential business risks and implemented corresponding risk control measures. The Company and its subsidiaries possess adequate financial capacity and risk resilience to conduct such business activities. The risks are controllable and the business operations will not affect the normal business activities of the Company and its subsidiaries. The business does not harm the interests of all Shareholders.

RESOLUTION REGARDING THE CONDUCTING OF GOLD LEASING AND HEDGING PORTFOLIO BUSINESS IN 2025

Dear Shareholders and Shareholders' representatives,

To avoid the impacts of fluctuations in gold prices during lease of gold on production and operation of the Company and ensure its continuous and stable operating performance, the Company and its subsidiaries intend to engage in gold leasing and hedging portfolio business with the Shanghai Gold Exchange, the Shanghai Futures Exchange, banks and other financial institutions according to national policies and regulations to lock financing costs. The Company's application for gold leasing and hedging portfolio business in 2025 is now as follows:

I. OVERVIEW OF BUSINESS

(1) Purpose of trading

To avoid the impacts of fluctuations in gold prices during lease of gold on production and operation and ensure the continuous operation and stable performance of the Company, the Company intends to engage in gold leasing and hedging portfolio business with the Shanghai Gold Exchange, the Shanghai Futures Exchange, banks and other financial institutions, locking costs of leasing and improving the Company's production and operation and the power to resist risks. The above-mentioned hedging business carried out by the Company and its subsidiaries is based on the specific development of gold leasing, following the principles of legality, prudence, safety and effectiveness, and it will not affect the development of the Company's main business.

(2) Trading amount

According to the annual gold leasing plan of the Company, from 1 January 2025 to 31 December 2025, the maximum contract value held by the Company and its subsidiaries on the derivative trading days of portfolio business of gold leasing and hedging is estimated to be not more than RMB21.9 billion or its equivalents in other currencies. Within the aforementioned maximum amount, it can be used on a rolling basis.

(3) Estimated Scope of the Trading amount

According to the Resolution Regarding the Conducting of Derivatives Trading Business by Subsidiaries of Shanjin International in 2025 reviewed and approved by the Company and its holding subsidiary Shanjin International Gold Co., Ltd. ("**Shanjin International**"), the derivatives trading business of subsidiaries of Shanjin International in 2025 is expected to hold a maximum contract value of not more than RMB9 billion or its equivalents in other currencies on any trading day, and the amount of trading margin utilised will not be more than RMB0.7 billion or its equivalents in other currencies at any point of time.

The maximum contract value of derivatives for gold leasing and hedging business in 2025 of the Company and its subsidiaries set out in this proposal do not include the amount of futures and derivatives trading business conducted by Shanjin International and its subsidiaries.

(4) **Sources of funds**

The funds used by the Company and its subsidiaries for gold leasing and hedging business are equity funds and the lines of credit from banks and other financial institutions (mainly the lines of credit from financial institutions), and do not involve proceeds.

(5) **Trading methods**

1. **Exchanges for trading:** According to the actual business needs of the Company, the Company and its subsidiaries intend to conduct gold leasing and hedging business on the Shanghai Gold Exchange, the Shanghai Futures Exchange and other exchanges, and derivatives include but are not limited to gold deferred, gold forwards, gold swaps and gold futures.
2. **Over-the-counter trading:** The Company and its subsidiaries intend to engage in over-the-counter gold leasing and hedging business through commercial banks and other financial institutions (non-related party institutions) approved by regulatory authorities and qualified for derivatives trading business. As the gold leasing business conducted by the Company and commercial banks is usually comprehensive leasing, the gold leasing and hedging business is mainly over-the-counter transactions.

(6) **Implementing entities**

According to the business, the implementing entities are the Company and its subsidiaries (excluding Shanjin International and its subsidiaries).

(7) **Term of authorization**

The term of authorization is from 1 January 2025 to 31 December 2025. It shall take effect upon approval by the Shareholders' general meeting.

II. **RISKS ANALYSIS AND RISK CONTROL MEASURES**

(1) **Risk analysis**

The Company and its subsidiaries carry out gold leasing and hedging business not for the purpose of speculation, and conduct hedging operations while selling leased gold to avoid the impact of gold price fluctuations and lock in financing costs. However, there may still be some risks in the course of business:

1. **Internal control risks:** Hedge takes professional skills, and it is complex. An incomplete internal control mechanism or mistakes may cause risks.

2. **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.
3. **Other risks:** Relevant businesses may be affected by factors such as global politics, wars, the economy and changes of laws, and they may face risks due to counterparty defaults, etc.

(2) Risk control measures

1. The Company and its subsidiaries strictly comply 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 their operations.
2. The Company has formulated the Gold Leasing and Hedging Business Management Measures according to relevant laws and regulations and based on its actual business operations, which clarifies business principles, organizational structure and responsibilities, business procedures, supervision and risk control. All measures are practical and effective and meet the actual business needs.
3. The Company rigorously manages authorization, and the scale, types, and duration of transactions shall be subject to the consideration and approval. It reasonably arranges and utilizes the approved quotas and conducts realtime monitoring and statistics. Trading beyond limits is not allowed unless it gets approval.
4. The Company and its subsidiaries conduct transactions on the Shanghai Gold Exchange, the Shanghai Futures Exchange and large legitimate and qualified commercial banks and other financial institutions, avoiding credit risks related to trading.

III. ACCOUNTING POLICIES AND ACCOUNTING PRINCIPLES

The Company applies corresponding accounting treatments for business it intends to engage in in accordance with the Accounting Standards for Enterprises No.22 – Recognition and Measurement of Financial Instruments, the Accounting Standards for Enterprises No.37 – Presentation and Reporting of Financial Instruments, the Accounting Standards for Enterprises No.39 – Fair Value Measurement and other relevant regulations and guidelines of the Ministry of Finance, shows the results in the relevant items of the balance sheet and the income statement. The Accounting Standards for Enterprises No.24 – Hedge Accounting is not applicable to the Company. Therefore, the Company does not adopt hedge accounting temporarily.

IV. THE IMPACT OF TRADING ON THE COMPANY

1. The gold leasing and hedging business carried out by the Company and its subsidiaries meets the actual needs of production and operation and is aimed at making full use of the hedging function of the financial market to achieve the effect of locking costs of leasing and ensuring the Company's financial security and the sustainable development of its main business.

2. The Company and its subsidiaries engage in hedging transactions involving futures and derivatives, with the types, scale and duration of such transactions matching the physical exposure risks. The relevant approval procedures comply with applicable national laws and regulations as well as the provisions of the Articles of Association. Meanwhile, the Company has established corresponding business management systems that specify detailed operating procedures and risk prevention measures for futures and derivatives trading by the Company and its subsidiaries. The Company has conducted risk assessments of potential business risks and implemented corresponding risk control measures. The Company and its subsidiaries possess adequate financial capacity and risk resilience to conduct such business activities. The risks are controllable and the business operations will not affect the normal business activities of the Company and its subsidiaries. The business does not harm the interests of all Shareholders.

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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)

NOTICE OF 2024 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2024 annual general meeting (the “AGM”) of Shandong Gold Mining Co., Ltd. (the “**Company**”) will be held at the conference room of the Company, No. 2503, Jingshi Road, Licheng District, Jinan, Shandong Province, the PRC at 9:30 a.m. on Wednesday, 11 June 2025 for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. To approve the 2024 Work Report of the Board of Directors (the “**Board**”)
2. To approve the 2024 Work Report of the Supervisory Committee
3. To approve the 2024 Work Report of the Independent Non-executive Directors
4. To approve the 2024 Final Financial Report
5. To approve the 2024 Annual Report and its extracts
6. To approve the profit distribution proposal for 2024
7. To approve the resolution regarding the Company proposing to the general meeting to authorize the Board to formulate and implement the 2025 interim dividend distribution plan
8. To approve the investment plan for 2025
9. To approve the resolution regarding the re-appointment of auditor for 2025
10. To approve the resolution regarding the 2024 Appraisal Report on Internal Control
11. To approve the resolution regarding the 2024 Sustainability Report
12. To approve the resolution regarding the special report on the deposit and actual use of proceeds in 2024

NOTICE OF 2024 ANNUAL GENERAL MEETING

13. To approve the resolution regarding the Company's guarantee facility for the Hong Kong subsidiary for 2025
14. To approve the resolution regarding the conducting of futures and derivatives transactions in 2025
15. To approve the resolution regarding the conducting of gold leasing and hedging portfolio business in 2025

SPECIAL RESOLUTION

16. To approve the resolution on general mandate to issue H shares

“THAT:

- (a) The Board be and is hereby authorized to issue separately or concurrently, and decide to issue, allot and deal with H shares (the “**H Shares**”) and the terms and conditions of issuance in accordance with market conditions during the authorization period:
 - (i) the class and number of shares to be issued;
 - (ii) the pricing methods and/or the issue price (including the price range) of shares;
 - (iii) the commencement and end date of such issue;
 - (iv) the class and number of shares to be issued to existing shareholders; and/or
 - (v) to make any proposals, enter into any agreements or grant any share options which might require the exercise of such powers.
- (b) The total number of H Shares separately or concurrently, issued, allotted and dealt with by the Board (whether or not by way of the share options or by any other means) in accordance with the mandate mentioned as sub-paragraph (a) above shall not exceed 20% of the number of the H Shares of the Company in issue as at the date of this resolution being approved by the 2024 annual general meeting.
- (c) During the Relevant Period (as defined in subparagraph (d) below), the Board may make proposals, enter into any agreements or grant any share options which require or may require the exercise of the power mentioned above, after the expiry of the Relevant Period.
- (d) For the purpose of this resolution, “**Relevant Period**” means the period from the passing of this resolution on the 2024 annual general meeting until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting of the Company;

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- (ii) the expiration of the 12-month period from the date of the passing of this resolution on the general meeting;
 - (iii) the date on which the mandate set out in this resolution is revoked or varied by a special resolution of the Company in a general meeting.
- (e) The Board be and is hereby authorized to increase the registered share capital accordingly and make such amendments to the Articles of Association as it thinks fit so as to reflect new capital structure and registered share capital in accordance to the manner of the allotment and issuance, class and number of shares of the Company allotted and issued, as well as the actual situation of the capital structure of the Company after such allotment and issuance.
- (f) In order to facilitate the General Mandate to issue H Shares in accordance with the aforesaid provisions in a timely manner, the Board be and is hereby approved and authorized, subject to the passing of the aforesaid matters as contained in sub-paragraphs (a) to (e) at the general meeting and within the Relevant Period, for:
 - (i) depending on the actual market conditions, the Board is authorized to determine the method of issuance, the target for issuance as well as the amount and proportion of each target for issuance, pricing method and/or issue price (including price range), the commencement and end time, the listing time, use of proceeds and other information;
 - (ii) engaging necessary professional agencies and signing relevant agreements or contracts;
 - (iii) signing the underwriting agreement, sponsor's agreement, listing agreement and other documents as considered necessary for executing the General Mandate to issue H Shares on behalf of the Company;
 - (iv) handling the issues on registration of change in registered share capital and equity registration on a timely basis according to the method, type and number of the shares issued and the actual situation of the capital structure of the Company upon completion of such issuance;
 - (v) applying for approval, registration, filing and other procedures in connection with the issuance and listing of such shares from the relevant competent authorities on behalf of the Company;
 - (vi) determining and paying the relevant listing fee and application fee;
 - (vii) amending the Articles of Association accordingly and arranging necessary registration and filing procedures on a timely basis according to the method, type and number of the shares issued and the actual situation of the capital structure of the Company upon completion of such issuance;

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- (viii) all other procedures and matters as the Board may consider necessary in connection with the issuance of shares, so long as the same does not contravene any applicable laws, rules, regulations or the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Articles of Association.
- (g) The Board of the Company will only exercise its respective power under such mandate in accordance with the Company Law of the PRC, the Securities Law of the PRC, and the regulatory rules on which the shares of the Company are listed (as amended from time to time) and only if all necessary approvals from the China Securities Regulatory Commission and other relevant government authorities are obtained and the Board will only exercise its power under such mandate in accordance within the scope of power granted by the shareholders to the Board at the general meeting.”

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

Jinan, the PRC, 21 May 2025

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

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Notes:

1. All holders of H Shares whose names appear on the register of members of the Company on Friday, 6 June 2025 are entitled to attend the AGM and should bring along their identity cards or passports when attending the AGM. Holders of the Company's H Shares should note that the register of members of the Company will be closed from Friday, 6 June 2025 to Wednesday, 11 June 2025 (both dates inclusive) during which period no transfers of H Shares will be effected. All transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Thursday, 5 June 2025. The record date and arrangements in respect of the holders of A Shares of the Company who are entitled to attend the AGM will be determined and announced separately in the PRC.
2. Any shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy or more proxies (who need not be a shareholder of the Company) to attend the AGM and vote thereat in his/her stead. For any shareholder who appoints more than one proxy, the voting right can only be exercised by his/her proxies on a poll.
3. Any shareholder who intends to appoint a proxy to attend the AGM shall put it in writing, with the proxy form to be signed by the appointor or his/her attorney duly authorized in writing. If the appointor is a corporation, the proxy form must be affixed with its common seal, or signed by any of its directors or attorney duly authorized in writing. If the proxy form is signed by an attorney authorized by the appointor, the power of attorney or other authorization documents must be notorially certified. The notorially certified power of attorney or other authorization documents together with the proxy form must be delivered by hand, by post or by facsimile to the Company's H share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H shareholders only) not later than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof (as the case may be) (i.e. before 9:30 a.m. on Tuesday, 10 June 2025). Completion and return of the proxy form will not affect the rights of the shareholders to attend and vote at the AGM in person.
4. Proxies of holders of the Company's H Shares shall bring along the proxy form, instrument(s) for appointing a proxy (if applicable) and the proxies' identity cards or passports to attend the AGM.
5. According to Article 108 of the Articles of Association, an ordinary resolution shall be passed by more than half of the votes cast by the shareholders (including proxies) present at the general meeting, while a special resolution shall be passed by more than two-thirds of the votes cast by the shareholders (including proxies) present at the general meeting.
6. Directors, supervisors and senior management of the Company and the witnessing lawyers and other relevant personnel employed by the Company will attend the AGM.
7. If H Shareholders intend to register for the AGM, please contact the Board office of the Company before 4:30 p.m. on Friday, 6 June 2025 (Email: hj600547@163.com; Phone: 0531-67710376).